

**FRANCHISE DISCLOSURE DOCUMENT****(California)**

Received  
LA Mailroom  
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Department of  
Business Oversight

Escape Enterprises, Ltd.  
an Ohio limited liability company  
222 Neilston Street  
Columbus, Ohio 43215  
614/224-0300  
url: [www.steakescape.com](http://www.steakescape.com)

The franchisee will operate a retail food outlet using the trade name “STEAK ESCAPE SANDWICH GRILL®”, or a variation thereof. The franchised system is a comprehensive food service operation that specializes in the retail sale of specialty sandwiches, specialty salads, specialty potatoes, fresh-cut french fries and fresh made lemonade and utilizes certain unique in-store merchandising techniques, with a strict adherence to uniform procedures to offer products of the highest quality. The total investment necessary to begin operation of a STEAK ESCAPE SANDWICH GRILL franchise is \$148,250 to \$561,000 (not including the cost of the space and new store operational assistance reimbursements of expenses, which vary too widely to be estimated with any accuracy). This includes \$35,000 that must be paid to the Franchisor or an affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Vanessa Salazar at 222 Neilston Street, Columbus, Ohio 43215 and 614-224-0300.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as *A Consumer's Guide to Buying a Franchise*, which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: **March 31, 2016**

## STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR, IN CERTAIN SITUATIONS, LITIGATION, ONLY IN OHIO. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN OHIO THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT OHIO LAW GOVERNS THE AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISEE'S SPOUSE MUST SIGN A GUARANTY AGREEMENT MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT WHICH ALSO PLACES THE SPOUSE'S PERSONAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
4. YOU WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$148,250-\$561,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER'S EQUITY OF \$136,853 AS OF DECEMBER 31, 2015.
5. THE FRANCHISOR'S FINANCIAL STATEMENTS SHOW THAT THE FRANCHISOR IS A GUARANTOR OF DEBT FOR AN AFFILIATED CORPORATION. IN THE EVENT THAT THE AFFILIATED CORPORATION DEFAULTS UNDER ITS LOAN AGREEMENT, AND THE VALUE OF THE COLLATERAL IS INSUFFICIENT TO REPAY THE OBLIGATIONS, THE

FRANCHISOR MAY BE REQUIRED TO PERFORM UNDER THE GUARANTEE.

6. YOUR BUSINESS WILL BE AFFECTED BY CHANGES IN CONSUMER TASTES, DEMOGRAPHIC PATTERNS, CHARACTER OF THE AREA WHERE YOUR RESTAURANT IS LOCATED, WEATHER, COMPETITION, INFLATION, FOOD COSTS, COST OF MOTOR FUELS, GOVERNMENT REGULATIONS LIKE REQUIRED DISCLOSURE OF NUTRITIONAL INFORMATION, PUBLIC ATTENTION TO INGREDIENTS, HEALTH AND NUTRITION CONCERNS, HEALTH CODES, ZONING, ENVIRONMENT CONCERNS, WAGE AND PRICE CONTROLS, EMPLOYMENT AND WAGE LEVELS, ENERGY USAGE, AND OTHER OPERATING COSTS.
7. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.
8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

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