



## FRANCHISE DISCLOSURE DOCUMENT

**FAZOLI'S FRANCHISING SYSTEMS, LLC**  
**A DELAWARE LIMITED LIABILITY COMPANY**  
2470 PALUMBO DRIVE  
LEXINGTON, KENTUCKY 40509  
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With this Franchise Disclosure Document (this "Disclosure Document"), Fazoli's Franchising Systems, LLC is offering a franchise to operate a Fazoli's® restaurant ("Restaurant"). This offering covers the following types of Fazoli's restaurants: (1) a freestanding restaurant typically located on shopping center out parcels; (2) smaller in-line end-cap unit locations in shopping centers; (3) a nontraditional location at venues such as colleges and universities, airports and truck stops; and (4) a delivery-only "ghost kitchen".

The total investment necessary to begin operation of a freestanding Fazoli's Restaurant, ~~excluding the cost to purchase or lease your real estate and improvements,~~ ranges from \$1,638,000 to \$2,641,000. This includes between ~~\$103,000~~ \$112,000 and \$124,000 that you must pay to us or our affiliates.

The total investment necessary to begin operation of an in-line end-cap Fazoli's Restaurant, ~~excluding the cost to purchase or lease your real estate and improvements,~~ ranges from ~~\$1,022,500~~ \$1,031,500 to \$1,684,000. This includes between ~~\$103,000~~ \$112,000 and \$124,000 that you must pay to us or our affiliates.

The total investment necessary to begin operation of a Fazoli's Restaurant in a nontraditional location ranges from \$723,000 to \$1,091,000. This includes between \$60,000 and \$81,000 that you must pay to us or our affiliates.

The total investment necessary to begin operation of a Fazoli's delivery-only location ranges from \$472,500 to \$850,000. This includes between \$75,000 and \$81,000 that you must pay to us or our affiliates.

~~We may from time to time enter into a Multi-Unit Restaurant Agreement for nontraditional locations or delivery-only locations in a form similar to that attached as Exhibit J, under which the franchise fee is \$50,000 for each Franchise restaurant for franchisees who commit to construct and open nontraditional locations or delivery-only locations.~~

The total investment necessary to begin operation of a Fazoli's nontraditional or delivery-only multi-unit Restaurant development is \$150,000 and up. This includes \$150,000 or more that must be paid to us or our affiliates. You must purchase a minimum of 3 Restaurants under the Multi-Unit Restaurant Agreement.

~~In some cases, we may offer a Franchise Agreement for a specific location being developed or operated by us, or an affiliate, or formerly operated by an affiliate. The terms of those offers vary on a transaction basis.~~

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 this Disclosure Document in another format that is more convenient for you. To discuss this availability of disclosures in different formats, please contact the Franchise Department at 2470 Palumbo Drive, Lexington, Kentucky 40509, 859-268-1668.

The terms of your contract will govern your franchise relationship. Don't rely on this Disclosure Document alone to understand your contract. Read the entire contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or 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, N.W., Washington, D.C. 20580. You also can 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.

Your state also may have other laws on franchising. Ask your state agencies about them.

The issuance date of this Disclosure Document is September 17, 2025 as amended February 10, 2026

## 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 and litigation only in Kentucky. 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 Kentucky than in your own state.

2. **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.

3. **Supplier Control.** You must purchase all or nearly all of the inventory or supplier 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.

4. **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.

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.

~~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.~~

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## ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

This Disclosure Document describes Fazoli's franchises. To simplify the language in this Disclosure Document, we will use the words "we", "us", "our company", "the Company", or "FFS" when referring to Fazoli's Franchising Systems, LLC, the franchisor. We will refer to the person or business entity who buys the franchise as "you" and "your". If you are a legal or business entity, then "you" also includes the individuals and entities that own an interest in you.

We are a Delaware limited liability company, formed on October 2, 2006. We do business under the name "FAZOLPS®" and "FAZOLPS RESTAURANTS". We maintain our principal business address at 2470 Palumbo Drive, Lexington, Kentucky 40509-1117. Our agents for service of process are disclosed in Exhibit A to this Disclosure Document.

We have franchised Fazoli's Restaurants since October of 2006. From October 1991 to October 2006, our predecessor operated and franchised Fazoli's restaurants. Our predecessor was Fazoli's Systems, Inc., a Kentucky corporation incorporated on July 25, 1990. Fazoli's Systems, Inc. merged with and into us on October 19, 2006. We are a franchising company that grants franchises for the operation of premium fast-casual Italian food restaurants known as FAZOLI'S® RESTAURANTS. Although our affiliate, as of December 31, 2024, operated 56 Fazoli's Restaurants, we have no direct business experience in operating Fazoli's Restaurants and we operate no other businesses. We have not conducted business nor have we offered franchises in any other line of business.

We are an indirect subsidiary of Fazoli's Group, Inc. ("FGI"). FGI is a Delaware corporation incorporated on September 18, 2006. FGI shares our business address and is our indirect parent company. We refer to Fazoli's® restaurants owned by FGI subsidiaries as "company owned" restaurants. FGI owns all of the equity interests of Fazoli's Restaurant Group, Inc. ("FRG"), which is the Sole Member of Fazoli's System Management, LLC ("FSM"), which is the General Partner of Fazoli's Joint Venture, Ltd. ("FJV"). FJV is a Kentucky limited partnership formed on April 1, 1993 and has its principal business address at 2470 Palumbo Drive, Lexington, Kentucky 40509. Prior to December 31, 2018, company owned Fazoli's restaurants in all states other than Ohio, Indiana and Kentucky were owned and operated by Fazoli's Restaurants, LLC ("FRLLC"), which was formed on October 2, 2006 as a Delaware limited liability company, and was owned by FRG, and all company owned restaurants in Ohio, Indiana and Kentucky were owned and operated by FJV. On December 31, 2018 at 11:59 pm eastern time, FRLLC assigned all right, title and interest in its company owned Fazoli's restaurants to FJV, which assumed all right, title and interest. FRLLC was dissolved at 11:59 pm eastern time on December 31, 2018. Prior to December 31, 2018, the limited partner of FJV was FRLLC, owning 99%. Effective on December 31, 2018, FRLLC transferred its interest in FJV to FRG, which now owns 99% interest in FJV. FSM continues as the general partner of FJV, owning 1% interest. FSM is a Delaware limited liability company formed on October 2, 2006 and has its principal business address at 2470 Palumbo Drive, Lexington, Kentucky 40509-1117. As of December 31, 2024, FGI subsidiaries own and operate 56 company owned restaurants.

establishments; and (c) inspections for cleanliness and sanitation standards, including equipment cleaning, food storage and packaging, ingredients utilized, refrigeration requirements, etc.

The Payment Card Industry Data Security Standard (“PCI”) requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accept, transmit or store any cardholder data.

There may be other local, state and/or federal laws or regulations that apply to your Restaurant. ~~We strongly suggest that you investigate these laws before buying this franchise.~~

## **ITEM 2 BUSINESS EXPERIENCE**

\* Unless otherwise indicated, all positions listed below are in Lexington, Kentucky.

