

FRANCHISE DISCLOSURE DOCUMENT

Big Al's Steaks A & S, Inc.
450 E. Atlantic Avenue
Delray Beach, Florida 33483
(561) 819-0399
www.bigalssteaks.com

BIG AL'S STEAKS®

We grant you the right to operate a BIG AL'S STEAKS® Restaurant. Your Restaurant will offer Philadelphia steak sandwiches and similar "hoagie" submarine-style sandwiches, hotdogs, French fries, beverages and other related products.

The total initial investment necessary to begin operation of your Restaurant is from \$268,325 to \$566,826. This includes \$170,025 to \$240,350 that must be paid to us.

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 Alan Costilo at 450 E. Atlantic Avenue, Delray Beach, Florida 33483; (561) 819-0399.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 18, 2011, as amended November 1, 2011

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STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT PERMITS YOU TO ARBITRATE WITH US ONLY IN FLORIDA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN FLORIDA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT THE LAWS OF THE STATE WHERE OUR HEADQUARTERS ARE LOCATED (CURRENTLY, FLORIDA) GOVERN THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS OTHER LAW. TO THE EXTENT NOT SUBJECT TO ARBITRATION, ANY CAUSE OF ACTION, CLAIM, SUIT OR DEMAND MUST BE BROUGHT IN THE APPLICABLE STATE OR FEDERAL DISTRICT COURT WHERE OUR HEADQUARTERS ARE LOCATED (CURRENTLY, DELRAY BEACH, FLORIDA). ALTHOUGH THE GOVERNING LAW MAY PROVIDE THAT ANY PROVISIONS OF THE FRANCHISE AGREEMENT DESIGNATING JURISDICTION OUTSIDE OF THE STATE ARE VOID. IT MAY COST MORE TO LITIGATE WITH US IN THE STATE WHERE OUR HEADQUARTERS ARE LOCATED THAN IN YOUR HOME STATE. LOCAL LAW MAY SUPERSEDE CERTAIN FRANCHISE AGREEMENT PROVISIONS. YOU MAY WANT TO COMPARE THESE LAWS.
3. WE WERE INITIALLY FORMED IN OCTOBER 2008. ALTHOUGH OUR AFFILIATES HAVE OPERATED SIMILAR RESTAURANTS SINCE 2006, WE ARE IN THE DEVELOPMENT STAGE AND OUR BUSINESS IS SUBJECT TO ALL THE RISKS INHERENT IN A NEW BUSINESS ENTERPRISE.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more franchise brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Florida State Effective Date: May 19, 2010, as amended November 1, 2011

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

To simplify the language in this Disclosure Document, “we” or “us” means Big Al’s Steaks A & S, Inc., the Franchisor. “You” means the person or entity that buys the franchise. If the franchisee is a corporation, partnership or other entity, “you” also may mean its owners.

The Franchisor

We are a Florida corporation incorporated on October 1, 2008. Our principal place of business is at 450 E. Atlantic Avenue, Delray Beach, Florida, 33483, (561) 819-0399; www.bigalssteaks.com. We do business under the name “BIG AL’S STEAKS.” We do not have any parents or predecessors.

We have 5 affiliates, Big Al’s Steaks of Coconut Creek, Inc., Big Al’s Steaks of Delray Beach, Inc., Big Al’s Steaks of Legacy Place, Inc., Big Al’s Steaks, Inc. and BASHA Management, Inc. (collectively, our “Affiliates”). Big Al’s Steaks of Coconut Creek, Inc. is a Florida corporation and is located at 3557 Lakeview Drive, Delray Beach, Florida 33445. Big Al’s Steaks of Delray Beach, Inc. is a Florida corporation and is located at 3557 Lakeview Drive, Delray Beach, Florida 33445. Big Al’s Steaks of Legacy Place, Inc. is a Florida corporation and is located at 3557 Lakeview Drive, Delray Beach, Florida 33445. Big Al’s Steaks, Inc. is a Florida corporation and is located at 3557 Lakeview Drive, Delray Beach, Florida 33445. BASHA Management, Inc. is a Florida corporation and is located at 3557 Lakeview Drive, Delray Beach, Florida 33445.

Our agents for service of process are disclosed on Exhibit A to this Disclosure Document.

Our Business Experience

We began offering franchises in April 2009 under the name “BIG AL’S STEAKS.” We do not offer, and have not offered, franchises in any other line of business. We have never operated a business similar to the business being franchised.

Our Affiliates Big Al’s Steaks of Coconut Creek, Inc., Big Al’s Steaks of Delray Beach, Inc. and Big Al’s Steaks of Legacy Place, Inc. each currently operate a business similar to the business being franchised under this Disclosure Document. These locations operate under the BIG AL’S STEAKS name. Big Al’s Steaks of Coconut Creek, Inc. opened a BIG AL’S STEAKS restaurant in April 2006 in Coconut Creek, Florida. Big Al’s Steaks of Delray Beach, Inc. opened a BIG AL’S STEAKS restaurant in October 2007 in Delray Beach, Florida. Big Al’s Steaks of Legacy Place, Inc. opened a BIG AL’S STEAKS restaurant in March 2011 in Palm Beach Gardens, Florida. The restaurants that Big Al’s Steaks of Coconut Creek, Inc., Big Al’s Steaks of Delray Beach, Inc. and Big Al’s Steaks of Legacy Place, Inc. operate are substantially similar to the BIG AL’S STEAKS Restaurant you will operate. Big Al’s Steaks of Coconut Creek, Inc., Big Al’s Steaks of Delray Beach, Inc. and Big Al’s Steaks of Legacy Place, Inc. do not operate any other business and have never offered franchises in any line of business.

