Franchimp
Document downloaded from Franchimp.com

FRANCHISE DISCLOSURE DOCUMENT

Wingstop Restaurants Inc.
A Texas Corporation
5501 LBJ Freeway, 5th Floor
Dallas, Texas 75240
(972) 686-6500
areadevelopment@wingstop.com
www.wingstop.com

The franchise is to operate a restaurant under the WING-STOP® trade name and business system that serves buffalo-style chicken wings and complementary side dishes and beverages.

The total investment necessary to begin operation of a WING-STOP® Restaurant is $238,377 to $922,930, excluding real estate purchase and lease costs. This includes $22,500 to $30,000 that must be paid to the franchisor or affiliate. You sign the Development Agreement even if you want only one Restaurant franchise. If you want development rights for more than one Restaurant, you must pay the franchisor a development fee equal to $10,000 times the number of Restaurants you commit to develop.

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 Franchise Development, Wingstop Restaurants Inc., 5501 LBJ Freeway, 5th Floor, Dallas, Texas 75240, (972) 686-6500.

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 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 of this Franchise Disclosure Document: May 6, 2016

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit E for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN CITY AND STATE WHERE WE HAVE OUR PRINCIPAL BUSINESS ADDRESS WHEN THE ACTION IS COMMENCED (IT CURRENTLY IS IN DALLAS, TEXAS). OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN OUR HOME CITY AND STATE THAN IN YOUR OWN STATE.

2. THE DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT STATE THAT TEXAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

WINGSTOP RESTAURANTS INC.

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 Franchise Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California	May 6, 2016 (exemption)
Hawaii	Pending
Illinois	May 6, 2016 (exemption)
Indiana	May 9, 2016
Maryland	Pending (exemption)
Michigan	May 6, 2016
Minnesota	Pending
New York	May 6, 2016 (exemption)
North Dakota	Pending (exemption)
Rhode Island	Pending (exemption)
South Dakota	May 9, 2016
Virginia	Pending (exemption)
Washington	Pending (exemption)
Wisconsin	May 6, 2016

In all other states without franchise registration laws, the effective date of this Franchise Disclosure Document is the issuance date of May 6, 2016.

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

(A) A prohibition on the right of a franchisee to join an association of franchisees.

(B) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(C) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(D) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(E) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(F) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(G) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(H) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(I) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48909
(517) 373-3117

Despite subparagraph (f) above, we intend to enforce fully the provisions of the arbitration sections contained in our Development Agreement and Franchise Agreement. We believe that subparagraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration sections. You acknowledge that we will seek to enforce those sections as written.

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

TABLE OF CONTENTS

ITEM		PAGE NO.
ITEM 1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
ITEM 2	BUSINESS EXPERIENCE	8
ITEM 3	LITIGATION	10
ITEM 4	BANKRUPTCY	11
ITEM 5	INITIAL FEES	11
ITEM 6	OTHER FEES	13
ITEM 7	ESTIMATED INITIAL INVESTMENT	19
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	23
ITEM 9	FRANCHISEE'S OBLIGATIONS	26
ITEM 10	FINANCING	28
ITEM 11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	28
ITEM 12	TERRITORY	40
ITEM 13	TRADEMARKS	45
ITEM 14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	46
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	47
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	48
ITEM 17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	48
ITEM 18	PUBLIC FIGURES	57
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS	57
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION	60
ITEM 21	FINANCIAL STATEMENTS	69
ITEM 22	CONTRACTS	70
ITEM 23	RECEIPTS	70

EXHIBITS:

A. FINANCIAL STATEMENTS AND GUARANTEE OF PERFORMANCE
B. DEVELOPMENT AGREEMENT
C. FRANCHISE AGREEMENT
D. TABLE OF CONTENTS OF OPERATIONS MANUAL
E. LIST OF STATE AGENCIES / AGENTS FOR SERVICE OF PROCESS
F. DIRECTORY OF FRANCHISEES AND FRANCHISEES DEPARTING SYSTEM
G. RENEWAL RIDERS TO FRANCHISE AGREEMENT

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

H. STATE ADDENDA AND DEVELOPMENT AGREEMENT/FRANCHISE AGREEMENT RIDERS
I. FRANCHISEE REPRESENTATIONS
J. FRANCHISE AGREEMENT RIDERS FOR MARKET INCENTIVE PROGRAMS

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

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

This disclosure document does not provide all of the information you should consider in deciding whether to enter into a development agreement or franchise agreement. You should independently investigate this franchise opportunity and consult with an advisor like an attorney and/or accountant.

Wingstop Restaurants Inc. and Its Parent Companies. Wingstop Restaurants Inc. ("we," "us," and "our") offers the franchises described in this disclosure document. "You" means the individual or business entity (corporation, limited liability company, etc.) that buys a franchise. Except for sole proprietorships, "you" does not include a business entity's owners.

We are a Texas corporation with our home office at 5501 LBJ Freeway, 5th Floor, Dallas, Texas 75240. We do business under our corporate name and the trademarks identified in Item 13 and no other name. If we have an agent in your state for service of process, we disclose that agent in Exhibit E to this disclosure document.