### **Chief Executive Officer, President and Director of FAT - Andrew A. Wiederhorn**

Mr. Wiederhorn has been Chief Executive Officer and President of FAT (located in Beverly Hills, California) since September 2025. He held that position from 2017 to 2023. Mr. Wiederhorn has also served on FAT’s Board of Directors since its formation and became Chairman in March 2023. Additionally, Mr. Wiederhorn is the Chief Executive Officer and President and Director of Twin Hospitality Group Inc. (located in Dallas Texas), a role he has held since August 2025. Stating in March 2025, Mr. Wiederhorn has also been the President and Chief Executive Officer of FAT Brands Royalty I, LLC, FAT Brands GFG Royalty I, LLC and FAT Brands Fazoli's Native I, LLC (each located in Beverly Hills, California).

### **President and Chief Operating Officer of Fazoli’s and President – Casual Dining Division of FAT – Gregg Nettleton**

Mr. Nettleton has served as our President and Chief Operating Officer since October 2023. Mr. Nettleton has served as the President – Casual Dining Division of FAT since October 2016.

### **Chief Executive Officer of Fazoli’s and Chief Development Officer of FAT – Taylor Wiederhorn**

Mr. Wiederhorn has served as our Chief Executive Officer since May 2023. He has also been Chief Development Officer of FAT since October 2017 and Co-Chief Executive Officer of FAT since April 2025. Mr. Wiederhorn has been President and Chief Executive Officer of FBNA, BFCI, PFC, HAMT, EB, JRL, MSC, HDOS, GAC, PM, NGW, FFS, GAC Manufacturing, GAC Supply, BRC, RTP and Yalla (the “Affiliate Franchisors”) since May 2023.

### **Chief Brand Officer of FAT – Mason Wiederhorn**

Mr. Wiederhorn has been FAT’s Chief Brand Officer since December 2021. Prior to that, from 2017 to December 2021, he served as FBNA’s Creative Director.

### **Vice President of Company & Franchise Operations and Training – Tim Kimmel**

Tim Kimmel assumed his current position as Vice President of Company & Franchise Operations and Training with Fazoli's in April 2025. Before that Time was Vice President of Company Operations and Training with Fazoli's from April 2022 until March 2025 Before that, Tim was Senior Director of Company Operation from July 2020 until April 2022. ~~Before that, Tim was Director of Company Operations from June 2017 until July 2020.~~ Tim joined Fazoli's in March 1993.

### **Senior Director of Construction and Facilities of Fazoli's – Chris Byars**

Chris Byars joined Fazoli's as the Director of Construction and Facilities in late April of 2016.

### **Vice President of Franchise Sales of FAT – Kim Rogers**

Ms. Rogers became FAT's Vice President of Franchise Sales in May 2024. She has been the Affiliate Franchisors' Vice President of Franchise Sales since January 2024. Prior to that, Ms. Rogers served as FAT's Director of Franchise Sales, QSR Division from July 2021 to April 2024. Prior to that time, from May 2021 until July 2021, she was Director of Franchise Sales and, from September 2017 to May 2021, Senior Franchise Sales Manager, for Global Franchise Group, located in Atlanta, Georgia.

### **Director of Training of Fazoli's – Kevin Karnes**

Kevin Karnes assumed his current position as Director of Training with Fazoli's on April 4, 2019. ~~Before that, he was a Senior Area Supervisor with Fazoli's from March 2018 to April 2019, and Area Supervisor from March 2016 to March 2018.~~

### **Chief Marketing Officer of Fazoli's – Tisha Bartlett**

Tisha Bartlett joined Fazoli's as Chief Marketing Officer in November 2022. Prior to this, Ms. Bartlett was a Director of Marketing with Fazoli's from January 2016 until November 2022.

### **Treasurer and Chief Financial Officer of Fazoli's and Chief Financial Officer of FAT – Kenneth J. Kuick**

Mr. Kuick has served as our Treasurer and Chief Financial Officer since May 2023. Mr. Kuick has been the CFO of FAT since May 5, 2023. Mr. Kuick has also been the Treasurer and CFO of the Affiliate Franchisors since May 2021. Prior to joining FAT, Mr. Kuick served as Chief Financial Officer of Noodles & Company, a national fast-casual restaurant concept, from November 2018 to May 2021.

### **Vice President of Franchise Sales of FAT – Dan D. Moran, CFE**

Mr. Moran became FAT's Vice President of Franchise Sales in May of 2024. Prior to that, Mr. Moran served as FAT's Director of Franchise Sales from October 2017 to May 2024. ~~Prior to that, Mr. Moran served as FBNA's Vice President of Franchise Development from October 2009 until October 2017.~~

### **Chief Operating Officer of FAT – Thayer Wiederhorn**

Mr. Wiederhorn has served as FAT's Chief Operating Officer since November 2021 and previously as Chief Marketing Officer since October 2017 in Beverly Hills, California.

### **Secretary of Fazoli's and General Counsel of FAT – Allen Z. Sussman**

Mr. Sussman has served as our Secretary since May 2023. Mr. Sussman has served as the General Counsel of FAT since March 2021. Mr. Sussman has been Secretary of the Affiliate Franchisors since May 2023. Prior to that from 2012 until March 2021, Mr. Sussman was a partner at the law firm of Loeb & Loeb LLP in Los Angeles, California, specializing in corporate and securities law, and served as primary outside corporate and securities counsel to FAT.

### **Vice President and Senior Franchise Counsel of Fazoli's and Deputy General Counsel and Senior Franchise Counsel of FAT – Warren Christiansen**

Mr. Christiansen has served as our Vice President and Senior Franchise Counsel since May 2023. Mr. Christiansen has been the Affiliate Franchisors' and FAT's Deputy General Counsel and Senior Franchise Counsel since May 2023. Prior to that, from October 2017, he served as FAT's Legal Counsel and Franchise Development Executive.

### **Non-Traditional Business Development – Jessica Wiederhorn**

Ms. Wiederhorn has served as FAT's Non-Traditional Business Developer since June 2022. She previously served in this same role from December 2019 to February 2021. ~~From June 2008 to November 2019, Ms. Wiederhorn served as Finance Large Market Business Developer in Los Angeles, CA.~~

### **Senior Vice President, Non-Traditional Development of Fazoli's and FAT - Ammy Harrison**

Ms. Harrison has been Senior Vice President, Non-Traditional Development for us and for FAT since May 2024. From January 2021 to May 2024, she was the Vice President, Development and Strategy for Penn Station, Inc., a quick service restaurant franchisor in Cincinnati, Ohio. Prior to that from January 2011 to December 2020, she was the Director of New Business Development, Non-Traditional for Papa John's International, Inc., a quick service restaurant franchisor in Louisville, Kentucky.

### **President and Chief Operating Officer, Fast Casual Division of FAT – Jake Berchtold**

Mr. Berchtold became President and COO, Fast Casual Division of FAT in May 2024. Prior to that, Mr. Berchtold served as President, Fast Casual Division of FAT from July 2019 to May 2024. ~~Prior to that, from September 2012 until July 2019 he was the Director of Operations for FBNA.~~

### **Chief Marketing Officer of FAT – Jenn Johnston**

Ms. Johnston became FAT's Chief Marketing Officer in May 2023. Prior to that, she served as FAT's President, QSR Division from February 2019.

