FRANCHISE DISCLOSURE DOCUMENT

Galardi Group Franchise Corp., a California Corporation
7700 Irvine Center Drive, Suite 550
Irvine, California 92618
(949) 892-2699; franchising@wienerschnitzel.com; www.wienerschnitzel.com

(Full Franchise)

The franchise is a quick service restaurant featuring a limited menu which includes hot dogs, fries, soft serve desserts, and drinks. The total investment necessary to begin operation of a new Wienerschnitzel Express® is $57,800 to $249,700. This includes $6,000 to $56,000 that must be paid to us or our affiliate, and if we provide development services for construction, 5% of construction costs. If you buy an operating restaurant your investment may exceed these ranges because you may also buy the restaurant assets and provide us a $10,000 deposit with your purchase offer.

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 government 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 Ted Milburn at Galardi Group Franchise Corp., 7700 Irvine Center Drive, Suite 550, Irvine, CA 92618, and 949-892-2652.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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.

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How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit M.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Wienerschnitzel business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Wienerschnitzel franchisee?	Item 20 or Exhibit M lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit Q.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

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 AGREEMENTS REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN CALIFORNIA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE US IN CALIFORNIA THAN YOUR HOME STATE.

2. YOUR BUSINESS MAY DECLINE WHEN THERE IS BAD PUBLICITY ABOUT THE TYPES OF FOOD WE SERVE, ANOTHER RESTAURANT IN OUR SYSTEM, OR EVEN ABOUT A COMPETING QUICK SERVICE RESTAURANT OR SYSTEM, SUCH AS PUBLICITY ABOUT A CRIME, INJURY, ILLNESS OR OTHER MISFORTUNE AT ANY SUCH RESTAURANTS.

3. YOUR BUSINESS WILL BE AFFECTED BY CHANGES IN CONSUMER TASTES, DEMOGRAPHIC PATTERNS, CHARACTER OF THE AREA WHERE YOUR RESTAURANT IS LOCATED, WEATHER, COMPETITION, INFLATION, FOOD COSTS, COST OF MOTOR FUELS, GOVERNMENT REGULATIONS LIKE REQUIRED DISCLOSURE OF NUTRITIONAL INFORMATION, PUBLIC ATTENTION TO INGREDIENTS, HEALTH AND NUTRITION CONCERNS, HEALTH CODES, ZONING, ENVIRONEMNT CONCERNS, WAGE AND PRICE CONTROLS, EMPLOYMENT AND WAGE LEVELS, ENERGY USAGE, AND OTHER OPERATING COSTS.

4. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN ORANGE COUNTY, CALIFORNIA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE US IN CALIFORNIA THAN IN YOUR OWN STATE.

5. THE FRANCHISE AGREEMENT SAYS CALIFORNIA LAW GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS TO YOU AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

6. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS WE CONTROL.

7. IF YOU ARE MARRIED, WE'LL REQUIRE YOU AND YOUR SPOUSE TO SIGN A PERSONAL GUARANTEE MAKING HIM/HER JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE, WHETHER OR NOT YOUR SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AND SPOUSE(S) AT RISK.

8. WE AND ONE OF OUR AFFILIATES GUARANTEED FOURTEEN TERM LOANS FOR ANOTHER OF OUR AFFILIATES. AT DECEMBER 31, 2019, THE AMOUNTS WERE $123,279; $144,410; $93,069; $150,052; $259,923; $333,682; $130,544; $709,702; $1,033,751; $838,252; $1,503,578; $1,981,678; $245,106; $749,957; $460,055; and $832,187 (TOTALING $9,589,225).

9. THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE.

We may 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.

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.

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ITEM 1: The Franchisor and any Parents, Predecessors and Affiliates

We are Galardi Group Franchise Corp. We incorporated in 1982. To simplify language in this disclosure document, "we," "us," or "our" means Galardi Group Franchise Corp. and may include one of more of our affiliates. "You," or "your" means the franchisee or person or entity (corporation, partnership, LLC, and its owners, managers, officers and directors) that buys the franchise.

Some affiliates control or are under common control with us. Our parent (majority owner) is Galardi Group, Inc. ("GGI"), incorporated in 1964. Galardi Group Franchising & Leasing, LLC, a limited liability company, formed in 2002, owns certain operating assets related to our business, and conducts restaurant related business after the sale of the franchise to you, and may provide services to you. We don't have a predecessor in the sense of someone who we acquired most of our assets from.

All the above companies are formed in California. All are located at 7700 Irvine Center Drive #550, Irvine, California 92618. The phone number is 949-892-2699. See Exhibit Q for our agents for service of process.

We franchise quick service restaurants, called Wienerschnitzel® and Wienerschnitzel Express®. Your Wienerschnitzel Express® restaurant will feature hot dogs, fries, and drinks. We may allow, or require, you to offer Tastee-Freez® desserts.

We or our parent and affiliates operated Wienerschnitzel® restaurants since 1961 and offered franchises since 1965. We do not currently own or operate any Wienerschnitzel® or Wienerschnitzel Express® restaurants. There are currently 339 Wienerschnitzel franchises. Since 1982 we or affiliates offered franchises for Hamburger Stand® restaurants, offering burgers, fries, and soft drinks. There are currently 12 Hamburger Stand® franchises. Since 2003, our affiliate Tastee Freez, LLC offered franchises for Tastee-Freez® restaurants selling desserts, or desserts and foods. Tastee-Freez® started in the 1950s. A predecessor offered Tastee-Freez® franchises since at least 1982. Tastee Freez, LLC currently has 10 franchises. Counting subfranchisees, and Wienerschnitzel® locations that offer Tastee-Freez®, about 339 locations offer Tastee-Freez® products.

We offer four types of Wienerschnitzel® franchises: (1) full, (2) business and facility; (3) limited; and (4) express (sometimes referred to as Wienerschnitzel Express®). This Disclosure Document is for the express franchise. In an express franchise you obtain and build-out premises, obtain equipment, hire staff and do everything to develop and operate your express restaurant. Sometimes we may sell an operating Wienerschnitzel Express® restaurant as a franchise. The full, business and facility, and limited franchises are described in separate Franchise Disclosure Documents. Under a separate Franchise Disclosure Document ("FDD") we offer area representative franchises, which are to engage in the business of recruiting and providing support services to operators of Wienerschnitzel® restaurant franchises in their area. The area representative does not have any management responsibility in the sale or operation of the franchises listed above.

The market for quick service restaurants and the foods we offer is well-developed. Your customers will be all types of consumers who want a good meal served quickly at a reasonable price. You will compete with restaurants and quick service restaurants including franchises, chains and individually-owned restaurants and other meal options, like food trucks, dining at home and grocery store deli counters. Your competitive advantage will be based on following our standards and guidelines, your entrepreneurial and managerial abilities and focus on customer service in your Wienerschnitzel Express® franchise.

You must comply with laws and rules on operating a restaurant, health, safety and sanitation, health department inspections, menu and menu board labeling, providing calorie and nutrition information, smoking, restrictions, posting notices of chemicals and health hazards, fire safety and emergency preparedness, use, storage and disposal of containers and materials that may harm the environment or effect food or health, and on waste, insecticides and other hazardous materials, food labeling, minimum wages, overtime, working hours and conditions, unlawful discrimination, disability discrimination and compliance, anti-terrorism, employing children and with the FDA Hazard Analysis and Critical Control Point (HACCP) food safety program. Some states require you to employ a person certified in food safety. Also, in several states, (for example, California, Illinois, and Washington) county health departments inspect restaurants and other retail food facilities for such matters as sanitation, compliance with safe food handling practices and adequacy of kitchen facilities. You must investigate and comply with these laws and regulations, despite any advice or information we may give you.

ITEM 2: Business Experience

Chairman and Chief Executive Officer: Cynthia Galardi Culpepper

Ms. Culpepper became our Chairman and Chief Executive Officer in 2013 following the death of our founder John N. Galardi. For more than 5 years, Ms. Culpepper has been a shareholder of the Company.

President: J.R. Galardi

Mr. Galardi has been our President since December 2017. He was our Executive Vice President from August 2016 to December 2017; Director of Administration from March 2016 to August 2016; Manager of Hamburger Stand from January 2016 to March 2016; and Marketing Manager from June 2012 to January 2016.

Vice President and Chief Financial Officer: Ken Wagstaff

Mr. Wagstaff has been GGI's and our Vice President, Chief Financial Officer since 2001.

Vice President of Development and Secretary: Robert E. Mathews

Mr. Mathews has been our Vice President of Development and Secretary since 2006. He has been GGI's and our General Counsel since 2003.

Vice President of Operations: Rusty Bills

Mr. Bills has been GGI's Vice President of Operations since October 2017. He was our Senior Director of Operations from November 2016 to October 2017; Director of Operations from September 2014 to November 2016; Manager of Tastee Freez and Special Projects from September 2011 to September 2014; and Franchise Area Director from March 2007 to September 2011.

Director of U.S Franchise Development: Ted Milburn

Mr. Milburn has been our Director of Franchise Development since January 2015.

Chief Marketing Officer: Doug Koegeboehn

Mr. Koegeboehn has been our Chief Marketing Officer since January 2015. He was our Director of Marketing from November 2014 through December 2014. From November 1993 through October 2014, Mr. Koegeboehn was Group Account Director for DGWB Advertising located in Santa Ana, California.

ITEM 3: Litigation

Maher Abdeljawad v. Galardi Group, Inc. (U.S. District Court for the Central District of Illinois, Case No. 2: 15-cv-02265-HAB, filed November 5, 2015.) This litigation concerned marketing and advertising of Wienerschnitzel® all-beef hot dogs with chili or chili-cheese. Abdeljawad alleges that advertising and marketing the all-beef hot dogs with chili or chili-cheese misled him and similarly-situated consumers to believe that not just the hot dog, but the *chili* was all beef (whereas the chili contains some pork). Abdeljawad sought to certify a class of all consumers nationwide who purchased the all-beef hot dog with chili or chili-cheese. On May 4, 2016, the parties signed a settlement agreement.

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

ITEM 4: Bankruptcy

No bankruptcy information is required to be disclosed in this Item.

ITEM 5: Initial Fees

You pay an initial franchise fee. The initial franchise fee is $10,000. For a second or subsequent franchise agreement you enter into with us, the initial franchise fee is reduced by 50% (thus $5,000). For a renewal, the initial fee is $500 for each year of the renewal term under the Franchise Agreement. You pay the total in a lump sum on signing the Franchise Agreement.

This initial franchise fee is not refundable, except in specific instances. If you diligently identified and proposed three locations to us, but after a year from signing the Franchise Agreement we did not find any of them to be acceptable, and we did not identify any location acceptable to you, then at your or our written request, the Franchise Agreement can be cancelled. Franchisee's written request to cancel this Agreement must be made to the Franchisor before the end of the thirteenth (13th) month after entering into this Agreement, and Franchisor's and/or Service LLC's written request to cancel this Agreement may be made at any time after twelve (12) months from entering into this Agreement. At the end of the 13th month, the full franchise fees are not refundable without a written request. To buy an operating Wienerschnitzel Express® restaurant from us, you deposit $10,000 with your purchase offer and upon the purchase pay us the full purchase price in cash or cash and a promissory note. Some of the price may be used to make changes to the restaurant we deem necessary. If the sale isn't completed, we keep $1,000 of your deposit and refund the rest. We may negotiate the initial fee based on factors like restaurant operating history, remaining lease term, duration of the franchise agreement, number of restaurants involved, and possibly other factors. If so cancelled, we'll retain $5,000 and return the rest of the initial franchise fee you paid.

If an existing contract between you and us says we will sell you a franchise for a different fee than stated above, then the initial fee will be as stated in your contract.

If we provide development services for constructing a new restaurant, you pay us a fee equal to 5% of construction costs.

You pay us $4,000 for training. You pay this before starting training or on the first day of training

ITEM 6: Other Fees

Type of Fee	Amount	Due Date	Remarks (Note 1)
Service Fee	5% of Net Sales	7th day of month	Net Sales is the total sales of all food and other items, but not counting sales taxes, over rings, refunds and tips.
National or Regional Advertising	1% of Net Sales	7th day of month	You pay us this for national and/or regional advertising.
Advertising Contribution	3% of Net Sales. Your advertising association, if any, can increase this rate.	7th day of month, or as set by your advertising association	If your association charges under 3% or no association is in your area, you must spend the difference on your own advertising. We can make you pay us the difference between your advertising expenditures and the 3% rate.
Rent; Additional Rent	10% of Net Sales, subject to minimum stated in lease or sublease; also, Landlord may bill for CAM, Utilities, Insurance, Real Property Taxes and Personal Taxes.	20th day of each month; 30 days from notice by Landlord	If you lease premises from us, you pay us monthly rent. This may exceed how much we pay if we lease the premises. Also, Landlord may bill and you pay the Landlord for such items as CAM, utilities, insurance, real property taxes, personal taxes, etc.
New Restaurant Employee Training	$4,000	When you request this training	This fee is if we train employees at a new restaurant opened by an existing franchisee. This training is at our option.
Additional Training	Recertification Renewal $100 per person	Varies	Renewal of certification fee.
Promotional Allowances	Amount of Allowance	On receipt	You assign to us any right get promotional allowances from suppliers.
Permits, Licenses, Sales and Other Taxes	Costs we incur for permits, licenses or taxes and amount of taxes	On demand	You reimburse us for any permits or licenses we get for you. You reimburse us for any sales tax, trademarks license taxes or fees we pay on your behalf. If a government agency charges us tax for granting you a license or franchise, or for your sales, you pay the tax. If you don't then we pay the tax and you reimburse us.
Transfer Fee	$500 - $3,000	On request of our consent	We charge $500 for you to transfer franchise to an entity you control. Otherwise will charge you our then-current transfer fee (currently $3,000 which could go up)
Service Fee	$500 monthly	On demand	If you fail to complete your resale or renewal requirements by the agreed upon date, you will be subject to this service fee each month until the requirements are satisfied.

Insurance	Amount of Premium	On demand	If you don't show us proof you have all required insurance we have the right (but no obligation) to get it at your cost.
Indemnity	Amount of loss; attorney's fees	On demand	You protect us from loss or damage occurring at your premises. If we are sued, you defend us. If you don't we can defend ourselves at your expense. You pay any judgment against us.
Audit	$100 to $1,000	On demand	If you underreported net sales by 2% or more, you pay the underreported amount and also pay our audit costs.
Product Testing	$1,000	On demand	If you want to get items, meeting our standards, from someone we haven't approved, you give us information we want about the proposed source. We may require them or you to pay for testing items.
Attorney's Fees and Court Costs	Amount of fees and costs	On demand	In an action relating to franchise agreement or your advertising association you reimburse our (or, if applicable, advertising association's) attorney's fees, court costs, and other costs if you are unsuccessful.
Attorney's Fees and Court Costs	Amount of fees and costs	On demand	In an action relating to franchise agreement or your advertising association you reimburse our (or, if applicable, advertising association's) attorney's fees, court costs, and other costs if you are unsuccessful.
Late Charge/Interest	10% of delinquency plus lower of 18% per year or highest rate allowed by law for non-personal loan	On demand	If you do not pay us or your advertising association on time, you pay an additional 10% of the amount overdue plus interest at 18%.
Failure to Complete Purchase of Assets	$1,000	Immediate	If we accept your offer to buy assets of an existing restaurant and your purchase is not completed, we keep $1,000 of your deposit.
Real Estate Assignment Fee	$15,000 for each location	Close of purchase or lease transaction	You pay us if you assume a purchase or lease contract for a property we have under contract.
Breach service charge/costs of remedial action	$250 or other reimbursement of expenses to cure (varies)	On demand	For breach or default we can charge you $250 and require you to pay our costs/expenses for remedial or cure actions we take re-maintenance, design, décor, appearance, obsolescence or any aspect of the restaurant.
Reimbursement for Employer Related Costs	Varies	On demand	You pay us for any costs/expenses like wages, salaries, taxes and/or other payroll-related costs/expenses for any of your employees or independent contractor if we are deemed to be the employer.
Point of Sale System	$720 per year for Galardi Group Help Desk, or if you use an outside vendor, approximately $1,300 per year.	On demand	For access to Help Desk; license for Point of Sale software.

1. All fees are imposed by and collected by us or our affiliate and are paid to us, except that contributions to an advertising association are paid to the association. None of these fees are refundable, except that if an insurance policy is cancelled before it expires, a portion of the premium may be refundable from the insurance company. All fees are uniformly imposed.

2. The service fee is in the nature of a royalty for use of our trademark and system and is part of the consideration to us for any services that we may provide, or arrange for our affiliates to provide, such as training, the loan of our operations manual, product evaluations and other assistance.

ITEM 7: Estimated Initial Investment

Type of Expenditure	Amount (Note 1)	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	$5,000 - $10,000 (Note 2)	Lump Sum	On signing Franchise Agreement	Us
Net Rent	$0 - $30,000	Check or Automated Payment	Typically Monthly	Us or landlord/property owner directly
Equipment Furniture, Furnishings, Fixtures	$35,000 - $100,000 (Note 4)	Varies	Before Opening	Vendors
Small wares (Note 5)	$1,000 - $8,000	Check or Credit Card	Before Opening	Approved distributor/vendor
Opening Inventory	$4,000 - $7,000	Lump Sum	Before Opening	Approved distributor & local vendors
Training (Note 6)	$1,000 - $6,000	Lump Sum	Before Opening	Us; travel and lodging providers
Insurance	$3,000 - $21,000	Check or credit card	Before Opening	Insurance Company
Uniforms	$300 - $700	Lump Sum	Before Opening	Uniform Suppliers
Security Deposits (Note 7)	$0 - $10,000	Lump Sum	(Note 7)	Us or Landlord; Utilities
Real Estate Improvements (Note 8)	$5,000 - $55,000	(Note 8)	(Note 8)	(Note 8)
CPA/Lawyer (Note 9)	$1,500 - $3,000	Varies	Before Opening	CPA/Lawyer
Additional Funds-Three months (Note 10)	$5,000 - $10,000	Varies	Varies	Miscellaneous suppliers/trade persons & others for incidental and other costs
Additional investment for purchase of operating restaurant	(Note 11)	Varies	Before Opening	Us
Total (Notes 1,11, & 12)	$57,800 - $249,700 (Notes 1, 11 & 12)			

Notes:

1. This table estimates your anticipated initial investment for the period before opening your franchise until about three months after opening. These are only estimates.
2. The initial fee is $10,000. For a second or subsequent franchise agreement you enter into with us, the initial franchise fee is reduced by 50% (thus $5,000). For a renewal, the initial fee is $500 for each year of the renewal term under the Franchise Agreement. You pay the total in a lump sum on signing the franchising agreement. It is non-refundable, except in specific instances.
3. Estimated rent for three months. Rent will depend on market conditions, location, size, condition of premises, and a wide range of other factors. The low estimate assumes you already own or lease the property so that there is no additional monthly rent from adding the Wienerschnitzel Express® restaurant. The high estimate assumes monthly rent of $10,000. It is possible your rent could exceed the high estimate if you choose a location at a higher monthly rental.
4. You provide furniture, fixtures and equipment ("FF&E"). Your cost will depend on restaurant design and equipment you may be required to purchase. This estimate also includes approximately $8,500 to $10,000 for the Micros POS system we require you to purchase. The help desk together with the software licensing fees are about $1,300 per year; or if you choose to use the Galardi Group Help Desk by itself, the cost is $720 per year. The low estimate assumes your cost for signage will be about $10,000.
5. This estimate is for a range of cooking and related utensils.
6. You pay us a training fee of $4,000. The high estimate of $6,000 assumes you also have $5,000 of travel, lodging and living expenses for the classroom portion of training in Irvine, and for training at the training restaurant closest to you. ($1,000 for travel, $100 lodging and $50 food per day x approximately 40 days). It is possible for your expenses to be higher if you train at a more distant restaurant or select higher priced lodging or food. The low estimate of $1,000 assumes you are local enough to the area where training occurs so that you do not have those expenses.
7. Estimated security deposits consist of one month's rent to lessor and security deposits to water, electricity, gas, telephone and other utilities. The low estimate of $0 assumes you already own or lease the property and have existing utility services so there is no additional security deposit. The high amount assumes rent/security deposit is $10,000. The estimates assume about $1,000 of possible utility security deposits. Deposits are normally held for the term of the agreements.
8. You provide real estate and improvements. The low estimate of $5,000 assumes you already own or lease the property so there is no additional real estate cost and the cost is limited to construction expenses for the Express facility. If we provide development services for constructing the restaurant, we charge you a fee equal to 5% of construction costs. This is optional to you. We do not offer this service in all areas. Total costs for real property and improvements can vary widely, even exceeding the high estimate, based on costs of property, design of restaurant and many other factors. Lessors sometimes contribute to development costs; sometimes these costs are more than the lessor is willing to contribute.
9. Estimated professional fees for you to consult an advisor like a lawyer or CPA regarding the investment and agreement(s).
10. Minimum, ongoing estimated working capital requirement. You should have additional working capital in the range indicated, or possibly more, to be able to pay your expenses until your revenues provide you money to do so. This could take more than the first 3 months of operating, but the working capital estimate is only for three months.
11. If you buy an operating Wienerschnitzel Express® restaurant from us, you will have an additional investment cost equal to the amount we charge to sell you the assets of the operating restaurant (including a refundable $10,000 deposit with your offer.) Cost can vary widely depending on location, equipment at the restaurant, its operating history, lease terms, negotiations, and other factors.
12. Amounts on each row are only estimates and may vary for many reasons. The total is a sum of many estimates and thus has greater potential to differ from your actual investment. You are unlikely to

achieve the low amount for every item, therefore the total low estimate, while possible, is unlikely to be achieved. Do not rely on this table as a definitive statement of your investment. Use the table above as a start for independent analysis with your accountant or other business advisor. Generally, none of the expenses in this table is refundable, except that security deposits may be refundable and some of the premium may be refunded when an insurance policy is cancelled before its term ends. The initial franchise fee is not refundable. However, if you diligently identified and proposed locations to us but after a year from signing the Franchise Agreement we did not find any of them to be acceptable, and we did not identify any location acceptable to you, then at your or our written request, we can cancel the Franchise Agreement. We will retain $5,000 and return the rest of the initial franchise fee you paid. In some instances, we may finance part of the initial investment. See Item 10.

ITEM 8: Restrictions on Sources of Products and Services

You must install and use signs, furniture, furnishings and equipment that we require. We tell you in writing what we require. The required point-of-sale system and computer hardware and software are described in Item 11. We can require you to get additional equipment or replace equipment.

You can get supplies from who you want that meet our specifications and have our approval for quality control, uniformity and protecting our trademarks. On request we'll give you names and addresses of suppliers we approve to sell you equipment, supplies, trademarked paper goods and other products. We can add or remove approved suppliers. We are an approved supplier for any items we choose to supply, but currently we do not supply any items.

On request we tell you our standards for items you must use in operating your restaurant. If you want to get these from someone we haven't approved, then give us all the information we want about the proposed source. We may require them to give us samples, pay for testing the items you want them to supply and sign our License Agreement. Then we'll tell you if we approve the proposed source. If we don't approve we'll tell you why. This can take 90 days. We can revoke any approval by telling you in writing. Our criteria for approving suppliers is available on request.

Our menu includes Tastee-Freez® desserts; Tastee Freez, LLC is our affiliate. Our menu may include products of the Pepsi-Cola and Dr. Pepper companies, which are publicly traded. Any of our officers or personnel could own stock in those companies. Otherwise, Galardi Group officers do not own an interest in our suppliers.

We and our affiliates derive revenue from real property and equipment we lease to franchisees. We do not derive revenue from other items you buy or lease. GGI and GGRC's total revenues for 2019 from Wienerschnitzel® full franchised restaurants were approximately $20,586,105 and from real property and leased equipment for 2019 were approximately $8,041,364. Thus, about 39.1% of the revenues for these affiliates were from required leases of real property and equipment for full franchised restaurants. GGI and GGRC's total revenues for 2019 from Wienerschnitzel Express® franchised restaurants were approximately $123,599 and from real property and leased equipment for 2019 for Express franchised restaurants were $0. Thus no revenues for these affiliates were from required leases of real property and equipment for express franchised restaurants. We ("GGFC") do not derive revenues from required purchases or leases.

We estimate that all your purchases and leases from us are approximately .5% to 17% of all purchases and leases of goods and services in establishing the franchise and approximately 9% to 25% of all your purchases and leases of goods and services in operating the franchise.

We get monies from the company you buy soft drink syrups from. The revenue is payments they make to us based on how much syrup you buy. Soft drink syrup manufacturer payments for 2019 totaled $2,511,145. $2,511,145 of this revenue went in our National Advertising Fund for advertising and marketing. We may also derive revenue on a similar basis from other suppliers.

We negotiate purchase arrangements with suppliers. We require product suppliers to agree to maintain quality and adhere to our specifications and other provisions. We do not offer benefits like granting additional franchises or other benefits based on purchases of particular products or services or use of particular suppliers, but the Franchise Agreement requires you to comply with our requirements for buying from approved suppliers. Some franchisees are members of advertising associations comprised of Wienerschnitzel® franchisees in geographic regions we designate. Otherwise, we do not know of purchasing or distribution cooperatives associated with us or our franchisees.

ITEM 9: Franchisee's Obligations

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Sections in Agreement	Items in Disclosure Document
A. Site selection, acquisition/lease	Fr. Agmt. § 3	6, 7, & 11
B. Pre-opening purchase/leases	Fr. Agmt. §§ 3, 7, 10, & 11; Offer to Purchase	7 & 8
C. Site development & other pre-opening requirements	Fr. Agmt. §§ 7 & 10	6, 7, 8, & 11
D. Initial & on-going training	Fr. Agmt. §§ 7 & 8	6, 7, & 11
E. Opening	Fr. Agmt. §§ 8 & 10	7 & 11
F. Fees	Fr. Agmt. §§ 3, 5, 6, 9, 10, 13(a), (7), 14(b), 18(f), 18(i)-(j), 20; Direct Debit Agmt; Offer to Purchase § II; Guaranty; Prom. Note; Ad. Assoc. Agmt. §§ 12, 17; Promo. Allowance Assignment; Consent to Transfer § 18; Right to Cure Default §§ 4 and 7; Consent to Assignment Agreement (Landlord)	5, 6, 7, 10, & 17
G. Compliance with standards & Policies/Operations Manual	Fr. Agmt. §§ 7, 10(b), 10(q), & 11(b)	11, 16, & 17
H. Trademarks & Proprietary Information	Fr. Agmt. §§ 10(n), 11, 12, & 16	13 & 14
I. Restrictions on products/services offered	Fr. Agmt. §§ 11 & 12	11 & 16
J. Warranty & customer service requirements	Fr. Agmt. §§ 11 & 12	11, 16, & 17
K. Territorial development & sales quotas	Fr. Agmt. § 3	12
L. On-going product & service purchases	Fr. Agmt. § 11	6, 8, & 16
M. Maintenance, appearance & remodeling requirements	Fr. Agmt. §§ 7, 10, 11, 12	6, 7, & 17
N. Insurance	Fr. Agmt. § 17(c)	6 & 7

O. Advertising	Fr. Agmt. § 3(c), 9 & 10; Advertising Assoc. Agmt., Promotional Allowance Assignment Agmt.	6, 7, & 11
P. Indemnification	Fr. Agmt. § 17; Offer to Purchase § IX; Continuing Gty; Consent to Transfer Agmt. § 8	6, 14, & 17
Q. Owner's participation/management/staffing	Fr. Agmt. §§ 2 & 10(q)	11 & 15
R. Records & reports	Fr. Agmt. §§ 6, 14(a)(3) & 16	6 & 11
S. Inspections & audits	Fr. Agmt. §§ 6, 10(c) & 16	1 & 17
T. Transfer	Fr. Agmt. § 13; Consent to Transfer Agreement.; Right to Cure Default and Consent to Assignment Agreement. (Landlord); Offer to Purchase Secs. VII & XV	6 & 17
U. Renewal	None	17
V. Post-termination Obligations	Fr. Agmt. §§ 12(a), 12(c), 13(f), 14 & 15	17
W. Non-competition Covenants	Fr. Agmt. §§ 12 & 14(a)	17
X. Dispute Resolution	Fr. Agmt. 14(A) (8); Offer to Purchase, §XIII; Gty § 3; Prom. Note Last Par; Advertising Assoc. Agmt. § 17	17

ITEM 10: Financing

Summary of Financing Offered (Note 1)

Item Financed	Amount Financed	Down Payment	Term (MOS)	APR %	Monthly Payment	Prepay Penalty	Security Required	Liability on Default	Loss of Legal Right on Default
Purchase of operating restaurant from us	$2,500 - $100,000	$2,500 - $25,000	24 – 120 months (Note 2)	9% - 11%	$300 to $750	None	None (Note 4)	Individual liability & default of franchise agreement	Acceleration of debt, termination of franchise attorney's fees, costs (Note 5)
Renewal of Franchise	$2,500	$2,500	24 months	14%	$120.03	None	None (Note 4)	Individual liability & default of franchise agreement	Acceleration of debt, termination of franchise, attorney's fees. costs (Note 5)

Notes:

1. Financing listed in this table is provided by us or our affiliate. We will comply with applicable laws governing direct financing offered by us to you including, if applicable, the California Finance Lenders Law. The amount of interest will not exceed the maximum allowed by California law.
2. Term depends on amount paid per month, total borrowed and rate.

3. The fee for a renewal is $500 per year renewed; the usual term is 10 years. For example, a $5,000 renewal fee may be paid all cash or one installment of $2,500 and 24 monthly installments of $120.03, (which amount includes processing fees) at your option.
4. The promissory note is signed by you, the franchisee. If the franchisee is an entity, we require a personal guaranty to be signed by the individual owner(s) and spouse(s). The form of guaranty is Exhibit E to this Disclosure Document.
5. There are no prepayment penalties. If you default in the payment of any installment of the promissory note or you default in any of your agreements with us or our affiliates, we can make the amount under the promissory note immediately due and payable.
6. In the promissory note you waive the legal defenses of presentment for payment, notice or dishonor, protest and notice of protest. You do not waive other defenses or other legal rights and you are not barred from asserting other defenses. We do not have a practice or intent to sell, assign or discount all or part of any financing to any third party. We do not place financing with a lender or receive consideration for doing so.

ITEM 11: Franchisor's Assistance, Advertising, Computer Systems, & Training

A. Services We Provide

Except as listed below, we are not required to provide you with any assistance.

Before you open we will:

1. State the location for your restaurant. (Fran. Agmt. Sec. 3)

2. Provide you with an equipment list and utility standards. (Fran. Agmt. Sec. 7(a))

3. State the term of your franchise (Fran. Agmt. Sec. 4)

4. If you buy assets of an operating restaurant from us, we will transfer those assets to you. (Terms of Purchase Offer)

5. Provide you initial training in operating a Wienerschnitzel restaurant. (Fran. Agmt. Sec. 7(b))

6. We provide you with our location criteria in our site selection handbook.

7. Loan you our confidential operations manual. (Fran. Agmt. Sec 7(c))

8. We are not obligated to but we could possibly obtain and/or pay for license or permits you need. If so, you must reimburse our expenses and costs. (Fran. Agmt. Sec. 3(e))

Most of these services are provided by Galardi Group Franchising & Leasing, LLC. In addition, to the extent we deem necessary, we'll provide you specifications for products and designated suppliers from which you agree to purchase inventory, goods, and supplies necessary for the start-up and ongoing operation of the restaurant.

You must choose the location. You lease or buy the location from someone other than us. Possibly you are already in possession of the location and operate a business at that location. You must obtain our approval for your proposed location. This usually takes thirty (30) days from when we have all necessary information on the proposed location. We and you will mutually agree to the location for our approval; and after we approve, the location will be inserted in Section 3(A) of the Franchise Agreement or as stated otherwise in writing. In choosing a location, or approving one you propose, we

consider many factors, among them traffic count, how many people live and work in the area, visibility, our own comparison of rent to our estimate of sales, family income in the area, retail business climate in the area, and how close the location is to other restaurants affiliated and not affiliated with us, as examples.

None of the agreements relating to the franchise states a time limit for us to choose a location, or tell you if we approve a location you propose.