The first Wingstop Restaurant opened in July 1994. We incorporated in November 1996 and began offering franchises for Wingstop Restaurants ("Restaurants") in May 1997. Our first franchised Restaurant opened in April 1998. We have never offered franchises in another line of business. Our direct parent company is Wingstop Holdings, Inc. ("WHI"), a Delaware corporation whose principal business address is the same as ours. WHI acquired our ownership in January 2003. It engages in no other business activities and has never offered franchises. On April 9, 2010, Wing Stop Holding Corporation, a Delaware corporation (with the same principal business address as us), acquired by merger all of WHI's outstanding shares. Wing Stop Holding Corporation was merged with and into Wingstop Inc., a Delaware corporation whose principal business address is the same as ours, on May 18, 2015, with Wingstop Inc. being the surviving corporation. Wingstop Inc., now a public company, therefore is our indirect parent company. It engages in no other business activities and has never offered franchises. We have no predecessors. Information about our other affiliates that are disclosable in this Item appears at the end of the Item.

Wingstop's Business and Description of the Franchise. We sell and service Wingstop Restaurant franchises and currently operate 19 Restaurants. We do not engage in or franchise any other business. Restaurants offer buffalo-style chicken wings in a variety of highly-seasoned flavors. They also offer complementary side dishes and beverages, including beer and wine where legally permitted. Restaurants operate under the Wingstop® trade name and use a distinctive logo, which appears on this disclosure document's cover page. Restaurants also will operate under other trademarks, logos, and trade dress and use our uniform standards, exterior and interior Restaurant design, décor, color scheme, special recipes, operating procedures, products, and other items we determine and communicate to you through our confidential operating manuals and other means.

A Wingstop franchise entitles you to operate one Restaurant at an approved location. Our Development Agreement governs a Restaurant's development phase, location, and timeframe. The Development Agreement gives you the right to obtain a franchise for your Restaurant after you complete our site location procedures and sign a lease for a location we have accepted. You must sign a Franchise Agreement for the Restaurant as soon as you sign the lease. Each Franchise Agreement gives you the right to own and operate a single Restaurant at a specific location. You must sign our current form of Franchise Agreement at the time for each Restaurant you open. If you are renewing your franchise because its term is about to expire, you also will sign a Renewal Rider to Franchise Agreement (Exhibit G) ("Renewal Rider"), which generally modifies certain provisions in our standard Franchise Agreement

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

that do not apply to you because your Restaurant already is open. The version of Renewal Rider you will sign depends on your particular circumstances.

Your Development Agreement also states the terms on which you (and your controlled affiliates) may develop more than one Restaurant if we allow you to become a multi-Restaurant operator. We offer multi-Restaurant development rights only to qualified individuals. Typically, a prospective franchisee sends us a personal profile and application setting forth personal, financial, business, and other information on the prospective franchisee and its owners. No portion of the Development Fee is refundable if you fail to develop Restaurants according to your Development Agreement's terms. You must sign our then current form of Franchise Agreement for each additional Wingstop Restaurant you develop. That form may differ from the form of Franchise Agreement included in this disclosure document.

You must operate your Restaurant under the business system and operating procedures we have developed, as described in our Operations Manual. We have developed several proprietary, private-label products, including potatoes, packaging, and the sauces and seasonings Restaurants use to flavor their chicken wings and fried potatoes. Franchisees must use our proprietary products and buy them from our designated distributors. They also must use other ingredients meeting our grade and quality specifications. We may designate the distributors from which you must purchase and may add or delete proprietary items and suppliers as we choose.

Restaurants are designed to be located primarily in shopping centers. They typically occupy from 1,200 to 3,000 square feet of leased retail space. Restaurants typically feature a distinctive "aviation theme" décor. Restaurants provide limited customer seating, as many customers call in their orders for off-premises consumption.

Restaurants market their products to customers of all ages and economic levels. Our Restaurants have not experienced significant sales fluctuations that can be attributed to seasonal factors. This experience may not be typical of seasonal sales variations other restaurant operators experience. Restaurants typically encounter lower sales after major consumer spending seasons (Christmas and the start of the school year) and during the winter, especially in the country's colder regions.

Industry Specific Regulation

The restaurant industry is heavily regulated. Many of the laws, rules, and regulations that apply to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, and the Occupation, Health and Safety Act, also apply to restaurants. Other laws, rules, and regulations apply to restaurants offering alcoholic beverages.

You must have a beer/wine license before you open your Restaurant. The difficulty and cost of obtaining a beer/wine license, and the procedures for securing the license, vary greatly from area to area. There also is wide variation in state and local laws and regulations governing the sale of beer and wine. In addition, state dram shop laws give rise to potential liability for injuries directly or indirectly related to alcohol sales and consumption. We have allowed Restaurants to operate without serving beer/wine in areas where a beer/wine license could not be obtained. We may allow more Restaurants to open without a beer/wine license as we deem best.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and state and local health departments administer and enforce laws and regulations governing food preparation and service and restaurant sanitary conditions. State and local agencies inspect restaurants to ensure they comply

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

with these laws and regulations. You should consider these and other applicable laws and regulations when evaluating your purchase of a franchise.

Restaurants compete generally with all kinds of quick-service food establishments. Only a few other quick-service food concepts feature buffalo-style chicken pieces, chicken strips, or chicken wings as their primary menu item. Chicken wings and other chicken products are the principal food items sold by Wingstop Restaurants. The availability of these products from independent suppliers throughout the United States and their wholesale cost are determined by market factors (including the supply needs of competitive businesses) over which we have little control. These supply chain issues will impact your operating costs and results during the franchise term.

