

## FRANCHISE DISCLOSURE DOCUMENT



**Nathan's Famous Systems, Inc.**  
(a Delaware corporation)  
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We offer franchises for the operation of "Nathan's Famous" restaurants. "Nathan's Famous" restaurants are fast-service restaurants operating in buildings that feature our trade dress. A "Nathan's Famous" restaurant offers customers our proprietary hot dogs (made with our proprietary spice formula) as well as crinkle-cut french fries, hamburgers, assorted sandwiches, platters, and other fast-service menu items.

The estimated total initial investment necessary to begin operation of a "Nathan's Famous" restaurant franchise varies depending on the type of restaurant operated: \$554,350 to \$2,032,610 for a "traditional" free-standing restaurant; (\$573,850 to \$2,070,610 if you wish to add an "Arthur Treacher's Co-Branded Operation" to that restaurant); \$359,100 to \$1,146,860 for an "in-line" restaurant or restaurant operated in a "food court;" (\$378,600 to \$1,184,860 if you wish to add an "Arthur Treacher's Co-Branded Operation" to that restaurant); \$103,850 to \$305,000 for a restaurant operated from a kiosk (and, if you decide to build the optional preparation area, your additional costs for the preparation area will range from \$21,000 to \$90,000) (\$144,350 to \$433,000 if you wish to add an "Arthur Treacher's Co-Branded Operation" to the restaurant), and \$82,200 to \$364,100 for a restaurant operated as a Mobile Unit. This includes an initial fee of \$30,000 (\$15,000 for restaurants operated from a kiosk, Mobile Unit or a limited menu restaurant) (see Item 5 for details) that you must pay to us. These figures do not include co-branding costs (see below).

~~If you wish to add an "Arthur Treacher's Co-Branded Operation" to your "Nathan's Famous" restaurant, you will incur additional estimated costs of \$19,500 to \$38,000.~~

If you sign an area development agreement, your estimated initial investment under that agreement will vary depending on how many restaurants you will develop. This includes a development fee that you must pay to us, the amount of which will be subject to our mutual discussion and agreement, and will vary under the circumstances taking into account a number of factors. See Item 5 for details.

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 Eric Gatoff at the address and telephone number listed above. 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.