You must make sure the location meets all local ordinances, building codes, zoning and obtain any required permits. You are responsible to construct and decorate the premises, and obtain and provide equipment, fixtures, signs, inventory, and supplies, according to our standards.

The length of time between you signing a Franchise Agreement and opening the restaurant for business depends on factors like availability of locations, time taken to choose a location and negotiate a lease, time taken for construction and getting government approvals. These can be affected by other factors like weather, the contractor meeting a build-out schedule, time needed to get building permits, and time needed to get equipment delivered and results of local government inspections of the location. We expect the length of time typically to range from 60 to 180 days.

During the operation of your full franchise, we will:

1. Provide opening supervision and help at your location from our employees. (Fran. Agmt. Sec. 8(a))

2. Provide opening promotion programs directed by our Marketing Department. (Fran. Agmt. Sec. 8 (b))

3. Maintain a school and provide training in operating a Wienerschnitzel® restaurant. (Fran. Agmt. Sec.8(c))

4. Evaluate and test food and beverage items and operational methods for possible use in our system. (Fran. Agmt. Sec. 8(d))

5. Provide merchandising and marketing and advertising research data and advice we develop and think will be helpful to you. (Fran. Agmt. Sec. 8(e))

6. Provide techniques and instructions that we develop and think will help you. (Fran. Agmt. Sec. 8(f))

7. Provide an accounting, cost control, and portion control system. (Fran. Agmt. Sec. 8(g))

8. Review advertising you submit for our approval. (Fran. Agmt. Sec. 9)

9. Evaluate suppliers you want to use and tell you if we approve them. If we don't approve we'll tell you why. (Fran. Agmt. Sec. 11(e))

10. We are not obligated to but we could possibly obtain and/or pay for license or permits you need. If so, you must reimburse our expenses and costs. (Fran. Agmt. Sec. 3(d))

Many of these services are provided by Galardi Group Franchising & Leasing, LLC.

B. Advertising Program

Initially you are not required to join an Advertising Association formed in your marketing area, however, you may be later required to join an advertising association formed for the marketing area of your location and recognized by us. We define your marketing area using a geographic "Designated Market Area" ("DMA") or "Area of Dominant Influence" ("ADI") which are geographic marketing areas determined by Nielsen or Arbitron. They are not affiliated with us. We could define your marketing area some other way. Other Wienerschnitzel® restaurants in the marketing area we define are also members.

If you are later required to join an Advertising Association, you must sign agreements required by the advertising association. If you are one of the first two Wienerschnitzel® or Wienerschnitzel Express® owners in your area, we may require you and the other owner to form the association. If you cannot agree on terms, you both must submit the matter to us to decide the terms of your association. However, we do not have express power under the agreement to form, alter or dissolve your advertising association.

While this may not be required initially, we can require you and your association to sign an advertising association agreement with us. The association's members vote on advertising programs. If there is a tie, we can break the tie. We can also veto any decision or action. There are not a significant number of company-owned locations, so typically advertising associations do not include company-owned locations as a member.

Your association must have officers (President, Treasurer, etc.) The officers are a committee that coordinates meetings, recommends advertising programs to the association members, approves media schedules, and makes budgets. The association must meet at least four times per year. The association must choose an advertising agency to carry out advertising programs. The agency must meet our approval and comply with our advertising guidelines. The association must provide members at least quarterly financial statements, including a statement of receipts and disbursements, and list of accounts receivable and accounts payable.

All advertising by you or your association must first get our written approval. After you submit proposed advertising, we have 15 days to respond or it is deemed to be approved. You can't use any trade name other than Wienerschnitzel® or other trade names owned by us, or approved by us in writing, in your advertising.

As a franchisee you must contribute at least 3% of your net sales to the association. Your association can decide to require more money from you. You must pay what they require. If your contribution is under 3%, we can require you to pay us the difference between 3% and your actual contribution. If there is no association in your area, you must spend at least 3% of your net sales on your own advertising each month. There are not a significant number of limited franchises, therefore advertising associations may not receive contributions from company-locations.

Currently, you must pay us 1% of net sales for a national or regional advertising program. We debit this from your account each month. Your 1% contribution will be directed to a National Advertising Fund. All Wienerschnitzel Express® franchisees are required to contribute at the same rate. We contribute the same 1% for limited franchises restaurants in the DMA.

We formulate and implement marketing plans, supervise preparation of advertising and promotion materials and provide layouts, window cards and other materials for local promotions. We do not have an obligation to advertise in particular media, in any particular geographic area, or at all, nor any

obligation to spend any particular amount(s) on advertising. We provide unaudited financial statements for the National Advertising Fund on your request.

You must assign to us all marketing or promotion allowances you may get or become entitled to from suppliers. The assignment form attached as Exhibit G directs the suppliers to pay the allowances directly to us. We'll use these funds for public relations, promotion, creating advertising and to reimburse our administrative costs, agency fees, and related overhead.

In a brand crisis that brings media attention, you must direct all inquiries to us.

Apart from the advertising associations, discussed above, there is no franchisee advertising council that advises us on advertising.

C. Website and Internet

We can, but we are not obligated to, establish and maintain one or more websites promoting the trademarks and system. We have sole control over the website and social media. We can stop its operation at any time without notice. Unless you get our prior written consent, you are not allowed to establish or maintain a separate website, or a splash page or other presence on the Internet or through any social networking site relating to the operation of the business. If we grant you a right to operate a separate website or Internet presence, you must do so according to our standards and policies in the Manual or otherwise in writing from time to time. We can modify or supplement our policies regarding social media and internet use at any time in writing, whether as part of the Manual or otherwise.

D. Point of Sale System

We require you to buy or use the Micros® point of sale system ("POS"). At the Effective Date of this Disclosure Document, we require the model 3700 version 5.5. (This could change.) The system we require is a minimum of 2 workstations (registers) and 3 kitchen display systems. You buy this from the manufacturer, Oracle, Inc. They are not affiliated with us. The cost, including order entry work stations, video monitors, receipt printers, back-office computer/printer and cabling, is approximately $11,000 to $20,000. This includes hardware, software, one-year warranty of system components, and first year software support. Currently, the help desk together with the software licensing fees are about $1,300 per year; or if you choose to use the Galardi Group Help Desk by itself, the cost is $720 per year. You obtain hardware maintenance service from the manufacturer. A hardware warranty after the first year is available at additional cost. We have no obligation to provide ongoing maintenance, repairs, upgrades and updates to the required computer system. We can require you to upgrade, replace or make other changes to the POS system at your own expense. There is no restriction on how much this may cost you or how often we can require this. We have independent access to any and all information generated or stored in the POS System. There are no contractual limits on our right to access that information.

You must participate in any computer network, intranet system or extranet system we implement and do so in compliance with standards, protocols, and restrictions we specify. As examples, we could require participation to submit reports, receive updates to Manual(s), or for other communications.

E. Operations Manual

We'll loan you a laptop to gain access to the electronic Operations Manual located on our Franchise Portal. Its table of contents is attached as Exhibit L to this Disclosure Document. As of the date of this Disclosure Document it consists of approximately 700 pages. By looking at the table of contents you can see the number of pages devoted to each subject.

F. Online Training Education

We provide initial training and on-going training. You and your General Manager must complete initial training. This occurs after you sign the Franchise Agreement and must be completed before you open your restaurant. We may require that such training be completed at least thirty (30) days before opening your Wienerschnitzel.

Our training includes the required use of our online Learning Management System (LMS) which is required for Team member through Operator Training and includes ongoing education for Team member through Operator certification.

We may require that you and your General Manager be periodically re-certified every five years.

G. Initial Training – Operator-in-Training

We provide initial training and on-going training. You or your General Manager, or majority owner if you are an entity, must complete initial training. This occurs after you sign the Franchise Agreement and must be completed before you open your restaurant. Within this range, the Franchise Agreement is not more specific as to timing of training.

You pay us $4,000 for initial training. You pay before starting training. Classroom training is at our headquarters in Irvine, California. We have the right to also choose another location. Training restaurants are in the Los Angeles, San Diego and San Jose, California; Denver, Colorado; Lubbock, El Paso, and Amarillo, Texas; Phoenix, Arizona; and Albuquerque, New Mexico areas. You pay your own transportation and living expenses. We provide all training materials and manuals, which consist of our Operations Manual, training videos and our Operator Training Notebook. These are confidential. We offer initial training eight times per year.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Ours of On-the-Job Training	Instructor
Module One - Basic Restaurant Operations	None in this module.	10 hours a day for 6 days a week for 2 weeks	Training Restaurant Trainer & David Kreitlow/Matt Steele
Module Two –Guest Service	8 hours a day for 5 days a week for 1 week	10 hours a day for 6 days a week for 1 weeks	Training Restaurant Trainer & David Kreitlow/Matt Steele
Module Three - Designated General Manager/Financial	8 hours a day for 2 days	10 hours a day for 4 days	Training Restaurant Trainer & David Kreitlow/Matt Steele
Module Four - Designated General Manager/Coaching	None in this module.	10 hours a day for 6 days for two weeks	Training Restaurant Trainer and David Kreitlow/Matt Steele

Module Five – Restaurant Opening (required when opening a new restaurant)	None in this module.	10 hours a day 6 days a week for 1 week	Training Restaurant Trainer and David Kreitlow/Matt Steele
Total Training Hours (Estimated)	56 hours	480 hours (530 hours if there will be a new restaurant opening)	See above

Initial Training – Operator-in-Training

Our Operator-in-Training Program is divided into modules, consisting of approximately 6 weeks in an approved training restaurant and two weeks in a classroom environment.

Our on-the-job training is an intense approximately four-week program that acquaints you with day-to-day requirements of operating a restaurant. The program involves a six-day workweek, averaging ten or more hours per day. You will need to devote additional time for reading and homework. This program is self-paced, designed to effectively prepare you to operate as an independent businessperson.

Our training instructors are experienced in operating and instructing others in skills needed to operate quick service restaurants. Our Training Department has no operational responsibility for the restaurant where you will train, therefore, our efforts focus on providing you a complete training experience. David Kreitlow has 37 years training experience in quick service restaurants, including 30 years with Galardi Group. Matt Steele has over 13 years in restaurant training, including 5 years with GGI.

Our training program is divided into five modules; consisting of 7 weeks and 4 days in an approved training restaurant and one week and two days in a classroom environment, which is a total of 8 weeks.

Module One – Basic Restaurant Operations

In the first Module you will learn in the same manner as an employee. This portion of training will be in an approved certified training restaurant. You will work in the kitchen preparing all menu items and perform cleanup and restocking. You will prepare condiments, and perform tasks to open and close the restaurant – including janitorial. Your performance will be evaluated through written evaluations, compliance with station standards and written testing. You must achieve a score of 90% or better to advance to Module Two.

Module Two – Guest Service - Front Counter and Drive through and Tastee Freez

In the second Module you will learn in the same manner as an employee. This portion of training will continue in an approved certified training restaurant. You will work in the service system serving guests, and serving soft serve desserts. You will also get to learn the basics in the daily paperwork of the restaurant. Your performance will be evaluated through written evaluations, compliance with station standards and written testing. You must achieve a score of 90% or better to advance to Module Three.

Module Three – Designated General Manager/Financial

This Module is a blend of classroom and certified training restaurant level learning. You will improved on your operations skills and learn about the administration side of the business. You must achieve a score of 90% or better to advance to Module Four.

Module Four – Designated General Manager/Coaching

This module consists of one on one business coaching with an existing franchisee. This training is for two weeks at an existing restaurant.

Module Five – New Restaurant Opening

Module Five consists of attending a new restaurant opening. This module is required if you will open a new restaurant. This training is for one week at a new restaurant opening. You will attend a restaurant opening, other than your own, to help prepare you for your restaurant opening.

On-Going Training

Every six months, after you start operating your restaurant, you must attend on-going regional training. This may be in-person at a meeting place in your restaurant's marketing area or by other means, such as a conference call. This is to help you further develop your restaurant and management skills. A session lasts about four hours. You may attend as many sessions as you wish, and you must attend at least one session per six-month period based on a calendar year.

We offer other training programs to you or your employees, which are voluntary. The cost and subjects vary.

ITEM 12: Territory

The franchise is for a specific location, to be stated in the franchise agreement. You must conduct only the business of the restaurant there, and can't change the location without our consent. You can do business with customers at your location regardless of where they are from.

We won't grant a Wienerschnitzel Express® franchise or own or operate a Wienerschnitzel Express® restaurant within ½ mile from your franchise or one mile on the same street (the street your address is on). These restrictions don't apply in a stadium, shopping mall, hotel, office building or other institutional location we determine won't materially compete with you, or a temporary cart, booth, mobile vehicle or the like, at a fair, trade show, concert or similar event. These restrictions also don't apply to sales of Wienerschnitzel branded products in grocery stores, food retail stores or other channels of distribution. Thus, you do not receive an exclusive territory. You may face competition from other franchisees, outlets we own, or other distribution channels or competitive brands we control. The Franchise Agreement does not state other grounds for us to modify the ½ mile exclusivity.

There is no restriction on us soliciting or accepting orders from your territory. We could conduct sales by internet or other distribution channels or means or other trademarks. You are not compensated for us soliciting or accepting orders in territory you serve. You are not restricted from advertising in any geographic area. We do not permit you to sell off the premises of your restaurant.

We granted franchises under other trademarks and may continue to do so. These include Hamburger Stand®, which offers the same kinds of goods and services as Wienerschnitzel Express®, and Wienerschnitzel® and Tastee-Freez®, which emphasizes desserts and offers many of the same items as Wienerschnitzel®. There could be other trademarks in the future. We can operate or grant franchises for these restaurants in your exclusive area. We operate Wienerschnitzel Express® and the other brands from the same location. We have the right to co-brand other concepts with the Wienerschnitzel Express® brand. We do not have separate offices or separate training facilities for different brands.

You may be able to buy an operating Wienerschnitzel Express® restaurant (and its inventory) from us. You also buy form us the signs, equipment and other property of the restaurant.

We do not have a specific plan for solving conflicts between franchisees of our different systems as to territory, customers or support; we expect we would consider the matter and act based on our determination of parties' rights and obligations; and/or seek to make adjustments in good faith; however, the specific course of action would depend on the circumstances.

We aren't required to grant you an additional franchise. We don't grant you a first refusal right to buy other franchises. We do not know the conditions in which we would approve your relocation request but we expect it would depend on the circumstances and require you to secure a satisfactory new location, evaluated in relation to your existing location and other criteria we use to evaluate proposed locations at the time, as well as possibly other factors we consider appropriate at the time. We are not required to consent to your request to relocate the franchise.

ITEM 13: Trademarks

The main trademarks you are licensed to use are the word "Wienerschnitzel®", Wienerschnitzel Express® and possibly "Tastee-Freez®" and our logo, shown on the cover of this Disclosure Document and shown below. The registrations are in the US Trademark Office on the Principal Register. All required Affidavits were filed for the marks including continued use and renewals. The registered owner is Galardi Group, Inc. We have not registered these marks with the trademark administrator of any state.

We have the following registrations on the principal register in the U.S. Patent and Trademark Office:

MARK	REGISTRATION NUMBER	REGISTRATION DATE
	1823395	Registered on February 22, 1994
Wienerschnitzel Express	4809419	Registered on September 8, 2015
	4862287	Registered on December 1, 2015

	4875886	Registered on December 22, 2015

There are no material determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board or any state trademark administrator or court; and no pending infringement, opposition or cancellation proceeding involving these trademarks, except as follows: We may on occasion bring an action for trademark infringement against a terminated franchisee who continues to use our trademarks without authorization. There aren't any agreements in effect that significantly limit our rights to license the use of the marks to you. We don't know of any superior rights or infringing uses of the marks that could materially affect your use of them.

We do not have to defend you against any infringement, unfair competition or other claim regarding your use of our marks. You must stop using any mark when the franchise ends. We can require you to change marks. We don't have to compensate you for making you change marks.

The Franchise Agreement does not state a requirement for you to notify us of the use of or claim of rights to an identical or confusingly similar trademark. We are not required to take action if notified of such uses or claims. We claim the right to control administrative proceedings or litigation involving a trademark licensed by us to you, though the Franchise Agreement is silent on this.

We own the domain www.wienerschnitzel.com. You cannot register as a domain name any of our Marks or similar words. We have the sole right to advertise on the Internet and create, use, or stop using a website containing the Marks. Unless we consent in writing, you must not link or frame our website, conduct any business or offer to sell or advertise any products or services on the web, or create or register any Internet domain name connected with your franchise.

ITEM 14: Patents, Copyrights and Proprietary Information

We registered the copyright of an earlier version of our Operations Manual in the Copyright Office of the Library of Congress in 1976 (No. 801001). The duration of that copyright is believed to be 95 years. The current version is two (2) volumes. It has instructions, techniques and specifications required in operating a Wienerschnitzel Express® restaurant. The table of contents is Exhibit L to this Disclosure Document.

We claim copyright ownership in advertising we develop, advertising we provide you, our website (www.wienerschnitzel.com), the Tastee-Freez® website (www.tasteefreez.com), our restaurant décor, packaging and other materials we create. Otherwise, there aren't any copyrights material to the franchise, but this is not a waiver of our other copyright rights.

We don't have a contractual obligation to protect copyrights or defend you against claims from your use of the copyrighted Operations Manual. We are not obligated to take affirmative action if notified of infringement, or indemnify you for expenses or damages in proceedings involving the Operations Manual.

You must keep the contents of your franchise agreement confidential. We also consider other information we provide you to be trade secrets and you must keep this information confidential. This includes ingredients, business methods, contents of the Operation Manual, and other information we designate as confidential. You must keep your employees from disclosing this information, and if we ask, require them to sign confidentiality agreements.

We may modify the Operations Manual under any conditions and to any extent we decide, such as to meet or anticipate competition, protect trademarks or trade names, or improve products and services. The Franchise Agreement does not grant you rights if we modify or require you to stop using the Operations Manual.

We do not own or license rights in any patents that are material to the franchise. We do not have any patent application pending.

ITEM 15: Obligation to Participate in the Actual Operation of the Franchise Business

You, or a person you appoint, must be designated as General Manager and have full operational control of your Wienerschnitzel. We recommend, but don't require, that you operate the Wienerschnitzel personally on the premises. You and your General Manager must complete our training program as further described in Item 11.

You, your Managers and other key personnel in your franchise, during the term of the Franchise Agreement and for two years after it ends, must not sell similar food products or have any interest in a competing business within 25 miles of any of our restaurants or franchises (including those in development during the year prior to the Franchise Agreement's end) and you and they must not ever use any of our packaging techniques, processes, food preparation methods or formulas.

We may require you and your spouse, if any, to sign a personal guaranty.

As stated in Item 11, you and your General Manager must have completed our training program prior to opening your Wienerschnitzel.

ITEM 16: Restrictions on What the Franchisee May Sell

From the Wienerschnitzel Express® restaurant POS System, you must sell all the items we designate and you can't sell anything else without our approval. Everything you sell must be high quality and prepared according to our specifications. You can sell only at retail (not at wholesale) and only at the restaurant location.

There is no restriction on the customers you may sell to.

We can change or discontinue any products or services authorized for Wienerschnitzel® restaurants. There is no restriction on our right to do so. You must change or stop offering any product or service within the time we state.

Subject to our consent, you may utilize a third-party delivery service to facilitate sales to your customers.

ITEM 17: Renewal, Termination, Transfer, and Dispute Resolution

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document

Franchise Agreement

Provision	Section in Agreement	Summary
A. Length of the franchise term	Sec. 4	Length of franchise term is negotiable. Usually it is 10 years. If you buy an existing Wienerschnitzel® restaurant, the term may be less, but usually not less than five (5) years.
B. Renewal or extension of the term	Sec. 4	You don't have a right to renew. We'll discuss renewal with you 9-14 months before franchise expires. If you meet our criteria, and agree to additions and upgrades, we may be willing to grant a renewal. We are not required to renew.
C. Requirements for franchise to renew or extend	None	This is at our discretion. If we are willing, we'll require you to make corrections, additions and upgrades to the restaurant. Funds to do this must be available 3 months before expiration. If requirements are not done before expiration, you must place the funds in an attorney's trust account and release only on our approval. We'll require you to sign general release of claims. A $1,500 document preparation is charged to you if you fail to meet criteria requirements and documents must be extended. We may require you to sign an agreement with materially different terms and conditions then the agreement it replaces or extends. You will pay a new initial franchise fee.
D. Termination by franchisee	None	If you diligently propose locations to us but after one year we did not approve any location you proposed and we did not identify any proposed location satisfactory to you, then at your or our written request the Franchise Agreement will be cancelled. We will retain $5,000 and return the rest of the initial franchise fee you paid. Otherwise, you may not terminate without our consent. If you sublease from us, and your franchise term goes beyond sublease term, but we have option to extend, then some later sublease rent/other terms to be set by our landlord, may want to end the franchise resulting in the franchise terminating early.
E. Termination by franchisor without cause	None	We don't have the right to terminate without cause. However, if you diligently proposed locations to us but after one year we did not approve any location you proposed and we did not identify any proposed location satisfactory to you, then at your or our written request the Franchise Agreement will be cancelled. We will retain $5,000 and return the rest of the initial franchise fee you paid.
F. Termination by franchisor with cause	Sec. 14(a)	We can terminate if you commit a listed default and do not cure within 5 days after receipt of notification of the default.

G. "Cause" defined – curable defaults	Sec. 14(a)	Unless state law gives you more time, we give you 5 days after notification. Listed defaults are: bankruptcy, insolvency, appointment of receiver, assignment for benefit of creditors, unsatisfied judgement, levy or foreclosure against you, default of any term of Franchise Agreement, default in paying us, failure to maintain our standards, failure to make routine repairs or alterations, failure to maintain insurance, repeated breach, violation of law or regulation, for example health, safety or sanitation laws, you operate unsafely you stop doing business at the premises, breach of lease, loss of right to be at the premises.
H. "Cause" defined – non-curable	Sec. 14	Franchise Agreement does not specify defaults that are not curable, but some, by nature, may not be curable, for example, repeated breach. The Franchise Agreement does not say the listed defaults are exclusive grounds for termination. In some states, court decisions may let us terminate for breaches a court considers incurable, such as fraud against us.
I. Franchisee's obligations on termination/non-renewal	Sec. 15	You must stop using our system, marks, trade secrets, colors, symbols and anything that identifies you as our franchises or former franchises; pay any damages you caused us to incur, also including future profits; sell us supplies & all insignia bearing our trade name or marks we choose. You must return all materials loaned to you. You must abide by all provisions not to compete.
J. Assignment of contract by franchisor	None	There is no restriction against us assigning the Franchise Agreement.
K. "Transfer" by franchisee – defined	Sec. 13	Includes transfer of control or ownership change.
L. Franchisor approval of transfer by franchisee	Sec. 13	You must get our written approval before you sell, assign, transfer or encumber the agreement or any right or interest in it, even by operation of law.
M. Conditions for franchisor approval of transfer	Sec. 13	You must offer us right of first refusal. We must approve your proposed buyer. You must be in good standing, not be default; pay transfer fee and sign a general release. Transfer must be on terms you offered us. We can impose other conditions. You, your officers and principals must not compete within 25 miles with us or any of our franchisees for a period of 2 years after termination.
N. Franchisor's right of first refusal to acquire franchisee's business	None	You must first offer to sell to us on the same terms you offer to other prospective buyers.
O. Franchisor's option to purchase franchisee's business	Sec. 13(b)	You grant us the option to purchase your supplies & all insignia with our trade name or marks at lower of cost or fair market value at time of termination.
P. Death or disability of franchisee	Sec. 13(d)	The person obtaining your franchise must satisfy our then current requirements.
Q. Non-competition covenants during the term of the franchise	Sec. 12	You, your officers or principals must not compete within 25 miles with us or any of our franchisees for a period of 2 years after termination of agreement.
R. Non-competition covenants after the franchise is terminated or expires	Sec.12	You, your officers or principals must not compete within 25 miles with us or any of our franchisees for a period of 2 years after termination of agreement.
S. Modification of the agreement	None	Agreement may be modified only by mutual agreement between us. We can modify the Operations Manual as we decide. Modification of the Operations Manual is not a modification of the Franchise Agreement.

T. Integration/Merger Clause	Sec. 18(o)	Only terms of the Franchise Agreement are binding (subject to state law) Nothing in Franchise Agreement is intended to disclaim representations in this Disclosure Document.
U. Dispute resolution by arbitration or mediation	None	Not Applicable
V. Choice of Forum	Sec. 18(m)	Legal actions must be brought in Orange County, California, subject to state law
W. Choice of Law	Sec. 18(m)	California law applies, subject to state law.

ITEM 18: Public Figures

We do not use any public figure to promote our franchise.

ITEM 19: Financial Performance Representations

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records or an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make 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 Robert Mathews, 7700 Irvine Center Drive, Suite 550, Irvine, California 92618, (949) 892-2684, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: Outlets & Franchisee Information

Table No. 1
System wide Outlet Summary
For Years 2017 to 2019

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Full Franchise (1)	2017 2018 2019	247 254 255	254 255 258	+7 +1 +3
Business & Facility Franchise (1)	2017 2018 2019	7 7 7	7 7 5	0 0 -2
Limited Franchise (1)	2017 2018 2019	63 64 66	64 66 66	+1 +2 0
Express	2017 2018 2019	0 0 6	0 6 1	0 6 7
Company-Owned	2017 2018 2019	0 0 0	0 0 0	0 0 0
Total Outlets	2017 2018 2019	317 325 328	325 328 330	+8 +3 +2

(1) The Full, Business & Facility and Limited franchises are described in a separate Disclosure Document.

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years 2017 to 2019[1]

Wienerschnitzel®, Full, Limited, and Business & Facility

State	Year	Number of Transfers
Arizona	2017 2018 2019	0 0 0
California	2017 2018 2019	12 9 3
Colorado	2017 2018 2019	0 0 0
Nevada	2017 2018 2019	0 2 0
Texas	2017 2018 2019	0 1 0
All Other States	2017 2018 2019	0 0 0
Total	2017 2018 2019	12 12 3

(1) All the above transfers were full franchises. There were no transfers of limited franchises.

Wienerschnitzel Express®

State	Year	Number of Transfers
All States	2017 2018 2019	0 0 0
Total	2017 2018 2019	0 0 0

Table No. 3
Status of Franchise Outlets for Years 2017 to 2019

Wienerschnitzel®, Full, Limited, and Business & Facility

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Arizona	2017 2018 2019	15 15 19	0 0 0	0 0 0	0 0 0	0 0 0	0 0 1	15 15 18
California	2017 2018 2019	226 225 230	3 4 5	0 0 0	0 0 0	0 0 0	4 2 5	225 227 230
Colorado	2017 2018 2019	7 7 13	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	7 7 13
Illinois	2017 2018 2019	1 1 1	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	1 1 1
Louisiana								

	2017 2018 2019	0 1 1	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	1 1 1
New Mexico	2017 2018 2018	10 10 12	0 2 1	0 0 0	0 0 0	0 0 0	0 0 1	10 12 12
Nevada	2017 2018 2019	10 11 11	1 0 0	0 0 0	0 0 0	0 0 0	0 0 0	11 11 11
Texas	2017 2018 2019	38 40 42	4 2 3	0 0 0	0 0 0	0 0 0	2 0 0	40 42 45
Utah	2017 2018 2019	7 0 7	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	7 7 7
Washington	2017 2018 2019	1 1 1	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 1 1
Total	2017 2018 2019	317 318 337	8 8 9	0 0 0	0 0 0	0 0 0	7 2 7	318 324 339

Wienerschnitzel Express®

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
All States	2017 2018 2019	0 4 6	0 1 1	0 0 0	0 0 0	0 0 0	0 0 0	0 5 7

Total	2017 2018 2019	0 4 6	0 1 1	0 0 0	0 0 0	0 0 0	0 0 0	0 5 7

Table No. 4
Status of Company Owned Outlets for Years 2015 to 2017

Wienerschnitzel®, Full, Limited, and Business & Facility

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
All States	2017 2018 2019	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0
Totals	2017 2018 2019	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0

Wienerschnitzel Express®

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
All States	2017 2018 2019	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0
Totals	2017 2018 2019	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0

Table No. 5
Projected Openings as of December 31, 2019

Wienerschnitzel Express®

State	Franchise Agreements Signed but Outlet Not Opened	Projected Franchised New Outlet in the Next Fiscal Year	Projected New Company-owned Outlets in the Current Fiscal Year
California	0	0	0
Colorado	0	0	0
Texas	0	0	0
Total	0	0	0

Attached as Exhibit M is a list of names, addresses and phone numbers of Wienerschnitzel® franchisees and Wienerschnitzel® franchisees who were terminated, cancelled or not renewed in our last fiscal year. If you buy this franchise, your contact information may be disclosed to other buyers while you are a franchisee and when you leave the franchise system.

It is possible that in some instances, current and former franchisees could sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but not all franchisees will be able to communicate with you. In the last three fiscal years, all franchise agreements include confidentiality clauses to not share the contents of the franchise agreement with third parties.

Attached as Exhibit N is a list of names and contact information for each franchisee advertising association associated with Wienerschnitzel®.

ITEM 21: Financial Statements

Attached as Exhibit A are the audited financial statements of GGFC for the last three fiscal years ending December 31, 2019, December 31, 2018 and December 31, 2017.

ITEM 22: Contracts

We've attached the following agreements as Exhibits:

B Franchise Agreement
C Offer to Purchase
D Promissory Note
E Continuing Guaranty
F Advertising Association Agreement
G Promotional Allowance
H Consent to Transfer
I Franchisor's Right to Cure Default (Lender)
J Franchisor's Right to Cure Default & Consent to Assignment (Landlord)
K Direct Debit Agreement
L Operations Manual TOC
M List of Current and Departed Franchisees

N Advertising Associations
O State Administrators
P State Disclosure Addenda
Q Agents for Service of Process
R SBA Addendum

ITEM 23: Receipts

The last two pages, Exhibit T, are Receipts acknowledging receipt of the disclosure document by you (one copy for you and one to be signed and returned to us).

EXHIBIT A

FINANCIAL STATEMENTS

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Financial Statements
December 31, 2019
(With Independent Auditor's Report Thereon)

withum
ADVISORY TAX AUDIT

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withum
ADVISORY TAX AUDIT

INDEPENDENT AUDITOR'S REPORT

The Board of Directors,
Galardi Group Franchise Corp.,
(A Subsidiary of Galardi Group, Inc.):

We have audited the accompanying financial statements of Galardi Group Franchise Corp. (the Company), which comprise the balance sheet as of December 31, 2019, and the related statement of operations and retained earnings (deficit) and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC

April 7, 2020

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Balance Sheet
December 31, 2019

ASSETS

Current assets:		
Cash	$	114,496
Income taxes receivable		36,100
Total current assets		150,596
Non-current assets:		
Receivable from affiliate - net		907,156
Deferred income taxes		378,000
Total non-current assets		1,285,156
Total assets	$	1,435,752

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:		
Contract liabilities	$	405,361
Total current liabilities		405,361
Long term liabilities:		
Franchise deposits		423,399
Contract liabilities		1,450,692
Total liabilities		2,279,452
Stockholders' deficit:		
Common stock, no par value, authorized 1,000 shares; issued and outstanding 1,000 shares		150,000
Retained deficit		(993,700)
Total stockholders' deficit		(843,700)
Total liabilities and stockholders' deficit	$	1,435,752

The Notes to Financial Statements are an integral part of this statement.

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Statement of Operations and Retained Earnings (Deficit)
Year Ended December 31, 2019

		Percentage of Revenues
Revenues:		
Location fees	$ 9,735	$ 3.7 %
Initial franchise fees	77,029	28.6
Franchise extension fees	182,193	67.7
Total revenues	268,957	100.0
Costs and expenses	498,205	185.2
Other income	15,884	5.9
Loss before income taxes	(213,364)	(79.3)
Benefit for income taxes	(128,000)	(47.6)
Net loss	(85,364)	(31.7) %
Retained earnings (deficit):		
Beginning of year	594,733	
Change in accounting principle	(1,503,069)	
End of year	$ (993,700)	

The Notes to Financial Statements are an integral part of this statement.

