

# STATE COVER PAGE



Your state may have a franchise law that requires a franchiser 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 RECEIVES THE INFORMATION IN THIS DISCLOSURE DOCUMENT. DEPT. OF CORPORATIONS SAN FRANCISCO

Call the state franchise administrator listed in Exhibit A for information about the franchiser, or about franchising in your state. 12 MAR 21 10:36

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 AND AREA DEVELOPMENT AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN CALIFORNIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT AND THE AREA DEVELOPMENT AGREEMENT STATES THAT CALIFORNIA 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.
4. YOUR FRANCHISE AGREEMENT CONTAINS A MANDATORY ARBITRATION CLAUSE.

Information about comparisons of franchisors is available. Call the state administrators listed in Exhibit A or your public library for sources of information.

Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this offering circular. If you learn that anything in this offering circular is untrue, contact the Federal Trade Commission and the appropriate state administrator listed in Exhibit A.

We do not use the services of FRANCHISE BROKERS or referral sources to assist in selling a franchise.

Effective Date: \_\_\_\_\_

**CALIFORNIA ADDENDUM  
TO THE UNIFORM FRANCHISE DISCLOSURE DOCUMENT OF  
THE CHEESE STEAK SHOP FRANCHISE CORPORATION  
REQUIRED BY THE STATE OF CALIFORNIA**

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE UNIFORM FRANCHISE DISCLOSURE DOCUMENT.

California business and Professions Code Sections 20000 through 20043 provide rights to the franchise concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement and area development agreement provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Section 31512 of the Franchise Investment Law (FIL) and 20010 of the California Franchise Relations Act (CFRA) provide that any condition, stipulation or provision purported to bind you to waive compliance with any provision of these laws is void. Therefore, any release of claims that you must sign as a condition of renewal or transfer may not apply to claims arising under the FIL or CFRA.

The franchise agreement requires binding arbitration. The arbitration will occur at a location determined by the rules of Judicial Arbitration & Mediation Services, Inc. The cost of arbitration will be borne equally by the parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The area development agreement requires binding arbitration. The area development agreement does not state where the arbitration will occur or who will bear the costs. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Corporations prior to a solicitation of a proposed material modification of an existing franchisee.

The effective date of this Uniform Franchise Disclosure Document is \_\_\_\_\_.

The provisions of the Appendix only apply if the jurisdictional requirements of the California Franchise Investment Law are met independently without reference to this Appendix and to the extent that they are then valid requirements of the statute.

The Cheese Steak Shop Franchise Corporation reserves the right to challenge the applicability of any law that declares provisions in the Franchise Agreement void or unenforceable.

**OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT WWW.CORP.CA.GOV.**



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# **CHEESE STEAK FRANCHISE CORPORATION**

## **FRANCHISE DISCLOSURE DOCUMENT**

**2012**

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