### **Vice President of Construction of FAT – Bentley C. Hetrick**

Mr. Hetrick has been FAT's Vice President of Construction since April 2019.

### **Director of Construction of FAT – James Newell**

Mr. Newell became FAT's Director of Construction in May 2018.

### **Chief Concept Officer of FAT and President of Yalla – Donald J. Berchtold**

Mr. Berchtold became Yalla's President in December 2018 and has been FAT's Chief Concept Officer since March 2017.

### **SVP Franchise Strategy & Compliance of FAT – Mark Whittle**

Mr. Whittle became FAT's SVP of Franchise Strategy & Compliance in April 2024. Prior to that, from November 2021 until April 2024, he was the interim President, Executive Vice President of Franchise and Development at Amergent Hospitality Group, a restaurant company in Atlanta, Georgia. Prior to that from June 2013 to September 2021, Mr. Whittle was the Chief Global Development Officer for HOA Brands (Hooters and Hoots Wings), a restaurant company based in Atlanta, Georgia.

### **Senior Vice President of Technology of FAT – Brandon Drake**

Mr. Drake has been FAT's Senior Vice President of Technology since January 2026. From January 2022 to January, 2026 he was the Senior Director of Technology and Security of FAT. From May 2019 to January 2022 he was Senior Principal Engineer of ISSQUARED Inc., located in Westlake Village, California.

## **ITEM 3 LITIGATION**

### **Pending Litigation**

*Mitchell Kates v. FAT Brands, Inc., Andrew Wiederhorn, Kenneth J. Kuick and Robert G. Rosen (United States District Court for the Central District of California, Case No. 2:24-cv-04775- MWF-MAA).* On June 7, 2024, plaintiff Mitchell Kates, a putative investor in FAT, filed a putative class action lawsuit against FAT, Andrew Wiederhorn, Kenneth J. Kuick and Robert G. Rosen, asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "1934 Act"), alleging that the defendants are responsible for false and misleading statements and omitted material facts in FAT's reports filed with the SEC under the 1934 Act related to the subject matter of the government investigations and litigation discussed above, FAT's handling of these matters and cooperation with the government. The plaintiff alleges that FAT's public statements wrongfully inflated the trading price of FAT's common stock, preferred stock and warrants. The plaintiff is seeking to certify the complaint as a class action and is seeking compensatory damages in an amount to be determined at trial.

## **Concluded Litigation**

*Robert J. Matthews, et al., v. FAT Brands, Inc., Andrew Wiederhorn, Ron Roe, Rebecca Hershinger and Ken Kuick (United States District Court for the Central District of California, Case No. 2:22-cv-01820).* On March 18, 2022, plaintiff Robert J. Matthews, a putative investor in the Company, filed a putative class action lawsuit against the Company, Andrew Wiederhorn, Ron Roe, Rebecca Hershinger and Ken Kuick, asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the “1934 Act”), alleging that the defendants were responsible for false and misleading statements and omitted material facts in the Company’s reports filed with the SEC under the 1934 Act related to a story published by the Los Angeles Times on February 19, 2022 regarding the company and its management. The plaintiff alleged that the Company’s public statements wrongfully inflated the trading price of the Company’s securities. The plaintiff sought to certify the complaint as a class action and compensatory damages in an amount to be determined at trial. On April 25, 2022, Kerry Chipman, another putative investor in the Company, filed a second putative class action lawsuit against the Company, Andrew Wiederhorn, Ron Roe, Rebecca Hershinger and Ken Kuick in the United States District Court for the Central Division of California, asserting substantially the same claims as those made by Matthews in the above-referenced lawsuit. On May 2, 2022, the Court entered an order consolidating the actions filed by Matthews and Chipman under the caption *In re FAT Brands Inc. Securities Litigation*. In August 2022, after mediation the parties agreed to settle the litigation. Pursuant to the settlement, FAT agreed to pay on behalf of the defendants \$2,500,000 in cash and \$500,000 in Class A common stock of FAT to the class plaintiffs, the plaintiffs released all claims against the defendants, and the case was dismissed with prejudice in February 2023.

*Commonwealth of Virginia ex rel. State Corporation Commission v. Fatburger North America, Inc. (Case No. SEC-2022-00034, Settlement Order entered Jul. 12, 2023, Final Order entered Oct. 23, 2023).* This matter involves allegations by the Virginia State Corporation Commission’s Division of Securities and Retail Franchising that our affiliate, FBNA, offered and sold 3 Virginia franchises at a time when it was not effectively registered in Virginia between December 2020 through August 2021. FBNA reached a settlement in principle in May 2023, without admitting or denying the allegations, and agreed: (a) to offer the affected franchisees an opportunity to rescind their franchises; (b) to pay \$27,000 to the Commonwealth of Virginia; and (3) not to violate the Virginia franchise law in the future. On July 12, 2023, the Virginia State Corporation Commission entered a settlement order with FNBA. On October 23, 2023, the Virginia State Corporation Commission entered into a final order with FNBA, affirming FNBA had fulfilled the requirements of the settlement order and dismissing the case.

Except for the actions above there is no litigation that must be disclosed in this Item.

## **ITEM 4 BANKRUPTCY**

[On January 25, 2026, Parent \(located at 9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212\), Twin Hospitality Group Inc. \(located at 5151 Belt Line Road, Suite 1200, Dallas, TX 75254\) and their subsidiary entities, including us and our affiliates \(collectively, the “FAT Group”\), filed voluntary chapter 11 petitions in the U.S. Bankruptcy Court for the Southern District of Texas, in Houston, Texas. The FAT Group requested joint administration under Case No. 26-90126 \(ARP\) to restructure their corporate debt. We continue to operate our business and manage our assets as a debtor-in-possession under bankruptcy court supervision. However, it is](#)

possible that we may be sold, possibly to a competitor or to a company lacking prior franchise experience. The case numbers for each of our affiliates' bankruptcy cases is set forth below:

<u>Affiliate</u>	<u>Case Number</u>	<u>Affiliate</u>	<u>Case Number</u>
<u>Bonanza Restaurant Company LLC</u>	<u>26-90155 (ARP)</u>	<u>Johnny Rockets Licensing Canada, LLC</u>	<u>26-90247 (ARP)</u>
<u>Buffalo's Franchise Concepts Inc.</u>	<u>26-90161 (ARP)</u>	<u>Johnny Rockets Licensing, LLC</u>	<u>26-90250 (ARP)</u>
<u>EB Franchises, LLC</u>	<u>26-90170 (ARP)</u>	<u>MaggieMoo's Franchising, LLC</u>	<u>26-90136 (ARP)</u>
<u>Fatburger North America, Inc.</u>	<u>26-90238 (ARP)</u>	<u>MaggieMoo's Franchise Brands, LLC</u>	<u>26-30473 (ARP)</u>
<u>Fazoli's Franchising Systems Canada, LLC</u>	<u>26-90275 (ARP)</u>	<u>Marble Slab Franchise Brands, LLC</u>	<u>26-90145 (ARP)</u>
<u>Fazoli's Franchising Systems, LLC</u>	<u>26-90278 (ARP)</u>	<u>Marble Slab Franchising, LLC</u>	<u>26-90150 (ARP)</u>
<u>GAC Franchising, LLC</u>	<u>26-90157 (ARP)</u>	<u>Native Grill and Wings Franchising, LLC</u>	<u>26-90176 (ARP)</u>
<u>GAC Franchise Brands, LLC</u>	<u>26-90151 (ARP)</u>	<u>PM Franchise Brands, LLC</u>	<u>26-90192 (ARP)</u>
<u>GAC Manufacturing, LLC</u>	<u>26-90163 (ARP)</u>	<u>PM Franchising, LLC</u>	<u>26-90198 (ARP)</u>
<u>GAC Supply, LLC</u>	<u>26-90167 (ARP)</u>	<u>Ponderosa Franchising Company LLC</u>	<u>26-90204 (ARP)</u>
<u>GFG Management LLC</u>	<u>26-90179 (ARP)</u>	<u>PT Franchising, LLC</u>	<u>26-90234 (ARP)</u>
<u>HDOS Franchising, LLC</u>	<u>26-90217 (ARP)</u>	<u>Round Table Franchise Corporation</u>	<u>26-90258 (ARP)</u>
<u>HDOS Franchise Brands, LLC</u>	<u>26-90213 (ARP)</u>	<u>Round Table Pizza, Inc.</u>	<u>26-90266 (ARP)</u>
<u>HDOS Acquisition, LLC</u>	<u>26-90200 (ARP)</u>	<u>The Johnny Rockets Group, Inc.</u>	<u>26-90153 (ARP)</u>
<u>Hurricane AMT, LLC</u>	<u>26-90235 (ARP)</u>	<u>Twin Restaurant Franchise, LLC</u>	<u>26-90158 (ARP)</u>
		<u>Yalla Mediterranean Franchising Company, LLC</u>	<u>26-90292 (ARP)</u>

Each of our affiliates' address is 9720 Wilshire Blvd., Suite 500, Beverly Hills, California 90212, except Fazoli's Franchising Systems LLC and Fazoli's Franchise Systems Canada, LLC is 2470 Palumbo Drive, Lexington, Kentucky 40509; Twin Restaurant Franchise, LLC is 5151 Belt Line Road, Suite 1200, Dallas, TX 75254, or as otherwise set forth in this disclosure document.

~~No~~ Except for the bankruptcies above there are no bankruptcies required to be disclosed in this Item.

## **ITEM 5 INITIAL FEES**

### Initial Franchise Fees

Fazoli's Restaurant franchisees must sign a Franchise Agreement for each Fazoli's Restaurant to be owned and operated. You must pay \$50,000 as a franchise fee (the "Franchise Fee") to develop a single franchise restaurant, regardless of what type of restaurant you develop.

(1) Type of fee	(2) Amount	(3) Due Date	(4) Remarks
Brand Technology System Support Services	Currently the fees will range from \$2,600 - \$3,950 depending on the options that are chosen and this is subject to change	Annual fee paid in quarterly electronic funds transfer payments 30 days prior to beginning of quarter for annual invoices less than \$500. For invoices above \$500, fees will be due within 15 days from receipt of invoice	Service includes help desk, limited POS program updates, Brand Technology System updates, polling and limited reporting. See Brand Technology System service agreement for details. <sup>8</sup>
Software Subscription Fees	Currently the fees will range from \$9,804 - \$15,300 depending on options that are chosen and this is subject to change	Annual fee paid to either Company or directly to the vendor. For invoices above \$500 from Company, fees will be due within 15 days from receipt of invoice	Subscription fees for current POS and Back Of House (“BOH”) software. The current vendors are subject to change.
Renewal Fee	Depending on the initial term of your Franchise Agreement, your renewal fee will <del>either be 40%</del> <u>50%</u> of our then current <u>initial franchise fee</u> <del>per restaurant</del> <u>(applicable to the purchase of a first franchise without any discount)</u>	No earlier than 9 months nor later than 6 months before the end of the current franchise term	After the initial 15-year term of your Franchise Agreement, you have the right to renew the Franchise Agreement for 2 additional <del>5</del> <u>10</u> -year periods.

(1) Type of fee	(2) Amount	(3) Due Date	(4) Remarks
Training Cancellation Fee	\$500 plus cost of training materials and additional non-coverable fees incurred	As incurred	A \$500 cancellation fee may be charged for any training registration cancelled within 2 weeks of the class start date.

**NOTES:**

(1) Except for Cooperative Advertising fees, all fees are imposed by, collected by and payable to us. All fees are non-refundable. Except as described in the table, the fees imposed by us are uniformly imposed for franchises currently being offered in this state, however, (a) we reserve the right to reduce or waive the fees for certain Restaurants, and (b) if you signed an earlier form of Multi-Unit Restaurant or Franchise Agreement which provides for different royalties or other fees for each Restaurant you open, the fees will be determined in accordance with your earlier agreement. The Franchise Agreement gives us the right to require that you make all payments owed to us (other than the Franchise Fee and Pre-opening/Opening Advertising Fee) via electronic funds transfer.

(2) All fees and expenses due to the Company, other than the initial Franchise Fee and Pre-opening/Opening Advertising Fee, may be collected and paid by electronic funds transfer initiated by or at the direction of the Company from the accounts of the Franchisee maintained in accordance with Franchise Agreement Section 6.05, or at the Company's election by any other means, payable weekly by Wednesday of each week for the preceding week's Gross Receipts, or with such frequency as the Company may elect from time to time. The electronic funds transfer and debit entries to Franchisee's bank account will be made pursuant to the Bank Authorization Agreement for pre-authorized payments which Franchisee agrees to execute and deliver to the Company no later than thirty (30) days prior to the opening of the Restaurant, in the form annexed to the Franchise Agreement, which is attached to this Disclosure Document, as Schedule Six, or at such times and in such other forms as the Company may specify from time to time.

(3) Nontraditional and Delivery-Only Locations do not pay a specific fee for advertising and marketing. A Franchisee of a Nontraditional or Delivery-Only Location may purchase from time to time, point of purchase promotional items that relate to the promotions initiated or approved by the Company from Company or a vendor approved by Company. Company shall supply such materials at a reasonable cost considering Company's out of pocket expenses, including, but not limited to, internal and external creative resources, minimum purchase quantities, order processing, and shipping.

(4) All advertising programs are subject to our control and approval (see Section 7.01 of the Franchise Agreement). If your advertising and marketing fees exceed expenditures during or following the term of any Franchise Agreement under this program, we may retain the excess as fees otherwise payable under the Franchise Agreement. Currently, there is no national advertising program in effect for the System. Until the System undertakes national or regional promotional campaigns, all of your advertising fees (less applicable media production and advertising agency and marketing support fees) will be spent for advertising and marketing programs directed to the area of your restaurant. If we introduce national or regional promotional campaigns in the future, then up

Support Services Agreement annexed to the Franchise Agreement, attached to this Disclosure Document, as Schedule Seven. You must pay us an annual fee, in quarterly installments, for the support services, subject to change. The fee depends on what services and options you choose for your Fazoli's Restaurant.