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Statement of Cash Flows
Year Ended December 31, 2019

Cash flows from operating activities:

Net loss	$	(85,364)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Deferred income tax benefit		(128,000)
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Receivable from affiliate - net		112,742
Increase (decrease) in liabilities:		
Franchise deposits		(92,310)
Contract liabilities		193,586
Net cash provided by operating activities		654
Cash at beginning of year		113,842
Cash at end of year	$	114,496

Supplemental disclosures of cash flow information:

As detailed in Note 1, the Company adopted the new requirements of Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* (Topic 606) as of January 1, 2019. In order to recapture revenue that was previously recognized, retained earnings was decreased and deferred revenue was increased by $1,503,069. The recapture revenue was related to all initial franchise license and extension fees recognized fully under legacy GAAP (Topic 605) that had remaining performance obligation by the Company to satisfy. At January 1, 2019, these franchise agreements were still active with remaining years under agreement and the revenue allocated to those remaining years were then recaptured as deferred revenue.

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Notes to the Financial Statements
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business - Galardi Group Franchise Corp. (the "Company") was incorporated as Wienerschnitzel Franchise Corp. on August 9, 1982 and was formerly a wholly-owned subsidiary of Galardi Group, Inc. (the "Parent"). Effective June 30, 1990, the Parent distributed 25% of the Company's shares to Galardi Group, Inc.'s stockholders. The Company sells franchises for the operation of retail establishments known as Wienerschnitzel and Hamburger Stand restaurants. On December 3, 2002 Galardi Group Franchise and Leasing, LLC (the "Affiliate"), also a subsidiary of the Parent, was formed for the purpose of conducting all fast food restaurant-related business, subsequent to the initial sales of the franchises to franchisees by the Company.

Revenue Recognition - In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* (Topic 606). The Company adopted Topic 606 at the beginning of the year ended December 31, 2019.

The Company derives its revenues primarily from the sale of initial franchise licenses and extensions for its trade name, operating systems, and products. Prior to the Company adopting Topic 606, revenue related to initial franchise license and extension fees were recognized upon store opening and when the related renewal agreement became effective, respectively. Upon the adoption of Topic 606, the Company determined that the services provided in exchange for these initial franchise license and extension fees, are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to its franchisees. As a result, initial franchise license and extension fees are recognized as revenue over the term of the franchise agreements on a straight-line basis, consistent with the franchisee's right to use and benefit from the tradename, operating systems and products. The commencement date of the recognition of the initial franchise license and extension fees begin upon the completion of training and installation of equipment, substantially when the retail store opens. Payment for the initial franchise licenses and extension fees consists of a fixed fee that is due at the time the franchise or extension agreement is entered into and is recorded as a franchise or extension deposit. Upon commencement of the store opening, the franchise or extension deposit is reclassified as a contract liability and recognized over time, generally over 20 years or as defined by the franchise agreement. The Company does not currently incur costs to obtain or fulfill a contract that would be considered contract assets under Topic 606.

The Company recognizes its location fee revenue from granting exclusive rights to the owner of franchise restaurants in a particular geographic area. The Company's performance obligation is satisfied over the period of time. Revenues are recognized evenly over the life of the location rights generally over 20 years. Payment for the location rights consist of a fixed fee that is due at the time the agreement is entered into and is recorded as a contract liability until earned. The Company does not currently incur costs to obtain or fulfill a contract that would be considered contract assets under Topic 606.

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Notes to the Financial Statements
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations of Credit Risk - The Company's exposure to losses on receivables is principally dependent on the Affiliate's financial condition.

Income Taxes - The Company follows the provisions of the Accounting Standard Codification to account for income taxes. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities, and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. The provision for income taxes represents the tax payable for the period and the change during the period in deferred tax assets and liabilities.

The Company recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step requires the Company to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. There was no recognition of uncertain tax positions required at December 31, 2019.

The Company files income tax returns in the U.S. federal jurisdiction and California. As a matter of course, various taxing authorities, including the IRS, could audit the Company. There were no tax years under examination by major tax jurisdictions as of December 31, 2019. Management believes that the Company's tax positions comply with applicable tax law and that the Company has adequately provided for these matters.

It is the Company's continuing policy to account for interest and penalties associated with income tax obligations as a component of income tax expense. The Company did not recognize any interest or penalties as part of the provision for income taxes in the Statement of Operations and Retained Earnings (Deficit) at December 31, 2019.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Notes to the Financial Statements
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncement - In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* (Topic 606). This new standard replaces all previous accounting guidance on this topic and eliminates all industry-specific guidance. The new revenue recognition guidance provides a unified model to determine how revenue is recognized. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In doing so, companies need to use more judgment and make more estimates than under prior guidance. Judgments include identifying performance obligations in the contract, estimating the amount of consideration to include in the transaction price, and allocating the transaction price to each performance obligation.

The Company adopted the requirements of the new guidance as of January 1, 2019, utilizing the modified retrospective method of transition. As a result, a cumulative adjustment to retained earnings of $1,503,069 was recorded as of January 1, 2019, to reflect the effect of the new guidance. The Company applied the new guidance using the practical expedient provided in ASC 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. Adoption of the new guidance resulted in changes to the Company's accounting policies for revenue recognition and contract liabilities.

The impact of adopting the new guidance was an decrease in 2019 revenues of approximately $69,000. Deferred revenues in the form of contract liabilities also increased. Formerly, payments for initial franchise licenses and extensions were deferred as revenue until the franchise either began operations or the extension period commenced. Under the new guidance, the Company defers all initial franchise license and extension fees received and amortizes these revenues over the term of the franchise agreement, which is generally from five to twenty years.

The modified retrospective method of transition impacted deferred revenues (contract liabilities) and retained earnings as a changed in accounting principle, as reflected in the Statement of operations and retained earnings (deficit).

Subsequent Events - The Company evaluated subsequent events through April 7, 2020, the date these financial statements were available to be issued. Management is currently considering the impact of the COVID-19 virus on its customers' business operations and the potential for a reduction in franchisee sales. While it is reasonably possible that the virus could have a negative effect on the Company's financial condition, results of operations, and cash flows, the specific impact is not readily determinable as of the date of these financial statements. There were no other material subsequent events that required recognition or additional disclosure in these financial statements.

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Notes to the Financial Statements
December 31, 2019

NOTE 2 - CONTRACT BALANCES

The majority of the Company's contracts contain consideration terms for fees to be paid before the franchise is sold and operational. The fees are reflected as contract liabilities on the balance sheet until recognized and classified as current or non-current, depending on when the revenue will be recognized. Upon receipt of a prepayment from a customer, the Company recognizes a contract liability in the amount of the prepayment for its performance obligation to provide franchise rights in the future. Contract liabilities at December 31, 2019 was $1,856,053.

NOTE 3 - RECEIVABLE FROM AFFILIATE AND OTHER RELATED PARTY TRANSACTIONS

Receivable from affiliate is comprised of franchise fees and refundable deposits collected by the Affiliate on behalf of the Company net of related allocated expenses and franchise licenses made by the Affiliate on behalf of the Company. During the year ended December 31, 2019, fees and deposits received by the Affiliate on behalf of the Company, net of refunds, amounted to $397,675. During the year ended December 31, 2019, allocated expenses charged and other payments made by the Affiliate on behalf of the Company amounted to $468,448 and $670, respectively.

As of December 31, 2019, the net receivable from Affiliate amounted to $907,156.

NOTE 4 - INCOME TAXES

Deferred income taxes result from temporary differences attributable mainly to franchise fees which are reported as income for tax reporting purposes prior to financial reporting purposes, as well as arising from the Company's net operating loss carryforwards.

The tax benefit for the year ended December 31, 2019 consists of the following:

Deferred	
Federal	$ (88,000)
State	(40,000)
	$ (128,000)

At December 31, 2019, the Company had Federal and state net operating loss carryforward credits of approximately $300,000 and $428,000, respectively. If not used, the carryforwards will begin to expire in 2037.

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Notes to the Financial Statements
December 31, 2019

NOTE 5 - COMMITMENTS AND CONTINGENCIES

The franchise agreements (generally 20 years) issued by the Company require the Company to make available to a purchaser of a franchise, initial training in the operational aspects of Wienerschnitzel or Hamburger Stand Restaurants, which is provided by the Affiliate. In addition, the Affiliate provides continued training, marketing, testing and accounting services for fees paid by the purchaser of a franchise to the Affiliate. The Company guarantees the full performance of these services by the Affiliate. Costs associated with these services relating to initial training are billed to the Company by the Affiliate as allocated expenses, however, the services supplied by the Affiliate may not necessarily have been provided at terms available from unrelated entities. Therefore, the accompanying financial statements of the Company may not necessarily be indicative of the conditions that would have existed if the Company had operated as an independent entity since the Company and its Parent and Affiliate have cross guarantees on the respective affiliate's financial obligations.

The long term debt of the Affiliate in the total amount of $9,589,000 as of December 31, 2019 has been guaranteed by the Company and the Parent.

ACCOUNTING + CONSULTING

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Financial Statements
Year Ended December 31, 2018
(With Independent Auditor's Report Thereon)

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ACCOUNTING + CONSULTING

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Galardi Group Franchise Corp.
(A Subsidiary of Galardi Group, Inc.)

We have audited the accompanying financial statements of Galardi Group Franchise Corp. (A Subsidiary of Galardi Group, Inc.) (the Company), which comprise the balance sheet as of December 31, 2018, and the related statements of operations and retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

KSJG, LLP

March 26, 2019

KSJG, LLP
100 Spectrum Center Drive, Suite 1000, Irvine, California 92618

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Balance Sheet
December 31, 2018

ASSETS

Current assets:		
Cash	$	113,842
Receivable from affiliate - net (Note 2)		1,019,898
Income taxes receivable (Note 3)		36,100
Total current assets		1,169,840
Other assets:		
Deferred income taxes (Note 3)		250,000
Total other assets		250,000
Total assets	$	1,419,840

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Deferred revenue	$	159,398
Total current liabilities		159,398
Long-term liabilities:		
Deferred revenue		515,709
Total liabilities		675,107
Related party transactions, commitments and contingencies (Notes 2 and 4)		
Stockholders' equity:		
Common stock, no par value, authorized 1,000 shares; issued and outstanding 1,000 shares		150,000
Retained earnings		594,733
Total stockholders' equity		744,733
Total liabilities and stockholders' equity	$	1,419,840

See accompanying notes to financial statements

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Statement of Operations and Retained Earnings
Year Ended December 31, 2018

		Percentage of Revenues
Revenues:		
License fees	$ 21,093	$ 6.2 %
Initial franchise fees	95,400	28.3
Franchise extension fees	220,814	65.5
Total revenues	337,307	100.0
Costs and expenses	509,047	150.9
(Loss) before income taxes	(171,740)	(50.9)
(Benefit) for income taxes (Note 3)	(59,486)	(17.6)
Net (loss)	(112,254)	(33.3) %
Retained earnings:		
Beginning of year	706,987	
End of year	$ 594,733	

See accompanying notes to financial statements

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Statement of Cash Flows
Year Ended December 31, 2018

Cash flows from operating activities:		
Net (loss)	$	(112,254)
Adjustments to reconcile net (loss) to net cash provided by operating activities:		
Deferred income taxes		(15,000)
		(127,254)
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Receivable from affiliate - net		139,290
Income taxes receivable		800
Increase (decrease) in liabilities:		
Deferred revenue		(12,293)
		127,797
Net cash provided by operating activities		543
Cash at beginning of year		113,299
Cash at end of year	$	113,842

See accompanying notes to financial statements

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Notes to Financial Statements
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business - Galardi Group Franchise Corp. (the "Company") was incorporated as Wienerschnitzel Franchise Corp. on August 9, 1982 and was formerly a wholly-owned subsidiary of Galardi Group, Inc. (the "Parent"). Effective June 30, 1990, the Parent distributed 25% of the Company's shares to Galardi Group, Inc.'s stockholders. The Company sells franchises for the operation of retail establishments known as Wienerschnitzel and Hamburger Stand restaurants. On December 3, 2002 Galardi Group Franchise and Leasing, LLC (the "Affiliate"), also a subsidiary of the Parent, was formed for the purpose of conducting all fast food restaurant-related business, subsequent to the initial sales of the franchises to franchisees by the Company.

Recognition of Franchise Fees - Initial and extension franchise fees derived from the sale or the extension of a Wienerschnitzel and Hamburger Stand franchise are recognized when the franchisee commences or extends operation of the restaurant and collection of receivables due from the franchisee is reasonably assured. Deposits received from prospective franchisees are recorded as deferred revenue until such time the deposit is either refunded or applied to franchise fee revenue once the franchisee commences operations of the restaurant.

Deferred revenues are recorded as current or non-current depending on when the franchisee is expected to commence operations.

Concentrations of Credit Risk - The Company's exposure to losses on receivables is principally dependent on the Affiliate's financial condition.

Income Taxes - The Company follows the provisions of the Accounting Standard Codification to account for income taxes. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities, and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. The provision for income taxes represents the tax payable for the period and the change during the period in deferred tax assets and liabilities.

(Note 1 continued on the following page)

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Notes to Financial Statements
(Continued)
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued) - The Company recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step requires the Company to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. There was no recognition of uncertain tax positions required at December 31, 2018.

The Company files income tax returns in the U.S. federal jurisdiction and California. With few exceptions, the Company is no longer subject to U.S. federal, state, and local income tax examinations by tax authorities for years before 2014. As a matter of course, various taxing authorities, including the IRS, could audit the Company. There were no tax years under examination by major tax jurisdictions as of December 31, 2018. Management believes that the Company's tax positions comply with applicable tax law and that the Company has adequately provided for these matters.

It is the Company's continuing policy to account for interest and penalties associated with income tax obligations as a component of income tax expense. The Company did not recognize any interest or penalties as part of the provision for income taxes in the Statement of Operations and Retained Earnings at December 31, 2018.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Note 1 continued on the following page)

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Notes to Financial Statements
(Continued)
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements - In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers:* Topic 606. Under Topic 606, an entity is required to recognize revenue upon transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. Management is currently assessing the impact of Topic 606 on the financial statements. Topic 606 is effective for the year ended December 31, 2019.

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes:* Topic 740. ASU No. 2015-17 simplifies the presentation of deferred income taxes, and requires that deferred income tax liabilities and assets be classified as noncurrent in a classified statement of financial position. ASU No. 2015-17 was adopted by management in the current period and these financial statements have been updated to present deferred income taxes as noncurrent.

Subsequent Events - The Company evaluated subsequent events through March 26, 2019, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 2 - RECEIVABLE FROM AFFILIATE AND OTHER RELATED PARTY TRANSACTIONS

Receivable from affiliate is comprised of franchise fees and refundable deposits collected by the Affiliate on behalf of the Company net of related allocated expenses and franchise licenses made by the Affiliate on behalf of the Company. During the year ended December 31, 2018, fees and deposits received by the Affiliate on behalf of the Company, net of refunds, amounted to $368,591. During the year ended December 31, 2018, allocated expenses charged and other payments made by the Affiliate on behalf of the Company amounted to $488,706 and $175, respectively.

As of December 31, 2018, the net receivable from Affiliate amounted to $1,019,898.

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Notes to Financial Statements
(Continued)
December 31, 2018

NOTE 3 - INCOME TAXES

Deferred income taxes result from temporary differences attributable mainly to franchise fees which are reported as income for tax reporting purposes prior to financial reporting purposes, as well as arising from the Company's net operating loss carryforwards.

The tax provision (benefit) for the year ended December 31, 2018 consists of the following:

Current	
Federal	$ (45,286)
State	800
	(44,486)
Deferred	
Federal	1,000
State	(16,000)
	(15,000)
	$ (59,486)

At December 31, 2018, the Company had Federal and state net operating loss carryforward credits of approximately $185,000 and $316,000, respectively. If not used, the carryforwards will begin to expire in 2037.

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Notes to Financial Statements
(Continued)
December 31, 2018

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The franchise agreements (generally 20 years) issued by the Company require the Company to make available to a purchaser of a franchise, initial training in the operational aspects of Wienerschnitzel or Hamburger Stand Restaurants, which is provided by the Affiliate. In addition, the Affiliate provides continued training, marketing, testing and accounting services for fees paid by the purchaser of a franchise to the Affiliate. The Company guarantees the full performance of these services by the Affiliate. Costs associated with these services relating to initial training are billed to the Company by the Affiliate as allocated expenses, however, the services supplied by the Affiliate may not necessarily have been provided at terms available from unrelated entities. Therefore, the accompanying financial statements of the Company may not necessarily be indicative of the conditions that would have existed if the Company had operated as an independent entity (Note 2).

The Company and Parent have guaranteed fourteen term loans for the Affiliate in the amounts of $156,901; $175,356; $116,194; $107,030; $375,129; $293,826; $533,891; $1,208,333; $145,607; $975,841; $1,315,683; $924,967; $1,825,774; $2,210,333 (totaling $10,364,865) as of December 31, 2018.

ACCOUNTING + CONSULTING

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Financial Statements
Year Ended December 31, 2017
(With Independent Auditor's Report Thereon)

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ACCOUNTING + CONSULTING

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Galardi Group Franchise Corp.
(A Subsidiary of Galardi Group, Inc.)

We have audited the accompanying financial statements of Galardi Group Franchise Corp. (A Subsidiary of Galardi Group, Inc.) (the Company), which comprise the balance sheet as of December 31, 2017, and the related statements of operations and retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

KSJG, LLP

March 22, 2018

KSJG, LLP
100 Spectrum Center Drive, Suite 1000, Irvine, California 92618

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Balance Sheet
December 31, 2017

ASSETS

Current assets:		
Cash	$	113,299
Receivable from affiliate - net (Note 2)		1,159,188
Income taxes receivable (Note 3)		36,900
Deferred income taxes (Note 3)		235,000
Total assets	$	1,544,387

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Deferred revenue	$	134,032
Total current liabilities		134,032
Long-term liabilities:		
Deferred revenue		553,368
Total liabilities		687,400
Related party transactions, commitments and contingencies (Notes 2 and 4)		
Stockholders' equity:		
Common stock, no par value, authorized 1,000 shares; issued and outstanding 1,000 shares		150,000
Retained earnings		706,987
Total stockholders' equity		856,987
Total liabilities and stockholders' equity	$	1,544,387

See accompanying notes to financial statements

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Statement of Operations and Retained Earnings
Year Ended December 31, 2017

		Percentage of Revenues
Revenues:		
Initial franchise fees	$ 80,800	$ 21.2 %
Franchise extension fees	300,520	78.8
Total revenues	381,320	100.0
Costs and expenses	503,972	132.2
Loss before income taxes	(122,652)	(32.2)
Provision for income taxes (Note 3)	53,500	14.0
Net loss	(176,152)	(46.2) %
Retained earnings:		
Beginning of year	883,139	
End of year	$ 706,987	

See accompanying notes to financial statements

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Statement of Cash Flows
Year Ended December 31, 2017

Cash flows from operating activities:		
Net (loss)	$	(176,152)
Adjustments to reconcile net (loss) to net cash provided by operating activities:		
Deferred income taxes		52,000
		(124,152)
Changes in assets and liabilities		
(Increase) decrease in assets:		
Receivable from affiliate - net		131,765
Income taxes receivable		1,500
Increase (decrease) in liabilities:		
Deferred revenue		(9,000)
		124,265
Net cash provided by operating activities		113
Cash at beginning of year		113,186
Cash at end of year	$	113,299

See accompanying notes to financial statements

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Notes to Financial Statements
December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business - Galardi Group Franchise Corp. (the "Company") was incorporated as Wienerschnitzel Franchise Corp. on August 9, 1982 and was formerly a wholly-owned subsidiary of Galardi Group, Inc. (the Parent). Effective June 30, 1990, the Parent distributed 25% of the Company's shares to Galardi Group, Inc.'s stockholders. The Company sells franchises for the operation of retail establishments known as Wienerschnitzel and Hamburger Stand restaurants. On December 3, 2002 Galardi Group Franchise and Leasing, LLC (the "Affiliate"), also a subsidiary of the Parent, was formed for the purpose of conducting all fast food restaurant-related business, subsequent to the initial sales of the franchises to franchisees by the Company.

Recognition of Franchise Fees - Initial and extension franchise fees derived from the sale or the extension of a Wienerschnitzel and Hamburger Stand franchise are recognized when the franchisee commences or extends operation of the restaurant and collection of receivables due from the franchisee is reasonably assured. Deposits received from prospective franchisees are recorded as deferred revenue until such time the deposit is either refunded or applied to franchise fee revenue once the franchisee commences operations of the restaurant.

Deferred revenues are recorded as current or non-current depending on when the franchisee is expected to commence operations.

Concentrations of Credit Risk - The Company's exposure to losses on receivables is principally dependent on the Affiliate's financial condition.

Income Taxes - The Company follows the provisions of the Accounting Standard Codification to account for income taxes. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities, and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. The provision for income taxes represents the tax payable for the period and the change during the period in deferred tax assets and liabilities.

(Note 1 continued on the following page)

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Notes to Financial Statements
(Continued)
December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued) - The Company recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step requires the Company to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. There was no recognition of uncertain tax positions required at December 31, 2017.

The Company files income tax returns in the U.S. federal jurisdiction and California. With few exceptions, the Company is no longer subject to U.S. federal, state, and local income tax examinations by tax authorities for years before 2013. As a matter of course, various taxing authorities, including the IRS, could audit the Company. There were no tax years under examination by major tax jurisdictions as of December 31, 2017. Management believes that the Company's tax positions comply with applicable tax law and that the Company has adequately provided for these matters.

It is the Company's continuing policy to account for interest and penalties associated with income tax obligations as a component of income tax expense. The Company did not recognize any interest or penalties as part of the provision for income taxes in the Statement of Operations and Retained Earnings at December 31, 2017.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Note 1 continued on the following page)

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Notes to Financial Statements
(Continued)
December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements - In November 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-17, *Income Taxes (Topic 740).* ASU No. 2015-17 simplifies the presentation of deferred income taxes, and requires that deferred income tax liabilities and assets be classified as noncurrent in a classified statement of financial position. ASU No. 2015-17 is effective for fiscal years beginning after December 15, 2017. Early adoption of this ASU is permitted.

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers:* Topic 606. Under Topic 606, an entity is required to recognize revenue upon transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. Management is currently assessing the impact of Topic 606 on the financial statements. Topic 606 is effective for our year ended December 31, 2019.

Subsequent Events - The Company evaluated subsequent events through March 22, 2018, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 2 - RECEIVABLE FROM AFFILIATE AND OTHER RELATED PARTY TRANSACTIONS

Receivable from affiliate is comprised of franchise fees and refundable deposits collected by the Affiliate on behalf of the Company net of related allocated expenses and franchise licenses made by the Affiliate on behalf of the Company. During the year ended December 31, 2017, fees and deposits received by the Affiliate on behalf of the Company, net of refunds, amounted to $372,255. During the year ended December 31, 2017, allocated expenses charged and other payments made by the Affiliate on behalf of the Company amounted to $479,849 and $9,170, respectively.

As of December 31, 2017, the net receivable from Affiliate amounted to $1,159,188.

GALARDI GROUP FRANCHISE CORP.
(A Subsidiary of Galardi Group, Inc.)

Notes to Financial Statements
(Continued)
December 31, 2017

NOTE 3 - INCOME TAXES

Deferred taxes result from temporary differences attributable mainly to franchise fees which are reported as income for tax reporting purposes prior to financial reporting purposes.

The tax provision for the year ended December 31, 2017 consists of the following:

Current	
Federal	$ 700
State	800
	1,500
Deferred	
Federal	62,000
State	(10,000)
	52,000
	$ 53,500

The Company's effective income tax rate is higher than what would be expected if the federal statutory rate were applied to income before income taxes primarily because of the decrease in deferred tax assets as a result of new tax laws which reduced the federal corporate income tax rate.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The franchise agreements (generally 20 years) issued by the Company require the Company to make available to a purchaser of a franchise, initial training in the operational aspects of Wienerschnitzel or Hamburger Stand Restaurants, which is provided by the Affiliate. In addition, the Affiliate provides continued training, marketing, testing and accounting services for fees paid by the purchaser of a franchise to the Affiliate. The Company guarantees the full performance of these services by the Affiliate. Costs associated with these services relating to initial training are billed to the Company by the Affiliate as allocated expenses, however, the services supplied by the Affiliate may not necessarily have been provided at terms available from unrelated entities. Therefore, the accompanying financial statements of the Company may not necessarily be indicative of the conditions that would have existed if the Company had operated as an independent entity (Note 2).

The Company and Parent have guaranteed thirteen term loans for the Affiliate in the amounts of $190,523; $206,301; $97,297; $290,486; $120,990; $600,207; $327,729; $734,099; $1,708,333; $160,670; $1,241,979; $1,597,615; $1,011,683 (totaling $8,287,912) as of December 31, 2017.

EXHIBIT B

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

This Franchise Agreement is made and entered into on _____, 20__, by and between GALARDI GROUP FRANCHISE CORP., a California corporation ("Franchisor"), GALARDI GROUP FRANCHISE & LEASING, LLC, a California limited liability company ("Service LLC") and _____ ("Franchisee") with reference to the following facts:

RECITALS

Franchisor owns a unique, proprietary system (the “Wienerschnitzel System”) for developing and operating distinctive restaurants featuring a limited menu of quality products and quick, quality service (“Wienerschnitzel Restaurants”), identified by the distinctive Wienerschnitzel ® trademarks and using other trademarks specified by Franchisor (the “Trademarks”). Service LLC provides services to operators of Wienerschnitzel Restaurants. Franchisor and Service LLC established an excellent reputation, distinctive identity and valuable goodwill associated with Wienerschnitzel Restaurants.

Franchisee wants a franchise to operate a Wienerschnitzel Restaurant at a specific location that is limited in size, menu and services compared to the traditional Wienerschnitzel Restaurants (“Wienerschnitzel Express Restaurant”). Franchisor is willing to grant a franchise to Franchisee on the terms in this Agreement. Accordingly, the parties now agree as follows:

AGREEMENT

1. GRANT OF LICENSE

Franchisor grants Franchisee a license to use the Trademarks and the Wienerschnitzel System to operate a Wienerschnitzel Express Restaurant at the location in Section 3. Franchisee accepts the license on the terms in this Agreement.

2. MANAGEMENT AND OWNERSHIP

Franchisee makes the following representations, warranties and promises to Franchisor:

(a) Franchisee accurately described Franchisee’s business organization to Franchisor;

(b) Franchisee has the ability and financial resources, and is willing and committed, to fully perform Franchisee’s obligations in this Agreement;

(c) If Franchisee is a corporation, limited liability company or other form of entity, the owners of all ownership interests, legal and beneficial, voting and non-voting, are as follows:

Name	Percentage of Ownership
_____	_____
_____	_____
_____	_____
_____	_____

(d) Ownership of Franchisee shall continue to be as stated above and shall not be changed without first obtaining Franchisor's written consent;

(e) At all times, Franchisee (if Franchisee is an individual) and the equity owner(s) of at least ten percent (10%) of Franchisee (if Franchisee is an entity) andFranchisee's General Manager, shall have attended and successfully completed training pursuant to Section 7(b). Franchisor may also require that Franchisee and the General Manager be periodically re-certified; and

(f) _____ is designated as the initial Certified General Manager who shall have full operational control of, and actively works, the Wienerschnitzel Express Restaurant unless and until a successor General Manager is approved by Service LLC. There shall also be a minimum of two (2) Certified Shift Managers per Wienerschnitzel Express Restaurant at all times.

(g) Franchisor shall have the right to require the individuals identified in Section 2(c) and their spouses to execute from time to time, a guaranty of Franchisee's performance and other matters in favor of Franchisor and Service LLC.

3. LICENSED PREMISES

(a) The license to Franchisee to use the Wienerschnitzel System and Trademarks is limited solely to _____ (the "Licensed Premises"). If the location is not stated here when this Agreement is signed, then when selected and approved by Franchisor, the location shall be identified in an Exhibit which the parties shall initial, date, attach to and thus make part of this Agreement as Exhibit "A".

(b) Franchisor will not grant a franchise for, and will not open its own Wienerschnitzel Express Restaurant, closer than one-half (1/2) mile from the Licensed Premises or closer than one (1) mile on the exact same street as the Licensed Premises street address, except as stated in Section 3(c) below.

(c) As exceptions to Section 3(b), Franchisor may open or franchise Wienerschnitzel, Wienerschnitzel Express, and other restaurants anywhere, even closer than one-half (1/2) mile to the Licensed Premises, or one (1) mile on the same street, if the restaurant is: at an amusement park, stadium, airport, school, mall, hotel, office building, office park, military base, business campus, store, swap meet or other institutional location Franchisor determines will likely not materially compete with

the Licensed Premises; or a cart, booth, vehicle or the like, at a fair, trade show, concert or other event; or is a food truck or other vehicle; or a commissary supplying other locations or selling via the internet or other electronic commerce. Sales of Wienerschnitzel branded products in grocery stores, food retail stores, or by other means, channels or other forms of distribution, shall be deemed to not violate the exclusivity in Section 3(b). Also, Section 3(b) does not grant marketing exclusivity. Franchisor and any franchisees may advertise restaurants and the Wienerschnitzel brand anywhere, regardless of location and may solicit or accept orders from customers even within the area described in Section 3(b). Franchisor may make sales via Internet and other distribution channels. Franchisor may establish and/or grant franchises for Wienerschnitzel; Wienerschnitzel Express; and/or other restaurants anywhere outside the exclusive territory in Section 3(b).

(d) Franchisee must obtain real estate rights to develop a Wienerschnitzel restaurant within twelve (12) months of entering into this Agreement, and have construction-ready plans submitted to applicable governmental offices within eighteen (18) months of entering into this Agreement. Failure of Franchisee to meet the time requirements in this paragraph will allow Franchisor and/or Service LLC to terminate this Agreement by written notice to the Franchisee.

(e) Franchisor reserves the right to co-brand other concepts with the Wienerschnitzel Express system.

(f) If Franchisor or Service LLC pays for or obtains any licenses or permits on behalf of Franchisee in the first twelve (12) months that the Licensed Premises are open for business after execution of this Agreement, then Franchisee shall reimburse all Franchisor's and Service LLC's expenses and costs incurred to obtain those licenses or permits. This Section 3(e) does not imply any obligation of Franchisor or Service LLC to pay for or obtain any license or permit.

(g) Franchisor's approval or suggestion of a location is not a warranty or assurance of viability, profitability or suitability. Franchisee must make Franchisee's own assessment. Franchisee must not relocate the Licensed Premises or the Wienerschnitzel Express restaurant without Franchisor's prior written consent.

4. TERM

(a) The term of this Agreement starts on _____, 20___ and ends at the close of business on the ____ anniversary of that date.

(b) If applicable law requires Franchisor to give notice of expiration or non-renewal a specified time before expiration of this Agreement and Franchisor has not done so, then if Franchisee objects to the lack of notice, the term shall extend on a month-to-month basis until Franchisor has given the notice required and the required time passes before expiration becomes effective.

5. FRANCHISE FEE

Franchisee shall pay to Franchisor an initial franchise fee totaling _____ dollars ($_____). This amount is deemed to be fully earned by Franchisor when paid, and is not refundable, except in the circumstance set forth in the following paragraph. It is therefore understood and agreed that Franchisee waives any right to a refund

if, and when, Franchisee receives Franchisor's and/or Service LLC's written approval of a submitted site, or Franchisee has not timely submitted at least three (3) Site Evaluation Forms as described in the next paragraph.

If Franchisee diligently proposed, by completed Site Evaluation Forms, at least three (3) site locations to Franchisor and/or Service, LLC, but after twelve (12) months from entering into this Agreement, Franchisor and Service LLC did not approve any location proposed by Franchisee, and Franchisor and/or Service LLC did not identify any proposed location satisfactory to Franchisee, then at Franchisee's or Service LLC's written request this Agreement shall be cancelled and Franchisor and Service, LLC will retain five thousand dollars ($5,000) and return the balance of the initial franchise fee paid by Franchisee. If Franchisee has not made written request to cancel this Agreement by the end of the 13th month, then all of the paid franchise fees become non-refundable.

