

FRANCHISE DISCLOSURE DOCUMENT



ANGRY CHICKZ FRANCHISING LLC
CALIFORNIA LIMITED LIABILITY COMPANY
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The franchise offered is for an Angry Chickz restaurant featuring boneless, breaded chicken, fries, mac & cheese, coleslaw, rice and other authorized food, beverages and novelty items. We offer 2 franchise programs:

1. A single Restaurant. The total investment necessary to begin operation of an Angry Chickz franchise ranges from \$603,000 to \$1,323,000. This includes \$70,000 to \$76,000 that must be paid to the franchisor or its affiliates.
2. Multiple Restaurants within a defined area pursuant to an Area Development Agreement. The total investment necessary to begin operation of an Angry Chickz franchised business under an Area Development Agreement (for 2 to 5 businesses) ranges from \$95,000 to \$205,000. This includes \$75,000 to \$150,000 that must be paid to the franchisor or its affiliates. [You are not required to sign the first franchise agreement with the Development Agreement; the fees paid under the Development Agreement are credited to the fees due under the franchise agreements.](#)

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 disclosure in different formats, contact Mike LaRue at 15301 Ventura Boulevard, Building B Suite 250, Sherman Oaks, California 91403, (818) 578-4361.

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 an attorney 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.

Issuance date: May 9, 2025

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.
2. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
5. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
6. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

Provision	Section in Franchise Agreement	Summary
s. Modification of the agreement	§ 18.7	The Franchise Agreement may be modified only by written agreement between the parties.
t. Integration/Merger clause	§ 18.7	Only the terms of the Franchise Agreement and other written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not applicable § 17	<u>Subject to applicable state law, disputes must be submitted to arbitration.</u>
v. Choice of forum	§§ 17.1 - 17.3	<p>You and we agree that all arbitrations will be held at a suitable location to be chosen by the arbitrator which is within twenty-five (25) miles of our principal business address at the time that the arbitration action is filed, and you and we both waive the right to a trial by jury to the maximum extent permitted.</p> <p>Any and all claims and actions must be brought or asserted before the expiration of the earlier of (a) the time period for bringing an action under any applicable state or federal statute of limitations; (b) one (1) year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (c) two (2) years after the first act or omission giving rise to an alleged claim; or its expressly acknowledged and agreed by all parties that such claims or actions shall be irrevocably barred. Claims attributable to underreporting of sales, and claims of the parties for failure to pay monies owed and/or indemnification shall be subject to only the applicable state or federal statute of limitations.</p> <p>These provisions may be subject to applicable state law.</p>
w. Choice of law	§ 18.6	<p>California law applies, except for the provisions respecting non-competition, which are governed by local law.</p> <p>These provisions may be subject to applicable state law.</p>

This table lists certain important provisions of the Area Development Agreement. You should read these provisions in the agreement attached to this disclosure document.

Provision	Section in Area Development Agreement	Summary
		<p>25% or more of whose gross sales is derived from the sale of boneless breaded chicken, other than a Restaurant operated pursuant to a validly subsisting Franchise Agreement with us, or (ii) any business that specializes in developing, owning, operating or franchising restaurants 25% or more of whose gross sales is derived from the sale of boneless breaded chicken, or (iii) any business engaged in the preparation, production or sale, at wholesale, of any boneless breaded chicken food products.</p> <p>. “Competitive Activities” does not include the direct or indirect ownership solely as an investment, of securities of any entity which are traded on any national securities exchange if applicable owner thereof (i) is not a controlling person of, or a member of a group which controls, the entity and (ii) does not, directly or indirectly, own 5% or more of any class of securities of the entity.</p>
r. Non-competition covenants after the franchise is terminated or expires	§ 8.2	<p>Except with our express written consent, no involvement in any Competitive Activities, as defined above, for 2 years within the Development Area or within a radius of 10 miles from any then-existing Angry Chickz Restaurant.</p> <p>These provisions may be subject to applicable state law.</p>
s. Modification of the agreement	§ 12.9	The agreement may be modified only by written agreement between the parties.
t. Integration/merger clause	§ 12.9	Only the terms of the Area Development Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not applicable §11	<u>Subject to applicable state law, disputes must be submitted to arbitration.</u>
v. Choice of forum	§§ 11.1 - 11.3	You and we agree that all arbitrations will be held at a suitable location to be chosen by the arbitrator which is within twenty-five (25) miles of our principal business address at the time that the arbitration action is filed, and you and we both waive the right to a trial by jury to the maximum extent permitted.

Notes:

1. “Gross Sales” means the gross selling price of all goods and services sold or provided in or from your Restaurant, including the total of all revenues received or receivable by you as payment, whether in cash, for credit, redemption of gift cards (or the like), or barter or received as donation, or other means of exchange (and, if for credit or barter, whether or not payment is received therefor), on account of any and all goods, merchandise, services or products sold or provided in or from your Restaurant or which are promoted or sold under any of the Marks, whether or not we have authorized such goods or services to be offered and sold, including; (a) delivery and/or catering fees, service charges, and the like (except service charges disclosed as gratuities and actually paid to employees); (b) revenues from sales of any nature or kind whatsoever, derived by you or by any other person or entity from your Restaurant; (c) revenues from sales of all products or services at your Restaurant, whether in compliance or in contravention of the franchise agreement; and (d) the proceeds of any business interruption insurance, after the satisfaction of any applicable deductible (but assuming the full gross revenues achievable by Franchisee). Notwithstanding the foregoing, “Gross Sales” shall: (i) be calculated before reduction of any amounts (whether fees or expenses) from any third-party order or delivery applications, platforms, marketplaces, or the like, and other persons or vendors that may collect funds from a customer and remit a balance to you, unless we specify otherwise; and (ii) exclude the following: (1) sums representing sales taxes collected directly from customers by you in the operation of your Restaurant, and any sales, value added or other tax, excise or duty charged to customers which is levied or assessed against you by any Federal, state, municipal or local authority, based on sales of specific goods, products, merchandise or services sold or provided at or from your Restaurant, provided that such taxes are actually transmitted to the appropriate governmental authority; (2) tips or gratuities paid to employees; (3) proceeds from isolated sales of furniture, fixtures and equipment (other than inventory); (4) bona fide refunds paid to customers (subject to any limitations in the Manuals); (5) uncollectible amounts, provided that uncollectible amounts cannot exceed 0.5% of Gross Sales in any fiscal year and subsequent collections of such amounts shall be included in Gross Sales when collected; and (6) and the retail price of any gift certificates and vouchers when sold but not yet redeemed. No deduction is made for commissions paid to any third-party order or delivery applications, platforms, marketplaces, or the like.
2. The tables above present the unaudited gross sales information for each affiliate owned store. The source of the data is the records of these affiliate-owned stores. These affiliate owned stores are operated in the same manner as franchised stores will operate [and there are no material financial or operational characteristics that are reasonably anticipated to differ from future franchised stores](#).
3. No franchised stores are included because our first franchised store opened in calendar year 2024 and we do not have adequate data to include for that store.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you’ll sell as much. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Except as provided above, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Mike LaRue at 15301 Ventura Boulevard, Building