

## FRANCHISE DISCLOSURE DOCUMENT

Steak n Shake Enterprises, Inc. (an Indiana Corporation)  
107 South Pennsylvania St., Suite 400  
Indianapolis, Indiana 46204  
Tel. (317) 633-4100  
URL: <http://www.steaknshakefranchise.com>  
Email: [tonya.sallee@steaknshake.com](mailto:tonya.sallee@steaknshake.com)



As a franchisee, you will own and operate a Steak n Shake By Biglari Restaurant.

The total investment necessary to begin operation ranges from \$413,000 to \$2,522,000 for a Steak n Shake by Biglari Restaurant. These totals include approximately \$520,000 to \$1042,000 that must be paid to us or our affiliates. If you sign an Area Development Agreement, you will pay us a Per Unit Deposit of \$15,000 to \$20,000 per location (applicable to the Franchise Fee) and a Territory Fee of \$0 to \$20,000 per location, which amounts are multiplied by the number of restaurants you will develop.

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 Rebecca Willis at 107 South Pennsylvania St., Suite 400, Indianapolis, Indiana 46204, (317) 656-4574, [rebecca.willis@steaknshake.com](mailto:rebecca.willis@steaknshake.com).

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, D.C. 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 10, 2014, as amended October 31~~ December 15, 2014

## 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 THIS FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT 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, AREA DEVELOPMENT AGREEMENT AND LICENSE AGREEMENT REQUIRE YOU TO RESOLVE SUITS WITH US BY LITIGATION/ARBITRATION OR MEDIATION ONLY IN INDIANA. OUT OF STATE ARBITRATION/LITIGATION/MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE/ARBITRATE/MEDIATE WITH US IN INDIANA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT AND LICENSE AGREEMENT STATE THAT INDIANA 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. WE AND OUR AFFILIATES MAY ESTABLISH AND FRANCHISE STEAK N SHAKE BY BIGLARI RESTAURANTS IN STADIUMS, SCHOOLS, AIRPORTS, OR OTHER CAPTIVE FACILITY LOCATIONS WITHIN THE PROTECTED AREA OF THE DEVELOPER OR FRANCHISEE, AND MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC, UNDER THE SAME AND/OR DIFFERENT TRADEMARK, IN COMPETITION WITH THIS FRANCHISE.
4. UNLESS PROHIBITED BY APPLICABLE LAW, WE RESERVE THE RIGHT TO ESTABLISH MAXIMUM AND MINIMUM PRICES THAT YOU MAY CHARGE FOR PRODUCTS AND SERVICES OFFERED BY YOUR RESTAURANT AND YOU MUST COMPLY WITH OUR DIRECTIVE.
5. IF YOU VIOLATE THE TERMS OF THE FRANCHISE AGREEMENT, WE MAY ASSESS A \$100 PER WEEK DEFAULT FEE.
6. THERE MAY BE OTHER RISK FACTORS REGARDING 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, and not you. We pay this person a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.**

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