6. FRANCHISE SERVICE FEE

(a) Franchisee shall pay Service LLC on or before the seventh (7th) day of each month a service fee. The service fee shall equal five percent (5%) of Net Sales for the prior month.

(b) For this Agreement, Net Sales means total sales of all food and other items, and any services at or originating from or connected to the Licensed Premises, including sales facilitated by delivery services, but does not include sales taxes separately shown on the customer receipt, collected and actually paid to the taxing authority, uncollected cash register over rings, amounts received from sales which Franchisee promptly refunds at a customer's request; and tips paid by a customer to an employee of Franchisee in cash or by credit card, separately shown on the credit card invoice and actually paid to the employee.

(c) Franchisees will be given a quarterly rebate for service fees paid to Service LLC calculated on third-party delivery sales included in the Franchisee's Net Sales that Franchisee does not actually receive. To receive this rebate Franchisee cannot have uncured defaults or overdue receivables at the end of the payable quarter.

(c) Franchisee shall record in writing all Sales and details sufficient to ascertain Net Sales. On or before the seventh (7th) day of each month Franchisee shall provide Service LLC a written statement of prior month Net Sales. Franchisee shall certify that the statement is true and accurate. Franchisee shall provide all additional financial and other information that Service LLC requests from time to time in the form, at times and in the manner Service LLC requests. Franchisee also hereby consents to Service LLC having access to all sales and other data in real time, or on demand, generated from any third-party system used in Franchisee's Wienerschnitzel business operations.

(d) Franchisee shall maintain all records, statements, and forms pertaining to Net Sales in good order for a period of three (3) years. Franchisee shall make these available to Service LLC's representatives for inspection, audit and copying at reasonable times specified by Service LLC.

(e) If Service LLC determines by inspection, audit or otherwise that any one or more statement(s) of Net Sales reported to Service LLC is or are understated or underpaid, then Franchisee shall immediately pay Service LLC the amount of the understatement or underpayment plus interest as

provided in Section 18(e). If the understatement or underpayment is more than two percent (2%) of the total for any month, then Franchisee shall also pay the costs of the inspection or audit. The remedies in this Section 6(e) do not excuse a breach and are additional to and not in lieu of other available remedies.

7. SERVICES BY FRANCHISOR

(a) Franchisor shall provide Franchisee designs, drawings and specifications for construction of a Wienerschnitzel Express Restaurant at the Licensed Premises.

(b) Franchisor shall provide Franchisee (if Franchisee is an individual) or an equity owner of at least thirty percent (30%) of Franchisee, and Franchisee's General Manager, initial training in aspects of a Wienerschnitzel Express Restaurant which will include training related to the preparation and sale menu items and other products typically then sold I a Wienerschnitzel Express. The Franchisee, or its equity owner, and the General Manager shall attend and successfully complete the initial training before Franchisee starts operating the Wienerschnitzel Express Restaurant. Franchisor may require Franchisee to successfully complete initial training at least 30 days before opening. Training may be at Franchisor's training location in Irvine, California or other location designated by Franchisor. Initial training will be provided at a mutually agreeable time subject to availability of Franchisor's instructors.

(c) Franchisor shall loan or provide Franchisee access to a copy of Franchisor's confidential operations manual for Wienerschnitzel Express (the "Manual"). Franchisor may from time to time provide supplements and updates or, if the Manual is maintained on-line, supplement or update the on-line version. Franchisee shall place all supplements and updates in the Manual and maintain the loaned copy in its most current form. This Agreement's references to the Manual mean whatever at the time is the most recently updated and supplemented version of the Manual.

8. SERVICES BY SERVICE LLC

(a) Service LLC shall assist Franchisee at the initial opening of the Wienerschnitzel Express Restaurant for a period of time Service LLC determines.

(b) Service LLC shall provide promotion programs conducted under direction of Service LLC's marketing department for the initial opening of the Wienerschnitzel Express Restaurant.

(c) Service LLC shall provide training seminars and meetings in certain aspects of Wienerschnitzel Express Restaurants and maintain a school for training franchisees, all as Service LLC considers appropriate. Franchisee shall attend, pay Service LLC's charges for, and successfully complete any training program Service LLC arranges, at times and locations Service LLC designates.

(d) Service LLC shall evaluate and test food and beverage items and operational methods for possible use in Wienerschnitzel Express Restaurants.

(e) Service LLC shall provide Franchisee with selected merchandising, marketing and advertising research data and information Service LLC develops from time to time and considers helpful in the operation of franchised Wienerschnitzel Express Restaurants.

(f) Service LLC shall provide Franchisee with recipe techniques, food preparation instructions and other information that Service LLC considers helpful in the operation of franchised Wienerschnitzel Express Restaurants.

(g) Service LLC shall provide Franchisee a standardized accounting, cost control and portion control system.

(h) Service LLC's obligations in this Section 8 are not continuous and ongoing, but may be performed intermittently, as and when, Service LLC deems appropriate.

9. ADVERTISING OBLIGATIONS

(a) All advertising and promotion by Franchisee or an Advertising Association shall be solely at Franchisee's cost and expense and shall be subject to prior written consent of Service LLC as to form, content, timing and placement. If no disapproval is provided within fifteen (15) days after submission of proposed advertising and promotion to Service LLC, then Franchisee may use that particular advertising and promotion until Service LLC delivers written disapproval. Approval or failure to disapprove does not waive Service LLC's right to later disapprove that or any other or past or future advertising and promotion.

(b) Franchisee's advertising and promotion shall not use any trade name other than (1) Wienerschnitzel and/or Wienerschnitzel Express or other trade names that Franchisor expressly authorizes or requires Franchisee to use; (2) brands that Franchisor specifically authorizes or requires Franchisee to use in advertising as part of joint product promotions or co-branding; and (3) Franchisee's independent ownership identity if and as specified by Franchisor.

(c) Franchisee shall execute Franchisor's Promotional Allowance Assignment assigning and conveying to Service LLC and Franchisor all Franchisee's right, title and interest in and to any marketing or promotional allowances.

(d) When Franchisee is required to join an association, Franchisee shall join, execute and fully perform all agreements and adhere to all by-laws of, and do all else needed to continuously be a member in good standing in, an Advertising Association approved by Service LLC and formed to serve a geographic area acceptable to Franchisor, that includes the Licensed Premises.

(e) Franchisor shall have the right to designate the geographic area or other market definition of the Advertising Association. At any time when no Service LLC-approved Advertising Association exists in the Franchisor-designated area encompassing the Licensed Premises, then as soon as that area has multiple Wienerschnitzel and/or Wienerschnitzel Express franchisees, Franchisee shall form an Advertising Association with the other franchisee(s) in that area and take all steps needed to obtain Service LLC's approval for that Advertising Association. If they cannot reach agreement on terms for forming the Association, Franchisee shall submit the matter to arbitration with Service LLC as arbitrator. Franchisee shall execute the Advertising Association agreement(s) determined by Service LLC acting as arbitrator.

(f) Franchisee shall pay contributions for advertising determined by the Advertising Association.

(g) Franchisee's obligation to expend funds for local advertising shall never be less than three percent (3%) of Net Sales (the "Minimum Local Advertising Obligation"), paid as follows:

(i)If Franchisee is a member of an Advertising Association, then Franchisee shall pay the contribution required by the Advertising Association . If the contribution required by the Advertising Association is less than the Minimum Local Advertising Obligation, then in addition to the contribution required by the Advertising Association, Franchisee shall expend for local advertising, each month, an additional amount equal to the difference between Minimum Local Advertising Obligation and the contribution required by the Advertising Association. If Franchisee's contribution required by the Advertising Association is more than the Minimum Local Advertising Obligation, then Franchisee shall pay the required contribution to the Advertising Association; or

(ii)If Franchisee is not a member of an Advertising Association, Franchisee shall spend at least the Minimum Local Advertising Obligation for advertising each month. IF Franchisee's Advertising Association required contribution, and/or local advertising expenditures are (or it appears to Service LLC that they will be) less that the Minimum Local Advertising Obligation, then Service LLC has the option to require Franchisee to pay to Service LLC the difference between Minimum Local Advertising Obligation and the total of the Franchisee's paid local expenditures, or anticipated to be paid, for that year. (h) Service LLC may require Franchisee to pay an additional one percent (1%) of Net Sales to Service LLC for national and/or regional advertising. Franchisee shall make these payments to Service LLC on or before the seventh (7th) day of each month. Payments to Service LLC under this Section shall not reduce Franchisee's contribution required by Section 9(g) above. Service LLC does not have an obligation to advertise in any particular media, in any particular geographic area, in any particular amounts, or at all.

(i) In this Section 9, advertising may include internet advertising (including, but not limited to social media and other internet based tools and platforms), electronic, broadcast and print media, billboards, premiums, point of sale materials, printing and distribution of coupons, public relations activities, and other activities Service LLC approves for promoting sales of Wienerschnitzel Express products; and does not include those of the foregoing, or other, media and activities, that Service, LLC notifies Franchisee are not approved for purposes of the three percent (3%) of Net Sales expenditure requirement.

(j) Franchisor or Service LLC may, but is not obligated to, establish and maintain one or more websites promoting the Trademarks and System. Franchisor or Service LLC shall have sole control over the website(s). Franchisor or Service LLC may stop operation of any website(s) at any time without notice. Franchisor shall have the right to control the operation and content of any internet or social media utilizing the Wienerschnitzel Express brand. Unless Franchisee obtains prior written consent from Franchisor or Service LLC, as applicable, which may be withheld in Franchisor's sole discretion, Franchisee shall not establish or maintain a separate website, or a splash page or other presence on the Internet or through any social networking site relating to the operation of the Restaurant. If Franchisor or Service LLC consents to Franchisee operating a separate website or Internet presence, Franchisee shall do so according to our Franchisor or Service LLCs standards and policies in the Manual or otherwise in writing from time to time. Franchisor or Service LLC can modify or supplement policies regarding social media and internet use at any time in writing, whether as part of the Manual or otherwise.

(k) Franchisee shall in no event communicate with media in response to a brand crisis, but shall direct all such inquiries to Franchisor to communicate directly with the media on behalf of the brand.

10. STANDARDS OF OPERATION

(a) Franchisee acknowledges that Franchisor, Service LLC and Wienerschnitzel Express franchisees maintain high standards and reputation for quality of service, products, preparation and sale of food and methods of conducting business. Franchisee acknowledges that Franchisee's compliance with Sections 10(b) through 10(t) is necessary to maintain the high standards and reputation.

(b) Franchisee shall operate the Wienerschnitzel Express Restaurant in compliance with the Manual.

(c) Franchisee shall assure that all food provided by Franchisee is the highest quality and that preparation, composition and ingredients conform fully to specifications, standards and instructions Service LLC provides to Franchisee from time to time. Service LLC, or its designated representative, agent, or vendor, shall have the right to inspect the Licensed Premises from time to time without notice, during regular business hours to assess Franchisee's compliance with this Agreement. Franchisee shall cooperate with these inspections.

(d) Franchisee shall not conduct any business at the Licensed Premises other than the Wienerschnitzel Express restaurant, and shall not serve, process, prepare, advertise, promote or sell any item or service except as directed or consented to in writing by Service LLC. Franchisee shall not sell Wienerschnitzel product from any location other than the Licensed Premises, without prior written consent from Service LLC. Franchisee shall sell only at retail and not wholesale, and shall not sell to a third-party for catering, foodtruck, or foodcart purposes. Delivery services for the benefit of individual customers is permitted, unless Service LLC states otherwise in writing.

(e) Franchisee acknowledges that changes may occur in consumer preferences, technology, competitive circumstances and other factors affecting the Wienerschnitzel Express System. In Service LLC's sole business judgment, Service LLC shall have the right to modify any and all aspects of food preparation, menus, techniques, procedures, products, services and all other aspects of the Wienerschnitzel Express System from time to time. Franchisee shall comply with modifications within the time Service LLC states. Modifications are deemed to occur pursuant to Service LLC's rights in this Agreement and are not modifications of this Agreement.

(f) Franchisee shall at all times maintain and operate all food preparation areas, storage, displays, interiors, parking areas and all other aspects of the Licensed Premises at a high standard of sanitation and cleanliness, in compliance with all applicable laws and regulations, and as required by Service LLC's requirements. Franchisee shall assure that all personnel are dressed in compliance with Service LLC's requirements and highest standards of hygiene. When Franchisor or Service LLC requests, Franchisee shall, at Franchisee's sole cost and expense, send personnel designated by Franchisor or Service LLC to training programs of Franchisor or Service LLC.

(g) The parties desire to and shall be deemed to be independent contractors. Franchisee shall reimburse Franchisor for any taxes, costs and other expenses that Franchisor may incur in the

event that despite the intent to be independent contractors, Franchisor is deemed to be the employer of any of Franchisee's employees or independent contractors, including, but not limited to wages, salaries, taxes and other payroll-related costs and expenses and any other costs and expenses.

(h) All food and menus on the Licensed Premises shall be in the form, size, color and content specified by Service LLC. Service LLC shall have the right to change the form, size, color and content of food and menus from time to time and Franchisee shall conform to these changes within three (3) days after receiving written notice. Service LLC shall have the right to require Franchisee to advertise locations and addresses of other Wienerschnitzel Express Restaurants as well as specialty and novelty items that may be used or sold by Service LLC or other Wienerschnitzel Express Restaurants.

(i) All inside and outside decorating at the Licensed Premises shall conform to the plans, specifications, designs and colors required by Service LLC. Service LLC shall have the right to change the plans, specifications, designs and colors from time to time. Franchisee shall conform to these changes within fifteen (15) days after receiving written notice.

(j) Franchisee shall remodel the Licensed Premises at least every ten (10) years in accordance with Service LLC's then-current remodel requirements.

(k) If any building or appurtenance is to be constructed or altered in any way on the Licensed Premises, the construction or alterations shall conform with plans and specifications that Service LLC furnishes, and all applicable laws and regulations. Service LLC shall have the right to examine construction or alteration to assure conformity. Franchisee shall not undertake construction or alteration of the Licensed Premises without Service LLC's prior written consent and shall not change any plan or specification in construction or alteration without Service LLC's prior written consent.

(l) Franchisee shall install and use on the Licensed Premises furnishings, furniture, signs and equipment as Service LLC requires from time to time. Franchisee shall conform to the standards of quality, quantity, design, size, color and other specifications that Service LLC requires. If Service LLC, in its sole, subjective judgment, determines that new or additional equipment may provide new or improved services or value to customers and notifies Franchisee, Franchisee shall, at Franchisee's sole cost and expense, acquire and use that equipment within thirty (30) days after receipt of the written notice, and stop using any outmoded or superseded equipment. If Franchisee fails to acquire and use the equipment within those thirty (30) days, then Service LLC will have the right to acquire and install the equipment at Franchisee's cost and expense.

(m) The following applies if the term of this Agreement is at least ten (10) or more years. Any time after the 5th anniversary of this Agreement, Service LLC can require Franchisee to remodel, refurbish, redecorate, modernize, refurnish, upgrade, and/or enhance the image of the Licensed Premises and Wienerschnitzel Express Restaurant to conform to changes in, or prescribed in Service LLC's then-current standards and specifications, as Service LLC determines in Service LLC's discretion. This may require a substantial further investment and expense by Franchisee. Service LLC makes no guarantee of any particular return on that investment and expense. Service LLC may specify, or require Franchisee to obtain Service LLC's consent to revised or new layouts, designs, image, equipment, furniture and furnishings Franchisee uses in any of the foregoing activities. Service LLC shall use good faith, on a nondiscriminatory basis, in requiring Franchisee to take the above actions.

(n) Franchisee shall assure that all signs at the Licensed Premises display no trademark or trade name other than Wienerschnitzel Express, or other trade names owned by or consented to by Franchisor and Service LLC, the location of the Licensed Premises, and if Franchisor requires, notice of Franchisee's independent ownership. Franchisee shall assure that color, size, design and content of all signs are according to specifications Service LLC provides. Franchisee consents to Service LLC's representatives entering the Licensed Premises and removing any signs that do not conform to Service LLC's specifications.

(o) Franchisee shall not employ or use or allow any vending machine, amusement device, video game, pinball machine, coin or token operated machine or computer game equipment on the Licensed Premises.

(p) Franchisee shall open the Licensed Premises for business during at least the hours and days Service LLC specifies, which may be as many as 24 hours per day, and as many as 365 days per year (366 per leap year).

(q) Franchisee shall participate in any computer network, intranet system or extranet system implement by Franchisor or Service LLC and do so in compliance with standards, protocols, and restrictions Franchisor or Service LLC specifies. This could include but is not limited to, required participation to submit reports, receive updates to Manual(s), or for other communications.

(r) Franchisee shall deliver any training to Franchisee's personnel that Franchisor specifies.

(s) Franchisee acknowledges that because uniformity under many varying conditions may not always be possible or practical or the most advantageous, Franchisor reserves the right to materially vary Franchisor's standards or franchise agreement terms for any franchised business. Variances could also be based on timing of the grant of franchise, peculiarities of the particular territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which Franchisor considers relevant or important. Franchisee will have no right to require Franchisor to disclose any variation or to grant the same or a similar variation to Franchisee.

(t) Franchisor acknowledges and agrees that the size, menu, services and other aspects of the Wienerschnitzel Express Restaurant may and shall be limited and/or differ in any and all respects as compared to non-Express Wienerschnitzel restaurants all as Franchisor and/or Service LLC determines from time to time.

11. FOOD, SUPPLIES AND SERVICES

(a) To protect the Trademarks, maintain uniformity and standards of quality and for other reasons beneficial to Franchisor, Franchisee shall comply with Sections 11(b) through 11(g).

(b) Franchisee shall purchase for inventory, use and resale on the Licensed Premises, only food and supplies specified in the Manual.

(c) Franchisee shall acquire from Service LLC or sources Service LLC approves in writing from time to time, the foods, supplies, materials, equipment and other items for use in operating the

Wienerschnitzel Express Restaurant, that Franchisor and Service LLC determine are needed for uniformity, consistent quality and to preserve and enhance the goodwill of the Trademarks. Franchisor shall have the authority to require Franchisee to withdraw any product from Franchisee's restaurant as part of a product recall.

(d) Service LLC shall furnish Franchisee at Franchisee's request the then-current standards and specifications for equipment, supplies, trademarked paper goods or other products required by Service LLC to be used in operating the Wienerschnitzel Express Restaurant.

(e) If Franchisee wants to obtain required items from a manufacturer or supplier not then approved by Service LLC, Franchisee shall provide Service LLC with all information regarding the manufacturer or supplier that Service LLC requests. Franchisor shall have the right to require the manufacturer or supplier to provide samples, access to facilities, payment of testing charges, and assurance they will adequately protect confidential information. On completion of procedures required by Service LLC to assess manufacturer or supplier capacity, facilities, and capability to supply quantities, at times and with reliability needed for efficient operation, to protect confidential information, and any other factors Service LLC deems relevant, Service LLC shall notify Franchisee whether or not the manufacturer or supplier is approved to supply the item to Franchisee; and the basis for any disapproval. The parties intend this Section 11(e) to permit Franchisee to purchase items meeting Service LLC's standards and specifications from manufacturers and suppliers of Franchisee's choice, subject to reasonable approval of Service LLC.

(f) Service LLC may withdraw approval of an item or manufacturer or supplier if Service LLC decides circumstances warrant. Franchisee shall stop acquiring or using any item or acquiring from any manufacturer or supplier as to which approval is withdrawn.

(g) Franchisee acknowledges that quality control of products used or sold by Wienerschnitzel Express franchisees is proper and important to the operation of the Wienerschnitzel system and to protection of the Trademarks, and that the provisions in this Section 11 are reasonable for these purposes.

12. OWNERSHIP AND PROTECTION OF INTELLECTUAL PROPERTY

(a) Franchisee shall not disclose to any other person any information pertaining to ingredients, methods of conducting business, contents of the Manual or any other material or information that Franchisor designates as confidential, or that given its nature Franchisee should recognize as confidential. This obligation lasts in perpetuity and thus survives expiration, termination, cancellation or assignment of this Agreement. Franchisee may disclose to employees, the portions of the information that are essential for them to know to do their jobs. Franchisee shall cause the employees to refrain from further disclosure. Franchisee shall require personnel specified by Franchisor to execute written agreements for Franchisor's benefit, agreeing to protect confidentiality, and shall provide copies to Franchisor.

(b) Franchisee shall fully and promptly disclose to Franchisor, all ideas, concepts, formulas, recipes, methods, techniques and other possible improvements relating to development or operation of a Wienerschnitzel Express Restaurant which Franchisee conceives or becomes aware of due to conception or suggestion of others or otherwise. Franchisor shall be deemed to be authorized to develop, modify, use and authorize others to use the matters disclosed, without further compensation to Franchisee or others beyond the consideration comprised of this Agreement, and any such information, and ownership thereof, shall be deemed to be the property of Franchisor. Franchisee (and its principals) shall execute Franchisor's choices of assignments of rights and/or licenses in the foregoing to Franchisor, assist Franchisor in obtaining and enforcing intellectual property rights therein, and hereby designates Franchisor as Franchisee's agent and attorney-in-fact to file all documentation related to the foregoing. Franchisee shall not test, offer, or sell any new product without Franchisor's prior written consent.

(c) To assist in protecting confidential information against intentional or inadvertent misuse, during the term of this Agreement and for two (2) years after it is cancelled, assigned, expires without renewal or terminates or is transferred, Franchisee and Franchisee's stockholders, members, joint venturers, directors, managers, officers, partners, managerial employees and equivalents of each of the foregoing, shall not have any direct or indirect interest as an owner, investor, partner, lender, director, officer, manager, employee, consultant, representative or agent or in any other capacity in any "Competing Business". Competing Business is a business that is both (a) located at or within 25 miles of the Licensed Premises or premises of any Wienerschnitzel Restaurant; and (b) engaged in preparing, offering or selling food products that are the same as or substantially similar to those (x) offered or sold by the Wienerschnitzel Restaurant or (y) in development by Franchisor or Service LLC during the one year prior to expiration or termination. Franchisee shall take all steps needed to assure compliance with this provision by Franchisee's stockholders, members, joint venturers, directors, officers, partners, managerial employees and equivalents. Following expiration or termination of this Agreement, Franchisee shall never use any packaging techniques, processes or food preparation methods or formulas obtained, learned or used by Franchisee as a Wienerschnitzel franchisee.

(d) Franchisee acknowledges that the scope of the restriction in Section 12(c) is narrow, and does not restrict anyone from engaging in the restaurant or food service business outside the narrow scope of Section 12(c) or from engaging in an entire trade or profession, and that Franchisee has other considerable skills, experience, abilities and education which enable Franchisee to derive income from other activities and therefore the covenants in Section 12(c) will not impose any undue hardship on

Franchisee. Any violation of Section 12(c) by any person or entity referred to shall be deemed to be a material breach of this Agreement by Franchisee.

(e) Franchisee acknowledges that "Wienerschnitzel", "Wienerschnitzel Express" Tastee Freez, and the other Trademarks, and Wienerschnitzel and Tastee-Freez domain names, are solely Franchisor's property. Nothing in this Agreement grants Franchisee, or any other person, any right, title or interest therein, or in similar Trademarks or names, except a license to use the Trademarks on the terms in this Agreement.

(f) Franchisee shall not register as a domain name any of the Trademarks or similar words. Franchisor shall have the sole right to advertise on the Internet and create, use, or stop using a website containing the Trademarks. Unless Franchisor consents in writing, Franchisee shall not link or frame any website of Franchisor or its affiliates, conduct any business or offer to sell or advertise any products or services on the web, or create or register any Internet domain name connected with the franchise.

(g) A decision of a court that all or part of this Section 12 is unenforceable in a state other than where the Licensed Premises are located, shall not relieve Franchisee of the obligation to comply with this Section 12. If a court having jurisdiction determines that all or part of this Section 12 is unenforceable in the state where the Licensed Premises are located but that the provision would be enforceable if its scope were reduced, then the provision shall be deemed to be reduced to encompass the maximum time, geography and activity that is permissible in that state, and as reduced in scope shall be enforced.

13. TRANSFER

(a) Franchisee shall have no right or power to, and shall not purport to sell, assign, transfer or encumber this Agreement or any right or interest in this Agreement, or in the Licensed Premises or Wienerschnitzel Restaurant, nor allow any assignment, transfer or encumbrance of the foregoing or any interest in the ownership of Franchisee to occur, by operation of law or otherwise, without first obtaining written consent of Franchisor and Service LLC. Any purported sale, assignment, transfer or encumbrance other than as provided in this Section 13 shall be void, of no effect and is a material breach of this Agreement.

(b) Franchisee may sell and transfer Franchisee's rights under this Agreement, or sell and transfer an interest in the ownership of Franchisee, to a bona fide purchaser, subject to first offering to sell and assign those rights and/or interest(s) to Franchisor on the same terms and conditions as proposed to be sold and transferred to the prospective purchaser. All proposed sale offers shall be fully set forth in writing and provided in full to Franchisor. Franchisor shall have thirty (30) days from date of receipt to accept any such offer. If Franchisor has not accepted the offer within such thirty (30) days, then Franchisee may complete the sale to the prospective purchaser on the same terms and conditions, provided that Franchisee is not then in breach of this Agreement and further provided that Franchisor and Service LLC may impose any conditions to consenting to such sale and transfer, including, but not limited to the following:

(1) To insure that required facility upgrades are completed timely, Franchisee must also pay to Service LLC an additional transfer fee equal to ten percent (10%) of the total estimate on the Wienerschnitzel Restaurant Evaluation. If the work described in the Wienerschnitzel Restaurant

Evaluation is completed within the time period required by Service LLC, then an amount equal to this additional transfer fee will be paid to Franchisee as a work performance bonus.

(2) Franchisee must not be in breach of any agreement with Franchisor or Service LLC, or any supplier and must satisfy fully all obligations, including post-term obligations, to Franchisor, Service LLC and others arising out of the operation of the Wienerschnitzel restaurant;

(3) Franchisee must satisfy all past due obligations to Franchisor and Service LLC, arising out of Franchisee's operation of other restaurants franchised from Franchisor and any consent or approval to the transfer does not waive any claims of Franchisor or Service LLC. The Franchisee shall also sign a release in favor of Franchisor, Service LLC and their respective shareholders, members, directors, managers, officers, employees and affiliates, in a form specified by Franchisor;

(4) The proposed transferee must satisfy Franchisor and Service LLC that transferee meets Franchisor's and Service LLC's then-current financial and managerial criteria required of new franchisees, and within time limits set by Franchisor and/or Service LLC must obtain all permits and licenses required for operation of the Wienerschnitzel Restaurant;

(5) The purchase price and terms shall be subject to Franchisor's and/or Service LLC's reasonable review and consent and must not be high, excessive or burdensome in Franchisor's or Service LLC's judgment as to threaten the future operation of the Wienerschnitzel Restaurant, and the proposed transferee must have sufficient equity capital in the business to result in a debt-to-equity ratio of at least one-to-one, or other debt-to-equity ratio that Franchisor and Service LLC approve;

(6) The proposed transferee must meet with Franchisor's and Service LLC's personnel and successfully pass whatever tests are required by Franchisor and Service LLC to assess aptitude and ability to own and operate a Wienerschnitzel Restaurant;

(7) The proposed transferee must successfully complete all training required of new franchisees and pay Franchisor's and/or Service LLC's then-current charges for training;

(8) Franchisee or the proposed transferee must pay Franchisor and/or Service LLC a transfer fee. The transfer fee is due with the request to transfer and is not refundable whether or not the transfer occurs. At the time of the signing this Franchise Agreement, the transfer fee is three thousand dollars ($3,000). This could increase in the future.

(9) The proposed transferee must sign Franchisor's and Service LLC's then-current forms of franchise, sublease, and other agreements, which may contain provisions materially different from this Agreement and other existing agreements, including, but not limited to amounts of fees to Franchisor and Service LLC, and amounts to be expended on advertising;

(10) The proposed transferee may pay Service LLC a security deposit equal to one (1) month's payments to Service LLC under the franchise agreement, sublease and any equipment lease;

(11) Franchisee and/or the proposed transferee must make improvements and additions to the facilities and equipment comprising the Wienerschnitzel Restaurant as Service LLC requires;

(12) Franchisee shall execute Franchisor's and Service LLC's then-standard Guaranty guaranteeing to Franchisor and Service LLC the performance of all obligations by the proposed transferee;

(13) The Franchisee shall reaffirm the agreement not to compete as set forth in Section 12 of this Agreement.;

(14) Any other conditions that Franchisor or Service LLC deem relevant in the circumstances.

(c) If Franchisee is owned by individuals, the Franchisor and Service LLC will consent to the transfer of this Agreement to a corporation or LLC approved by Franchisor and Service LLC, provided there are no material circumstances or reasons for Franchisor or Service LLC to object and Franchisee complies with any conditions Franchisor and/or Service LLC require, including, but not limited to the following:

(1) The stockholders, or unit holders/members, of the transferee entity shall be limited to those individuals whom Franchisor and Service LLC specify;

(2) Franchisee shall be the legal and beneficial owner of the stock or units of the proposed transferee corporation or LLC, and shall be that entity's principal officer(s) or controlling member(s). Provided Franchisee retains controlling interest of the transferee entity, Franchisee may sell, transfer or assign stock or units in that entity to members of Franchisee's immediate family or to a trustee in trust for the immediate family, to the transferee's operating managers, if the Franchisee and the transferee(s) of the stock or units is not then in default of any terms of any agreement with Franchisor or Service LLC. Franchisee may sell, assign, or transfer controlling interest of the transferee corporation or LLC only in compliance with Section 13(b).

(3) Franchisee shall pay Franchisor and/or Service LLC a transfer fee. The transfer fee is due with the request to transfer and is not refundable whether or not the transfer occurs. At the time of signing this Franchise Agreement, the transfer fee under this subsection is Five Hundred Dollars ($500.00). This could increase in the future.

(d) In the event of death or disability of Franchisee, then following written request, Franchisor and Service LLC shall consent to the transfer of the Franchisee's interest to Franchisee's surviving spouse, heirs or relatives by blood or by marriage, whether the transfer is made by will or by operation of law, provided that: (1) in Franchisor's and Service LLC's sole discretion and judgment the person or persons obtaining the interest(s) are capable of and committed to conducting the business in a manner satisfactory to Franchisor and Service LLC; and, (2) the transferee satisfies Franchisor's and Service LLC's then current requirements pertaining to transfer or subletting, including, but not limited to the conditions listed immediately above in subsection (b).

(e) Franchisee acknowledges that the restrictions and conditions contained tin the Section 13 are to protect Franchisor's and Service LLC's Trademarks, trade secrets, and reputation and image. Any purported issuance, sale, transfer or assignment of any stock, units or other indicia of ownership other than as provided in this Section 13 without Franchisor's and Service LLC's prior written consent shall be a material breach of this Agreement and grounds for Franchisor and Service LLC to terminate Franchisee's rights under this Agreement without providing an opportunity to cure the breach.

(f) Franchisor's and/or Service LLC's consent to a proposed transfer will not be unreasonably withheld or delayed.