(9) For the cost of remodel/refurbishment, the low cost represents queuing area, dining room and restroom upgrade (including paint, all new casework, booths, chairs, menu board and wainscot). The high cost represents everything in the low-cost range plus exterior facade/tower, signage and parking lot upgrade.

(10) We have the right, further described on the Online Information Center, to change, remove, or alter all restaurant signs, sign faces, awnings, emblems, tower canopy and/or tower, buildings and other items identifying the restaurant as a Fazoli's Restaurant, if you fail to do so after the time allotted in the Franchise Agreement, and to recover our costs plus an interim license fee.

## ITEM 7 ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

#### Freestanding Fazoli's Restaurant Estimated Initial Investment

Category of investment	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
Franchise Fee (See Note 1)	\$50,000		See Note 1	See Note 1	Us
Site Preparation (See Note 2a)	\$270,000	\$485,000	As Arranged	As Arranged	Landlord or Contractor
Architectural Services (See Note 3)	\$25,000	\$75,000	As Arranged	As Arranged	Architect
Cost of the Building (See Note 4a)	\$865,000	\$1,260,000	As Arranged	As Arranged	Landlord or Contractor
Furniture, Fixtures, and Equipment (See Note 5a)	\$270,000	\$470,000	As Arranged	As Arranged	Suppliers and Contractor
Information System and related technology (See Note 6)	<del>\$38,000</del> <u>47,000</u>	\$59,000	As Arranged	As Arranged	FSM, Suppliers and Contractor
Training Expenses (See Note 7)	\$10,000	\$35,000	As Arranged	As Incurred	Various Vendors

Category of investment	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
Information System and related technology (See Note 6)	<del>\$38,000</del> <u>47,000</u>	\$59,000	As Arranged	As Arranged	FSM, Suppliers and Contractor
Training Expenses (See Note 7)	\$20,000	\$35,000	As Arranged	As Incurred	Various Vendors
Inventory & Uniforms (See Note 8)	\$10,000	\$20,000	As Arranged	As Arranged	Suppliers
Security Deposits, Utilities and Insurance (See Note 9)	\$5,000	\$27,000	As Arranged	As Arranged	Landlord, Utilities, Insurance Company
Pre-opening and Opening Advertising (See Note 10)	\$15,000	\$15,000	Lump Sum	As Requested, but no later than 30 days before Restaurant opens	Us
Additional Funds- 3 Months (See Note 11)	\$60,000	\$120,000	As Arranged	As Incurred	Miscellaneous
<b>Total</b>	<del>\$1,022,500</del> <u>1,031,500</u>	\$1,684,000			

#### Nontraditional Fazoli's Restaurant Estimated Initial Investment

Category of investment	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
Franchise Fee (See Note 1)	\$50,000		See Note 1	See Note 1	Us
Site Preparation (See Note 2c)	N/A				
Architectural Services (See Note 3)	\$25,000	\$50,000	As Arranged	As Arranged	Architect
Cost of Premises Construction (See Note 4c)	\$265,000	\$353,000	As Arranged	As Arranged	Suppliers and Contractor

Category of investment	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
Furniture, Fixtures, and Equipment (See Note 5b)	\$170,000	\$355,000	As Arranged	As Arranged	Suppliers and Contractor
Information System and related technology (See Note 6)	\$25,000	\$31,000	As Arranged	As Arranged	FSM, Suppliers and Contractor
Training Expenses (See Note 7)	\$5,000	\$17,000	As Arranged	As Incurred	Various Vendors
Inventory & Uniforms (See Note 8)	\$2,500	\$5,000	As Arranged	As Arranged	Suppliers
Security Deposits, Utilities and Insurance (See Note 9)	\$5,000	\$27,000	As Arranged	As Arranged	Landlord, Utilities, Insurance Company
Pre-opening and Opening Advertising (See Note 10)	As ordered from Franchisee		As Arranged	As Arranged	Us or Our Vendor
Additional Funds- 3 Months (See Note 11)	\$30,000	\$60,000	As Arranged	As Incurred	Miscellaneous
<b>Total</b>	\$472,500	\$850,000			

**Multi-Unit Restaurant Agreement - Nontraditional Fazoli's Restaurant  
Estimated Initial Investment**

<u>Category of investment</u>	<u>Amount</u>		<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Paid</u>
	<u>Low</u>	<u>High</u>			
<u>Franchise Fee (See Note 1)</u>	<u>\$150,000 and up</u>		<u>See Note 1</u>	<u>See Note 1</u>	<u>Us</u>
<b>Total</b>	<b>\$150,000 for a Multi-Unit Restaurant Agreement (minimum of 3 Restaurants)</b>				

**Multi-Unit Restaurant Agreement - Delivery-Only "Ghost Kitchen" Fazoli's Restaurant  
Estimated Initial Investment**

<u>Category of investment</u>	<u>Amount</u>		<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Paid</u>
	<u>Low</u>	<u>High</u>			
<u>Franchise Fee (See Note 1)</u>	<u>\$150,000 and up</u>		<u>See Note 1</u>	<u>See Note 1</u>	<u>Us</u>

<u>Category of investment</u>	<u>Amount</u>		<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Paid</u>
	<u>Low</u>	<u>High</u>			
<u>Total</u>	\$150,000 for a Multi-Unit Restaurant Agreement (minimum of 3 Restaurants)				

**NOTES:**

(1) See Item 5 concerning the payment of the Franchise Fee for each ~~Fazoli's~~Fazoli's Restaurant. The total Franchise Fee for each Fazoli's Restaurant is due upon execution of your signed MURA or Franchise Agreement. We have no obligation to refund any costs paid to us. Whether any third party will refund any costs will depend on the third party involved. The Franchise Fee for a Nontraditional is \$50,000. As noted above in Item 5, we may from time to time enter into a MURA for Nontraditional Locations in a form similar to that attached as Exhibit J, under which franchisees who commit to construct and open three (3) or more Nontraditional or Delivery-Only Locations, the Franchise Fee is \$50,000 for each location.

(2) (a) We estimate that the cost of site preparation will vary between a low of \$270,000 and a high of \$485,000. The precise amount will depend upon a number of variables, including the condition of the land to be improved, the size of the property and construction costs prevailing in the area where the restaurant will be constructed.

(b) Because the location of the Fazoli's Restaurant will be a strip shopping center, in-line end cap space, there generally will be no site preparation costs. However, you may have to trench for utilities, and add drive-thru menu board.

(c) Because the location of the Fazoli's Restaurant will be a Nontraditional or Delivery-Only Location, there generally will be no site preparation costs.

(3) You will incur architectural services, which may include Civil Engineering and Geo Technical costs, to complete the plans and other documents required by Section 3.02 of the Franchise Agreement at your expense. Architectural expenses will be more for a freestanding building than they will be for an in-line or end-cap completion, but there will be architectural expenses regardless of the type of development.

(4) (a) A freestanding Fazoli's Restaurant premises typically consists of a building located on a developmental outparcel or a commercial building lot with direct road frontage. All of the figures given above assume you will lease the land on which the restaurant is situated. The high estimate assumes you will construct a new 66 seat building and the low estimate assumes a smaller 50 seat restaurant. The building cost does not take into account special requirements such as sprinkler systems or other jurisdictional requirements. The price of land is not included in the range of total expenditures disclosed in the above chart. If land is purchased rather than leased, you will incur additional capital or financing costs determined by market conditions and other factors. Site preparation and cost of the building includes HVAC, parking lot lights, lighting package and electrical work.