Affiliated Franchise Programs. Through common control with or common management by either Roark Capital Group, Inc. ("RCG") or Roark Capital Management LLC, both Atlanta-based management companies affiliated with the private equity firm Roark Capital Group, we currently are affiliated with the following franchise programs. None of these affiliates has ever operated a Wingstop Restaurant.

FOCUS Brands is the indirect parent company to 6 franchisors, including Carvel Corporation ("Carvel"), Cinnabon LLC ("Cinnabon"), Schlotzsky's Franchise LLC ("Schlotzsky's"), Moe's Franchisor LLC ("Moe's"), Auntie Anne's LLC ("Auntie Anne's"), and McAlister's Corporation ("McAlister's").

Carvel is a leading retailer of branded ice cream cakes in the United States and a producer of premium soft-serve ice cream. Carvel was acquired by RCG in October 2001. Carvel's principal place of business is 5620 Glenridge Drive NE, Atlanta, Georgia 30342. Carvel has been associated with the ice cream business since 1934. Carvel began franchising retail ice cream shoppes in 1947 and, as of December 31, 2015, had 344 domestic retail shoppes (including 7 shoppes co-branded in Schlotzsky's restaurants operated by our affiliate), 54 international retail shoppes, and 21 foodservice locations operated by independent third parties that offer Carvel® ice cream and frozen desserts, including cakes and ice cream novelties. Carvel has not offered franchises in any other line of business.

Cinnabon licenses independent third parties to operate domestic and international franchised Cinnabon® bakeries and Seattle's Best Coffee® franchises on military bases in the United States and in certain international countries, and to use the Cinnabon trademarks on products dissimilar to those offered in Cinnabon bakeries. In November 2004, Cinnabon became a FOCUS Brands subsidiary through an acquisition. Cinnabon's principal place of business is 5620 Glenridge Drive NE, Atlanta, Georgia 30342. Cinnabon began franchising in 1990 and, as of December 31, 2015, franchisees operated 748 Cinnabon retail outlets in the United States, 569 Cinnabon retail outlets outside the United States, 5 Seattle's Best Coffee units in the United States, and 165 units in other countries. As of December 31, 2015, Cinnabon operated 2 company-owned Cinnabon retail outlets in the United States. Cinnabon has not offered franchises in any other line of business.

Schlotzsky's franchises Schlotzsky's® quick-casual restaurants which feature sandwiches, pizza, soups, and salads. Schlotzsky's signature items are its "fresh-from-scratch" sandwich buns and pizza crusts that are baked on-site every day. In November 2006, Schlotzsky's became a FOCUS Brands subsidiary through an acquisition. Schlotzsky's principal place of business is 5620 Glenridge Drive NE, Atlanta, Georgia 30342. Schlotzsky's restaurant franchises have been offered since 1976. As of December 31, 2015, there were 312 franchised Schlotzsky's restaurants operating in the United States, 38 company-owned restaurants operating in the United States, and 2 Schlotzsky's restaurants operating outside the United States. Schlotzsky's has not offered franchises in any other line of business.

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

Moe's franchises the Moe's Southwest Grill fast casual concept that offers fresh-mex and southwestern food. In August 2007, Moe's became a FOCUS Brands subsidiary through an acquisition. Moe's principal place of business is 5620 Glenridge Drive NE, Atlanta, Georgia 30342. Moe's predecessor, Moe's Southwest Grill, LLC, began offering Moe's franchises in 2001. As of December 31, 2015, there were 633 franchised Moe's restaurants operating in the United States, 3 operating outside the United States, and 5 company-owned Moe's restaurants in the United States. Moe's has not offered franchises in any other line of business.

Auntie Anne's franchises Auntie Anne's® shops that offer soft pretzels, lemonade, frozen drinks, and related foods and beverages. In November 2010, Auntie Anne's became a FOCUS Brands subsidiary through an acquisition. Auntie Anne's principal place of business is 5620 Glenridge Drive NE, Atlanta, Georgia 30342. Auntie Anne's has offered franchises since January 1991. As of December 28, 2015, there were approximately 1,135 franchised facilities and 16 company-owned stores in the United States and approximately 507 franchised facilities operating outside the United States. Auntie Anne's has not offered franchises in any other line of business.

McAlister's franchises full-size and non-traditional fast casual restaurant franchises offering counter-service and on-premises and take-out services featuring a complete or limited line of deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea, and other food and beverage products under the names "MCALISTER'S DELI®" or "MCALISTER'S SELECT®." McAlister's became an affiliated franchise program through an acquisition in July 2005, and McAlister's became a FOCUS Brands subsidiary in October 2013. McAlister's principal place of business is 5620 Glenridge Drive NE, Atlanta, Georgia 30342. McAlister's has been franchising since 1999 and, as of December 31, 2015, had 318 domestic franchised restaurants and 43 company-owned restaurants. McAlister's has not offered franchises in any other line of business.

Other Brands

Batteries Plus, L.L.C. ("Batteries Plus") is a franchisor that offers individual and multiple unit franchises for the operation of Batteries Plus Bulbs® stores selling batteries, light bulbs, and related accessories and services for retail consumer and commercial accounts. Batteries Plus' principal place of business is 1325 Walnut Ridge Drive, Hartland, Wisconsin 53029. Batteries Plus became an affiliated franchise program through an acquisition in November 2007. Batteries Plus has been franchising since August 1996 and, as of December 31, 2015 had 626 franchised stores and 48 company-owned stores. Batteries Plus has not offered franchises in any other line of business.