14. DEFAULT

(a) The occurrence of any of the following events shall be a default and good cause for Franchisor and Service LLC, at their option and without prejudice to any other rights or remedies under this Agreement or law, to terminate Franchisee's rights under this Agreement if Franchisee fails to cure the default within five (5) days after Franchisee's receipt of written notification, unless a different time is specified below:

(1) Franchisee is adjudicated bankrupt, becomes insolvent, or a temporary or permanent receiver of any of Franchisee's property is appointed; or Franchisee makes a transfer for the benefit of creditors, or a judgment remains unsatisfied for thirty (30) days or longer (unless supersedes bond is filed) or execution is levied against Franchisee's business or property, or suit to foreclose a lien or mortgage against the Licensed Premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days;

(2) Franchisee defaults in performing any term, condition or obligation or payment of any amount due to Franchisor or Service LLC, or to any supplier or anyone else arising out of the purchase of supplies or purchase or lease of equipment for the restaurant;

(3) Franchisee defaults in payment under any promissory note or other evidence of debt to Franchisor or payment of any fees or for any advertising or fails to submit any profit and loss statements or other financial statements or data or report of Net Sales or other report required by this Agreement, or Franchisee makes any false statement in any financial or other report to Franchisor;

(4) Franchisee fails to maintain the standards required by this Agreement, and as supplemented by the Manual;

(5) Franchisee violates any health, safety or sanitation law, ordinance, or regulation, or operates the Wienerschnitzel Express Restaurant in an unsafe manner, and does not begin to cure the violation immediately, and correct the violation as soon as reasonably possible, but in no event longer than five (5) days after Franchisee receives written notice from Franchisor or Service LLC;

(6) Franchisee fails to make or cause to be made those routine maintenance, repairs and alterations, as Franchisor and Service LLC deem necessary to ensure compliance with Service LLC's specifications, standards and instructions, and does not complete any and all repairs and maintenance within thirty (30) days after Franchisee receives written notice from Franchisor or Service LLC. If the maintenance, repairs, and alterations cannot be completed within thirty (30) days of Franchisee's receipt of Franchisor's or Service LLC's written notice, then Franchisee must commence and diligently pursue such maintenance, repairs, and alterations to completion as soon as possible;

(7) Franchisee fails to maintain the insurance as Service LLC may require and does not obtain the required insurance within ten (10) days after Franchisee receives written notice from Service LLC;

(8) Franchisee breaches any other agreement between Franchisee and Franchisor or Service LLC, and does not cure such breach within applicable cure periods set forth in such other agreement. Further, an uncured breach or involuntary termination of this Franchise Agreement shall be considered a breach of any other agreement between Franchisee and Franchisor or Service LLC, and subject such other agreement to grounds for termination.

(8) Franchisee violates any law, ordinance, rule or regulation in relation to the Wienerschnitzel Express Restaurant, or in any way that Franchisor and/or Service LLC believes may injure the reputation of Service LLC, Franchisor or the Trademarks, or Franchisee permits a violation to go uncorrected after notification, unless there is a bona fide dispute about the violation or legality of the law, ordinance, rule or regulation, and Franchisee promptly contests the violation or legality in court or using the government agency's administrative procedures;

(9) Franchisee ceases to do business at the Licensed Premises or defaults under any lease or sublease or loses Franchisee's right to possession of the Licensed Premises;

(10) Franchisee commits a material default and Franchisor and/or Service LLC have twice previously given Franchisee written notice of the same type of default(s) within the preceding twelve (12) months, whether or not Franchisee has cured the default(s). Termination of this agreement sahall be immediate and will not have time to cure this default; and

(11) Franchisee violates any term or condition or other provision of this Agreement.

(b) In addition to all other rights and remedies available to Franchisor and Service LLC, and not in lieu of any other right or remedy, and not as an exclusive remedy, Franchisor and Service LLC shall have the rights to (i) assess Franchisee a service charge of two hundred fifty dollars ($250) or more for each breach or default comprised of a noncompliance or other form of violation of any standard, procedure, or requirement of this Agreement or the Manual, and/or (ii) each acting on its own or both acting together, to implement remedial or cure actions, and charge Franchisee all costs and expenses incurred to do so. The service charge is deemed by Franchisor, Service LLC, and Franchisee to be a reasonable estimate of Service LLC's administrative and management costs. Service LLC will collect such charges from Franchisee by automated debit or other method, in lump sum or over time, if Franchisee fails to cure a breach of any standard procedure or requirement, or requiring or involving correction, replacement, improvement or other attention concerning maintenance, design, décor, appearance, obsolescence, or the like concerning the restaurant or any furniture, fixtures, equipment or other aspect of the restaurant.

(c) Failure or delay by Franchisor or Service LLC to take action on account of any default(s) by Franchisee, whether a single instance or repeatedly, shall not waive any default or the performance required of Franchisee. A waiver by Franchisor or Service LLC of any obligation or performance or of any default by Franchisee on any one or more occasions shall not be an implied waiver of any other or future obligation, performance, or default.

15. EFFECTS OF EXPIRATION OR TERMINATION; POST TERMINATION OBLIGATIONS

(a) On expiration or termination of this Agreement, regardless of the reasons, Franchisee shall immediately and permanently (1) stop using the words “Wienerschnitzel” “Wienerschnitzel Express” and "Tastee-Freez" and any other words similar in form, spelling or sound to these words, anywhere in the world; (2) stop using all the other matter comprising the Trademarks; (3) refrain from identifying Franchisee as a franchisee or former Wienerschnitzel, Wienerschnitzel Express or "Tastee-Freez" franchisee; (4) stop using all trade secrets, formulas, menus, processes, signs, symbols, proprietary equipment, devices, recipes, food mixes or other materials constituting part of the Wienerschnitzel System; (5) at Franchisee’s cost remove from all premises owned or controlled by Franchisee all signs, menus, writings, notices and all other indicia or material related or referring to the Trademarks; (6) repaint the roof of the Licensed Premises to a color entirely dissimilar to the approved color at the time of termination or expiration; and (7) make other removals and changes in signs and layout and colors of buildings and structures as Service LLC requests to distinguish the Licensed Premises from their former appearance and from other Wienerschnitzel and Wienerschnitzel Express restaurants. Service LLC shall have the right to enter any and all premises to take any action under this Section 15(a) that Franchisee fails to take, without further notice and Franchisee shall reimburse all Service LLC’s costs to do so.

(b) On expiration or termination of this Agreement, Franchisee is deemed to have granted to Service LLC the option to purchase any or all paper goods, containers, signs, menus and any and all insignia bearing any of the Trademarks, at the lower of cost or fair market value at the time of termination.

(c) In the event of termination due to default of Franchisee, the extent of all damages which Franchisor and Service LLC have suffered due to the default shall be and remain a lien in favor of Franchisor and Service LLC against any and all personal property, machinery, fixtures and equipment owned by Franchisee on the Licensed Premises at the time of the default.

(d) In the event of termination due to breach or default by Franchisee, Franchisee shall be liable for Franchisor's and Service LLC's lost future revenues and profits, even if Franchisor and/or Service LLC terminated this Agreement due to breach or default.

(e) Any provision of this Agreement which imposes an obligation after termination or expiration (for example, Sections 12(a) and 12(c)) shall survive termination or expiration of this Agreement and shall continue to be binding on Franchisee until fully performed or until, by its nature, the provision has expired.

16. VERIFICATION OF OBLIGATIONS

Service LLC shall have the right to take any action reasonable in the industry and without monetary implications that Service LLC deems appropriate to directly or indirectly verify or encourage Franchisee’s performance of obligations in this Agreement, including but not limited to (a) installing or requiring Franchisee to install in and about the Licensed Premises cash registers, security systems, computer systems, and monitoring devices, all meeting specifications set by Service LLC; (b) receiving from Franchisee’s suppliers any information relating to products and services provided to Franchisee;

(c) inspecting Franchisee's records of the Licensed Premises, and food products and other inventory at the Licensed Premises; (d) reasonable surveying or questioning of customers and/or suppliers of Franchisee; and (e) other reasonable actions Service LLC deems appropriate.

17. RISK MANAGEMENT

(a) Franchisee shall indemnify, defend and hold Franchisor and Service LLC and their personnel free and harmless from any debt or obligation or injury or loss or damage that any person or entity claims: (1) was contracted or undertaken by Franchisee; or (2) resulted from an act or omission of Franchisee; (3) was contracted or undertaken by Franchisee or resulted from an act or omission of Franchisee in any such case actually or allegedly on Franchisor's or Service LLC's behalf (also including matters expressly or impliedly or having the appearance of being on Franchisor's or Service LLC's behalf, or allegedly occurring in an alleged joint relationship with Franchisor or Service LLC); or (4) arising from any lien, judgment, encumbrance, obligation or matter arising from or relating to injury to, or claim of, any person or entity, operation of or activity at or occurrence at the Wienerschnitzel Express Restaurant, or at the Licensed Premises; or (5) government inquiry or investigation or proceeding of or concerning Franchisee or the Wienerschnitzel Express Restaurant or Licensed Premises.

(b) Franchisee shall defend the matters in Section 17(a) at Franchisee's expense, settle such matters at Franchisee's expense, and pay and discharge and satisfy fully and in its entirety any liability or judgment or order that may be rendered against Franchisor or Service LLC. If Franchisee fails or neglects to do so, Franchisor, Service LLC or both may defend, settle, discharge and satisfy such matters and any expenses, including legal fees and costs of performance, which Franchisor or Service LLC incur, shall be repaid to Franchisor and Service LLC by Franchisee on demand.

(c) Franchisee shall at all times maintain insurance for public liability, workers compensation, food products liability, franchisor's loss of income and insurance and insurance against additional risks and hazards, in amounts and with insurers that Service LLC requires and/or as required by law. Franchisee shall also maintain insurance required by the lease for the Premises, by any lender to Franchisee and by any equipment leases. Franchisee shall assure that Franchisor and Service LLC, and any other parties they want included, are named as additional insureds under all policies. Service LLC shall have the right to notify Franchisee from time to time, in writing, of the nature and amounts of insurance required. Within ten (10) days after receiving each notice, Franchisee shall furnish to Service LLC written proof of insurance in the amounts and types required by Service LLC. Franchisee shall provide copies of complete policies on request. If Franchisee fails to provide proof of insurance and complete policies, then without relieving Franchisee's obligations to maintain that insurance, Service LLC may cause insurance to be obtained at Franchisee's cost. That cost shall be paid or reimbursed by Franchisee upon demand.

(d) Franchisee shall notify Franchisor and Service LLC in writing within 5 days of the commencement of any action, suit or proceeding and/or issuance of any government or court order which may adversely affect the operation or financial condition of Franchisee or the Wienerschnitzel Express Restaurant.

(e) Neither Franchisor nor Service LLC shall be liable to Franchisee or other person by reason of any act, omission, neglect or default at the Licensed Premises, or of Franchisee or any of

Franchisee's agents or employees. Franchisee shall pay all sums to be paid or discharged in case of action for any such damages or injuries.

18. ADDITIONAL PROVISIONS

(a) Guaranty. Franchisor guarantees the performance of Service LLC's obligations in this Agreement.

(b) Waiver. Franchisee shall have no right to and shall not make any claim, and waives any claim, for money damages, setoff, counterclaim or defense based on a claim that Franchisor or Service LLC unreasonably withheld or delayed a requested consent or approval. Franchisee's sole and exclusive remedy for any such claim shall be an action or proceeding to enforce the provision or for specific performance or declaratory relief regarding the consent or approval.

(c) Relationship. Franchisee is not and shall not be considered a joint venturer, joint employer, partner or agent of or with Franchisor or Service LLC., nor vice versa. Franchisee shall have no power and shall not purport to bind or obligate Franchisor or Service LLC. Neither Franchisor nor Service LLC shall be liable for any debt contracted by Franchisee.

(d) Confidentiality. Franchisee shall not communicate the contents of this Agreement, Operations Manual, and/or Training Manuals, to any third party without Franchisor's and Service LLC's prior written consent, except when Franchisee is required to reveal the contents to obtain bank credit, or required by a government agency or court of law, or in negotiating a sale to a bona fide purchaser in accordance with this Agreement.

(e) Payment of Monies. Franchisor and Service LLC shall have the right to require that monies shall be paid by ACH transfer, other form of electronic funds transfer, or other means selected by Franchisor or Service LLC. Franchisee shall sign Franchisor's form of Authorization Agreement for Prearranged Transfer and other documents Franchisor and Service LLC request to facilitate payments to Franchisor and Service LLC attached to this Agreement as Exhibit "B". If Franchisor or Service LLC withdraws any amount exceeding the amount due, Franchisee shall be entitled to the return of the excess withdrawal without interest.

(f) Loss of Revenue. If Franchisee's restaurant is closed for more than three (3) consecutive days, then Franchisee will be responsible for Service LLC's loss of revenue due to such closure, including, but not limited to its loss of service fee; advertising obligations; lease income; and/or equipment lease income. Sales will be computed for such period of Service LLC's lost revenue based upon the last 12-month period the restaurant was open and operating.

(g) Interest and Late Fees. All monies are due and payable and must be received at Franchisor's and Service LLC's offices at 7700 Irvine Center Drive, Suite 550, Irvine, California 92618 on the dates stated in this Agreement. If Franchisee fails to pay on time, the past due amount shall bear interest at the lesser of the maximum lawful rate in the state where the Licensed Premises are located or eighteen percent (18%) per year, from the date due until date of payment. In addition to interest, Franchisee shall pay to Franchisor or Service LLC a sum equal to ten percent (10%) of the delinquent amount. Franchisee agrees these amounts are reasonable compensation for lost and delayed use of funds and additional services and expenses due to failure to pay on time.

(h) Financial Condition/ Information. Franchisee shall maintain at all times sufficient working capital to fully perform Franchisee's obligations and operate the Wienerschnitzel Express Restaurant in a businesslike, proper, efficient manner and pay Franchisee's obligations as they come due. Franchisee shall provide Franchisor and Service LLC financial and business information, relating to the construction and operation of the Wienerschnitzel Express Restaurant, as Franchisor or Service LLC request from time to time. This may include, but is not limited to, providing federal, state and local income and sales tax returns and other reports, as Franchisor and Service LLC request from time to time.

(i) Price Adjustments. Franchisor shall have the right to adjust upward for inflation on an annual basis, any fees or charges set, provided for or described in this Agreement or otherwise as a dollar amount or fixed amount. Any such adjustment shall be based on increases reflected by a reasonable inflation index published by the U.S. Government and selected by Franchisor. If the government ceases publishing such an index, Franchisor shall select another reasonable index.

(j) Taxes. Franchisee shall pay Franchisor or its affiliates immediately on demand: (a) all sales taxes, trademarks license taxes or fees and any other taxes or fees, imposed on, required to be collected, or paid by Franchisor or its affiliates (excluding corporate income taxes imposed on Franchisor or its affiliates) because Franchisor or its affiliates entered into this Agreement, furnished services or products to, or collected any fee from Franchisee; (b) all amounts Franchisor advances, pays or becomes obligated to pay on Franchisee's behalf for any reason; and, (c) all amounts Franchisee owes Franchisor or its affiliates for products or services that Franchisee purchases from Franchisor or its affiliates.

(k) Sales Tax. If Franchisor or Service LLC is charged with any sales tax by a taxing authority on account of sales made or licenses granted to Franchisee, or sales made by Franchisee, Franchisee shall pay the sales tax to Franchisor or Service LLC immediately after being notified to do so. If Franchisee fails to pay the tax when due or on demand, Franchisor or Service LLC may elect to pay the tax and Franchisee shall immediately reimburse Franchisor and Service LLC.

(l) Legal Fees. In the event of litigation between the parties relating to this Agreement, the unsuccessful party in the litigation shall reimburse the successful party's reasonable attorney's fees, court costs and all other costs reasonably incurred by the successful party.

(m) Severability. If any part of this Agreement is declared invalid by a court having jurisdiction, then at Service LLC's option, that decision shall not affect the validity of the rest of this Agreement. The invalid provision shall be deemed to be severed and the rest of this Agreement shall continue in effect as if this Agreement had been executed without the invalid portion.

(n) Venue. This Agreement shall be deemed to have been entered into at Franchisor's and Service LLC's principal office in Irvine, California, and to require performance at that location. The parties acknowledge and agree that any action or proceeding instituted under or relating to this Agreement shall be brought and tried exclusively in courts in Orange County, California. Franchisee waives any rights to request or require the action or proceeding to be brought or tried elsewhere.

(o) Governing Law. This Agreement takes effect upon its acceptance and execution by Franchisor in California, and shall be interpreted and construed under the laws of California. In the event of any conflict of law, the laws of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the Wienerschnitzel Express Restaurant is located outside of California and such provision would be enforceable under the laws of the state in which the Wienerschnitzel Express Restaurant is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 18(n) is intended by the parties to subject this Agreement to any franchise or similar law, rules, or regulation of any state to which it would not otherwise be subject.

(p) Interpretation. The provisions of this Agreement have been written with due regard for the interests of and benefits to all parties and are the result of negotiations that have taken place with regard to this Agreement and prior agreements. Notwithstanding that it is printed, the parties acknowledge that this Agreement is not proposed on a take-it-or-leave-it basis, and is not imposed on any party, but that any party may discuss and the parties may mutually agree, before or after entering into this Agreement, to modify any of the provisions. No party is obligated to enter into this Agreement. Any party choosing to enter into this Agreement does so freely and without obligation or pressure to do so. The provisions of this Agreement shall be interpreted according to their fair meanings and not strictly for or against any party. Nothing in this Franchise Agreement or any related agreement is intended to disclaim the presentations Franchisor made to Franchisee in Franchisor's Franchise Disclosure Document.

(q) Time of the Essence. Time is of the essence of performance of Franchisee's obligations in this Agreement.

(r) Notice. All notices and payments shall be in writing and shall be sent by certified United States mail, return receipt requested, or by nationally-recognized overnight carrier, or delivered as appropriate, to Franchisee at the Licensed Premises, or address of Franchisee last-known to Franchisor, and to Franchisor and Service LLC at 7700 Irvine Center Drive, Suite 550, Irvine, California 92618 (or other location that Franchisor and Service LLC notify Franchisee in writing). Mailed notices shall be effective three (3) days after deposit in the United States mail.

(s) Successors; Franchisor Transactions. This Agreement shall benefit and bind the parties and their permitted successors and assigns. There is no restriction on assignment and transfer by Franchisor and/or Service LLC, which could be to one or more entities whose nature is different than Franchisor and/or Service LLC or competitive enterprises. There is no restriction on acquisition by Franchisor and/or Service LLC of other, even competitive businesses or brands, which potentially could operate in competition with Franchisee.

(t) Entire Agreement. This Agreement contains all of the provisions agreed by the parties regarding its subject matter. All prior understandings, negotiations and representations are merged into and superseded by this Agreement. Franchisee represents that there is no other contemporaneous agreement or understanding between the parties that are not stated herein. No officer, employee or agent of Franchisor or Service LLC has authority to make any representation or promise not stated in this Agreement, and Franchisee acknowledges that Franchisee is executing this Agreement without reliance on any representation or promise Franchisee may believe or later claim to believe Franchisee

may have heard or been told. This Agreement cannot be modified or changed except by written instrument signed by all parties. Nothing in this Agreement or in any related agreement disclaims representations Franchisor made in the Franchise Disclosure Document.

Executed the date stated in the introductory paragraph to this Agreement.

FRANCHISOR:

GALARDI GROUP FRANCHISE CORP.,
a California corporation

By: _____
Vice President

FRANCHISEE:

_____
Printed Name

_____
Signature

SERVICE LLC:

GALARDI GROUP FRANCHISE & LEASING, LLC
a California limited liability company

By: Its Managing Member
GALARDI GROUP FRANCHISE & LEASING, INC.

By: _____
Vice President

EXHIBIT A

As used in the Franchise Agreement entered into between Galardi Group Franchise Corp. ("Franchisor"), Galardi Group Franchise & Leasing, LLC ("Service LLC") and _____ _____ ("Franchisee"), dated _____, 20_, the Licensed Premises shall be the following:

_____

_____

_____

Dated: _____, 20___

_____ (Franchisor)

_____ (Service LLC)

_____ (Franchisee)

EXHIBIT "B"

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENT (DIRECT DEBIT)

_____
(COMPANY NAME)

NAME OF BANK _____

NAME OF BRANCH, IF ANY _____

ADDRESS OF BANK _____

ACCOUNT IN THE NAME OF _____

ACCOUNT # _____

The undersigned requests and authorizes you to pay and charge to the above account the undersigned's checks drawn on the account by and payable to the order of Galardi Group Franchise & Leasing, LLC, provided there are sufficient collected funds in the account to pay the same on presentation. Your rights with respect to any check so drawn shall be the same as if it were drawn on you and signed by the undersigned. It will not be necessary for any officer or employee of _____ to sign such checks. This authority remains in effect until revoked by me in writing and until you receive such notice, I agree you shall be fully protected in honoring any such check.

It is further agreed that if any check is dishonored, whether with or without cause and whether intentionally or inadvertently, you shall be under no liability whatsoever.

_____ _____
(Date) (Bank Signature of Depositor)

(Attach Voided Check Here)

EXHIBIT C
OFFER TO PURCHASE

OFFER TO PURCHASE

This OFFER TO PURCHASE is made by _____ _____ ("Purchaser") to GALARDI GROUP FRANCHISE CORP., a California corporation ("GGFC") and GALARDI GROUP FRANCHISE & LEASING, LLC, a California limited liability company ("GGFL") both located at 7700 Irvine Center Drive, Suite 550, Irvine, California 92618, with reference to the following facts:

BACKGROUND

GGFC's business is franchising Wienerschnitzel® restaurants. GGFL's business is providing services to operators of Wienerschnitzel® restaurants. Purchaser offers to GGFC and GGFL to buy the tangible assets of that certain Wienerschnitzel® restaurant, as follows:

OFFER

I. Restaurant

Purchaser offers to buy from GGFC the following Wienerschnitzel restaurant:

Wienerschnitzel Unit #_____ located at:

_____

_____

Included in the purchase price of the restaurant will be the following assets:

A. Lease of the fixtures and equipment presently located at the restaurant;

B. Sublease of GGFL's leasehold interest pertaining to the real property and improvements pertaining to the restaurant;

C. Going concern value of the restaurant; and

D. A license permitting Purchaser to operate the restaurant as a Wienerschnitzel® restaurant, pursuant to the terms and conditions of a written Franchise Agreement.

E. All stock in trade and merchandise of the restaurant as determined by an inventory and accounting of the stock in trade and merchandise, to be conducted by the parties after close of business the day before the closing of the sale.

The offer does not seek to purchase, and the purchase of assets of the restaurant does not include, and there is no transfer of any interest in any trademarks, trade dress, copyrights, trade secrets, patents, goodwill, data or other intangible or intellectual property of GGFC, GGFL or used in or associated with the operation of the restaurant. Arrangements permitting Purchaser to make limited use of certain of these intangible/intellectual properties as a licensee may be included in the Franchise Agreement referred to above.

II. Price

The purchase price for the sale of the assets shall be the sum of _____

_____ DOLLARS ($_____), plus cost of the stock in trade and merchandise of the restaurant.

III. Allocation of Purchase Price

The purchase price is allocated as follows:

i.	Franchise License	$_____
ii.	Leasehold Estate	$_____
iii.	Going Concern Value	$_____
	TOTAL	$_____

The additional amount be paid, on account of the cost of the stock in trade and merchandise of the restaurant shall be allocated to such stock in trade and merchandise.

IV. Payment of Purchase Price

Purchaser shall pay the purchase price as follows:

A. The sum of _____ dollars ($_____) is provided as an earnest money deposit by Purchaser, on delivery of this Offer;

B. The sum of _____ dollars ($_____) is payable by cash or certified check at closing,

C. Actual cost of the stock in trade and merchandise, as determined by inventory, plus any sales tax is payable by cash or certified check at closing; and

D. The sum of _____ dollars ($_____) plus all closing costs and prorations, is payable upon execution of all documents and in any event not later than the closing.

V. Contingency

This Offer and the rights and obligations of the parties on acceptance is contingent on the occurrence of each of the following events on or before the closing date:

A. Approval of Purchaser by the Franchise Review Committee of GGFC. This approval may require, among other things, that, prior to consummation of the sale, Purchaser demonstrate satisfaction of objective and subjective criteria of the Franchise Review Committee (and it is possible the criteria may not be fully disclosed to Purchaser), undergo operational training as may be required by the Franchise Review Committee and satisfy other requirements; and Purchaser acknowledges no one has given assurance of approval and there is no assurance Purchaser will be approved;

B. GGFL's ability to terminate possession of any existing lease operators of the restaurant. GGFL agrees to use reasonable efforts seeking to accomplish such termination; provided, however, if in GGFL's judgment, termination cannot be timely accomplished, creates risk of a claim or dispute, then GGFL may notify Purchaser in writing and this contingency shall be deemed not to be satisfied; and

C. Purchaser's execution of the following documents, each fully completed, in form and containing provisions that are all satisfactory to GGFC and GGFL:

i. Wienerschnitzel Franchise Agreement.
ii. Sublease.

iii. Equipment Lease.
iv. Promotional Allowance Assignment.
v. Advertising Association Agreement for the appropriate advertising area.
vi. Any other instruments GGFC and GGFL customarily requires of a franchisee.
vii. Any other instruments GGFC and GGFL may require of Purchaser in this instance.

D. There being no threatened or actual claim or demand by any person, entity or government agency or official against or potentially against GGFC and/or GGFL relating to or affecting the proposed sale.

If any of these contingencies is not met, then this Agreement shall, at the option of any party, be void and GGFC agrees to repay the earnest money deposit received from Purchaser unless failure to satisfy a contingency is caused by the act or omission of Purchaser or is a matter that was within Purchaser's knowledge and ability to have disclosed to GGFC and/or GGFL. In any of these events Purchaser and GGFC agree it would be difficult and impractical to assess the damage to GGFC on account of that act or omission and GGFC and Purchaser agree that the sum of ONE THOUSAND FIVE HUNDRED DOLLARS ($1,500) represents a reasonable, just and fair compensation to GGFC on account of the failure of the transaction, and GGFC may retain such sum from the earnest money deposit.

VI. Closing Date for Sale

The closing date of the sale shall occur on _____ or such earlier time as may be mutually acceptable to GGFC and Purchaser. The closing shall take place at the offices of GGFC in Irvine, California. On completion of closing, each of the contingencies described in Section V shall be deemed to have been satisfied or if not satisfied, then at GGFC and GGFL's option, waived for purposes of this instrument, or deferred, and if deferred, those conditions that are within Purchaser's control shall be deemed to be obligations of Purchaser. The foregoing shall not excuse Purchaser's obligation to enter into the agreements described or referred to in Section V(C)).

VII. Transfer of Possession

GGFL shall transfer possession of the restaurant to Purchaser and Purchaser shall accept the transfer of possession on _____, 20___.

VIII. Prorations

At and after the closing, the following expenses shall be adjusted, as of the date of transfer of possession:

A. Rent for the leasehold premises;

B. Insurance premiums if Purchaser desires to assume the existing insurance policies and assumption is acceptable to the insurance company and occurs;

C. Real and personal property taxes, any other government and association assessments, based on the most recent levy and assessments;

D. Water, gas, electric, sewer, trash removal and other utilities used in the restaurant business; and

E. Rental for the fixtures and equipment within the restaurant

F. Any other recurring expenses associated with the restaurant business at the restaurant.

IX. Licenses

Purchaser shall be solely responsible for the payment of all sales tax, transfer tax, documentary tax and

to obtain and pay for licenses, permits, fees and taxes that may be required by any government agency pertaining to the transfer and operation of the restaurant.

X. Investigation by Purchaser

Purchaser represents and warrants to GGFC and GGFL that Purchaser examined, inspected and investigated the restaurant, the physical condition of all its fixtures and equipment, the books and records of the restaurant, the area and community of and around the restaurant, government records concerning the location and area, zoning and other federal, state and local laws and regulations, records of agencies and news and media reports concerning activities and potential activities and conditions in the area, Purchaser decided how extensive an examination, inspection and investigation to conduct, Purchaser assumes the risks of lack of information or misinformation resulting from not examining, inspecting and investigating further, and that the restaurant is being purchased by Purchaser as a result of that examination, inspection and investigation and of Purchaser's decision as to how extensively to examine, inspect and investigate, and not as a result of any representations made by GGFC or GGFL or agent of either of them. PURCHASER IS PURCHASING THE RESTAURANT, STOCK IN TRADE AND MERCHANDISE, AND LEASING THE FIXTURES AND EQUIPMENT IN "AS IS" CONDITION WITH ALL FAULTS. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES WHETHER OF MERCHANTABILITY OR FITNESS OR OTHERWISE. ALL WARRANTIES ARE DISCLAIMED. Purchaser represents and warrants that Purchaser is not relying on any financial or business estimates or projections from or on behalf of GGFC or GGFL, nor any express or implied representation from or on behalf of GGFD or GGFL as to any of the matters in this Section X described as subjects of Purchaser's examination, inspection and investigation. Purchaser waives any and all claims for damages or rescission or cancellation of this Agreement because of any claimed representations made by GGFC or GGFL or agent of either of them, other than representations expressly stated in this Offer.

XI. Indemnity

GGFC shall indemnify, defend and hold Purchaser free and harmless of any and all claims, losses, damages, injuries, and liabilities arising from or on account of GGFL's operation of the business and not shown on the books of the business as of the date of this Offer. Except as expressly stated herein, GGFC makes no warranty that any third parties were paid by prior owners or operators.

Purchaser shall indemnify, defend and hold GGFC and GGFL free and harmless of any and all claims, losses, damages, injuries, and liabilities arising from or on account of the business Purchaser's operation of the business and/or the purchased assets on and after of the date of acceptance of this Offer. This indemnity, defense and hold harmless obligation is additional to and does not supercede and is not superceded by any and all other written indemnification, defense and hold harmless agreements of Purchaser in favor of GGFC and/or GGFL.

XII. Entire Agreement

This Agreement contains all of the terms and conditions agreed on by the parties with reference to its subject matter. No other agreements, oral or otherwise, shall be deemed to exist or to bind any of the parties and all prior agreements, understandings and representations are merged herein and superseded hereby. Franchisee represents that there are no other contemporaneous agreements or understandings between the parties that are not contained herein. No officer or employee or agent of Franchisor has any authority to make any representation or promise not contained in this Agreement, and Purchaser agrees that Purchaser executed this Agreement without reliance on any such representation or promise. This Agreement cannot be modified or changed except by written instrument signed by all of the parties.

XIII. Attorney's Fees

In any litigation between the parties to this Offer, the property, business, this Agreement, or the rights and duties of the paaarties in relation thereto, the party(s), prevailing in the litigation, shall be entitled, in addition to other relief that may be granted, to a reasonable sum as and for its or his attorney's fees in the litigation or in

a separate action brought for that purpose.

XIV. Notices

Any and all notices or other communications required or permitted by this Offer or by law to be served on or given to the other party shall be in writing and shall be deemed duly served and given when personally delivered to the party or person to whom directed, or in lieu of such personal services when delivered by overnight courier such as Fedex or UPS or by U.S. mail, having been sent by certified or registered United States mail, first class postage prepaid, addressed to Purchaser at: _____ _____ or addressed to GGFC and GGFL at the address stated above.

XV. No Assignment

If accepted, the agreement formed hereby is based on characteristics unique to Purchaser. Neither this Offer, when accepted by GGFC, nor any interest therein shall be assigned by Purchaser, GGFC or GGFL without the prior written consent of the others. Any purported assignment or assignment purporting to be by operation of law or otherwise, shall be null and void and of no effect.

EXECUTED this _____ day of _____, 20___, at _____, California.

PURCHASER:

_____

_____

The above offer is accepted on _____, 20__:

GALARDI GROUP FRANCHISE CORP.,
a California corporation

By: _____
Robert E. Mathews, Vice President

GALARDI GROUP FRANCHISE & LEASING, LLC
a California limited liability company

By: Its Managing Member
GALARDI GROUP FRANCHISE & LEASING, INC.,
a California corporation

By: _____
Robert E. Mathews, Vice President

EXHIBIT “A”

PROMISSORY NOTE

$_____ Irvine, California _____, 20____

In installments as stated below, for value received, we/I, jointly and severally, promise to pay to GALARDI GROUP FRANCHISE & LEASING, LLC, a California limited liability company, or order, the sum of: _____ DOLLARS, ($_____) with interest from the _____ day of _____, 201___, on the unpaid principal at the rate of _____ percent (___%) per annum, principal and interest payable as follows: _____ DOLLARS ($_____), or more, on the _____ day of each calendar month, starting on the _____ day of _____, _____, and continuing until the _____ day of _____, _____, on which date the entire unpaid balance of principal and interest shall be due and payable.

The holder may, at its option, declare the entire unpaid balance of this obligation immediately due and payable if any of the following events shall occur:

1. Default in the payment of any installment of this note for more than ten (10) days after the due date.

2. If the undersigned shall attempt or purport to alienate, sell, convey, assign, or sublease all or any part of its interest in Wienerschnitzel Unit #___ located at _____ _____, including the following agreements and any amendments thereto pertaining to that Unit:

   a. _____;

   b. _____; and

   c. _____.

3. Default of any terms or conditions of any written agreement between the holder hereof or affiliate of the holder and the undersigned, or affiliate of the undersigned including but not limited to the agreements described in paragraph 2 hereof.