The land needed to accommodate a freestanding Fazoli's Restaurant is between 37,000 and 43,560 square feet. Land requirements will vary depending on road frontage, the shape of the site, ingress and egress and parking available via easements. The price of rent is not included in the range of total expenditures disclosed in the above chart. The precise amount will depend upon a number of

amount of \$15,000, as more fully described in Item 7 above. (Section 6.02 of the Franchise Agreement)

7. Furnish you with cost-control procedures and a format of a chart of accounts that you must use in reporting your sales to us. (Sections 1.04(g) and 8.01 of the Franchise Agreement)

8. Furnish you with on-site opening assistance for the Franchise Restaurant that will include at least 1 of our representatives to assist in the opening activities of the Franchise Restaurant for approximately 1 week, consisting of a minimum of 50 person hours. Upon your request, or if we deem additional assistance necessary, our representative will remain for a reasonable period determined by us, and you must reimburse us for expenses incurred (including, without limitation, salary) in providing the representative for the additional period. (Sections 1.04 and 5.03(f) of the Franchise Agreement)

### **Multi-Unit Restaurant Agreement**

We do not have any pre-opening obligations under the MURA that are independent of or in addition to our obligations under the Franchise Agreement.

### **Continuing Obligations:**

#### **During your operation of your Fazoli's Restaurant, we will:**

1. Provide you access to our Online Information Center during the term of the Franchise Agreement via online in electronic format. The Online Information Center contains mandatory and suggested specifications, standards and operating procedures that we prescribe at any time for Fazoli's Restaurants and information relative to your other obligations under the Franchise Agreement and the operation of your restaurant. The Online Information Center may be modified anytime to reflect the changes as we may elect, in our discretion, including changes in the image, decor, design, format, appearance, methods, standards and specifications, operating procedures, suggested pricing, menus and recipes and food products and beverages approved for Fazoli's Restaurants. You may not copy any part of the Online Information Center for any reason without our prior written approval. (Section 5.01 of the Franchise Agreement) The table of contents of the Online Information Center is contained in Exhibit E.

2. Assume the defense of, and pay all reasonable attorney fees relating to, any and all actions, suits or proceedings of any kind arising from any challenge from a third party of your right to utilize the Proprietary Marks pursuant to and in compliance with the Franchise Agreement, other than a claim of unfair competition. ~~As described in Item 13 below, we make no representation or warranty, express or implied, as to the use, exclusive ownership, validity or enforceability of the Proprietary Marks.~~ (Section 10.04 of the Franchise Agreement)

3. Send representatives to the Franchise Restaurant to consult with Franchisee or its management representative relative to the operation of the Franchise Restaurant, and shall inspect the Franchise Restaurant premises with or without prior notice to determine the efficiency and quality of the operation of the faithfulness of your compliance with the requirements of the Franchise Agreement and the System. (Section 5.04 of the Franchise Agreement)

4. Furnish you, at your request, with guidance, assistance and training concerning operating problems of your Franchise Restaurant disclosed by reports submitted to, or inspections

FSM has filed all required affidavits, including an affidavit of use and an affidavit of incontestability, when due or necessary, for each of the marks listed above. For any registration where renewal was due, FSM has filed appropriate documentation for renewal.

There are no currently effective material determinations of the U.S. Patent and Trademark Office, trademark trial and appeal board, the trademark administrator of our state or any court; pending infringement, opposition or cancellation actions; or pending material litigation involving the Service Marks that are relevant to your use of the Service Marks.

There are no contracts or other agreements currently in effect that materially limit our rights to use or license the use of the Service Marks to you in any manner.

Pursuant to the Franchise Agreement, you acknowledge that your usage of the Proprietary Marks and any goodwill established is for our exclusive benefit. You have no interest in the Proprietary Marks upon the termination or expiration of the Franchise Agreement. **You may not use the Proprietary Marks as a part of any corporate or trade name or with any prefix or suffix or any other modifying words, terms, designs or symbols or in any modified form, nor may you use any other trademarks or service marks in connection with your Fazoli's Restaurant.** You must prominently display the Proprietary Marks at the restaurant on signs, plastic or paper products and other supplies and packaging materials we designate and in connection with the advertising and marketing of the restaurant. You must not use any Proprietary Mark in connection with the sale of any unauthorized product or service, or in any manner not explicitly authorized by us in writing, including on the Internet, in web sites and in connection with our domain rights. The Proprietary Marks must be displayed in the manner we prescribe. You must give notices of trade and service mark registrations as we specify and obtain fictitious or assumed name registrations as may be required under applicable law.

There are no currently effective agreements that significantly limit our rights to use or license the use of the Proprietary Marks listed in this Item in a manner material to the franchise.

You must immediately notify us of any apparent infringement of or challenge to your use of the Proprietary Marks or claim by any person of any right in the Proprietary Marks. We will have sole discretion to institute an infringement action against third parties, as we deem appropriate. We have the right to control any administrative proceedings or litigation involving a Proprietary Mark licensed by us to you. ~~We make no representation or warranty, express or implied, as to the use, exclusive ownership, validity or enforceability of the Proprietary Marks.~~ However, we agree to assume the defense of, and pay all reasonable attorney's fees relating to, any and all actions, or proceedings of any kind arising from any challenge by a third party of your right to use the Proprietary Marks in compliance with the Franchise Agreement. We are not obligated to protect or indemnify you against claims of unfair competition arising from your use of the Proprietary Marks.

We do not have a federal principal registration for our "1999 Building Design" trademark. Therefore, that trademark does not have the legal benefits and rights as a federally registered trademark on the principal register.

Other than as described above, we are not aware of any superior prior rights or infringing uses that could materially affect your use of a principal trademark in any state in which we currently do business or in which your franchised restaurant may be located.

If we should find it desirable at any time and in our sole discretion to modify or otherwise discontinue use of any of the Proprietary Marks and/or use one or more additional or substitute Proprietary Marks, you must comply with our directions to modify or discontinue the use of the Proprietary Marks within a reasonable time after you receive notice from us (approximately six (6) months). We are not obligated to compensate you for any costs you incur in connection with any modifications or discontinuance.

## **ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

There are no existing patents (or pending patent applications) or copyrights material to the franchise. During the term of the Franchise Agreement, the following are loaned to you: our Online Information Center, Crisis Management Manual, training manuals and materials, Restaurant Opening Manual, a copy of 1 of our 2 standard building plans described below (collectively, the “Copyrights”).

All Copyrights are the property of our affiliate, FSM. Pursuant to a License Agreement between FSM and us, we have a license to use the Copyrights and to franchise use of the Copyrights throughout the United States. The License Agreement, dated August 7, 2018, provides for a 1-year term that is automatically extended for successive 1-year periods, absent notice to the contrary by either party.

Although no applications for copyright registration for our Copyrights have been filed with the U.S. Copyright Office (“C.O.”), FSM claims a copyright in all other copyrightable material and FSM deems those items as proprietary.