Our Affiliate Big Al’s Steaks, Inc. is the owner of the BIG AL’S STEAKS Marks. Big Al’s Steaks, Inc. does not operate a business similar to the type being franchised. Big Al’s Steaks, Inc. has never offered franchises in any line of business.

Our Affiliate BASHA Management, Inc. currently offers store management and operational services and meat slicing services to our BIG AL’S STEAKS franchisee. Depending on your geographic location, BASHA Management, Inc. may offer these same services to other franchisees. If BASHA Management, Inc. provides store management and/or operations services to you, you will pay BASHA

Management, Inc. a monthly service fee equal to 5% of your Gross Sales (the “Management Fee”). Additionally, if BASHA Management, Inc. provides you with meat slicing services, you will pay BASHA Management, Inc. a monthly slicing fee equal to \$0.50 per pound of sliced ribeye (the “Slicing Fee”). BASHA Management, Inc. does not operate a business similar to the type being franchised. BASHA Management, Inc. has never offered franchises in any line of business.

The Franchise

We grant you the right to operate a BIG AL’S STEAKS Franchised Restaurant (the “Restaurant”). We also offer qualified franchisees the right to develop multiple BIG AL’S STEAKS Restaurants within a protected territory (the “Development Territory”) under the terms of the Area Development Agreement (“Area Development Agreement”). If you sign an Area Development Agreement, you will sign a separate Franchise Agreement for each Restaurant developed under your Area Development Agreement.

Your Restaurant will be a quick service restaurant offering Philadelphia steak sandwiches and similar “hoagie” submarine-style sandwiches, hot dogs, French fries, beverages and other products (“Menu Items”). You must prepare the Menu Items in accordance with our specified recipes and serve in accordance with our specified standards. Each Franchised Restaurant operates under the name BIG AL’S STEAKS and other marks as we designate (“Marks”).

You must operate your Restaurant under the BIG AL’S STEAKS system (“System”). The System is characterized by a distinctive layout, service style, design, signs, decor, furnishings, recipes, procedures and techniques, all of which we may change. BIG AL’S STEAKS Restaurants range in size from 800 to 2,400 square feet, depending on the location of your Restaurant. You must adhere to the System regardless of the size of your Restaurant.

The Market and Competition

Your Restaurant will offer food products to the general public and the sales are not significantly impacted by seasonality. Your competitors include other restaurant businesses, particularly those offering similar food products, including national or regional franchise systems and other chains. We believe that the market for quick service restaurants offering similar Menu Items and other products is well developed.

Licenses and Permits

Laws exist in every state that govern the food service industry (including health, sanitation and safety regulations regarding food storage, preparation and safety). You must comply with these laws and other laws that apply to businesses generally. In addition to laws and regulations that apply to businesses generally, your Restaurant will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act; storage, preparation and sale of food products including meat products; and health, sanitation and safety regulations relating to food service. It is your sole responsibility to obtain and keep in force all necessary licenses and permits required by public authorities.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer – Dr. Alan Costilo

Alan Costilo has been our Chief Executive Officer since our inception in October 2008. Dr. Costilo also currently serves as Vice President and owner of our affiliate, Big Al's Steaks of Delray Beach, Inc., and is an owner of our affiliates Big Al's Steaks of Coconut Creek, Inc. and Big Al's Steaks, Inc. Since April 2006 and October 2007, respectively, Dr. Costilo has served as a manager for both of our Affiliates' BIG AL'S STEAKS Restaurants. From May 2002 through January 2008, Dr. Costilo operated his own business, Alan Costilo SS, which provided software product support for Wizzard Software Corporation located in Pittsburgh, Pennsylvania.

Chief Operating Officer – Adam Costilo

Adam Costilo has been our Chief Operating Officer since our inception in October 2008. Mr. Costilo also is an owner of our affiliates Big Al's Steaks of Coconut Creek, Inc., Big Al's Steaks of Delray Beach, Inc. and Big Al's Steaks, Inc. Since April 2006 and October 2007, respectively, Mr. Costilo has served as a manager for both of our Affiliates' BIG AL'S STEAKS Restaurants. From March 2000 through June 2007, Mr. Costilo served as the general manager for Auntie Anne's Pretzels located in Boca Raton, Florida.

Chief Financial Officer – Stephen I. Tucker

Stephen Tucker has been our Chief Financial Officer since our inception in October 2008. Since January 1989 to the present, Mr. Tucker also has owned a wholesale collectibles business, Steves SC, located in Plymouth Meeting, Pennsylvania. Since January 2002, Mr. Tucker also has been employed by H & R Block, Inc. as a seasonal tax preparer.