The undersigned agree that default in payment of any installment of this note for more than ten (10) days after the due date shall constitute default in payment of rent pursuant to the Sublease described above and default in payment of the franchise service fee pursuant to the Franchise Agreement described above and shall entitle the holder to exercise the remedies in those agreements on account of default.

Payments, without offset or counterclaim, shall be made in lawful money of the United States of America at 7700 Irvine Center Drive, Suite 550, Irvine, California 92618.

Presentment for payment, notice of dishonor, protest and notice of protest are hereby waived.

In any action or proceeding brought by the holder to recover any part or all of the principal sum and/or interest hereunder, the holder shall be entitled to recover reasonable attorney's fees to be fixed by the court.

_____

_____

EXHIBIT D

PROMISSORY NOTE

[INSERT IF APPLICABLE: THIS NOTE IS NOT SELF-AMORTIZING AND A SUBSTANTIAL BALLOON PAYMENT WILL BE DUE ON THE MATURITY DATE]

PROMISSORY NOTE

$_____ [Insert Amount]
_____, _____ [Insert Location Signed]
_____, 20__ [Insert Date]

In installments as herein stated, for value received, the undersigned (jointly and severally if more than one)("Maker") hereby promises to pay to the order of GALARDI GROUP FRANCHISE & LEASING, LLC, a California limited liability company ("Payee"), with its principal business address at 7700 Irvine Center Drive, Suite #550, Irvine, California 92618, the principal sum of _____ DOLLARS ($_____), with interest from the _____ day of _____, 20___ (the "Disbursement Date"), on the unpaid principal at the rate of _____ percent (___%) per annum.

1. Principal and Interest. Principal and interest under this Promissory Note (this "Note") shall be payable in installments of principal and accrued interest thereon as follows:

_____ DOLLARS ($_____) on the _____ day of each calendar month, starting on the _____ day of _____, 20__, and continuing until the _____ day of _____, 20__ (the "Maturity Date"), on which date the entire unpaid balance of principal and accrued interest shall be due and payable. Interest shall be computed on the basis of a year of 360 days and paid for actual days for which due, including the Disbursement Date and each payment date.

2. Payments, Penalties, and Prepayments.

(a) All payments of principal and interest shall be made by Maker at or prior to 10:00 A.M. on the date due at the principal business address of Payee set forth above, or as such other place as Payee may designate in writing to Maker, without offset, deduction, or counterclaim, in lawful money of the United States of America and in immediately available funds.

(b) If any payments or amounts due hereunder to Payee whether by acceleration or otherwise are overdue, Maker shall pay Payee immediately upon demand, in addition to the overdue amount, interest on such amount from the date it was due until paid, at the rate of ten percent (10%) per annum, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Payee may have.

(c) Notwithstanding any provision of this Note to the contrary, it is the intent of Maker and Payee that Payee shall not at any time be entitled to receive, collect or apply, and Maker and Payee shall not be deemed to have contracted for, as interest on the principal indebtedness evidenced hereby, any amount in excess of the maximum rate of interest permitted to be charged by applicable law, and in the event Payee ever receives, collects or applies as interest any such excess, such excess shall be deemed partial payment of the principal indebtedness evidenced hereby, and if such principal shall be paid in full, any such excess shall forthwith be paid to Maker.

[(d) This Note may be prepaid at any time, in whole or in part, without penalty or premium of any kind.]

(e) Maker shall pay Payee on demand any reasonable out-of-pocket expenses (including reasonable attorneys' fees and disbursements) arising out of, or in connection with, any action or proceeding taken to protect, enforce, determine or assert any provision, right or remedy under this Note (including any action or proceeding arising or related to any insolvency, bankruptcy or reorganization involving or affecting Maker).

3. Events of Default. An Event of Default includes each of the following:

(a) Maker shall fail to make any payment under this Note when due, where such failure continues for ten (10) days after receipt of written notice of such failure;

(b) Maker defaults in the performance of any other obligation, covenant, condition or provision in this Note, where

such default continues for more than thirty (30) days after written notice of such failure;

(c) Maker or any of its principals or affiliates defaults in the performance of any obligation, covenant, condition or provision under any other agreement between Maker (or any principal or affiliate of Maker) with Payee (or any principal or affiliate of Payee) and , including without limitation any franchise agreement, equipment lease, real property lease or sublease, and any other agreement relating to Wienerschnitzel Unit #___ located at _____ (collectively, the "Other Agreements"), where such default continues beyond applicable notice and cure periods (if any) set forth in the applicable Other Agreement(s);

(d) Any proceeding for attachment or garnishment or the like shall be commenced against Maker by any creditor of Maker and shall not be dismissed or stayed within ten (10) days' notice thereof from Payee to Maker;

(e) A proceeding shall have been instituted in a court having jurisdiction seeking a decree or order for relief in respect of Maker or any guarantor of any indebtedness evidenced by this Note in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Maker or any such guarantor or for any substantial part of its property, or for the winding-up or liquidation of its affairs, and such proceeding shall remain undismissed or unstayed and in effect for a period of sixty (60) consecutive days, or such court shall enter a decree order granting any of the relief sought in such proceeding; or

(f) Maker shall commence a voluntary case under any applicable bankruptcy, insolvency, or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of himself or herself or for any substantial part of its property, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall admit in writing an inability to pay any of its debts as they become due, or shall take any action in furtherance of any of the foregoing.

4. Consequences of Event of Default. Maker agrees that upon the occurrence of an Event of Default specified in Paragraph 3 above, then the whole of the principal of the indebtedness evidenced by this Note, and any other sums then unpaid by Maker under this Note shall, at the option of Payee forthwith become due and payable without notice or any other act.

5. Cross-Default. Maker agrees that an Event of Default under this Note shall be deemed an event of default under each of the Other Agreements, and shall entitle Payee (or its affiliate(s)) to exercise the remedies in those Other Agreements (or otherwise available at law or in equity) on account of such event of default.

6. Notices.

(a) All notices and other communications hereunder shall be in writing and shall be deemed given when delivered by hand, or when delivery is made by Federal Express or other overnight courier service, or three (3) business days after being mailed by registered or certified mail, return receipt requested, postage pre-paid, in each case addressed as follows: (i) if to Payee, addressed to Payee at its principal business address set forth above [, with a copy to _____]; (ii) if to Maker, addressed to Maker at _____ [insert address].

(b) Notices signed by the respective attorneys of Maker or Payee shall be deemed sufficient within the meaning of this Paragraph 6 without the signature of the parties themselves and such notice shall be deemed to have been given on the date of delivery to the addresses of the party to whom such notice is addressed.

7. Miscellaneous. Maker further agrees as follows:

(a) All parties now or hereafter liable with respect to this Note, whether Maker, any guarantor, endorser, or any other person or entity, hereby waive presentment for payment, demand, notice of nonpayment or dishonor, protest and notice of protest.

(b) No delay or omission on the part of Payee or any holder hereof in exercising its rights under this Note shall operate as a waiver of such rights or any other right of Payee or any holder hereof, nor shall any waiver by Payee

or any holder hereof, of any such right or rights on any one occasion be deemed a bar to, or waiver of, the same right or rights on any future occasion.

(c) Except as may be agreed by Payee in writing, Maker shall not have the right to assign, transfer, or pledge this Note or any of its rights or obligations under this Note. This Note shall bind Maker and the successors, heirs, executors, administrators, and permitted assigns of Maker, and the benefits hereof shall inure to the benefit of Payee and its successors and assigns. All references herein to "Maker" shall be deemed to refer to Maker and the successors and permitted assigns of Maker, and all references herein to "Payee" shall be deemed to refer initially to the originally named Payee herein and, after an assignment of this Note by Payee, to the then current holder of this Note.

(d) This Note may not be changed or terminated orally, but only by an agreement in writing signed by Maker and Payee.

(e) This Note shall be governed by and construed in accordance with the internal laws of California, without regard to its conflicts of laws principles. All actions or proceedings arising directly or indirectly hereunder, whether instituted by Maker or Payee, shall be brought exclusively in any federal or state court located within the State of California, County of Orange, and each of Maker and Payee expressly consents to the exclusive jurisdiction of any state or federal court located within said state and county, and waives any defense of forum non conveniens and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Note.

(f) The rights and remedies expressly provided in this Note are cumulative to, and not exclusive of, any rights or remedies that Payee would otherwise have.

(g) In the event of any default, claim, proceeding (including a bankruptcy proceeding), arbitration, mediation, counter-claim, action (whether legal or equitable), appeal or otherwise, whether initiated by Payee or Maker (or a debtor-in-possession or bankruptcy trustee), which arises out of, under, or is related in any way to this Note, or any Other Agreement, or any governmental examination or investigation of Maker which requires Payee's participation (individually and collectively, the "Claim"), Maker, in addition to all other sums which Maker may be called upon to pay under the provisions of this Note, shall pay to Payee, on demand, all costs, expenses and fees paid or payable in connection with the Claim, including, but not limited to, attorneys' fees and out-of-pocket costs, including travel and related expenses incurred by Payee or its attorneys, whether or not the Claim is pursued to judgment.

(h) Whenever possible, each provision of this Note will be interpreted in such manner as to be effective and valid under applicable law, but, if any provision of this Note is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Note.

(i) Maker waives the benefit of any statute or rule of law or judicial decision, including without limitation California Civil Code Section 1654, which would otherwise require that the provisions of this Note be construed or interpreted most strongly against the party responsible for the drafting thereof.

IN WITNESS WHEREOF, Maker, intending to be legally bound, has executed this Note as of the date and year first above written.

MAKER:

_____
By:_____
Printed Name: _____

WITNESS/ATTEST:

_____
By:_____
Printed Name: _____

EXHIBIT E

GUARANTY

CONTINUING GUARANTY & SUBORDINATION AGREEMENT

1. CONTINUING GUARANTY.

_____ ("Guarantor(s)") whose address is _____ as a material inducement to and in consideration of GALARDI GROUP FRANCHISE & LEASING, LLC ("GGFL") and GALARDI GROUP FRANCHISE CORP. ("GGFC") entering into agreements with _____ ("Obligor"), including but not limited to the agreements described on attached Exhibit A, unconditionally guarantees and promises to and for the benefit of GGFL and GGFC the timely, full and faithful performance of all provisions of all agreements, any and all amendments and any and all addendums thereto, and any other agreements now or later after made between, on the one hand, GGFL and/or GGFC and on the other hand, Obligor (the "Agreements") and all obligations now or later undertaken or arising of Obligor to GGFL and/or GGFC. This is a CONTINUING GUARANTY of all present and future obligations of Obligor to GGFL and GGFC, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, and whether Obligor may be liable individually or jointly with others, or whether recovery on the obligations may be or become barred by any statute of limitations, or by any estoppel, or whether such obligations may be or become unenforceable for any other reason.

a) Guarantor(s)' obligations under this Guaranty are joint and several and independent of the obligations of Obligor. Guarantor(s) consent that a separate action or actions may be brought and prosecuted against Guarantor(s) whether or not action is brought against Obligor or whether or not Obligor is joined in such action or actions. Guarantor(s) waive the benefit of and promise not to assert the defense of any statutes of limitations or defense of laches affecting their liability hereunder or enforcement hereof.

b) Guarantor(s) waive any right to require GGFL or GGFC to: (a) proceed first against Obligor; (b) proceed at all against Obligor; (c) proceed against or exhaust any security held from Obligor; or (d) pursue any other remedy in GGFL's or GGFC's power. Guarantor(s) waive any defense arising by reason of any disability or other defense of Obligor or by reason of the cessation from any cause whatsoever of the liability of Obligor or by reason of GGFL or GGFC having modified the obligations of Obligor, whether expressly or impliedly, orally or in writing, or by reason of GGFL or GGFC not having notified Guarantor(s) of Obligor's breach or impending breach or failure or impending failure to perform, or by reason of GGFL or GGFC negotiating resolution with Obligor, or by reason of any act of omission of GGFL or GGFC being claimed to affect Guarantor(s) right or remedies as against Obligor, or as against any other person or entity.

c) Until all obligations of Obligor to GGFL and GGFC have been satisfied in full, Guarantor(s) shall have no right of subrogation, and waive any right to enforce any remedy which GGFL or GGFC now have or may later have against Obligor, and waive any benefit of, and any right to participate in any security now or later held by GGFL or GGFC. GGFL and/or GGFC may foreclose, either by judicial foreclosure, or by exercise by power of sale, any security for the obligations. Even though foreclosure may destroy or diminish Guarantor(s)' rights against Obligor, Guarantor(s) shall be liable to GGFL and GGFC for any part and for all of the obligations remaining after foreclosure. Guarantor(s) waive all presentments, demands for performance, notice of non-performance, protest, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty and of the existence, creation, or incurring of new or additional obligations, or modification of obligations, and statute of limitations and laches defenses.

d) In addition to all liens on, and rights of set-off against the monies, securities or other property of Guarantor(s) given to GGFL and GGFC by law, GGFL and GGFC shall have a lien on and right of set-off against all monies, securities and other property of Guarantor(s) now or later in the possession of or on deposit with GGFL and GGFC, whether held in a general or special account or deposit, or for safekeeping, or legally or equitably, directly or in trust, or otherwise; and every such lien and right of set-off may be exercised without demand on or notice to Guarantor(s). No lien or right of set-off shall be deemed to have been waived by any act or conduct on the part of GGFL or GGFC or by neglect to exercise such right of set-off or to enforce such lien, or by any delay in doing so or by any omission and every right of set-off and lien shall continue in full force and effect until such right of set-off or lien is specifically, expressly waived or released by an instrument in writing executed by GGFL and GGFC.

2. SUBORDINATION.

Any indebtedness or obligation of Obligor now or later held by or acquired by Guarantor(s) is hereby subordinated to the indebtedness or obligation of Obligor to GGFL and GGFC. Such indebtedness or obligation of Obligor to Guarantor(s), if GGFL and GGFC request, shall be collected, enforced and received by Guarantor(s) as trustees for GGFL and GGFC and shall be paid over to GGFL and GGFC on account of the indebtedness or other obligation of Obligor to GGFL and

GGFC but without reducing or effecting in any manner the liability of Guarantor(s) under the other provisions of this Guaranty.

3. ATTORNEY'S FEES.

Guarantor(s) agree to pay reasonable attorney's fees and other costs and expenses which may be incurred by GGFL and/or GGFC in the enforcement of this Guaranty and or in collection and enforcement efforts against Obligor.

4. MISCELLANEOUS.

a) It is not necessary for GGFL and GGFC to inquire into the powers of Obligor or the members, managers, officers, directors or agents acting or purporting to act on behalf of the obligator, and any agreements or obligations made or created in reliance on the professed exercise of such power shall be guaranteed hereunder.

b) Any married person who signs this Guaranty agrees that recourse may be had against that person's separate property and that person's interest in community property for all obligations under this Guaranty.

c) This Guaranty shall bind and benefit the successors, assignees, transferees, personal representatives, heirs, or other persons or entity succeeding the rights or obligations of either party.

d) This Guaranty shall be interpreted and construed according to the laws of the State of California. The provisions of this Guaranty shall be interpreted according to their fair meanings with liberal construction to be given in favor of GGFL and GGFC as needed to advance the enforcement of this Guaranty against Guarantor(s) and not strictly for or against any party.

e) The following in this Section 4(e) is applicable only in the case of any Guarantor(s) having an interest in the Franchise that is subject to this Guaranty and completing a transfer of all Guarantor(s)' interests in the Franchise and only if indicated by the blanks being filled in and this paragraph being specially initialed. Notwithstanding anything to the contrary in this Guaranty, Guarantor's obligations and liabilities under this Guaranty shall be limited so as not to exceed the extent of Guarantor(s)' obligations and liabilities in relation to the agreements as then exist on the effective date of the transfer (which is acknowledged to be _____, 20__) and Guarantor's obligations and liabilities under this Guaranty shall terminate and be of no further force or effect after _____, 20__. Initials of Guarantor(s): _____ _____

Executed this _____ day of _____, 20___.

GUARANTOR(S): PRECENTAGE OF OWNERSHIP IN FRANCHISE OWNER

_____

_____

EXHIBIT "A"

1. Franchise Agreement dated the _____ day of _____, _____.

2. Sublease dated the _____ day of _____, _____.

3. Advertising Association Agreement dated the _____ day of _____, _____.

4. Equipment Lease dated the _____ day of _____, _____.

5. Other agreement(s) and/or obligations (list here):

EXHIBIT F

ADVERTISING ASSOCIATION AGREEMENT

STORE #_____

WIENERSCHNITZEL ADVERTISING ASSOCIATION AGREEMENT

This AGREEMENT is made and entered into as of _____, 20___, by and between _____ ("Operator") and other participating operators in the area described below, collectively referred to as Wienerschnitzel Operators' Association of _____ ("Association") and GALARDI GROUP FRANCHISE & LEASING, LLC, a California limited liability company ("GGFL") with reference to the following facts:

Operator is the franchisee under a Franchise Agreement that requires Operator to become a member of an advertising association approved by GGFL. Wienerschnitzel Operators' Association of _____ is approved by GGFL and was formed to develop and implement regional advertising for participating Wienerschnitzel units in its area. Accordingly, the parties have agreed as follows:

1. Purpose. The Association has been, or is hereby formed between Operator, other operators in the area described below and GGFL for the purpose of establishing, supervising, and implementing joint, region-wide advertising and promotion programs for the mutual benefit of all operators in the Association and for the benefit of GGFL.

2. Region. The area to be covered by the Association and this Agreement shall be the Designated Market Area ("DMA") as established from time to time by Nielsen, provided that GGFL shall always have the right to alter the area or specify an area with modified or different boundaries, which may be geographic, non-geographic, or a combination thereof.

3. Term. This Agreement shall be effective and Operator's obligations shall start on either the date of Operator's possession of a Wienerschnitzel unit or execution of this Agreement and shall expire on the earlier of: (i) expiration or termination of Operator's Franchise Agreement; (ii) termination (not vetoed by GGFL) by a two-thirds (2/3) majority vote of all operators that are then members of the Association; (iii) judicial determination, or (iv) notice of termination from GGFL.

4. Advertising Agency. From time to time the Association shall select an advertising agency to carry out the Association's programs. The appointment shall be subject to GGFL approval. GGFL shall have the right to impose conditions to approval and to later revoke approval. The advertising agency shall be required to conform to guidelines issued by GGFL.

5. Officers. The Association shall have a President, at least one Vice President, and a Treasurer, all of whom shall be elected at the Association's first meeting and shall hold office for one (1) year and until successors are elected. The President shall call and preside at all meetings and shall generally act as administrator of the Association. The Vice President shall assist the President. The Vice President (or, if there is more than one, the First Vice President) shall act as President in case of the President's death, disability that prevents the President from fulfilling the duties of President, resignation or removal of the President from office. The Treasurer shall maintain all records, financial or otherwise, of the Association and shall deposit all Association monies in the name of the Association in a federal, or state chartered, FDIC-insured bank. The Treasurer shall issue checks against these monies to pay the Association's debts. Checks shall be signed by the President or Vice President. The Association may, if it so chooses, require that all checks, or all checks above a specified amount, must be signed by at least two officers.

6. Advertising Committee. The President, any Vice President(s) and Treasurer shall be designated as the Advertising Committee for the Association. The Committee shall have responsibility for:

(a) Coordinating meetings of the Association;

(b) Making recommendations to the Association for advertising campaigns;

(c) Approving media schedules in support of advertising campaigns;

(d) Budgeting Association monies in coordination with the advertising agency;

(e) Reviewing national and local campaigns and sales promotion activities for use by the Association;

(f) Developing specific advertising and promotion activities on a regular basis for the Association;

(g) Reviewing and/or auditing and overseeing the Treasurer's reporting on the Association's revenues and expenditures;

(h) Causing the Association to pursue enforcement and collection activities and actions.

On approval of advertising activities as provided below, the Advertising Committee may spend the necessary money on one, or more than one, of the programs recommended nationally by GGFL and such locally developed Association programs as may be approved in writing by GGFL.

7. Meetings. The Association shall meet at regular intervals, as determined by the President, approximately every ninety (90) days. In any given calendar year at least four (4) meetings shall be held.

8. Quorum. A majority of the members entitled to vote shall constitute a quorum. A quorum of the Association may conduct all business the Association is empowered to conduct.

9. Vote. Each operator will be entitled to one (1) vote regardless of the number of units operated.

10. Approval of Advertising Activities. Association members shall vote on advertising campaigns, promotions and related activities that are presented by the Advertising Committee in conjunction with the advertising agency. A majority vote of a quorum of operators entitled to vote at a duly called meeting will be required to approve promotions, campaigns and related activities. In case of a tie vote, a representative of GGFL may place the deciding vote.

11. Participation. Each operator has the option to participate in any advertising and promotion programs which may include but are not necessarily limited to, use of point of sale signs and posters, purchase and distribution of premiums, and acceptance of redeemable coupons. Each operator must pay the contribution as provided herein whether or not the operator elects to participate in various advertising activities.

12. Assessments and Contributions. Each operator shall contribute to the Association, or its designee, on a monthly basis, or more frequently as may be determined by the Association, an amount equal to three percent (3%) of the net sales of the prior month (or, for more frequent contributions, prior shorter period determined by the Association), or an amount equal to the percentage contribution then in effect and required to be paid by members of the Association, whichever is higher, of the net sales of the prior month (or other shorter period as determined by the Association). Such payment shall be due and payable by the fifteenth (15th) day of the calendar month (or other more frequent due date as determined by the Association) following the month (or other applicable period) for which the contribution is required.

In addition to the above, Operator shall contribute one percent (1%) net sales to GGFL for national/regional advertising. This sum shall be paid directly to GGFL on or before the seventh (7th) day of the calendar month following the month for which the contribution is required, and pursuant to the terms of Operator's Franchise Agreement with GGFL. GGFL reserves the right to designate shorter periods and more frequent due dates for payment of the contribution for national/regional advertising.

The Association may vote to increase or decrease the percentage contribution due to the Association. But, in no event shall the percentage contribution be less than three percent (3%) of the prior month's net sales. Any change in the percentage contribution will not relieve Operator of the advertising obligations in the Franchise Agreement with GGFL.

If any contribution is not received by the Association within ten (10) days after the due date, Operator agrees to pay a late charge equal to ten percent (10%) of the amount due and interest on the principal amount at the rate of one-and-one-half percent (1½%) per month (18% per year) or, if less, the highest legal rate of interest in the state in which the delinquent operator's unit(s) are located, or if located in more than one state, the state in which Operator is a resident.

The Association may vote to require contributions to be made by automated clearing house (ACH) or other electronic and/or automatic means of payment. GGFL shall have the right to require contributions for national/regional advertising to be made by automated clearing house or other electronic and/or automatic means of payment.

13. Financial Accountability. All members of the Association will be provided, on a regular and timely basis, but, at least quarterly, a financial statement to include, but not limited be to, a statement of receipts and disbursements and a complete list of Association accounts receivable and accounts payable. The Treasurer, under supervision of the Advertising Committee, will be responsible for issuance and accuracy of these reports.

14. Taxes. The Association shall be responsible to pay any federal or state income taxes and any other taxes chargeable to the Association or its members by reason of membership in or participation in the activities of the Association.

15. Defaults. Operator acknowledges and agrees that any violation of this Agreement shall be a default under the Franchise Agreement between Operator and GGFL and shall entitle GGFL to pursue any and all remedies available on account of such default.

16. Enforcement. The Association shall enforce the collection of all sums due to the Association pursuant to this Agreement. The Association is authorized to expend such sums as may be required to carry out such duties.

17. Attorney's Fees. Operator agrees to pay the Association reasonable attorney's fees and costs if the Association is the prevailing party in any action brought between the Association and Operator.

18. Replacement. This Agreement supersedes and replaces all prior advertising agreements in the region described in Paragraph 2 above.

19. Benefit. This Agreement shall bind and benefit the parties and their heirs, executors, administrators, or permitted assigns.

20. Conflict. If there is an Association that covers the DMA in which this restaurant is located, and such Association has bylaws, or minutes, that conflict with any of the terms and conditions of this Agreement, then the language of such bylaws or minutes shall control.

21. Counterparts. This Agreement may be executed in any number of counterparts, with the same effect as if all parties executed a single instrument.

This Agreement shall be deemed to have been executed at _____, the day and year first above written.

PARTICIPATING OPERATOR:

WIENERSCHNITZEL NO. _____

_____

_____
Address

_____

WIENERSCHNITZEL OPERATORS' ASSOCIATION OF

_____

By:_____

Title: _____

GGFL:

GALARDI GROUP FRANCHISE & LEASING, LLC
a California limited liability company

By: Its Managing Member
GALARDI GROUP FRANCHISE & LEASING, INC.

By: _____
Robert E. Mathews, Vice President

EXHIBIT G

PROMOTIONAL ALLOWANCE ASSIGNMENT

PROMOTIONAL ALLOWANCE ASSIGNMENT AGREEMENT

This AGREEMENT is made as of the _____ day of _____, 20__, by and between GALARDI GROUP FRANCHISE & LEASING, LLC ("GGFL"), GALARDI GROUP FRANCHISE CORP. ("GGFC") and the following Wienerschnitzel franchisee or limited franchisee: _____ ("Franchisee").

APPLICABLE IF FRANCHISEE IS A WIENERSCHNITZEL FULL FRANCHISEE:

1. Pursuant to Section 9 of the Franchise Agreement between the parties, Franchisee is obligated to pay a percentage of Net Sales of the restaurant toward advertising and marketing promotions. For this Agreement, Net Sales has the meaning in the Franchise Agreement.

2. As an additional advertising and marketing obligation, Franchisee transfers, assigns and conveys to GGFL all Franchisee's right, title and interest in and to any marketing or promotion allowances which Franchisee is or may become entitled to from any manufacturer, supplier, distributor, purveyor, vendor or other provider of products or services ("Supplier"). Each Supplier and its subsidiaries, agents or assigns is hereby directed and authorized to remit and deliver all marketing or promotion allowance payments directly to GGFL, unless otherwise notified in writing by GGFL.

APPLICABLE IF FRANCHISEE IS A WIENERSCHNITZEL LIMITED FRANCHISEE:

3. In consideration for GGFL implementing an overall marketing plan in accordance with Section 7 of the Operator Agreement between the parties, Franchisee transfers, assigns and conveys to GGFL all Franchisee's right, title and interest in and to any marketing or promotion allowances which Franchisee is or may become entitled to from any manufacturer, supplier, distributor, purveyor, vendor or other provider of products or services ("Supplier"). Each Supplier and its subsidiaries, agents or assigns is hereby directed and authorized to remit all marketing or promotion allowance payments directly to GGFL unless otherwise notified in writing by GGFL.

APPLICABLE TO BOTH FULL FRANCHISEES AND LIMITED FRANCHISEES:

4. The funds may be co-mingled with GGFL's general revenues and funds; but such amounts shall be used and disbursed by GGFL for advertising, public relations and/or promotion activities and/or creation and development of advertising and promotion programs seeking to promote, enhance and/or advertise the chain on a national, regional and/or local basis. The fees shall also be used to reimburse GGFL for administrative costs, advertising agency fees, legal and overhead expenses connected with administration of advertising, public relations and promotion.

5. This Agreement is binding on the parties for the entire period of Franchisee's current franchise term, any extensions or renewals, or any future Franchise Agreements to which Franchisee may be or become a party.

6. Any election by GGFL not to enforce or any delay in enforcing this Agreement or any particular term(s) of this Agreement shall not constitute a waiver of the right to future enforcement of this Agreement or such term(s). Franchisee waives any defense or claim of waiver, waiver by delay, waiver by laches or the like.

7. Franchisee shall execute further instruments and documents and take further actions that GGFL requests from time to time to affirm, reaffirm and assist in giving effect to this Agreement, including but not limited to executing further instructions to manufacturers, suppliers, distributors, purveyors and vendors of products and services.

8. In the event of any act or omission by Franchisee that disrupts or delays delivery of the funds to GGFL, or receipt or retention by Franchisee of any such funds without immediately turning the funds over to GGFL, Franchisee shall be obligated to compensate GGFL for delay by delivering the funds and paying interest on the funds at the rate of one-and-one-half percent (1½%) per month (which equates to 18% per year) from the date when the funds would or should have been received by GGFL absent such act or omission, whichever is earlier, until GGFL actually receives possession of the funds.

9. If any legal action or other proceeding is brought for the enforcement of this Agreement, or for a declaration of rights or duties, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

10. Headings in this Agreement are part of the Agreement to explain which provisions are applicable.

EXECUTED at Irvine, California on the date stated in the introductory paragraph.

GGFL & GGFC:

GALARDI GROUP FRANCHISE & LEASING, LLC
a California limited liability company

By: Its Managing Member

GALARDI GROUP FRANCHISE &
LEASING, INC., a California corporation

By: _____
Its: Vice President

GALARDI GROUP FRANCHISE CORP.,
a California corporation

By: _____
Its: Vice President

FRANCHISEE:

WIENERSCHNITZEL NO. ____

_____
Name

_____
Address

_____
City and State

EXHIBIT H

CONSENT TO TRANSFER

CONSENT TO TRANSFER AGREEMENT

GALARDI GROUP FRANCHISE & LEASING, LLC, a California limited liability company ("GGFL"), and GALARDI GROUP FRANCHISE CORP., a California corporation ("GGFC"), consent to the transfer by _____ ("Transferor"), of all Transferor's right, title and interest in the assets of Wienerschnitzel Unit No. ____, located at _____, to _____ _____, Social Security #_____ ("Transferee") but these consents of GGFL and GGFC are subject to the following conditions:

1. As of the closing date, the Franchise Agreement dated _____, _____, as amended, between GGFL and GGFC and Transferor is terminated and Transferee shall execute GGFL and GGFC's current form of Franchise Agreement ("Current Franchise Agreement") in the form attached as Exhibit "A."

2. As of the closing date, the Sublease dated _____, _____, as amended, between GGFL and Transferor is terminated and Transferee shall execute the current form of Sublease ("Current Sublease") in the form attached as Exhibit "B."

3. As of the closing date, the Equipment Lease dated _____, _____, as amended, between GGFL and Transferor is terminated and Transferee shall execute the current form of Equipment Lease ("Current Equipment Lease") in the form attached as Exhibit "C."

4. As of the closing date, the Advertising Association Agreement dated _____, _____, as amended, between GGFL and Transferor is terminated and Transferee shall execute the current form of Advertising Association Agreement ("Advertising Agreement") in the form attached as Exhibit "D."

5. As of the closing date, the Promotional Allowance Assignment dated _____, _____, as amended, between GGFL and Transferor is terminated and Transferee shall execute the current form of Promotional Allowance Assignment ("Promotional Allowance Assignment") in the form attached as Exhibit "E."

6. If Transferee is a corporation, limited liability company, limited or general partnership or other entity, then as of the closing date, Transferee shall execute the Continuing Guaranty ("Continuing Guaranty") in the form attached as Exhibit "F."

7. As of the closing date, Transferor shall execute the Continuing Guaranty and Subordination Agreement ("Continuing Guaranty and Subordination Agreement")in the form attached as Exhibit "G."

8. Transferor shall indemnify, defend and hold harmless GGFL and GGFC and the respective owners, shareholders, members, managers, directors, officers, employees, Franchisees, and personnel of each of them from and against any causes of action, claims or actions brought by third parties, including but not limited to federal, state and local governments, vendors and suppliers, on account of obligations for any actions or conduct or omissions of Transferor or liabilities of Transferor occurring without act or omission, arising from or relating to the operation or related activity or omission, of Unit No. ____ by Transferor. Transferor represents and warrants that all third parties shall be timely

paid any sums due them. This indemnity shall extend to and also include attorney's fees and costs that may be incurred by GGFL and/or GGFC on account of claims or causes brought by any such third parties.

9. Except for warranties, representations, indemnities, defense and hold harmless obligations, and except for covenants in this Agreement and/or in any other written agreements between GGFL and/or GGFC and Transferor not expressly terminated herein, Transferor, GGFL and GGFC release and discharge each other and each and all persons acting by, through, under or in concert with them, or any of them, from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expense of any nature whatsoever, known or unknown, fixed or contingent, which the undersigned now have or may later have from the beginning of time to the date of this Agreement, including but not limited to the matters, causes or things pertaining to or arising out of the Franchise Agreement, Sublease, Equipment Lease, Advertising Association Agreement and Wienerschnitzel Promotional Allowance Assignment dated _____, _____, referenced above.

