

## FRANCHISE DISCLOSURE DOCUMENT



**E & G FRANCHISE SYSTEMS, INC.**  
800 Wisconsin St. Mailbox 74Bldg D2  
Suite 315  
Eau Claire, Wisconsin 54703  
(715) 833-1375  
[www.erbertandgerberts.com](http://www.erbertandgerberts.com)  
[ewolfe@egsubs.com](mailto:ewolfe@egsubs.com)

E & G Franchise Systems, Inc. (the "Company") franchises Erbert & Gerbert's Sandwich Shop restaurants ("E & G Restaurants"), which feature gourmet sandwiches and specialty soups to be served on the premises and for pick-up by, or delivery to, the customer.

The total investment necessary to begin operation of an E & G Restaurant in a Traditional Location is from \$193,820 to \$460,270. This includes \$32,500 to \$35,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of an E & G Restaurant in a Non-Traditional Location is from \$39,500 to \$196,750. This includes \$6,250 to \$10,750 that must be paid to the franchisor or affiliate. If you sign an Area Development Agreement, you will pay us a nonrefundable Territory Fee of \$10,000 times the number of E & G Restaurants you agree to develop. We will apply the \$10,000 payment against future Initial Franchise Fees for your E & G Restaurants that you develop under the Area Development Agreement.

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 Wolfe at 800 Wisconsin St Mailbox 74, Bldg D2 Suite 315, Eau Claire, Wisconsin 54703, (715) 833-1375.

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.

Issuance Date: April 5<sup>th</sup>, 2023

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## STATE LAW ADDENDUM - MINNESOTA

Notwithstanding anything contained in the Franchise Agreement, Area Development Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Minnesota Franchise Act shall apply to any franchise or franchisee located in the State of Minnesota, which shall control to the extent of any inconsistency:

1. Section X.B of the Franchise Agreement and Item 13 of the FDD: We agree to protect you against claims of infringement or unfair competition with respect to your authorized use of the Marks when, in the opinion of counsel to us, your rights granted therein warrant protection.
2. Section XIX.F of the Franchise Agreement, Article 11.6 in the Area Development Agreement, the State Cover Sheet and Item 17v and 17w of the FDD are modified to provide the following: Minn. Stat. §§80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the law of Minnesota.
3. Section XIX.F of the Franchise Agreement, Article 7 in the Area Development Agreement and Item 17 of the FDD are hereby modified to provide the following: With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sect 80C.14, subds. 3, 4 and 5 which require, except in certain specified cases, that you will be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.
4. Sections V.C and XVI.B.4 of the Franchise Agreement and 17.b and 17.m of the FDD are hereby modified as follows: Any release executed in connection herewith will not apply to any claims that may arise under the Minnesota Franchise Act.
5. Sections XIX.F and XXIII.B of the Franchise Agreement, Articles 11.6 and 11.14 of the Area Development Agreement and 17b, 17.v and 17.w of the FDD are hereby modified to the extent required by the follows:

"Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400 (J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

6. Section XXIII.D of the Franchise Agreement is hereby modified as follows: The limitation of claims is 3 years instead of 1 year pursuant to the Minnesota Statutes, Section 80C.17, Subd.5.

7.

6-8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

- 7-9. Other Provisions Unaffected: All other terms and provisions contained in the Franchise Agreement, Area Development Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

E & G FRANCHISE SYSTEMS, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

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

DEVELOPER

By: \_\_\_\_\_

Its: \_\_\_\_\_

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

STATE LAW ADDENDUM - NORTH DAKOTA

The following modifies and supersedes the Franchise Disclosure Document ("FDD"), Franchise Agreement and the Area Development Agreement ("ADA") with respect to franchises offered for sale or sold in the State of North Dakota, as followings:

1. Item 17 (c): The requirement that the franchisee sign a release upon renewal of the Franchise Agreement (Section V.C), is unenforceable to the extent that it conflicts with North Dakota law.
2. Item 17(r): The covenant not to compete found in the Franchise Agreement (Section XII) is generally considered unenforceable to the extent that the covenant conflicts with North Dakota law.
3. Item 17(v): The provisions in the Franchise Agreement (Section XIX.F) or ADA (Article 11.6) that require franchisee to consent to litigation being conducted in a forum other than the State of North Dakota are unenforceable to the extent that these provisions conflict with North Dakota law.
4. The provisions concerning waiver of trial by jury in the Franchise Agreement (Section XXIII.B) and Area Development Agreement (Article 11.14) are unenforceable to the extent that these provisions conflict with North Dakota law.
5. The provisions in the Franchise Agreement (Section XXIII.D) that require franchisees to consent to a limitation of claims are unenforceable to the extent that they conflict with North Dakota law. The statute of limitations under North Dakota law will then apply.
6. Item 17(w): The provisions in the Franchise Agreement (Section XIX.F) or ADA (Article 11.6) that require these agreement be governed by a state's law, other than the State of North Dakota, are unenforceable to the extent that these provisions conflict with the North Dakota law. The North Dakota Law will then apply.
7. Franchisor will not collect from franchi see and franchisee will not owe to franchisor either the Initial Franchise Fee or the Territory Fee until franchisor's initial obligations owed to franchisee under the Franchise Agreement or other documents have been fulfilled and franchisee has commenced doing business pursuant to the Franchise Agreement.
- 1-8. No statement, questionnaire, or acknowledgement signed or agreed to by franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by the franchisor, any franchise seller, or other person action on behalf of the franchisor. This provision supersedes any other term of any document execution in connection with the franchise.
- 2-9. All other terms and provisions contained in the Franchise Agreement, ADA and FDD shall remain in full force and effect, except to the extent specifically modified herein.

E & G FRANCHISE SYSTEMS, INC.

By: \_\_\_\_\_

DEVELOPER

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

**EXHIBIT I**

**Receipt**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If E & G Franchise Systems, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, if applicable, E & G Franchise Systems, Inc. must provide this disclosure document to you at the earlier of your 1<sup>st</sup> personal meeting to discuss the franchise or 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Michigan law, if applicable, E & G Franchise Systems, Inc. must provide this disclosure document to you at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under New York law, if applicable, E & G Franchise Systems, Inc. must provide this disclosure document to you at the earliest of your 1<sup>st</sup> personal meeting to discuss the franchise or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If E & G Franchise Systems, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit G.

The name, principal business address and telephone number of each franchise seller offering the franchise: \_\_\_\_\_.

Issuance Date: April 5<sup>24</sup>, 2023

I have received a disclosure document dated April 5<sup>24</sup>, 2023, that included the following Exhibits:

- |  |   |
|--|---|
| A. Financial Statements                  | F. Area Development Agreement                           |
| B. List of Franchisees                   | G. List of State Agencies/Agents for Service of Process |
| C. Table of Contents to Manual           | H. State Specific Addenda                               |
| D. Franchise Agreement (Traditional)     | I. Receipts   |
| E. Franchise Agreement (Non-Traditional) |   |

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

(Do not leave blank)

\_\_\_\_\_

Signature of Prospective Franchisee

\_\_\_\_\_

Print Name

Your copy

Please keep this copy of the Receipt for your records.