Primrose School Franchising Company ("Primrose") is a franchisor that offers franchises for the establishment, development, and operation of educational child care facilities serving families with children from 6 weeks to 12 years old operating under the Primrose® name. Primrose's principal place of business is 3660 Cedarcrest Road, Acworth, Georgia 30101. Primrose became an affiliated franchise program through an acquisition in June 2008. Primrose has been franchising since 1988 and, as of December 31, 2015, had 311 franchised facilities and one company-owned facility. Primrose has not offered franchises in any other line of business.

Pet Valu Canada Inc. ("Pet Valu") is a franchisor that offers franchises for specialty retail stores operating under the trademark "Pet Valu" that sell food and supplies for dogs, cats, birds, fish, reptiles, and small animals. Pet Valu's principal place of business is 130 Royal Crest Court, Markham, Ontario L3R 0A1. Pet Valu became an affiliated franchise program through an acquisition in August 2009. Pet Valu has been franchising since 1987. As of January 2, 2016, the Pet Valu enterprise operated stores in Canada and the United States under 5 different chains totaling 694 stores. Of the 694 stores, there were (i) 576 Pet Valu-branded stores consisting of 269 franchised stores and 127 company-owned stores in

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

Canada and 180 company-owned stores in the United States; (ii) 44 Jack's Pets-branded company-owned stores in the United States; (iii) 15 Paulmac's Pet Foods-branded stores in Ontario, Canada consisting of 14 franchised and 1 company-owned store; (iv) 51 Bosley's Pet Food Plus-branded stores in British Columbia, Canada consisting of 19 franchised and 32 company-owned stores; and (v) 8 company-owned Tisol-branded stores. Pet Valu has not offered franchises in any other line of business and currently offers franchises only for the operation of Pet Valu and Bosley's stores in Canada.

CBC Restaurant Corp. ("Corner Bakery") is a franchisor of fast-casual restaurants operating under the Corner Bakery Cafe® trade name and business system that serve artisan breads, salads, sandwiches, soups, and baked goods for breakfast, lunch, and dinner. Corner Bakery's principal place of business is 12700 Park Central Drive, Suite 1300, Dallas, Texas 75251. In June 2011, Corner Bakery became an affiliated franchise program through an acquisition. Corner Bakery has been franchising since June 2006 and, as of December 31, 2015, there were 114 company-owned restaurants and 83 franchised restaurants in the United States. Corner Bakery has not offered franchises in any other line of business.

Arby's Franchisor, LLC ("Arby's") is a franchisor of quick-serve restaurants operating under the Arby's® trade name and business system that feature slow-roasted, freshly sliced roasted beef sandwiches. Arby's principal place of business is 1155 Perimeter Center West, Suite 1200, Atlanta, Georgia 30338. In July 2011, Arby's became an affiliated franchise program through an acquisition. Arby's has been franchising since 1965 and, as of January 3, 2016, there were approximately 3,214 Arby's restaurants operating in the United States (2,210 franchised and 1,004 company-owned) and 127 franchised Arby's restaurants operating internationally. Predecessors and former affiliates of Arby's have, in the past, offered franchises for other restaurant concepts, including T.J. Cinnamons®. As of January 3, 2016, there were approximately 32 T.J. Cinnamons locations in the United States. T.J. Cinnamons stores serve gourmet baked goods.

Massage Envy Franchising, LLC ("Massage Envy") is a franchisor of businesses that offer professional therapeutic massage services, facial services, and related goods and services under the name "Massage Envy®." Massage Envy's principal place of business is 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260. In September 2012, Massage Envy became an affiliated franchise program through an acquisition. Massage Envy has been franchising since 2010 and through its predecessor since 2003. As of December 31, 2015, there were 1,127 franchised Massage Envy locations operating in the United States. Additionally, Massage Envy's predecessor previously sold franchises for regional developers, who acquired a license for a defined region in which they were required to open and operate a designated number of Massage Envy locations either by themselves or through franchisees that they would solicit. As of December 31, 2015, there were 40 regional developers operating 48 regions in the United States. Massage Envy has not offered franchises in any other line of business.

CKE Inc. ("CKE"), through 2 indirect wholly-owned subsidiaries (Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC), owns, operates, and franchises quick serve restaurants operating under the Carl's Jr.®, Hardee's®, Green Burrito®, and Red Burrito® trade names and business systems. Carl's Jr. restaurants and Hardee's restaurants offer a limited menu of breakfast, lunch, and dinner products featuring charbroiled 100% Black Angus Thickburger® sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits, and other related quick-serve menu items. Green Burrito and Red Burrito each offers certain Mexican food products in a quick-serve format. Green Burrito franchises are only offered in conjunction with a Carl's Jr. Dual Concept Restaurant that incorporates the Green Burrito Dual Concept System. Red Burrito franchises are only offered in conjunction with a Hardee's Dual Concept Restaurant that incorporates the Red Burrito Dual Concept System. CKE Inc.'s principal place of business is 6307 Carpinteria Avenue, Suite A, Carpinteria, California 93013. In December 2013, CKE Inc. became an affiliated franchise program through an acquisition. Hardee's restaurants have been franchised since 1961, and Red Burrito Dual Concept restaurants have been franchised since 2006. As of

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

January 25, 2016, there were 118 company-operated Hardee's restaurants, including 76 Red Burrito Dual Concept restaurants, and 1,687 domestic franchised Hardee's restaurants, including 454 Red Burrito Dual Concept restaurants. Additionally, there were 324 franchised Hardee's restaurants operating outside the United States. Carl's Jr. restaurants have been franchised since 1984, and Green Burrito Dual Concept restaurants have been franchised since 1996. As of January 25, 2016, there were 167 company-operated Carl's Jr. restaurants, including 121 Green Burrito Dual Concept restaurants, and 986 domestic franchised Carl's Jr. restaurants, including 506 Green Burrito Dual Concept restaurants. In addition, there were 370 franchised Carl's Jr. restaurants operating outside the United States. Neither CKE nor its subsidiaries operating the above-described franchise systems have offered franchises in any other line of business.