10. Each party is familiar with Section 1542 of the California Civil Code, which provides:

> "A General Release does not extend to claims which his creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

11. The parties intend that this Agreement be construed as a General Release, and the parties expressly waive the provisions of Section 1542 of the California Civil Code and any right they may have to invoke the provision or any similar provision or common law rule now or in the future. Each party acknowledges that it or he or she cannot later make any further claims or seek any further recovery of any nature from the other for any matter, cause or thing, including those based on, arising out of, or in connection with the Agreements referenced above.

12. The parties intend this Agreement to be effective as the full and final accord and satisfaction of all matters described herein.

13. This Agreement benefits and binds the undersigned parties and their heirs, assigns and other successors-in-interest.

14. Transferor and Transferee each acknowledge that he or she or it may and should consult independent legal counsel for advice in connection with the negotiation and execution of this Agreement. Transferor and Transferee either (a) consulted independent legal counsel, or (b) made the decision not to do so.

15. The provisions of this Agreement shall be interpreted and construed according to their fair meanings and not strictly for or against any party.

16. Transferee agrees to execute prior to and after closing and such agreements, documents and other instruments as may be necessary or helpful to confirm or further carry out the provisions of this Agreement.

17. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

18. This Agreement is the entire agreement and understanding between the parties concerning its subject matter, and merges and supersedes all prior negotiations, proposed agreements and agreements, written and oral, relating thereto. Each party acknowledges that no other party nor any agent or attorney of any party, made any promise, representation or warranty whatever, express or implied, not stated herein concerning the subject matter hereof, to induce any party to execute this Agreement.

19. If any legal action or other proceeding is brought for the enforcement of this Agreement, or for a declaration of rights or duties, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

20. Time is of the essence of each agreement and covenant contained herein.

21. This Agreement shall in all respects be interpreted, enforced and governed by the laws of the State of California.

The parties have executed this Agreement on the _____ day of _____, 20___.

GGFL & GGFC:

GALARDI GROUP FRANCHISE & LEASING, LLC
a California limited liability company

By: Its Managing Member

_____
GALARDI GROUP FRANCHISE & LEASING, INC.,
a California corporation

By: _____

_____
Vice President

GALARDI GROUP FRANCHISE CORP.,
a California corporation

By: _____

_____
Vice President

TRANSFEROR:

_____

_____

TRANSFEREE:

_____

_____

_____

Attachments – Exhibits

Attach as Exhibit A, the Current Franchise Agreement

Attach as Exhibit B, the Current Sublease

Attach as Exhibit C, the Current Equipment Lease

Attach as Exhibit D, the Advertising Agreement

Attach as Exhibit E the Promotional Allowance Assignment

Attach as Exhibit F the Continuing Guaranty

Attach as Exhibit G the Continuing Guaranty and Subordination Agreement

EXHIBIT I

FRANCHISOR'S RIGHT TO CURE DEFAULT (LENDER)

RIGHT TO CURE DEFAULT
(LENDER)

This AGREEMENT is made and entered into this _____ day of _____, 20___, by and between _____ ("Franchisee"), _____ _____ ("Lender"), GALARDI GROUP FRANCHISE CORP., a California corporation ("GGFC") and GALARDI GROUP FRANCHISE & LEASING, LLC, a California limited liability company ("GGFL"), with reference to the following facts:

BACKGROUND

Franchisee owns a certain parcel of real property on which a Wienerschnitzel® restaurant shall be constructed and operated by Franchisee. To construct the Wienerschnitzel® restaurant on that property, Franchisee obtained financing from Lender. Lender placed or will place encumbrances against the property and restaurant to be constructed there. To maintain continuity of operations of the restaurant and protect and maintain the reputation of the Wienerschnitzel® trademarks and of GGFC and GGFL in the restaurant business, GGFC and GGFL require that Franchisee agree and obtain Lender's agreement concerning certain rights which GGFC and GGFL shall have if Franchisee defaults under the financing and encumbrance. Accordingly, the parties have agreed as follows:

AGREEMENT

1. Lender shall give GGFC and GGFL written notice of any default by Franchisee under the financing and encumbrance no later than when Lender notifies Franchisee.

2. In any default by Franchisee, GGFC and GGFL shall have the right, but not the obligation, to perform any or all of the following acts:

a. Make any payment required or cure any default of Franchisee under the note or other document, within thirty (30) days after GGFC's and GGFL's receipt of the Notice of Default;

b. Take possession of the Wienerschnitzel® restaurant and premises, provided the default is then or thereafter cured;

c. Assume the position of Franchisee with respect to the financing; and

d. Regardless of any restriction against assignment in the instruments pertaining to the financing, assign Franchisee's rights and obligation in the financing, following which GGFC and GGFL shall have no liability to further perform such obligation(s) of Franchisee, provided that GGFC and GGFL have cured any default of Franchisee and perform Franchisee's obligations to and including the date of assignment.

3. If GGFC and/or GGFL make such payment, Franchisee agrees to pay such sum to GGFC or GGFL, on demand of GGFC or GGFL, together with interest on such amount at the rate of one-and-one-half percent (1½%) per month (which equates to 18% per year) until paid in full.

4. If any party brings any action or proceeding to enforce, protect or establish any right or

remedy under this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees to be fixed by the court wherein such judgment is entered.

5. This Agreement shall bind and benefit the parties, and their respective heirs, executors, administrators, personal representatives and assigns and successors-in-interest.

6. The provisions of this Agreement shall be interpreted and construed according to their fair meanings and not strictly for or against any party.

Executed as of the date stated in the introductory paragraph:

FRANCHISEE:

_____

_____

GGFC & GGFL:

GALARDI GROUP FRANCHISE CORP.,
a California corporation

By: _____
Vice President

LENDER:

_____

_____

GALARDI GROUP FRANCHISE & LEASING, LLC
a California limited liability company

By: Its Managing Member

GALARDI GROUP FRANCHISE & LEASING, INC., a California corporation

By:_____
Vice President

EXHIBIT J

FRANCHISOR'S RIGHT TO CURE DEFAULT & CONSENT TO ASSIGNMENT (LANDLORD)

RIGHT TO CURE DEFAULT AND CONSENT TO ASSIGNMENT AGREEMENT
(LANDLORD)

This AGREEMENT is made and entered into this _____ day of _____, 20__, by and between _____ ("Franchisee"), _____ _____ ("Landlord"), GALARDI GROUP FRANCHISE CORP., a California corporation ("GGFC"), and GALARDI GROUP FRANCHISE & LEASING, LLC, a California limited liability company ("GGFL"), with reference to the following facts:

BACKGROUND

Landlord and Franchisee have or shall enter into a lease dated _____, 20___ for certain premises where a Wienerschnitzel® restaurant shall be operated, located at _____ _____ ("Lease"). To establish the restaurant on the premises and maintain continuity of operations of the restaurant and to protect and maintain the reputation of the WIENERSCHNITZEL trademarks and of GGFC and GGFL in the restaurant business, GGFC and GGFL require Franchisee to agree and obtain the agreement of Landlord concerning certain rights which GGFC and GGFL shall have if Franchisee defaults under the Lease or under any agreements between Franchisee and GGFC and/or GGFL. Accordingly, the parties have agreed as follows:

AGREEMENT

1. Landlord and Franchisee agree that the lease shall contain and is hereby deemed to be amended to include the following provision:

> "If Tenant is at any time in breach of default or noncompliance under this lease, Landlord shall give written notice of the default, breach or noncompliance ("Default") to GGFC and GGFL, at the following address; and wherever in this lease it shall be required or permitted that notice or demand shall be given or served by Tenant or Landlord, such notice or demand shall also be given or served at the same time to:
>
> Galardi Group Franchise Corp. and
> Galardi Group Franchise & Leasing, LLC
> 7700 Irvine Center Drive, Suite 550
> Irvine, California 92618
>
> The notice shall state conspicuously "Notice of Default at Wienerschnitzel Franchise Location." On notification by Landlord to GGFC and GGFL that Tenant is in Default, GGFC and GGFL shall have the right to cure the Default within forty-five (45) days after, and GGFC and GGFL shall have the right to take possession of the premises provided the Defaults are cured; provided further that so long as GGFC and GGFL perform the obligations of Tenant hereunder, no foreclosure of, deed given in lieu of foreclosure of, or sale under any encumbrance created by Landlord shall affect GGFC's or GGFL's assumption of Tenant's rights under this lease and Landlord will attorn GGFC and GGFL. GGFC and GGFL shall be permitted to assign this lease following which GGFC and GGFL shall have no liability to further perform the obligations of Tenant hereunder, provided that GGFC and GGFL have cured any default of Tenant and continue to pay the rent to and including the date of such assignment."

2. Franchisee grants to GGFC and GGFL the right, but not the obligation, to invoke and effect an assignment of the lease to GGFC and/or GGFL in the event Franchisee is in default under any agreement between Franchisee and GGFC and/or GGFL, including but not limited to the Franchise Agreement dated _____, 20____, the Advertising Association Agreement dated _____, 20___, the Equipment Lease dated _____, 201__ or other agreement (all such agreements collectively referred to as "GGFL Agreements"). Landlord consents to such assignment.

3. So long as there shall exist no default by Franchisee in the payment of any indebtedness or performance of any obligation under the GGFL Agreements or other instruments securing such indebtedness or obligations, Franchisee shall have the right to quiet possession as set forth in the lease and all other rights and obligations pursuant to the lease. Upon such default, however, GGFC and/or GGFL may invoke and effect the assignment, and Landlord consents to the assignment, and GGFC and/or GGFL shall have the right to possession of the premises and have all rights and obligations of Tenant under the lease, provided that GGFC and/or GGFL notify Landlord in writing of the date that the assignment is effective.

4. Franchisee waives any notice requirements regarding the assignment provided for in Sections 2 and 3 above. After the assignment, GGFC and GGFL shall have the right to re-assign the lease or sublease the premises, provided that GGFC or GGFL remain liable under the lease.

5. The lease is hereby deemed to be amended by and as provided in this Agreement. Landlord and Franchisee shall amend or execute any documents (including but not limited to the lease) as necessary to effectuate the purposes of this Agreement. Absence of such separate amendment to such documents shall not vitiate the amendment accomplished by this Agreement.

6. Franchisee shall perform each and every condition and covenant of the lease and give prompt notice to GGFL and GGFC of any notice of default by Landlord received by Franchisee under the lease. Franchisee shall, at Franchisee's sole cost and expense, enforce, short of termination of the lease, Landlord's performance or observance of each and every covenant and condition of the lease. Franchisee shall not modify nor in any way alter the terms of the lease or terminate the term of the lease nor accept a surrender thereof unless required to do so by the terms of the lease. Franchisee shall appear and defend any action growing out of or in any manner connected with the lease or the obligations or liabilities of Franchisee pursuant thereto.

7. If Franchisee fails to make a payment pursuant to the lease or do any act as herein provided, GGFC and GGFL, without obligation to do so and without notice to or demand on Franchisee and without releasing Franchisee from any obligation, may make or do the same, including specifically, without limiting its general powers, appearing in and defending any action purporting to effect the lease or the rights and powers of GGFC or GGFL and performing any obligation of the Franchisee in the lease, and in exercising any such powers, paying necessary costs and expenses, employing counsel and incurring and paying reasonable attorneys' fees. Franchisee shall pay immediately on demand all sums expended by GGFC and GGFL under this section, together with interest on those sums at the lower of one-and-one-half percent (1½%) per month (which equates to 18% per year) or the highest rate permitted under applicable law.

8. The rights of GGFC and/or GGFL pursuant to this Agreement are cumulative and additional to any rights GGFC and/or GGFL may have in law or in equity.

9. At the request of any of the parties, the signatures of the parties shall be duly notarized and this Agreement shall be recorded as necessary.

10. If any party brings any action or proceedings to enforce, protect or establish any right or remedy under this Agreement, the prevailing party shall be entitled to recover the costs of suit, including but not limited to reasonable attorney's fees and reasonable interest at the applicable rate stated in Section 7.

11. This Agreement shall bind and benefit the parties, and also their respective heirs, executors, administrators, personal representatives, and assigns and successors-in-interest.

Executed as of the date stated in the introductory paragraph.

FRANCHISEE:

_____

_____

LANDLORD:

_____

_____

GGFC & GGFL:

GALARDI GROUP FRANCHISE CORP.,
a California corporation

By: _____
Robert E. Mathews, Vice President

GALARDI GROUP FRANCHISE & LEASING, LLC,
a California limited liability company

By: Its Managing Member
GALARDI GROUP FRANCHISE & LEASING, INC.,
a California corporation

By: _____
Robert E. Mathews, Vice President

EXHIBIT K

DIRECT DEBIT AGREEMENT

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENT (DIRECT DEBIT)

_____
(COMPANY NAME)

NAME OF BANK _____

NAME OF BRANCH, IF ANY_____

ADDRESS OF BANK _____

ACCOUNT IN THE NAME OF _____

ACCOUNT # _____

The undersigned requests and authorizes you to pay and charge to the above account the undersigned's checks drawn on that account by and payable to the order of Galardi Group Franchise & Leasing, LLC, provided there are sufficient collected funds in the account to pay the same on presentation. Your rights with respect to any check so drawn shall be the same as if it were drawn on you and signed by the undersigned. It will not be necessary for any officer or employee of _____ to sign such checks. This authority remains in effect until revoked by me in writing and until you receive such notice, I agree that you shall be fully protected in honoring any such check.

If any such check is dishonored, whether with or without cause and whether intentionally or inadvertently, you shall be under no liability whatsoever.

_____

_____
(Date) (Bank Signature of Depositor)

(Attach Voided Check Here)

EXHIBIT L

OPERATIONS MANUAL

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EXHIBIT M

LIST OF CURRENT & DEPARTED FRANCHISEES

WIENERSCHNITZEL - FULL FRANCHISEES
(As of December 2019)

CALIFORNIA

Alameda
WS# 644 Fredric & Janet Chow
1708 Webster Street, Alameda, CA 94501 - (510) 769-1770 (F)

Alhambra
WS#133 Christina Jang
2301 West Valley Boulevard, Alhambra, CA 91803 - (626) 289-3737 (F)

Anaheim
WS#80 OC Schnitzel, Inc.
101 North State College Boulevard, Anaheim, CA 92806 - (714) 774-8341 (F)

WS#108 OC Schnitzel, Inc.
2569 W. Ball Road, Anaheim, California 92804-4001 - (714) 774-8341 (F)

WS#332 T.C.B. Incorporated
2580 West LaPalma Avenue, Anaheim, CA 92801 - (714) 952-9876 (F)

Artesia
WS#269 T.W. Inc.
11615 South Street, Artesia, CA 90701 - (562) 865-9727 (F)

Auburn
WS#418 Auburn Wiener Dog, LLC
13401 Bowman Road, Auburn, CA 95603 - (530) 885-7875 (F)

Bakersfield
WS#107 Paul Youngho Cha
1130 Union Avenue, Bakersfield, CA 93307 - (661) 325-3055 (F)

WS#183 Salud “Sally” Alejo
2931 Niles Street, Bakersfield, CA 93306 - (661) 323-2502 (F)

WS#184 HI DW, Inc
2401 Brundage Lane, Bakersfield, CA 93304 - (661) 325-0689 (F)

WS#356 DW Investment, Inc.
4044 Ming Avenue, Bakersfield, CA 93309 - (661) 397-5351 (F)

WS#567 Sally Alejo
6200 White Lane, Bakersfield, CA 93309 - (661) 397-4686 (F)

WS#663 Bakersfield Restaurant Development
3748 Coffee Road, Bakersfield, CA 93308 – (661) 589-2855 (F)

Baldwin Park
WS#55 MRNMA, Inc.
13999 Francisquito Avenue, Baldwin Park, CA 91706 - (626) 962-4351 (F)

Barstow
WS#680 Rosa Jun
1305 East Main Street, Barstow, CA 92311 – (760) 256-1700 (F)

Bellflower
WS#482 SFO Group Corp
10221 Artesia Boulevard, Bellflower, CA 90706 – (562) 866-5596 (F)

Bermuda Dunes
WS#659 Riyad Sharqawi
42092 Washington Street, Bermuda Dunes, CA 92201 - (760) 200-4467 (F)

Brea
WS#578 TW INC.
250 East Lambert Road, Brea, CA 92821 - (714) 529-9211 (F)

Buena Park
WS#276 Ho Min Lee and Josephine Lee
6131 Lincoln Avenue, Buena Park, CA 90620 - (714) 995-1681 (F)

Burbank
WS#641 Wieners #641, LLC
3203 West Alameda, Burbank, CA 91505 - (818) 841-1917 (F)

Campbell
WS#33 Lil'l Dog Big Dog #33, LLC
1330 Camden Avenue, Campbell, CA 95008 - (408) 559-7721(F)

WS#170 Lil'L Dog Big Dog #170, LLC
1940 South Bascom Avenue, Campbell, CA 95008 - (408) 371-8409 (F)

Canoga Park
WS#200 Wieners #200, LLC
20925 Sherman Way, Canoga Park, CA 91303 - (818) 587-2978 (F)

Canyon Country
WS#338 Wieners #338, LLC
18900 West Soledad Canyon Road, Canyon Country, CA 91351 - (661) 252-7921 (F)

Cathedral City
WS#685 SD Market Corp.
68785 Ramon Road, Cathedral City, CA 92234 – (760) 202-3197 (F)

Chino
WS#310 TW INC.
11901 Central Avenue, Chino, CA 91710 - (909) 628-9098 (F)

WS#698 T.C.B. Corp
4103 Riverside Drive, Chino, CA 91710 – (909) 548-4640 (F)

Citrus Heights
WS#300 Diab Enterprises, Inc.
5441 Sunrise, Citrus Heights, CA 95610 (916) 965-6679 (F)

Clovis
WS#311 D. W. Investments, Inc.
555 West Shaw Avenue, Clovis, CA 93612 - (559) 298-8905 (F)

Colton
WS#562 415/562, LLC
2011 East Washington Street, Colton, CA 92324 - (909) 824-9993 (F)

Compton
WS#3 SFO Group Corp.
1300 East Rosecrans, Compton, CA 90221 - (310) 639-8017 (F)

Corona
WS#75 Aggie D. Clough & John Davis
315 South Main Street, Corona, CA 92882 - (951) 808-0946 (F)

Costa Mesa
WS#48 Harbor Investment Inc.
1951 Harbor Boulevard, Costa Mesa, CA 92627 - (949) 631-5181 (F)

Cypress
WS#530 Edward and Odette Daoud
10985 Meridian Drive, Cypress, CA 90630 - (714) 761-5093 (F)

Diamond Bar
WS#415 415/562, LLC
23300 Sunset Crossing Road, Diamond Bar, CA 91765 - (909) 860-9011 (F)

Dixon
WS#874 Bal Soin and Rekha Soin
2500 West A Street, Dixon, CA 95620 – (707) 676-5019 (F)

East Los Angeles
WS#228 SFO Group
1002 South Atlantic Boulevard, East Los Angeles, CA 90022 - (323) 269-1864 (F)

El Cajon
WS#771 Erik Estrada
1601 North Magnolia Avenue, El Cajon, CA 92020 – (619) 449-1735 (BFF)

El Cerrito
WS#123 Faiyaz Saba
11101 San Pablo Avenue, El Cerrito, CA 94530 - (510) 232-0800 (F)

WS#222 Nayham Enterprises Inc.
10939 Garvey Avenue, El Monte, CA 91733 - (626) 575-0591 (F)

Escondido
WS#51 JMJAW Corp
960 East Valley Parkway, Escondido, CA 92025 - (760) 746-8900 (F)

Fairfield
WS#881 Khalid Mehmood
4490 Central Way #B, Fairfield, CA 94534 – (707) 673-2998 (F)

Firebaugh
WS#847 Divine Food Services, Inc.
46360 W. Panoche Road, Firebaugh, CA 93622 – (559) 659-3018 (F)

Fontana
WS#668 Wienerworks, Inc.
14524 Baseline Ave, Fontana, CA 92336 (909) 355-3035 (F)

Fremont
WS#241 Sommalee Bousa
37119 Fremont Boulevard, Fremont, CA 94536 - (510) 794-8466 (F)

Fresno
D. W. Investments, Inc.
WS#185 4631 North Blackstone Avenue, Fresno, CA 93726 - (559) 222-2727 (F)
WS#372 120 South Clovis Avenue, Fresno, CA 93727 - (559) 251-9347 (F)
WS#468 7373 North Blackstone Avenue, Fresno, CA 93650 - (559) 432-8429 (F)
WS#548 4398 West Shaw Avenue, Fresno, CA 93722 - (559) 277-9343 (F)

Fullerton
WS#319 319/333, LLC
265 West Orangethorpe Avenue, Fullerton, CA 92832 - (714) 525-1741 (F)

Garden Grove
WS#15 Mitsuo Kinjo and Kuriko Kinjo
13852 Harbor Boulevard, Garden Grove, CA 92843 - (714) 554-8640 (F)

WS#125 LJMW, Inc.
10192 Garden Grove Boulevard, Garden Grove, CA 92843 - (714) 537-3720 (F)

Gilroy
WS#629 Lil'L Dog Big Dog #629, LLC
711 First Street, Gilroy, CA 95020 - (408) 846-6361 (F)

Glendora
WS#7 Jieun, Inc.
649 West Arrow Highway, Glendora, CA 91740 - (626) 332-3179 (F)

WS#24 Wienerworks, Inc.
509 W Route 66, Glendora, CA 91740 (626) 335-9124 (F)

Hanford
WS#360 D. W. Investments, Inc.
807 West Lacey Boulevard, Hanford, CA 93230 - (559) 584-9769 (F)

Hawaiian Gardens
WS#57 Sang Hyeon Rhee
12056 East Carson Street, Hawaiian Gardens, CA 90716 - (562) 421-2219 (F)

Hayward
WS#672 Sovan Inthavong
1010 'A' Street, Hayward, CA 94541 - (510) 581-3838 (F)

Hemet
WS# 554 Gregory S. Wilken, Inc.
3513 West Florida Avenue, Hemet, CA 92545 - (951) 765-9919 (BFF)

Highland
WS#801 Hot Dogs R Us, Inc.
2565 E. Highland Avenue, Highland, CA 92346 - (909) 862-8801 (F)

Highland Park
WS#20 Tina Mizushima
5215 N. Figuero, Highland Park, CA 90042 (323) 258-1175 (F)

Huntington Beach
WS#283 WSP Group Corp.
19101 Brookhurst Street, Huntington Beach, CA 92646 - (714) 962-9431 (F)

WS#351 TW, Inc.
5966 Warner Avenue, Huntington Beach, CA 92649 - (714) 846-4353 (F)

Inglewood
WS#877 Hasibul Sharif
3104 West Century Blvd., Inglewood, CA 90303 _ (303) 671-07311 (F)

Irvine
WS#452 WSP Group Corp.
14705 Jeffrey Road, Irvine, CA 92618 - (949) 857-5029 (F)

Jurupa Valley
WS#817 DWJV, Inc.
10207 San Sevaine Way, Jurupa Valley, CA 91752 (951) 790-1380 (F)

La Crescenta
WS#69 Wieners #69, LLC
3140 Foothill Boulevard, La Crescenta, CA 91214 - (818) 957-3612 (F)

La Habra
WS#533 WSP Group Corp.
1120 E Imperial Hwy, La Habra, CA 90631 (714) 870-0307 (F)

Lake Forest
WS#705 Lake Forrest Dimension, Inc.
20652 Lake Forest Drive, Lake Forest, CA 92630 – (949) 583-1508 (F)

Lakewood
WS#105 Alina Enterprizes, Inc.
5721 Bellflower Boulevard, Lakewood, CA 90713 - (562) 866-9319 (F)

WS#811 Hironimus Enterprises Inc. and Ken Hironimus
4229 Woodruff Avenue, Lakewood, CA 90713 - (562) 425-2535 (F)

La Mesa
WS#58 Bong Marie Lee
6949 University Avenue, La Mesa, CA 91941 - (619) 461-2501 (F)

Lancaster
WS#402 Tae Jin Lee
1714 West Avenue 'K', Lancaster, CA 93534 - (661) 942-9460 (F)

WS#89 Unified Service & Consulting
601 West Avenue J, Lancaster, CA 93534 (661) 951-4622(F)

WS#637 Dallas Russell Creese/Russell General Partnership
42741 45th Street West, Lancaster, CA 93536 - (661) 718-0433 (F)

WS#769 Dallas Russell
825 West Avenue 'K', Lancaster, CA 93535 – (661) 942-4230 (F)

La Puente
WS#657 MIBZ, Inc.
1731 North Hacienda Boulevard, La Puente, CA 91744 - (626) 917-2533 (F)

Lawndale
WS#39 Ecker, Inc.
4607 Artesia Boulevard, Lawndale, CA 90260 - (310) 214-0019 (F)

WS#616 E. B. Foods
14900 Hawthorne Boulevard, Lawndale, CA 90260 - (310) 973-7715 (F)

Livermore
WS#267 Richard and Diane Goldsberry
323 South Livermore Avenue, Livermore, CA 94550 - (925) 443-1647 (F)

WS#793 Diab and Ahmar, Inc.
816 North Vasco Road, Livermore, CA 94551 – (925) 373-0508 (F)

Lodi
WS#264 Diab Enterprises, Inc.
200 South Cherokee Lane, Lodi, CA 95240 - (209) 366-2477 (F)

Lomita
WS#715 SFO Group Corp
1715 Pacific Coast Highway, Lomita, CA 90717 – (310) 534-1715 (F)

Long Beach
WS#12 TW #12
3012 East Artesia, Long Beach, CA 90805 - (562) 423-9609 (F)

WS#492 T.C.B. Incorporated
4901 Cherry Avenue, Long Beach, CA 90807 - (562) 423-9601 (F)

Los Angeles
WS#114 SFO Group Corp.
3619 West Olympic Boulevard, Los Angeles, CA 90019 - (323) 734-8714 (F)

WS#124 AQ Dantes, Inc.
3789 Crenshaw Boulevard, Los Angeles, CA 90016 - (323) 296-3299 (F)

Los Banos
WS#855 Italian Café Gourmet Food Service, Inc.
911 W. Pacheco Blvd., Los Banos, CA 93635 – (209) 710-9322 (F)

Manteca
WS#449 Quality Restaurant Enterprises Inc.
1200 West Yosemite Avenue, Manteca, CA 95337-5126 - (209) 239-7756 (F)

Modesto
Farouk and Sahira Diab
WS#331 3342 McHenry Avenue, Modesto, CA 95350 - (209) 529-6936 (F)
WS#472 1620 East Hatch Road, Modesto, CA 95351 - (209) 537-8033 (F)

Farouk and Sahira Diab and Nawal Aspiras
WS#181 204 McHenry Avenue, Modesto, CA 95354 - (209) 522-1884 (F)
WS#690 2900 Standiford Avenue, Modesto, CA 95350 – (209) 521-1111 (F)

WS#676 Diab Thakar Enterprises, Inc.
1521 North Carpenter Road, Modesto, CA 95351 - (209) 530-0700 (F)

Mojave
WS#849 FF Enterprises, LLC
16246 Sierra Hwy., Mojave, CA 93501 – (661) 824-2788 (F)

Monrovia
WS#557 SFO Group Corp
750 East Huntington Drive, Monrovia, CA 91016 - (626) 359-0470 (BFF)

Montclair
WS#333 319/333, LLC
9419 Central Avenue, Montclair, CA 91763 - (909) 626-9042 (F)

Montebello
WS#112 Arturo Sandoval
2501 West Beverly Boulevard, Montebello, CA 90640 - (323) 725-9070 (F)

Moreno Valley
WS#527 Ben J.and Tammi Kimble
24007 Sunnymead Boulevard, Moreno Valley, CA 92553 - (951) 924-9937 (BFF)

WS#561 Saleem Zmily
23750 Alessandro Boulevard, Unit N, Moreno Valley, CA 92553 - (951) 656-9870 (F)

Murrieta
WS#645 CalRental.com
25250 Madison Avenue, Murrieta, CA 92562 - (951) 461-9697 (F)

National City
WS#86 Eric and Debbie Pigg
1825 Highland Avenue, National City, CA 91950 - (619) 477-7290 (F)

Norco
WS#734 R & R Hot Dogs, Inc.
1825 Hamner Avenue, Suite X, Norco, CA 92860 - (951) 734-8558 (F)

North Highlands
WS#140 R. Ibrahim Awad
5644 Watt Avenue, North Highlands, CA 95660 - (916) 331-4696 (F)

North Hollywood
WS#204 Thomas M. Trujillo
5135 Laurel Canyon Boulevard, North Hollywood, CA 91607 - (818) 506-9086 (F)

Northridge
WS#363 Wieners #363, LLC
18420 Nordhoff Street, Northridge, CA 91325 - (818) 886-6996 (F)

Norwalk
WS#337 Hironimus Enterprises, Inc.
11610 Alondra Boulevard, Norwalk, CA 90650 - (562) 924-4341 (F)

Oakdale
WS#826 Walid Madjub
920 East F Street, Oakdale, CA 95361 – (209) 322-6020 (F)

Oceanside
WS#545 See Lay Tan Inc.
1960 Oceanside Boulevard, Oceanside, CA 92054 - (760) 754-1909 (F)

Oildale
WS#453 Young Don and Sue Kim
236 North Chester Avenue, Oildale, CA 93308 - (661) 393-0471 (F)

Ontario
WS#588 HDAG, Inc
4605 East Mills Circle, Ontario, CA 91764 - (909) 987-7100 (F)

WS#744 BFA Enterprises, Inc.
761 North Archibald Avenue, Ontario, CA 91764 – (909) 937-1640 (F)

WS#820 Sherif Elwakeel
1175 E. Walnut Street, Ontario, CA 91761 – (909) 673-1711 (F)

Orange
WSP Group Corp.
WS#293 1888 North Tustin Avenue, Orange, CA 92865 - (714) 637-9835 (F)
WS#306 2205 West Chapman Avenue, Orange, CA 92868 - (714) 937-9939 (F)

WS#660 SARI Development, Inc.
108 West Lincoln Avenue, Orange, CA 92865 - (714) 998-8555 (F)

WS#708 A. Moallem, Inc.
4341 East Chapman Avenue, Orange, CA 92869 – (714) 639-6506 (F)

Oxnard
WS#580 Wieners #580, LLC
2830 South Ventura Road, Oxnard, CA 93033 - (805) 247-0442 (F)

Palmdale
WS#631 Unified Service & Consulting
3005 E Ave S, Palmdale, CA 93550 (661) 272-0566(F)

Paramount
WS#16 Forever Wieners, Inc.
8201 East Rosecrans, Paramount, CA 90723 - (562) 633-1192 (F)

Perris
WS#863 DW SJP
2650 North Perris Blvd., Perris, CA 92571 – (951)940-4256 (F)

Phelan
WS#807 FBA Group, Inc.
4145 Phelan Road, Phelan, California 92731 – (760) 868-3300 (F)

Pico Rivera
WS#679 Wienerworks, Inc.
6749 Rosemead Blvd., Pico Rivera, CA 90660 (562) 942-0206(F)

Placentia
WS#626 MIBZ, Inc.
1005 East Imperial Highway, Placentia, CA 92870 - (714) 996-0570 (F)

Pomona
WS#26 Dong Joo, Suk Cha and Charles Pak
175 West Foothill, Pomona, CA 91766 - (909) 596-7606 (F)

WS#46 Dong Joo and Suk Cha Pak
520 East Mission Boulevard, Pomona, CA 91766 - (909) 629-1240 (F)

Rancho Cordova
WS#722 Bal K. Soin and Urmil K. Soin
11076 Coloma Road, Rancho Cordova, CA 95670 – (916) 631-0018 (F)

Rancho Cucamonga
WS#569 Ihmud Group, Inc.
12719 Foothill Blvd., Rancho Cucamonga, CA 91730 - (909) 899-5959 (F)

