

FRANCHISE DISCLOSURE DOCUMENT

THE ORIGINAL MELS®

The Original Mel's Investment Group
A California Limited Liability Company
3941 Park Drive Ste 20-369
El Dorado Hills, CA 95762
(916) 458-8135
franchise@originalmels.com
www.originalmelsdiner.com

2017 APR 10 AM 10 12
DEPARTMENT OF
BUSINESS OVERSIGHT
SAN FRANCISCO

The Original Mel's Investment Group, LLC dba The Original Mels Diners Franchising Co (also referred to as "the Company") is offering a franchise system to operate a The Original Mels® 1950s family-style diner restaurant. Qualified franchisees may also apply to become an Area Developer and develop a number of The Original Mels restaurants in an agreed upon development area and enter into an Area Development Agreement.

The total investment necessary to begin operation of a single The Original Mels franchise is \$801,500 to \$1,582,000. This includes \$35,000.00 that must be paid to the franchisor. The total investment necessary for an Area Developer to operate multiple The Original Mels restaurants under an Area Development Agreement is \$826,500 - \$1,751,000 per restaurant. This includes \$60,000 that must be paid to the franchisor.

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.**

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure 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 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.

Issued March 31, 2017

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 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 franchiser, 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 WE BEGAN SELLING FRANCHISES AND AREA DEVELOPMENT RIGHTS IN SEPTEMBER 2015. OUR RECORD OF PERFORMANCE IS YET TO BE DETERMINED. YOU SHOULD TAKE INTO ACCOUNT THIS INFORMATION IN DECIDING WHETHER TO PURCHASE THIS FRANCHISE.
- 2 YOUR FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT CONTAIN A MANDATORY ARBITRATION CLAUSE. THE ARBITRATION WILL OCCUR IN SACRAMENTO, CA, WITH THE COSTS BEING SPLIT BETWEEN THE PARTIES. A PARTY SEEKING TO ENFORCE AN ARBITRATION AWARD WILL BEAR THE COSTS OF ENFORCEMENT.
- 3 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.
- 4 INDIVIDUAL FRANCHISEES ARE REQUIRED TO SIGN THE FRANCHISE AGREEMENT PERSONALLY OR TO SIGN A PERSONAL GUARANTEE IF THE FRANCHISEE IS A BUSINESS ENTITY AND WILL BE PERSONALLY LIABLE FOR ALL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT.
- 5 THE TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THE FRANCHISOR CONTROLS.
- 6 THE ANTITRUST LAW SECTION OF THE OFFICE OF THE CALIFORNIA ATTORNEY GENERAL VIEWS PRICE AGREEMENTS AS PER SE VIOLATIONS OF THE CARTWRIGHT ACT.
- 7 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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 currently use the services of FRANCHISE BROKERS or referral sources to assist in selling a franchise, but reserve the right to do so.

Effective Date (Pending)

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/the-original-mels>