Driven Holdings ("Driven") is the indirect parent company to 8 franchisors, including Meineke Franchisor SPV LLC ("Meineke"), Maaco Franchisor SPV LLC ("MAACO"), Drive N Style Franchisor SPV LLC ("DNS"), Econo Lube Franchisor SPV LLC ("Econo Lube"), Merlin Franchisor SPV LLC ("Merlin"), CARSTAR Franchise Systems, Inc. ("CARSTAR"), and 1-800 Radiator Franchise SPV LLC ("1-800-Radiator"). In April 2015, Driven Holdings and its franchised brands at the time (Meineke, MAACO, DNS, Merlin, and Econo Lube) became affiliated franchise programs through an acquisition. Subsequently, through acquisitions in June 2015 and October 2015, respectively, 1-800 Radiator and CARSTAR became affiliated franchise programs.

Meineke franchises automotive centers which offer to the general public automotive repair and maintenance services that it authorizes from time to time. These services currently include repair and replacement of exhaust system components, brake system components, steering and suspension components (including alignment), belts (V and serpentine), cooling system service, CV joints and boots, wiper blades, universal joints, lift supports, motor and transmission mounts, trailer hitches, air conditioning, state inspections, tire sales, tune-ups and related services, transmission fluid changes, and batteries. Meineke and its predecessor have offered Meineke center franchises since September 1972, and Meineke's affiliate has owned and operated Meineke centers since March 1991. Meineke's principal business address is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. As of December 31, 2015, there were 863 Meineke centers, 49 Meineke centers co-branded with Econo Lube, and 1 company-owned Meineke center operating in the United States. As of December 31, 2015, there were 48 Meineke centers operating in Canada. Meineke has not offered franchises in any other line of business.

MAACO and its predecessors have offered MAACO center franchises since February 1972 providing automotive collision and paint refinishing. MAACO's principal business address is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. As of December 31, 2015, there were 460 MAACO centers in the United States and 20 MAACO centers in Canada. MAACO has not offered franchises in any other line of business.

DNS is the franchisor of 3 franchise systems: Drive N Style® franchises, AutoQual® franchises, and Aero Colours® franchises. DNS and its predecessors have offered Drive N Style franchises since October 2006. A Drive N Style business offers both interior and exterior reconditioning and maintenance services, exterior paint repair and refinishing services, interior and exterior protection services, and vehicle restyling services for consumer vehicles. As of December 31, 2015, there were 9 Drive N Style franchises in the United States. DNS and its predecessors have offered AutoQual franchises since February 2008. AutoQual businesses offer various services relating to the interior of automotive vehicles, including cleaning, deodorizing, dyeing, and masking of carpets, seats, and trim. As of December 31, 2015, there were 37 AutoQual franchises in the United States. DNS and its predecessors have offered Aero Colours franchises since 1998. Aero Colours businesses offer various services related to the exterior of automotive vehicles, including paint touch-up, repair, and refinishing that is performed primarily on cars at automobile dealerships or at the customer's home or place of business. As of

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

December 31, 2015, there were 24 Aero Colours franchises in the United States. DNS's principal business address is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. DNS has not offered franchises in any other line of business.

Merlin franchises Merlin 200,000 Miles Shops® which provide automotive repair services specializing in vehicle longevity, including the repair and replacement of automotive exhaust, brake parts, ride and steering control system, and tires. Merlin and its predecessors offered franchises from July 1990 to February 2006 under the name "Merlin Muffler and Brake Shops" and have offered franchises under the name "Merlin 200,000 Mile Shops" since February 2006. Merlin's principal business address is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. As of December 31, 2015, there were 43 Merlin franchises located in the United States. Merlin has not offered franchises in any other line of business.

Econo Lube offers franchises that provide oil change services and other automotive services, including brakes but not including exhaust systems. Econo Lube's predecessor began offering franchises in 1980 under the name "Muffler Crafters" and began offering franchises under the name "Econo Lube N' Tune" in 1985. Econo Lube's principal business address is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. As of December 31, 2015, there were 26 Econo Lube N' Tune franchises in the United States and 40 Econo Lube N' Tune franchises co-branded with Meineke centers, which are predominately in the western part of the United States, including California, Arizona, and Texas. Econo Lube has not offered franchises in any other line of business.

1-800-Radiator franchises distribution warehouses selling radiators, condensers, air conditioning compressors, fan assemblies, and other automotive parts to automotive shops, chain accounts, and retail consumers. 1-800-Radiator and its predecessor have offered 1-800-Radiator franchises since 2004. 1-800-Radiator's principal business address is 4401 Park Road, Benicia, California 94510. As of December 31, 2015, there were 192 1-800-Radiator franchises in operation in the United States and 8 1-800-Radiator franchises operating in Canada. 1-800-Radiator's affiliate has owned and operated 1-800-Radiator warehouses since 2001 and, as of December 31, 2015, owned and operated 6 1-800-Radiator warehouses in the United States. 1-800-Radiator has not offered franchises in any other line of business.