### **The current standard building plans are described as follows:**

- 2,800 Sq. Ft. Freestanding Prototype 66-Seat Design. This building has a parapet style roofline, 66 seats, and modern décor. The exterior features solid color awnings with a “Tomato” pattern and is finished in EIFS/stucco and fiber cement slat panels.
- 2,500 Sq. Ft. Freestanding Prototype 50-Seat Design. This building has a parapet style roofline, 50 seats, and modern décor. The exterior features solid color awnings with a “Tomato” pattern and is finished in EIFS/stucco and fiber cement slat panels.

There are no currently effective material determinations of the C.O. or any court, pending infringement, opposition or cancellation actions, or pending material litigation involving the Copyrights that are relevant to your use of the Copyrights. There are no infringing uses of the Copyrights actually known to us that could materially affect your use of the Copyrights.

There are no contracts or other agreements currently in effect that materially limit our rights to use or license the use of the Copyrights to you in any manner.

You must immediately notify us of any apparent infringement of or challenge to your use of the Copyrights or claim by any person of any right in the Copyrights. We will have sole discretion to institute an infringement action against third parties, as we deem appropriate. ~~We make no representation or warranty, express or implied, as to the use, exclusive ownership, validity or enforceability of the Copyrights.~~ However, we agree to assume the defense of, and pay all

## ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all the products that we designate as standard menu items in the Online Information Center. Further, you must not offer any products or services that have not been authorized by us and use the restaurant premises for any purpose other than the operation of a Fazoli's Restaurant. This is strictly enforced to ensure product quality and consistency for our guests. We can change the standard menu items and services in the Online Information Center at our sole discretion at any time and without limitation. ~~Except as otherwise described in this Item 16 and in Item 12, you~~ You are not limited in the customers to whom you may offer standard menu items.

You may not install or permit any vending or gaming machine (including cigarette or candy vending machines or pinball or video game machines), pay telephones or devices to facilitate charitable giving, including wishing wells, on the Franchise restaurant premises without our prior written consent.

You may prepare food on the premises of the Franchise Restaurant and deliver this food to locations off the premises of the Franchise Restaurant. However, all such food preparation and delivery service must be conducted only in accordance with the policies and procedures in the Online Information Center. Company reserves the right to suspend and/or terminate the Franchisee's right to off-premises delivery, if Company, in its sole discretion, feels that Franchisee is not following said policies and procedures in the Online Information Center.

If you are opening a Nontraditional Location, you ~~will be required to~~ must execute the Addendum to Franchise Agreement [Nontraditional Locations] attached to this Disclosure Document as Exhibit K contains certain requirements for any ancillary business that may be operated adjacent to or within the same facility as the Nontraditional Location Restaurant (the "Ancillary Business"), including the following: (1) You must provide Company with the name and type of any Ancillary Business; and (2) the Ancillary Business must comply with all applicable laws, ordinances and regulations governing the sale from the Ancillary Business of alcoholic beverages, lottery tickets, games of chance, stimulants, energy drinks, pornographic literature, and drug paraphernalia.

## ITEM 17 RENEWAL, TERMINATIONS, TRANSFER, AND DISPUTE RESOLUTION

**This table lists important provisions of the Franchise and related Agreements. You should read these provisions in the Agreements attached to this disclosure document.**

### THE FRANCHISE RELATIONSHIP (FRANCHISE AGREEMENT)

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term <sup>1</sup>	Section 2.01	Term is 15 years.

Provision	Section in Franchise Agreement	Summary
b. Renewal or extension of the term <sup>2</sup>	Section 2.02	If you are in good standing and your lease has not expired, you may extend the term for up to 2 additional 10-year terms.
c. Requirements for you to renew or extend	Section 2.02	Give us <del>proper</del> notice <u>of your election to renew not less than 6 months and not more than 9 months prior to the end of the current term</u> , sign the Renewal Agreement or the then current Franchise Agreement, pay a renewal fee or the then current Franchise Fee, and remodel the Franchise Restaurant (if we require). You may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by you	Section 11.01(D)	You may, at your option, terminate this Agreement if the Restaurant is rendered totally or partially untenable by fire or other casualty within two years prior to the date of expiration of the initial term of this Agreement or any extension, provided that we receive written notice of your election to terminate within thirty (30) days after the fire or other casualty. In the event you exercise such option, we shall be entitled to, but shall not be obligated to, purchase your entire remaining interest in the Equipment and the Franchise Restaurant Premises in accordance with the provisions of Section 3.02(c)(1) of the Franchise Agreement
e. Termination by us without cause	None	N/A
f. Termination by us with cause <sup>3</sup>	Section 11.01	We can terminate only if you commit any one of the several violations/defaults listed in the Franchise Agreement; however, a termination triggered by your bankruptcy may not be enforceable under federal bankruptcy law. Any default by you under the Franchise Agreement or any other agreement between you and us shall be deemed to be a default of each and every agreement.

in Table 3 include only Restaurants operating in “non-traditional” venues. Non-traditional venues include: (1) non-traditional locations in gas and convenience stores or colleges/universities; and (2) delivery-only ghost kitchens.

**Additional Notes Regarding Net Revenues (Tables 1, 2 and 3 above)**

1. The sales figures are compiled by using historical sales and, for franchised Fazoli’s Restaurants, sales that are reported ~~to us by franchisees. We have not audited or verified the reports provided~~ to us by franchisees. Also, some, but not all, Fazoli’s Restaurants report sales by way of our “Crunchtime” computer-based point of sale system. We consider sales data reported through the Crunchtime system to be more accurate and reliable than data gathered manually or by other means. All 56 company-owned Fazoli’s Restaurants utilized the Crunchtime system to report sales data.

Other than the preceding financial performance representation, Fazoli’s does not make any financial performance representations. 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 the 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 Gregg Nettleton, President, 2470 Palumbo Drive, Lexington, Kentucky 40509, 859-268-1668, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1

**System-wide Restaurant Summary  
For Fiscal Years 2022 through 2024\***

Restaurant Type	Year	Restaurants at Start of Year	Restaurants at End of Year	Net Change						
				Free- Stand- ing	In-line / end-cap	Non-traditional	Free- Stand- ing	In-line/ end-cap	Non-traditional	Free- Stand- ing
Franchise	2022	447	2	9156	444	2	6151	-3	0.5	-3
	2023	444	2	6151	442	2	6150	-2	0.1	0
	2024	442	2	6150	434	4	4139	-8	-1.1	-2
Company-Owned	2022	56	4	057	56	4	057	0	0	0
	2023	56	4	057	56	4	057	0	0	0
	2024	56	4	057	55	4	056	-1	0.1	0
Total Outlets	2022	203	3	9213	200	3	6208	-3	0.5	-3
	2023	200	3	6208	198	3	6207	-2	0.1	0

Restaurant Type	Year	Restaurants at Start of Year	Restaurants at End of Year	Net Change						
	2024	198	3	6207	189	2	4195	9	112	2

Table No. 2

**Transfers of Restaurants from Franchisees to New Owners (other than Franchisor)  
For Fiscal Years 2022 through 2024\***

State	Year	Number of Transfers
Tennessee	2022	0
	2023	2
	2024	0
TOTALS	2022	0
	2023	2
	2024	0