Redding
WS#339 Frank Food Service, Inc.
1120 Market Street, Redding, CA 96001 - (530) 241-4960 (F)

Redlands
WS#699 TW Inc.
1961 Redlands Boulevard, Redlands, CA 92373 - (909) 307-9055 (F)

Riverside
WS#36 Anwar Hilal
9595 Magnolia Avenue, Riverside, CA 92503 - (951) 689-0415 (F)

WS#343 JCRD Investments, Corp
1246 University Avenue, Riverside, CA 92507 – (951) 684-7758 (F)

WS#450 Howard H. Ahn
3850 La Sierra Avenue, Riverside, CA 92505 - (951) 359-1880 (F)

WS#532 Waleed Nassar and Jihan Nassar e
5775 Van Buren Boulevard, Riverside, CA 92503 - (951) 785-1788 (F)

WS#697 Best Chilli, Inc.
7460 Mission Grove Parkway South, Riverside, CA 92508 – (951) 780-2139 (F)

WS#721 Gus Sadighi, Inc.
6247 Day Street, Riverside, CA 92507 – (951) 656-5143 (F)

Rosemead
WS#144. THLS, LLC
7434 East Garvey Avenue, Rosemead, CA 91770 - (626) 571-8120 (F)

Roseville
WS#464 Farouk and Sahira Diab and Basma Diab
898 Sunrise Avenue, Roseville, CA 95661 - (916) 783-9112 (F)

Sacramento
WS#131 Farouk and Sahira Diab
845 El Camino Avenue, Sacramento, CA 95815 - (916) 927-7072 (F)

WS#154 Chander M. and Veena Soin
5100 Auburn Boulevard, Sacramento, CA 95841 - (916) 332-9404 (F)

WS#263 AYC Food Services, Inc.
2737 Arden Way, Sacramento, CA 95825 - (916) 488-8586 (F)

WS#317 Diab Enterprises, Inc. (F)
5980 Stockton Boulevard, Sacramento, CA 95824 - (916) 428-4253
Farouk and Sahira Diab
WS#782 2961 Advantage Way, Sacramento, CA 95834 – (916) 419-4545 (F)
WS#809 750 Harbor Boulevard, West Sacramento, CA 95691 - (916) 371-0900 (F)

WS#514 Rakesh Chander Soin
2501 Broadway, Sacramento, CA 95818 - (916) 457-9925 (F)

WS#617 Haidar M. Junaid
3591 Bradshaw Road, Sacramento, CA 95827 - (916) 970-5470 (F)

WS#806 Bal Soin & Urmil Soin and Dinesh Soin
2464 Florin Road, Sacramento, CA 95831 – (916) 427-6625 (F)

Salinas
Quality Restaurant Enterprises, Inc.
WS#193 711 East Alisal Street, Salinas, CA 93905 - (831) 424-9999 (F)
WS#279 1346 South Main Street, Salinas, CA 93901 - (831) 754-4433 (F)

San Bernardino
WS#27 LJWM, Inc.
1102 North Waterman, San Bernardino, CA 92410 - (909) 888-9572 (F)

WS#667 TW Inc.
4394 University Parkway, San Bernardino, CA 92407 – (909) 473-7944 (F)

San Diego
WS#13 Steve and Teresa Ham
4530 El Cajon Boulevard, San Diego, CA 92115 - (619) 281-9618 (F)

WS#14 Manessa, Inc
2669 Garnet Street, San Diego, CA 92109 - (858) 273-0730 (F)

WS#32 Shynon, Inc. In Seon Choi and Seok Woo Song
1852 Rosecrans Avenue, San Diego, CA 92106 - (619) 224-1197 (F)

WS#153 Shynon, Inc.
4393 Convoy Street, San Diego, CA 92111 - (858) 277-0882 (F)

San Jose
WS#134 MJ & J Foods, Inc.
935 South First Street, San Jose, CA 95110 - (408) 297-7020 (F)

WS#156 Joseph and Emma Marques, Jr.
2844 Story Road, San Jose, CA 95127 - (408) 251-8645 (BFF)

San Pedro
WS#59 Esther Ann Beard Trust
230 North Gaffey Street, San Pedro, CA 90731 - (310) 831-4486 (F)

Santa Ana
WS#683 SARI Development, Inc.
752 East Dyer Road, Santa Ana, CA 92705 – (714) 966-8543 (F)

WS#348 Wienerworks Inc.
1401 W MacArthur Blvd, Santa Ana, CA 92704 (714) 574-8181(F)

WS#710 JIBBCO INC.
1700 East McFadden Avenue, Santa Ana, CA 92705 – (714) 835-9802 (F)

Santa Maria
WS#266 D. W. Investments, Inc.
500 East Main Street, Santa Maria, CA 93454 - (805) 922-5558 (F)

Santa Monica
WS#65 TSMO Inc.
3010 North Pico Boulevard, Santa Monica, CA 90405 - (310) 450-7671 (F)

Santee
WS#424 Shynon, Inc.
9650 Mission Gorge Road, Santee, CA 92071 - (619) 448-2168 (F)

Simi Valley
WS#312 Wieners #312, LLC
1508 East Los Angeles Avenue, Simi Valley, CA 93065 - (805) 522-5013 (BFF)

South Gate
WS#43 Jeong Yong Kim
5141 East Imperial Highway, South Gate, CA 90280 - (310) 637-5396 (F)

Spring Valley
WS#413 Mark D. Bingham
3523 Sweetwater Springs Boulevard, Spring Valley, CA 91978 - (619) 670-6905 (F)

Stockton
Diab Enterprises Inc.
WS#362 1107 West March Lane, Stockton, CA 95207 - (209) 473-1686 (F)
WS#518 5950 North Highway 99, Stockton, CA 95212 – (209) 931-2361 (F)

Temecula
WS#815 THDT Investments, Inc.
32080 Temecula Parkway, CA 92592 – (951) 303-2200 (F)

Torrance
WS#38 Ray & Myong Entgerprises, LLC
1125 West Carson Street, Torrance, CA 90502 - (310) 533-9111 (F)

WS#509 MIBZ, Inc.
2780 Pacific Coast Highway, Torrance, CA 90505 - (310) 539-2823 (F)

WS#704 Tahir and Shahid Inc.
1352 West 190th Street, Torrance, CA 90501 – (310) 787-1026 (F)

Tracy
WS#670 Farouk and Sahira Diab, Zaher and Amal Abed
2870 West Grant Line Road, Tracy, CA 95304 – (209) 830-7070 (F)

WS#827 Farouk Diab, Sahira Diab, Wassim Suliman, Faten Suliman
25432 S Schulte Rd, Tracy, CA 95377 209) 839-8322 (F)

Turlock
WS#864 Farouk Diab
2675 Countryside Drive, Turlock, CA – (209) 668-6228 (F)

Tustin
WS#287 Charles I. Cha and Chung S. Cha
105 El Camino Real, Tustin, CA 92780 - (714) 832-9669 (F)

Vacaville
WS#421 Khalid Mehmood
149 Peabody Road, Vacaville, CA 95687 – (707) 446-1413 (F)

Ventura
WS#314 Bu Shung Hwang and Jenny Suk Hwang
2172 Harbor Boulevard, Ventura, CA 93001 - (805) 653-9280 (F)

Victorville
WS#555 43 Daag, Inc.
15014 Bear Valley Road, Victorville, CA 92392 - (760) 243-7504 (F)

WS# 808 Salma Parven
12951-2 Hesperia Road, Victorville, CA – (760) 241-7600 (F)

WS#822 R&R Holdings, Inc.
14485 7th Street, Victorville, CA 92395 (760) 243-5031 (F)

Visalia
WS#824 VZSA Pizza Three, Inc.
1400 E. Noble Avenue, Visalia, CA 93292 (559) 747-2523 (F)

Westminster
WS#177 Hironimus Enterprises Inc.
13872 Goldenwest Street, Westminster, CA 92683 - (714) 891-2382 (F)

Whittier
WS#63 Hironimus Enterprises, Inc.
13317 East Whittier Boulevard, Whittier, CA 90602 - (562) 698-5559 (F)

WS#481 Wienerworks, Inc. e
10810 Beverly Blvd, Whittier, CA 90601 (562) 695-2402 (F)

WS#344 TW Inc.
15753 Leffingwell Road, Whittier, CA 90604 - (562) 943-9024 (F)

WS#831 WSP Group Corp.
13543 Florence Ave., Whittier, CA 90605 (562) 777-0355 (F)

Woodland
WS#433 AYC Food Services
103 West Main Street, Woodland, CA 95695 - (530) 662-7978 (F)

Yuba City
WS#470 Farouk and Sahira Diab
1245 Bridge Street, Yuba City, CA 95991 - (530) 673-7078 (F)

Yucaipa
WS#587 S & M Wieners, Inc.
34852 Yucaipa Boulevard, Yucaipa, CA 92399 - (909) 790-3799 (F)

ARIZONA

Bullhead City
WS#713 Berger Boys BHC, LLC
2840 Highway 95, Suite 200, Bullhead City, AZ 86442 – (928) 704-4515 (F)

Chandler
WS#738 KVLK Enterprises, LLC
2100 North McQueen Road, Chandler, AZ 85225 – (480) 857-0131 (F)

Glendale
WS#695 Wienerworks, Inc.
6030 West Thunderbird Rd, Glendale, AZ 85306 (928) 843-1638(F)

Lake Havasu City
WS#673 Monsoon Restaurant Group, L.L.C.
245 Lake Havasu Avenue North, Lake Havasu City, AZ 86403 - (928) 854-2811 (F)

Mesa
WS#762 SV Group, Inc.
1225 South Highley Road, Mesa, AZ 85206 – (480) 830-0849 (F)

Tempe
WS#723 Wienerworks, Inc.
804 S McClintock, Tempe, AZ 85281 (480) 968-6134 (F)

Tucson
P. M Sticker, Inc.
WS#691 2155 S 6th Avenue, Tucson, AZ 85713 (520) 624-2720 (F)
WS#692 5765 East Broadway Blvd, Tucson, AZ 85711 (F)

Yuma
WS#79 Hulse Food Service Inc.
1775 South Fourth Avenue, Yuma, AZ 85364 - (928) 782-3303 (F)

COLORADO

Fruita
WS#823 Fruita Consumers Coop, Assoc Inc.
1650 Highway 6 & 50, Fruita, CO 81521 (970) 858-3667(F)

Grand Junction
WS#171 Icon Enterprises, Inc.
2550 North Avenue, Grand Junction, CO 81501 - (970) 242-3133 (F)

WS#810 First & Grand Shell, LLC
333 North First Street, Grand Junction, CO 81501 – (970) 243-2421 (F)

Parachute
#832 Rocky Mountain C-Stores, Inc.
200 County Road #215, Parachute, CO 81635 (F)

ILLINOIS

Champaign
WS#221 Chili House Limited Liability Co.
2102 W Springfield Ave, Champaign, IL 61821 (217) 378-5100(F)

LOUISIANA

Baton Rouge
WS#186 Harvey Brown
2948 Highland Road, Baton Rouge, LA 70802-7828 - (225) 343-8774 (F)

NEVADA

Henderson
WS#577 Salma Group Corporation
2575 Windmill Parkway, Henderson, NV 89074 - (702) 263-3550 (F)

Las Vegas

WS#441 Diab and Safori, Inc.
4470 East Charleston Boulevard, Las Vegas, Nevada 89104-5535 (702) 531-0219(F)

WS#495 KGR 1760 Ops, LLC
1760 South Rainbow Boulevard, Las Vegas, NV 89146 - (702) 877-3314 (F)

WS#583 Wienerworks, Inc.
2071 Rocksprings Dr, Las Vegas, NV 89128 (702) 877-3314(F)

WS#718 Chiliworks, Inc.
3201 North Rancho Drive, Las Vegas, NV 89108 – (702) 939-0714 (F)

WS#739 Thespy, LLC
4680 East Flamingo Boulevard, Las Vegas, NV 89121 – (702) 434-2955 (F)

WS#751 Worthy Assoc. Inc.
6075 South Rainbow Blvd, Las Vegas, NV 89118 (702) 247-6535(F)

WS#777 Diab and Safori, Inc
2060 E. Serene Avenue, Suite #101, Las Vegas, NV 89123 (702) 263-2066(F)

WS#856 Diab and Safori, Inc.
6111 Sahara Ave., Las Vegas, NV 89102 (702) 876-5979 (F)

Reno
WS#612 All Taken, Inc.
2090 Mill Street, Reno, NV 89502 (775) 322-2744 (F)

Sparks
WS#700 All Taken, Inc.
390 North McCarran Boulevard, Sparks, NV 89434 - (775) 356-7700 (F)

NEW MEXICO

Albuquerque
WS#855 Trujon, LLC
1440 Gibson Blvd SE, Albuquerque, NM 87106 – (505) 900-3766 (F)

Clovis
WS#203 Hailey Enterprises, Inc.
1220 North Main Street, Clovis, NM 88101 - (575) 762-1968(F)

Las Cruces
T.D. & T, LLC
WS#247 1028 El Paseo Road, Las Cruces, NM 88001 - (575) 524-7471 (F)
WS#812 2800 North Main Street, Las Cruces, NM 88001 – (575) 526-7878 (F)

Roswell
WS#717 James L. Hailey, Jr. and Joy D. Hailey
2407 North Main Street, Roswell, NM 88201 – (575) 622-1822 (F)

TEXAS

Amarillo

WS#303 Far West, LLC
600 E Amarillo Blvd, Amarillo, TX 79107 (806) 350-6394(F)

WS#834 THDT Investments, Inc.
5800 W. Amarillo Blvd., Amarillo, TX 79106 – (806) 310-9501(F)

Austin
WS#816 Der Dream, LLC
2512 Braker Lane, Austin, TX 78758 (512) 491-7888 (F)

Beaumont
WS#720 HDH Investments, LP
6050 Folsom Drive, Beaumont, TX 77706 – (409) 347-0385 (F)

Bryan
WS#255 Bret Charles Wenzel
501 South Texas Avenue, Bryan, TX 77803 - (979) 775-1984 (F)

Corpus Christi
J. Dennis Courtney
WS#194 2401 Ayers Street, Corpus Christi, TX 78404 - (361) 884-4242 (F)
WS#224 3555 South Padre Island Drive, Corpus Christi, TX 78415 - (361) 855-6821 (F)
WS#584 5861 South Staples Street, Corpus Christi, TX 78413 - (361) 991-1711 (F)
WS#594 4001 U.S. Highway 77, Corpus Christi, TX 78410 - (361) 241-8706 (F)
WS#714 4221 South Alameda Street, Corpus Christi, TX 78412 – (361) 991-2323 (F)

El Paso
Steelerdog Investment LLC
WS#109 1401 Airway Boulevard, El Paso, TX 79925 - (915) 778-5673 (F)
WS#432 1899 North Lee Trevino Drive, El Paso, TX 79936 - (915) 593-7389 (F)
WS#773 1441 North Zaragosa Road, El Paso, TX 79938 – (915) 849-9800 (F)

Fabens, TX
WS#843 A.Q.R. Foods, LLC
1885 N./ Fabens Rd., Fabens, TX (915) 764-4111 (F)

Grand Prairie
WS#639 James Hailey Jr.
2614 West I-20, Grand Prairie, TX 75052 - (972) 641-5545 (F)

Lubbock

785 Palmetto Assets, Inc.
WS#405 7102 Quaker Avenue, Lubbock, TX 79424 - (806) 793-5941 (F)
WS#785 6319 82nd Street, Lubbock, TX 79424 – (806) 698-1790 (F)

WS#729 Palmetto Assets #785 LLC
7615B South University Avenue, Lubbock, TX 79423 – (806) 745-5942 (F)

WS#428 Palmetto Assets #428 LLC
301 University Ave, Lubbock, TX 79415 (F)

WS#857 Ter Cal & Son, LLC
5510 4th St. #300, Lubbock, TX 79423 – (806) 317-1604 (f)

WS#880 Lowry Hughes
4401 34th Street, Lubbock, TX 79410 – (806) 407-5910 (F)

Midland
WS#835 DW Odessa, LLC
4404 Tanglewood Land, Odessa, TX 79762 – (432) 366-0330 (F)

New Caney
WS#875 Buns and Dogs, LLC
20175 US Highway 59, New Caney, TX 77357 – (832) 793-5525 (F)

Odessa
WS#784 DW Odessa LLC
4404 Tanglewood Lane, Odessa, TX 79762 – (432) 366-0330 (F)

San Angelo
WS#208 Elftmann Enterprises, Inc.
3205 Sherwood Way, San Angelo, TX 76901 - (325) 703-6043 (F)

WS#615 Flight 4 Investments, Inc.
1809 South Bryant Boulevard, San Angelo, TX 76903 - (325) 659-2259 (F)

San Antonio
WS#633 DerDream, LLC
8530 Perrin-Beitel Road, San Antonio, TX 76217 - (210) 654-1710 (F)

San Marcos
WS#687 BLC Hot Dogs, Inc.
1071 Wonder World Drive, San Marcos, TX 78666 - (512) 392-7077 (F)

Victoria
WS#119 Hot Dogs, Inc.
1218 East Rio Grande Street, Victoria, TX 77901 - (361) 578-0962 (F)

WS#595 Masek Enterprises, LLC.
3602 John Stockbauer Drive, Victoria, TX 77904 - (361) 578-3132 (F)

UTAH

Harrisville City
WS#746 Gilea, Inc.
450 North Harrisville Road, Harrisville City, UT 84404 – (801) 782-6037(F)

Midvale
WS#712 Chrisland Foods, Inc.
7063 South 900 East, Midvale, UT 84047 – (801) 568-3915 (F)

West Valley City
WS#297 Grundmann Enterprises, LLC
3145 West 3500 South, Mid Valley City, UT 84119 - (801) 967-6065 (F)

Orem
WS#298 Double Eagle Investments, Inc.
314 N. State Street, Orem, Utah 84057-4748 - (801) 225-9907 (F)

Salt Lake City
WS#143 Grundmann Enterprises, Inc.
805 West North Temple, Salt Lake City, UT 84116 - (801) 532-0710 (F)

WS#753 Chrisland Foods, Inc.
1405 South 300 West, Salt Lake City, UT 84115 - (801) 484-7674 (F)

West Jordan
WS#459 The Dunston Corporation
7780 Redwood Road, West Jordan, UT 84084 - (801) 255-7901 (F)

WASHINGTON

Everett
WS#256 Hotdog House LLC
5905 Evergreen Way, Everett, WA 98203 - (425) 353-6363 (F)

WIENERSCHNITZEL – DEPARTED FRANCHISEES
(As Of December 2019)

Franchisees whose franchises have terminated, canceled, not renewed or who have voluntarily or involuntarily ceased to do business pursuant to an operator agreement within the last 12 months:

ARIZONA

Tucson
P. M Sticker, Inc.
WS#11 2043 East Broadway, Tucson, AZ 85719 - (520) 622-4244 (BFF)

CALIFORNIA

Antioch
WS#813 Ahmud Musa
200 East 18th Street, Antioch, CA 94509 – (925) 775-4580 (F)

Chula Vista
WS#116 SD Market Corp
493 Broadway, Chula Vista, CA 91910-4318 – (619) 427-8406 (F)

Orange
WS#290 Mi Young Kim
13011 Chapman Avenue, Orange, CA 92868 - (714) 235-0319 (F)

Placerville
WS#634 Farouk Diab & Sahira Diab
1365 Broadway, Placerville, CA 95667 - (530) 295-8255 (F)

San Pablo
WS#443 Faiyaz Saba
14260 San Pablo Avenue, San Pablo, CA 94806 - (510) 620-9460 (F)

NEW MEXICO

Espanola
WS#851 Craig Wood
601 Silky Rd., Espanola, New Mexico 87532 – 505)367-0000 (F)

EXHIBIT N

ADVERTISING ASSOCIATIONS

WIENERSCHNITZEL ADVERTISING ASSOCIATIONS

Advertising Association	President	Address/Phone	Contribution Rate
Las Vegas Advertising Association	Farouk Diab	WS#777 2060 E. Serene Ave. #101 Las Vegas, NV 89123 (702) 263-2066 fdiab1956@gmail.com	3.5%
WOA – Albuquerque	Doug Koegeboehn	7700 Irvine Center Drive, Suite 550 Irvine, CA 92618 (949) 892-2635 kdoegeboehn@galardigroup.com	5%
WOA – Amarillo	Trevor Westbrook	WS #303 600 E. Amarillo Blvd. Amarillo, TX 79107 (806) 350-6394 farwestllc@hotmail.com	5%
WOA – Bakersfield	Barbara Brandon	c/o D.W. Investments, Inc. 2943 Larkin Avenue Clovis, CA 93612 (559) 348-9420 barbrandon@gmail.com	4%
WOA – Dallas/Ft. Worth	Doug Koegeboehn	7700 Irvine Center Drive, Suite 550 Irvine, CA 92618 (949) 892-2635 kdoegeboehn@galardigroup.com	3%
WOA – Lubbock	Terri Holmes	Terri Holmes 7813 85th St. Lubbock, TX 79424 (806) 543-6445 tholmes428@gmail.com	4.5%
WOA – Salt Lake City	Dan Grundmann	WS#143 805 W. North Temple Salt Lake City, UT 84116 (801) 891-2975 (Cell) djgrundmann@msn.com	4.25%

Advertising Association	President	Address/Phone	Contribution Rate
WOA – San Diego	Mark Bingham	WS#413 523 Sweetwater Springs Blvd. Spring Valley, CA 91978 (619) 884-5120 (Cell) m.bingham@sbcglobal.net	4.75%
WOA- Phoenix	Dennis Tase	WS#723 804 S. McClintock Dr. Tempe, AZ 85281 (480) 968-6134 dennis.tase@gmail.com	3%
WOA – Tucson	Paul Sticker	WS#691 2155 S. 6th Ave. Tucson, AZ 85713 (520) 624-2720 pesticker@yahoo.com	5%
WOCCOBA (Bay Area) Wienerschnitzel Cooperative Corporation of Bay Area	Joe Marques	WS #156 2844 Story Road San Jose, CA 95127 (408) 623-8924 joedog156@yahoo.com	4%
WOCCOLA (Los Angeles)	Tom Trujillo	c/o TW Inc. 1542 Plymouth Lane San Pedro, CA 90732 (213) 500-3545 tomtrujillo@me.com tom@trujillohome.com	5%
WOCCOPS (Palm Springs)	Riyad Sharqawi	WS#659 42092 Washington St. Bermuda Dunes, CA 92201 (760) 200-4467 sharqawis5@aol.com	4%

WOCCOS (Sacramento)	Bal Soin	WS#806 2464 Florin Road Sacramento, CA 95831 (951) 519-2836 (cell) bsoin@aol.com	4.0% (WS) 1% (HS)
WOCCOF (Fresno)	Barbara Brandon	c/o D.W. Investment, Inc. 2943 Larkin Avenue Clovis, CA 93612 (559) 348-9420 barbrandon@gmail.com	3%
WOA (El Paso) Wienerschnitzel Operators of El Paso	Tim Kass	1062 La Plata Las Cruces, NM 88007 (Home) (575) 642-7887 (Cell) wienerdude2007@msn.com	3.75%
Corpus Christi	Bill Richmond	WS#224 3555 South Padre Island Drive Corpus Christi, TX 78415 (361) 331-548 (Cell) (361) 855-0823 (Office) brichmond@wienerschnitzel.net	3%
Grand Junction	Tobey Williams	WS#842 4501 30 Road Grand Junction, CO 81504 (970) 241-3664 tobey@rmstores.com	3%
Salinas/Monterey	Nabil Madjub	WS#193 711 East Alisal Salinas, CA 93905 (831) 424-9999 nabeelmaj@yahoo.com	3.5%

EXHIBIT O

STATE ADMINISTRATORS

STATE ADMINISTRATORS

Listed below are names, addresses, and telephone numbers of state and federal agency personnel who have responsibility for franchising disclosure and registration laws and selected business opportunity laws. Entries for the Federal Trade Commission appear at the end of the Exhibit.

California

Department of Business Oversight:

Los Angeles
320 West 4th Street
Suite 750
Los Angeles, California 90013-2344
(213) 576-7500

Sacramento
1515 K Street, Suite 200
Sacramento, California 95814-4052
(916) 445-7205

San Diego
1350 Front Street, Room 2034
San Diego, California 92101-3697
(619) 525-4233

San Francisco
One Sansome Street, Suite 600
San Francisco, CA 94104-4428
(415) 972-8559

Commissioner of Business Oversight:
Jan Lynn Owen

Federal Trade Commission

Division of Marketing Practices
Bureau of Consumer Protection
Pennsylvania Avenue at 6th Street, NW
Washington, D.C. 20580
(202) 326-3128

Illinois

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Attorney General
Lisa Madigan

Washington

Department of Financial Institutions
Securities Division
Post Office Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

EXHIBIT P

STATE DISCLOSURE ADDENDA

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

OUR WEBSITE IS: WWW.WIENERSCHNITZEL.COM

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Neither the franchisor, any person or franchise broker in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

Each of the agreements contains a provision for termination on bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. 101 et seq.).

Each of the agreements requires application of the laws and forum of Orange County, California. This provision may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the franchise agreement is inconsistent with the law, the law will control.

The Franchise Agreement and Business & Facilities Agreement each contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Each of the agreements contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

The Operator Agreement does not prevent modification. But it may only be modified by a written agreement between us. Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document approved by the California Commissioner of Business Oversight before we ask you to consider a material modification of your franchise agreement.

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1. Illinois law governs the agreements between the parties to this franchise.

2. A franchisee's rights upon termination and/or non-renewal of a franchise are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

3. The Illinois Franchise Disclosure Act (815 ILCS Section 705/4) provides that "any provision in a Franchise Agreement that designates jurisdiction or venue in a forum outside of this State [Illinois] is void provided that a Franchise Agreement may provide for arbitration in a forum outside of this State [Illinois]."

6. Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

ADDENDUM TO CONTRACTS
FOR THE STATE OF ILLINOIS

This FIRST ADDENDUM TO CONTRACTS ("Addendum") is made and entered into on, _____, ____ by and between _____ ("_____") and _____ ("Franchisee"), subject to the following recitals:

RECITALS

A. Franchisee is a resident of the state of Illinois or a non-resident who is acquiring franchise rights permitting the location of one or more Wienerschnitzel® Restaurants in the State of Illinois.

B. The "Contracts" covered by this Addendum include all of the following contracts, copies of which are attached as exhibits to the Franchise Disclosure Document that Company has delivered to Franchisee, i.e.: Franchise Agreement; _____ (collectively referred to as the "Contracts").

C. To the extent that the parties enter into any of the Contracts now or in the future, they desire to amend the Contracts in order to conform them to the requirements of Illinois law.

D. All capitalized terms in this Addendum shall have the same meaning assigned to them in the Contracts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by the parties, the parties agree as follows:

1. The above recitals are incorporated by the parties as part of their covenants and undertakings.

2. The provisions of the Illinois Franchise Disclosure Act of 1987 (the "Act") shall supersede any provision of the Contracts or California law which are in conflict with the Act.

3. Illinois law shall be applied to, and govern, any claim between the parties that alleges violation of the Act.

4. The parties hereby amend Section 26 of the Franchise Agreement by adding the following at the end of the paragraph:

> "Nothing in this provision waives any rights you may have under Section 41 of the Illinois Franchise Disclosure Act of 1987."

5. To the extent that the Contracts designate jurisdiction or venue in a forum outside of the State of Illinois, the provision shall not be effective for Franchise Agreements entered into with an Illinois resident for a Wienerschnitzel Restaurant in the State of Illinois.

6. The parties agree that the Contracts, whether now existing or hereinafter entered into by the parties, shall be enforced in accordance with their terms, subject, however, to the terms of this Addendum.

IN WITNESS WHEREOF the parties have executed this Addendum on the date first above written.

COMPANY:

Galardi Group _____

By:

Its:

FRANCHISEE:

NAME

By:

Its:

WASHINGTON FRANCHISE AGREEMENT ADDENDUM

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

_____ _____

FRANCHISOR FRANCHISEE

This addendum may also be used as a rider to the Franchise Disclosure Document.

EXHIBIT Q

AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

Robert E. Mathews
Galardi Group Franchise Corp.
7700 Irvine Center Drive, Suite 550
Irvine, California 92618

CT Corporation System
818 West Seventh Street
Los Angeles, California 90017

California Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344

ILLINOIS

The Attorney General
500 South Second Street
Springfield, Illinois 62706

WASHINGTON

Administrator
Department of Financial Institutions
150 Israel Rd. SW
Tumwater, Washington 98501

EXHIBIT R

SBA ADDENDUM

ADDENDUM TO FRANCHISE[1] AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20___, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as ''franchise'' relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 -3733.

Authorized Representative of FRANCHISOR:

By: _____

Print Name: _____

Title:_____

Authorized Representative of FRANCHISEE:

By: _____

Print Name: _____
Title:_____
Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements

EXHIBIT S

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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	May 7, 2019
Hawaii	N/A
Illinois	N/A
Indiana	N/A
Maryland	N/A
Michigan	N/A
Minnesota	N/A
New York	N/A
North Dakota	N/A
Rhode Island	N/A
South Dakota	N/A
Virginia	N/A
Washington	N/A
Wisconsin	N/A

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT T

RECEIPTS

RECEIPT
(Franchisee's Copy)

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY. IF GALARDI GROUP FRANCHISE CORP. OFFERS YOU A FRANCHISE, IT MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU FOURTEEN (14) CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED SALE.

YOU MUST ALSO RECEIVE A FRANCHISE AGREEMENT CONTAINING ALL MATERIAL TERMS AT LEAST FIVE (5) BUSINESS DAYS BEFORE YOU SIGN THE FRANCHISE AGREEMENT.

IF GALARDI GROUP FRANCHISE CORP. 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 AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT, 320 WEST 4TH STREET, SUITE 750, LOS ANGELES, CALIFORNIA 90013-2344.

THE FRANCHISE SELLER FOR THIS OFFERING IS TED MILBURN, DIRECTOR OF U.S. FRANCHISE DEVELOPMENT; AND YOU MAY HAVE ADDITIONAL CONTACT WITH ROBERT MATHEWS, VICE PRESIDENT AT GALARDI GROUP FRANCHISE CORP., 7700 IRVINE CENTER DRIVE, SUITE 550, IRVINE, CALIFORNIA 92618, TELEPHONE (949) 892-2629 and TELEPHONE (949) 892-2684, RESPECTIVELY. AREA REPRESENTATIVES INCLUDE ZAHEED UMATIYA, AJAZ PUNJANI, SUNNY PUNJANI, ASIF PUNJANI, AND ASLAM PUNJANI.

ISSUANCE DATE: FEBRUARY 11, 2020

I received a Disclosure Document dated _____, 2020, that included the following Exhibits:

A.	Financial Statements	J.	Franchisor's Right to Cure Default & Consent to Assignment (Landlord)
B.	Franchise Agreement	K.	Direct Debit Agreement
C.	Offer to Purchase	L.	Operations Manual Table of Contents
D.	Promissory Note	M.	List of Current & Departed Franchisees
E.	Guaranty	N.	Advertising Associates
F.	Advertising Association Agreement	O.	State Administrators
G.	Promotional Allowance Assignment	P.	State Disclosure Addenda
H.	Consent to Transfer	Q.	Agents for Service of Process
I.	Franchisor's Right to Cure Default (Lender)	R.	SBA Addendum
		S.	State Effective Dates
		T.	Receipts

Dated:_____ _____
(Signature)

_____
(Printed Name)

RETURN THE DATED AND SIGNED RECEIPT TO GALARDI GROUP FRANCHISE CORP., 7700 IRVINE CENTER DRIVE, SUITE 550, IRVINE, CALIFORNIA 92618, FACSIMILE TELEPHONE NUMBER (949) 892-2615.

RECEIPT
(Franchisor's Copy)

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		S.	State Effective Dates
		T.	Receipts

Dated:_____

_____
(Signature)

_____
(Printed Name)

RETURN THE DATED AND SIGNED RECEIPT TO GALARDI GROUP FRANCHISE CORP., 7700 IRVINE CENTER DRIVE, SUITE 550, IRVINE, CALIFORNIA 92618, FACSIMILE TELEPHONE NUMBER (949) 892-2615.