CARSTAR offers franchises for full-service automobile collision repair facilities providing repair and repainting services for automobiles and trucks that suffered damage in collisions. CARSTAR's business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers. CARSTAR and its affiliates first offered conversion franchises to existing automobile collision repair facilities in August 1989 and began offering franchises for new automobile repair facilities in October 1995. CARSTAR's principal business address is 4200 W. 115th Street, Suite 300, Leawood, Kansas 66211. As of December 31, 2015, there were 233 franchised CARSTAR facilities and 1 company-owned facility operating in the United States and 241 CARSTAR facilities operating internationally. CARSTAR has not offered franchises in any other line of business.

Driven is also the indirect parent company to the following franchisors that offer franchises in Canada: (i) Pro Oil Canada Partnership, LP and its predecessors have offered Pro Oil franchises in Canada under the name "Pro Oil" and "Pro Oil Change Centres" since 2008; (ii) Meineke Canada Partnership, LP and its predecessors have offered Meineke center franchises in Canada since August 2004; (iii) Maaco Canada Partnership, LP and its predecessors have offered MAACO center franchises in Canada since 1983; (iv) 1-800-Radiator Canada, Co. has offered 1-800-Radiator warehouse franchises in Canada since April 2007; and (v) CARSTAR Canada Partnership, LP and its predecessors have offered CARSTAR franchises in Canada since September 2000.

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

None of the affiliated franchisors is obligated to provide products or services to you; however, you may purchase products or services from these franchisors if you choose to do so.

ITEM 2
BUSINESS EXPERIENCE

President, Chief Executive Officer, and Director: Charles R. Morrison

Mr. Morrison became our President and Chief Executive Officer, and one of our Directors, in June 2012. He was Chief Executive Officer of Pizza Inn Holdings (now known as Rave Restaurant Group, Inc.), located in The Colony, Texas, from January 2007 to June 2012.

Chief Operating Officer: William Engen

Mr. Engen became our Chief Operating Officer in September 2014. He held several positions with 7-Eleven, Inc., located in Dallas, Texas, from June 2009 until September 2014, including Senior Vice President—East Operations from June 2011 until September 2014.

Chief Marketing Officer: Flynn Dekker

Mr. Dekker became our Chief Marketing Officer in February 2014. He was Chief Marketing Officer for Pizza Inn Holdings (now known as Rave Restaurant Group, Inc.), located in The Colony, Texas, from February 2012 to February 2014. He owned an upscale restaurant, Horne & Dekker, located in Dallas, Texas, from February 2010 to February 2012.

Chief Financial Officer and Treasurer: Michael F. Mravle

Mr. Mravle became our Chief Financial Officer and Treasurer in September 2014. He held several positions with Bloomin' Brands, located in Tampa, Florida, from June 2007 until September 2014, including U.S. Chief Financial Officer from October 2013 until August 2014.

Chief Development Officer: David A. Vernon

Mr. Vernon joined us in October 2010 as Vice President of Franchise Sales, was promoted to Senior Vice President of Development in January 2012, and was promoted to Chief Development Officer in November 2012.

Senior Vice President and Chief Information Officer: Stacy Peterson

Ms. Peterson joined us in September 2013 as Senior Vice President of Information Technology and currently is our Senior Vice President and Chief Information Officer. She worked for CBRE, located in Dallas, Texas, from October 2010 to August 2013, including Director of Information Technology from October 2010 to October 2011 and Vice President of Information Technology from October 2011 to August 2013.

Vice President of Corporate Operations: Luisa Bullard

Ms. Bullard joined us in October 2006 as Franchise Business Consultant, was promoted to Regional Vice President of Operations in July 2009, was promoted to Vice President of Operations and Technology in January 2014, and then was promoted to Vice President of Corporate Operations in February 2016.

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

Vice President of Operations: Daniel Kaepernik

Mr. Kaepernik joined us in January 2015 as Vice President of Operations. He worked for 7-Eleven Inc., located in Dallas, Texas, as Zone Leader from June 2011 to January 2015 and as Market Manager from July 2009 to June 2011.

Senior Director of Franchise Sales: Beverly Rich

Ms. Rich joined us in December 2005 as Director of Franchise Development and was promoted to Senior Director of Franchise Sales in December 2009.

Director of Franchise Sales: John Bonewell

Mr. Bonewell joined us in March 2016 as Director of Franchise Sales. He was Director of Development at Steak 'N Shake, located in San Antonio, Texas, from February 2012 to March 2016 and worked for Domino's Pizza, located in Ann Arbor, Michigan, from January 2005 to February 2012, most recently as Development Leader.

Vice President of Real Estate and Construction: Keith Hunter Stansbury

Mr. Stansbury joined us in September 2010 as Director of Real Estate, was promoted to Senior Director of Real Estate in March 2011, was promoted to Vice President of Real Estate in September 2012, and then was promoted to Vice President of Real Estate and Construction in February 2016.

Senior Vice President of International Operations: Lawrence Kruguer

Mr. Kruguer joined us in June 2015 as Senior Vice President of International Operations. He was Vice President of International Strategy, Development, and Finance for The Wendy's Company, located in Columbus, Ohio, from July 2012 to June 2015 and Vice President of International Development for Wendy's Arby's Group, located in Atlanta, Georgia, from January 2010 to July 2012.