Table No. 3

**Status of Franchised Restaurants  
For Fiscal Years 2022 through 2024\***

State	Year	Restaurants at Start of Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Restaurants at End of Year
Alabama	2022	3	1	0	0	0	1	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	1	0	0	2
Arizona	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Arkansas	2022	2	1	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
California	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	1	1
Colorado	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	1	5
	2024	5	0	0	0	0	0	5
Florida	2022	2	3	0	0	0	0	5
	2023	5	1	0	0	0	1	5
	2024	5	1	0	0	0	0	6
Georgia	2022	10	0	0	0	0	2	8
	2023	8	0	0	0	0	0	8
	2024	8	1	0	0	0	4	5
Illinois	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	1	4
Indiana	2022	10	0	0	1	0	2	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	1	6
Iowa	2022	7	0	0	0	0	2	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Kansas	2022	5	0	0	0	0	1	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4

**Table No. 4**

**Status of Company-owned Restaurants  
For Fiscal Years 2022 through 2024**

State	Year	Restaurants at Start of Year	Restaurants Opened	Restaurants Reacquired From Franchisee	Restaurants Closed	Restaurants Sold to Franchisee	Restaurants at End of Year
Illinois	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Indiana	2022	23	0	0	0	0	23
	2023	23	0	0	0	0	23
	2024	23	0	0	0	0	23
Kentucky	2022	16	0	0	0	0	16
	2023	16	0	0	0	0	16
	2024	16	0	0	0	0	16
Michigan	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5
Missouri	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Ohio	2022	9	0	0	0	0	9
	2023	9	0	0	0	0	9
	2024	9	0	0	1	0	8
<b>TOTALS</b>	2022	57	0	0	0	0	57
	2023	57	0	0	0	0	57
	2024	57	0	0	1	0	56

**Table No. 5**

**Projected Openings as of December 31, 2024**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Puerto Rico	1	1	0
Canada	0	1	0
Florida	1	1	0
Colorado	0	0	0
Utah	1	1	0
<b>TOTALS</b>	<b>3</b>	<b>4</b>	<b>0</b>

Exhibit G lists the names of all current franchisees and the addresses and telephone numbers of their outlets as of December 31, 2024.

Exhibit H lists the name, city and state, and the current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Fazoli's System. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as a franchisee in our franchise system.

The following independent franchisee organization has asked to be included in this Disclosure Document:

Name: Fazoli's Franchisee Association, Inc.  
Address: Attn: Megan Reid, Administrative Director  
P.O. Box 4227  
Frankfort, KY 40604  
E-Mail: jreid@ljsfab.org also meganereid@me.com  
Phone Number: (502) 320-1720  
Web Address: None

## **ITEM 21 FINANCIAL STATEMENTS**

Attached to this Disclosure document as Exhibit B are the audited financial statements of Fazoli's Franchising Systems, LLC for the fiscal year ended December 31, 2024, December 31, 2023 and December 25, 2022 [and unaudited financial statements dated July 27, 2025](#).

## **ITEM 22 CONTRACTS**

The following agreements are attached as exhibits to this Disclosure Document:

EXHIBIT C Franchise Agreement:

SCHEDULE ONE: Location

SCHEDULE TWO-A: Form - Attorney Certification Letter – Leasing Real Estate

ATTACHMENT 2 Lease Amendment Agreement

ATTACHMENT 3 Memorandum of Lease

ATTACHMENT 4 Memorandum of Right of First Refusal

ATTACHMENT 5 Right to Cure/Financing

SCHEDULE TWO-B: Form – Attorney Certification Letter – Purchasing Real Estate

ATTACHMENT 3 Memorandum of Right of First Refusal

ATTACHMENT 4 Right to Cure/Financing

SCHEDULE THREE: Confidentiality and Other Business Interests Agreement

## State Effective Dates

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Not Registered
Illinois	Not Registered
Indiana	September 17, 2025 <a href="#">as amended</a>
Maryland	Pending
Michigan	Not Registered
Minnesota	October 14, 2025 <a href="#">as amended</a>
New York	<del>Pending</del> <a href="#">December 3, 2025 as amended</a>
North Dakota	September 26, 2025 <a href="#">as amended</a>
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	<del>Pending</del> <a href="#">See Separate FDD</a>
Wisconsin	Not Registered

**RECEIPT**

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

If **Fazoli’s Franchising Systems, LLC** 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 us or an affiliated in connection with the proposed franchise sale or grant.

Several states, including New York, require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Several states, including Michigan, require that we give you this disclosure document at least 10 business days before execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If **Fazoli’s Franchising Systems, LLC** 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 to the state agency listed on Exhibit A.

The Franchisor is **Fazoli’s Franchising Systems, LLC** located at 2470 Palumbo Drive, Lexington, Kentucky 40509. Its telephone number is (859) 268-1668.

Issuance Date: September 17, 2025 [as amended February 10, 2026](#).

The following is the name principal address and telephone number of each franchise seller offering this franchise:

- Taylor Wiederhorn 9720 Wilshire Blvd., Suite 500, Beverly Hills, CA 90212. (310) 402-0606
- Warren Christiansen 9720 Wilshire Blvd., Suite 500, Beverly Hills, CA 90212. (310) 402-0606

**Fazoli’s Franchising Systems, LLC’s** authorized the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I have received a Franchise Disclosure Document that included the following exhibits:

- |   |   |
|---|---|
| <u>Exhibit A</u> State Administrators and Agents for Service of Process   | <u>Exhibit D</u> Schedule Seven: Brand Technology System Support Services Agreement |
| <u>Exhibit B</u> Audited Balance Sheets   | <u>Exhibit E</u> Right to Cure/Financing Agreement                                  |
| <u>Exhibit C</u> Franchise Agreement, with the following agreements attached as Exhibits to the Franchise Agreement | <u>Exhibit F</u> Online Information Center Table of Contents                        |
| Schedule Two A and B: Form of Attorney Certification Letter   | <u>Exhibit G</u> Termination, Release & Confidentiality/Noncompetition Agreement    |
| Schedule Three: Confidentiality and Other Business Interests Agreement  | <u>Exhibit H</u> List of Current Franchisees  |
| Schedule Four: Guaranty of Franchisee’s Undertakings  | <u>Exhibit I</u> Franchisees Who Left the System                                    |
| Schedule Six: Bank Authorization Agreement  | <u>Exhibit J</u> State Required Addenda   |
|   | <u>Exhibit K</u> Multi-Unit Restaurant Agreement                                    |
|   | <u>Exhibit L</u> Addendum to Franchise Agreement                                    |
|   | General Release   |

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

Prospective Franchisee:  
 By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Individually and on behalf of the following entity:  
 Company Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

## RECEIPT

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

If **Fazoli's Franchising Systems, LLC** 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 us or an affiliated in connection with the proposed franchise sale or grant.

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	<u>Exhibit J</u> Multi-Unit Restaurant Agreement
	<u>Exhibit K</u> Addendum to Franchise Agreement
	<u>Exhibit L</u> General Release

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

Prospective Franchisee:

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

Name: \_\_\_\_\_

Individually and on behalf of the following entity:

Company Name: \_\_\_\_\_