

FRANCHISE DISCLOSURE DOCUMENT**THE HALAL GUYS FRANCHISE INC**

a New Jersey corporation
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DEPARTMENT OF
BUSINESS OVERSIGHT
SAN FRANCISCO

The franchise offered is for a quick-service restaurant operating under the name "The Halal Guys" serving signature meats and sauces over rice and other popular Arabic street food items prepared to Halal standards for dine-in and take-out

The total investment necessary to begin operation of a The Halal Guys franchise is \$233,600 to \$844,000 This includes between \$42,000 to \$74,000 that must be paid to the franchisor

If you enter into a Multi-Unit Operator Agreement to develop at least three The Halal Guys restaurants, when you sign the Multi-Unit Operator Agreement you will pay a development fee equal to 100% of the initial franchise fee for the first restaurant to be developed, plus a deposit of 50% of the initial franchise fee for each additional restaurant to be developed under the Multi-Unit Operator Agreement The total estimated investment under a Multi-Unit Operator Agreement to develop three The Halal Guys Franchises is **\$273,600 to \$876,500** This includes \$80,000 that must be paid to the franchisor and/or its affiliate The total investment under a Multi-Unit Operator Agreement will vary depending on the number of Restaurants to be developed

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 the 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 government 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 Mohamed Abouelenein at 131 Main Street, Suite 240, Hackensack, New Jersey and (1800) 342-8133

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

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

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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 I 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 AND MULTI-UNIT OPERATOR AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION ONLY IN THE STATE OF NEW JERSEY. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE AND LITIGATE WITH US IN THE STATE OF NEW JERSEY THAN IN YOUR OWN STATE
- 2 THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT STATE THAT NEW JERSEY LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS
- 3 THE FRANCHISOR WAS FORMED IN JUNE 2014 AND HAS NO OPERATING HISTORY OR RECORD OF PERFORMANCE. A PROSPECTIVE FRANCHISEE SHOULD EXAMINE THE FINANCIAL STATEMENTS WHEN DECIDING WHETHER TO PURCHASE A FRANCHISE
- 4 YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTY MAKING YOUR SPOUSE INDEPENDENTLY LIABLE FOR THE FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. THE GUARANTY WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS
- 5 THE FRANCHISOR HAS THE RIGHT TO BUY BACK THE RESTAURANT AND RESTAURANT ASSETS. IF THE FRANCHISOR EXERCISES THIS RIGHT FOR ANY REASON, THEY WILL PROVIDE YOU WITH NINETY DAYS NOTICE
- 6 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 next page for state effective dates

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