Vice President of Training: Karen Grissom

Ms. Grissom joined us in April 2015 as Vice President of Training. She worked as Director of Global Training for Popeyes Louisiana Kitchen, located in Atlanta, Georgia, from July 2011 to April 2015 and was Associate Director of Global Learning and Development for Starwood Hotels and Resorts, located in Whiteplains, New York, from December 2010 to July 2011.

Senior Director of Real Estate: Nathan Piwonka

Mr. Piwonka joined us in July 2013 as Director of Real Estate and was promoted to Senior Director of Real Estate in February 2016. He worked as Senior Manager of Retail Real Estate for AT&T Mobility, located in Dallas, Texas, from February 2008 to July 2013.

Director: Steve Romaniello

Mr. Romaniello has been one of our Directors since April 2010. He also has been a Managing Director at Roark Capital Management LLC, located in Atlanta, Georgia, since January 2009.

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

Director: Stephen D. Aronson

Mr. Aronson has been one of our Directors since April 2010. He also currently serves as Managing Director and General Counsel of RCG, Roark Capital Management, LLC, and their affiliates in Atlanta, Georgia. He has been a Managing Director for these companies since November 2008 and their General Counsel since November 2007.

Director: Erik Morris

Mr. Morris has been one of our Directors since April 2010. He also has been a Managing Director at Roark Capital Management LLC, located in Atlanta, Georgia, since October 2007.

ITEM 3
LITIGATION

Emeritus Group, Inc. et al. v. Wingstop Restaurants, Inc. (American Arbitration Association, Case No. 71 114 Y 00675 10). Claimants, who now are former franchisees who owned 3 Wingstop Restaurants, filed an arbitration demand against us and an existing franchisee on August 18, 2010, an amended arbitration demand only against us (removing the other franchisee as a party) on September 27, 2010, and several subsequent amendments. Claimants essentially alleged that our 2009 grant to a different franchisee of a franchise for a new Wingstop Restaurant located at least 6 miles from one of their existing Restaurants was improper because, among other things, the new Restaurant adversely affected the sales at 2 of their Restaurants, causing them to be unprofitable, and we allegedly represented to them that we would not develop a new Restaurant in that particular market area. Claimants asserted that they, and not the other franchisee, should have had the opportunity to develop the new Restaurant or that we should not have developed that Restaurant at all. Claimants asserted causes of action for fraudulent misrepresentation, fraudulent inducement, fraudulent concealment, breach of franchise agreement, unjust enrichment, promissory estoppel, civil conspiracy, tortious interference with prospective business relations, breach of implied covenant of good faith and fair dealing, and violation of the Texas Deceptive Trade Practices Act. Claimants sought compensatory damages of over $3.2 million, excess interest paid to their lender, exemplary and other damages to which they were entitled under law, attorneys' fees and costs and/or orders cancelling the new Restaurant's franchise agreement or granting the franchise to them and requiring us to repurchase their 3 existing Restaurants with a refund of the original purchase price (claimants had purchased the Restaurants in 2005 directly from a franchisee). We denied all claims in the arbitration demand. On May 20, 2011, we and Claimants entered into a settlement agreement under which we paid Claimants $75,000 in exchange for a full release and dismissal of all claims. No party admitted any liability or fault to one another. This case is over.

R-Stream, LLC v. Wingstop Restaurants Inc. (United States District Court for the Middle District of Florida, Tampa Division, Case No.: 8:08-cv-02221-VMG-EAJ). Plaintiff, a point-of-sale (POS) system company, filed a complaint against us on June 23, 2008 in the Circuit Court for Pinellas County, Florida. We removed the action to the United States District Court. Plaintiffs alleged that, following negotiations between the parties regarding the design and specifications of a POS system, we failed to require that all Wingstop restaurants implement the system. Plaintiffs claimed breach of contract, fraud in the inducement, promissory estoppel, and tortious interference with an advantageous business relationship and sought damages exceeding $15,000, interest, and costs. We denied each claim. On September 9, 2010, we and the plaintiff settled the case. We paid the plaintiff $250,000 and agreed not to require any existing franchisee then using R-Stream's POS system to stop using it unless we required all franchisees to use a specific POS system or to acquire a POS system from a preferred vendor. However, the settlement did not obligate us to allow other franchisees to use R-Stream's POS system. R-

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

Stream released us from all claims and dismissed the lawsuit. No party admitted any liability or fault to one another. This case is over.

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

As a result of the continued precipitous downturn in the residential housing market in New England and the deepening economic crisis within the U.S. economy, on March 3, 2008, Wood Structures, Inc. and its subsidiary, Wood Assonet Corporation (collectively, "Wood Structures"), each filed separate petitions for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Maine. (In re Wood Structures, Inc. (Case No. 09-20245) and In re Wood Assonet Corporation (Case No. 09-20246)). On April 7, 2009, pursuant to an order of the Bankruptcy Court, the Chapter 11 proceeding was converted to a Chapter 7 liquidation case. The case was closed on January 28, 2014 with the liquidation of Wood Structures. Prior to liquidation, Wood Structures had not engaged in business with us or our franchise system nor offered franchises. Wood Structures was our affiliate solely as a result of common ownership.

