

**ORIGINAL**  
**HAMBURGER**  
**STAND**

RECEIVED  
MAY 09 2006  
Department of Corporations  
Los Angeles

GALARDI GROUP FRANCHISE CORP.  
a California corporation  
4440 Von Karman Avenue, Suite 222  
Newport Beach, California 92658-7460  
(949) 752-5800

INFORMATION FOR PROSPECTIVE FRANCHISEES  
REQUIRED BY FEDERAL TRADE COMMISSION

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TO PROTECT YOU, WE HAVE REQUIRED YOUR FRANCHISOR TO GIVE YOU THIS INFORMATION. WE HAVE NOT CHECKED IT AND DO NOT KNOW IF IT IS CORRECT. IT SHOULD HELP YOU MAKE UP YOUR MIND. STUDY IT CAREFULLY. WHILE IT INCLUDES SOME INFORMATION ABOUT YOUR CONTRACT, DO NOT RELY ON IT ALONG TO UNDERSTAND YOUR CONTRACT. READ ALL OF YOUR CONTRACT CAREFULLY. BUYING A FRANCHISE IS A COMPLICATED INVESTMENT. TAKE YOUR TIME TO DECIDE. IF POSSIBLE, SHOW YOUR CONTRACT AND THIS INFORMATION TO AN ADVISOR, LIKE A LAWYER OR AN ACCOUNTANT. IF YOU FIND ANYTHING YOU THINK MAY BE WRONG OR LEFT OUT, YOU SHOULD LET US KNOW ABOUT IT. IT MAY BE AGAINST THE LAW.

THERE MAY ALSO BE LAWS ON FRANCHISING IN YOUR STATE. ASK YOUR STATE AGENCIES ABOUT THEM.

FEDERAL TRADE COMMISSION  
WASHINGTON, D.C.

The effective date of this Offering Circular is \_\_\_\_\_, 200.



FRANCHISE OFFERING CIRCULAR  
REQUIRED BY THE STATE OF CALIFORNIA

Galardi Group Franchise Corp.  
a California corporation  
4440 Von Karman Avenue, Suite 222  
Newport Beach, California 92658-7460  
(949) 752-5800

The franchise is a quick service restaurant featuring hamburgers, hot dogs, french fries and drinks. The initial franchise fee for a full franchise is \$32,000 and the total initial investment ranges from \$222,100 to \$1,327,800. A limited franchise requires no initial franchise fee and the total initial investment ranges from \$16,900 to \$81,500 per restaurant.

RISK FACTORS

1. 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 OR OTHER MISFORTUNE AT ANY SUCH RESTAURANTS.
2. 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 HEALTH CODES, ZONING, WAGE AND PRICE CONTROLS, EMPLOYMENT AND WAGE LEVELS, AND OTHER OPERATING COSTS.
3. THE FRANCHISE AGREEMENT PERMITS YOU TO SUE US ONLY IN ORANGE COUNTY, CALIFORNIA. IF YOU ARE LOCATED OUTSIDE CALIFORNIA, OR OUTSIDE ORANGE COUNTY, THEN LITIGATION IN ORANGE COUNTY, CALIFORNIA MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO SUE US IN CALIFORNIA THEN IN YOUR HOME STATE.
4. 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 YOUR LOCAL LAWS TO CALIFORNIA LAW.
5. THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE.

Information about comparisons of franchisors is available. Call the California Department of Corporations, 320 West 4th Street, Suite 750, Los Angeles, California 90013-2344 or your public library for sources of information.

Registration of this franchise by this state does not mean that the state recommends it or has verified the information in this Offering Circular. If you learn that anything in the Offering Circular is untrue, contact the Federal Trade Commission and the state administrator, which is the Commissioner of Corporations, California Department of Corporations, 320 West 4th Street, Suite 750, Los Angeles, California 90013-2344.

The name and address of the agent in California authorized to receive service of process for Galardi Group Franchise Corp. is Robert E. Mathews, 4440 Von Karman Avenue, Suite 222, Post Office Box 7460, Newport Beach, California 92658-7460.

Effective Date: \_\_\_\_\_, 200