Due to the financial crisis in the United States mortgage markets in or about 2008, numerous mortgage companies filed for bankruptcy. On November 5, 2008, Ace Holding Company, LLC and its subsidiaries, Ace Mortgage Funding, LLC, Ace Imaging, LLC, and Archer Land Title, LLC (collectively, the "Ace Companies"), each filed separate petitions for liquidation under Chapter 7 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. (In re Ace Mortgage Funding, LLC (Case No. 08-12645-CSS), In re Ace Holding Company, LLC (Case No. 08-12642-CSS), In re Ace Imaging, LLC (Case No. 08-12644-CSS), and In re Archer Land Title, LLC (Case No. 08-12643-CSS)). Those cases are pending. The Ace Companies have not engaged in business with us or our franchise system nor offered franchises. The Ace Companies were our affiliates solely as a result of common ownership.

Other than these actions, no bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

The Restaurant franchise program always involves two types of agreements and fees: a Development Agreement with development fees and a Franchise Agreement with franchise fees.

The Development Agreement gives you an option to purchase a Restaurant franchise. The option becomes exercisable when you secure a suitable Restaurant site during the option period (which usually lasts 180 days). You pay a $10,000 development fee when you sign the Development Agreement. If you obtain development rights for additional Restaurants, you must pay a development fee equal to $10,000 times the number of additional Restaurants you commit to develop. You must pay the development fee in full when you sign the Development Agreement. The development fee is not refundable.

The franchise fee for your first Restaurant developed under a specific Development Agreement currently is $20,000. If we allow you to develop more than one Restaurant under the same Development Agreement, your franchise fee for your second and each subsequent Restaurant developed under that Development Agreement will be our then current franchise fee (as of the date you sign the Franchise Agreement for the subsequent Restaurant) for additional Restaurants developed under the same Development Agreement. That franchise fee currently is $12,500; however, we may increase that

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

franchise fee in the future. (The franchise fee due for the first Restaurant developed under a new or different Development Agreement currently is $20,000. You do not receive the benefit of a lower franchise fee for the first Restaurant developed under a new or different Development Agreement.) You must pay the full franchise fee when you sign the Franchise Agreement for the Restaurant. The franchise fee is not refundable. (Development fees and franchise fees are separate; development fees are not credited toward franchise fees.)

We participate in the International Franchise Association's VetFran Program, which generally provides discounts on initial franchise fees to veterans of U.S. Armed Forces who otherwise meet the Program's requirements. First-time purchasers of franchises who are veterans of the U.S. Armed Forces are eligible to pay a reduced franchise fee of $5,000 for their first Wingstop Restaurant (representing a $15,000 discount off our standard $20,000 franchise fee). To qualify for the discount, the veteran must own at least a 50% interest in the franchise. "Veteran" means a recipient of an honorable discharge as evidenced by the U.S. Department of Defense. It is the veteran's responsibility to send us the required documents in order to obtain the VetFran discount. There is no VetFran discount if you are receiving this disclosure document in connection with your purchase of an existing Wingstop Restaurant. (The VetFran discount does not apply to development fees.)

Despite the provision above, one franchisee who signed a Development Agreement with us in 2007 to develop multiple Restaurants in a particular area must pay us a $10,000 franchise fee for each of the remaining 5 Restaurants to be developed under that Development Agreement (which was the franchise fee in effect when the franchisee signed that Development Agreement).

If you purchase an existing Restaurant franchise, you do not pay an initial franchise fee. Instead, we receive a $10,000 transfer fee (which is not refundable).

In 2012, 2011, and 2010, we offered certain "incentive programs" for a limited time to existing and new franchisees in certain markets in the United States in order to spur development in those markets. Under those incentive programs, franchisees committing to develop new Wingstop Restaurants in their markets paid a $12,500 or $10,000 development fee for each Restaurant proposed to be developed. However, we agreed not to charge them additional separate franchise fees for Restaurants developed under a Development Agreement signed while their particular incentive programs were in effect. In certain cases, we committed to use a portion of each per-Restaurant development fee to promote and advertise the franchisee's Restaurant in its market. We no longer offer incentive programs to new developers. However, franchisees who signed Development Agreements while the incentive programs were in place and still have 14 total Restaurants to develop under those Development Agreements will not pay a separate franchise fee. (Our Franchise Agreement Riders for the 2010, 2011, and 2012 Incentive Programs, which you will sign (as applicable) with your Franchise Agreement only if you signed Development Agreements while the Incentive Programs were in effect, are in Exhibit J.)

Except as otherwise described, the initial fees and payments in this Item 5 are uniform in all cases.

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

ITEM 6
OTHER FEES

Column 1 Type of fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalties	6% of Gross Sales (However, Royalty will be 5% of Gross Sales (1) under the first Franchise Agreements to be signed for the first Wingstop Restaurants (a total of 11) to be developed under Development Agreements signed before July 1, 2014 and (2) for franchisees renewing their franchises who previously committed to obtain, and in fact buy and install, our currently-required point-of-sale system by December 31, 2016) (Also, under the 2011 and 2012 incentive programs described in Item 5, the first-year Royalty is 3% of Gross Sales, and the second-year Royalty is 4% of Gross Sales, for Wingstop Restaurants developed under a Development Agreement signed while the incentive program was in effect (and 5% of Gross Sales for the	Payable weekly by automatic debit of your account on Tuesday of each week for Gross Sales during the week ended the prior Saturday	Gross Sales include all revenue from your Restaurant but exclude sales taxes, coupon credits, employee discounts, and revenue from gift cards sold (although Gross Sales include revenue you derive from selling products and services where payment is made with gift cards)

This document was downloaded from Franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Preview ends here

You are viewing the first 20 of 331 pages.
Log in or create a free account on franchimp.com to read the full document.

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.