Marketing Manager – Brad Costilo

Brad Costilo has been our Marketing Manager since our inception in October 2008. Since January 2008, Mr. Costilo also has served as marketing manager for our Affiliates' BIG AL'S STEAKS Restaurants. From June 2006 through June 2008, Mr. Costilo was a senior insurance sales agent for Bill Shaddix Agency, Inc. located in Palm Beach Gardens, Florida. From May 2001 through June 2006, Mr. Costilo was the door man supervisor for the Ritz Carlton Hotel located in Manalapan, Florida.

Franchise Relations Manager – Donna Marvin

Donna Marvin has been our Franchise Relations Manager since our inception in October 2008. Since January 2007, Ms. Marvin also has served as a manager for our affiliate Big Al's Steaks of Delray Beach, Inc.'s BIG AL'S STEAKS Restaurant. From February 2005 through July 2006, Ms. Marvin was an office manager for Industrial Hydro-Blast located in Macon, Georgia.

Supply Chain Manager – Shura Costilo

Shura Costilo has been our Supply Chain Manager since our inception in October 2008. Ms. Costilo also is an owner of our affiliates Big Al's Steaks of Coconut Creek, Inc., Big Al's Steaks of Delray Beach, Inc. and Big Al's Steaks, Inc. Since May 2006 and October 2007 respectively, Ms. Costilo has served as the product procurement manager for both of our Affiliates' BIG AL'S STEAKS Restaurants.

From December 2001 through May 2006, Ms. Costilo served as a Restaurant manager for Gloria Jean's Coffee located in Boca Raton, Florida.

Production Manager – Paul Cooper

Paul Cooper has been our Production Manager since our inception in October 2008. Mr. Cooper also has served as Production Manager for both of our Affiliates' BIG AL'S STEAKS Restaurants since July 2007. From January 2003 through November 2007, Mr. Cooper served as assistant manager for Gloria Jeans Coffee located in Boca Raton, Florida.

Director of Franchise Development and Sales – Jason Steele

Jason Steele has been our Director of Franchise Development and Sales since October 2011. From March 2008 to June 2011, Mr. Steele served as President of Franchise Development for CeX located in New York, New York. From February 2004 to October 2007, Mr. Steele served as Director of Franchise Development for Quiznos located in Denver, Colorado.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Disclosure Document.

ITEM 4
BANKRUPTCY

On April 16, 2003, Dr. Alan Costilo (our Chief Executive Officer) filed a petition under Chapter 7 of the U.S. Bankruptcy Code in U.S. Bankruptcy Court for the Southern District of Florida, Bankruptcy Case No. 03-31949-BKC-SHF. The bankruptcy petition was voluntarily withdrawn by Dr. Costilo in 2004. The withdrawal of bankruptcy petition was accepted and the matter closed on February 9, 2004.

On February 24, 2004, Mr. Steele (our Director of Franchise Development and Sales) filed a petition under Chapter 7 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Eastern District of Kentucky, Bankruptcy Case No. 04-20391-wsh. Mr. Steele's bankruptcy was discharged on June 22, 2004.

Other than the two bankruptcies identified above, no bankruptcy is required to be disclosed in this Disclosure Document.

ITEM 5
INITIAL FEES

Initial Franchise Fee

If you purchase a single franchise, you must pay to us an Initial Franchise Fee of \$27,500. The entire \$27,500 Initial Franchise Fee is due when you sign a Franchise Agreement. The Initial Franchise Fee is earned upon receipt and is nonrefundable.

During our last fiscal year ending December 31, 2010, we collected an Initial Franchise Fee in the amount of \$27,500.

Equipment Package

Before you open your Restaurant for business, you will purchase from us certain equipment as further described in Schedule A attached to the Franchise Agreement (the “Equipment Package”). The cost for the Equipment Package will range from \$142,525 to \$212,850 and is due prior to starting the Restaurant. The fee paid for the Equipment Package is earned upon receipt and non-refundable. As outlined further in Item 10, we may offer you financing for the Equipment Package. During our last fiscal year ending December 31, 2010, we collected an Equipment Package fee in the amount of \$132,350.

Area Development Fee

If you sign an Area Development Agreement, you must develop a minimum of two Restaurants within the Development Territory. The Initial Franchise Fee for the first Restaurant is \$27,500. The Initial Franchise Fee for each subsequent Restaurant you agree to develop under the Area Development Agreement is \$20,000. Upon signing the Area Development Agreement, you pay the entire Initial Franchise Fee for the first Restaurant and ½ of the Initial Franchise Fee for each additional Restaurant to be opened under the Area Development Agreement (the “Area Development Fee”).

The Area Development Fee is applied to the Initial Franchise Fee for each Restaurant opened under the Area Development Agreement, so that upon signing the required individual Franchise Agreement for a Restaurant, you must submit the balance of the Initial Franchise Fee for that Restaurant. The Initial Franchise Fees for Restaurants opened under an Area Development Agreement are nonrefundable.

During our last fiscal year ending December 31, 2010, we did not enter into any Area Development Agreements and, therefore, did not collect any Area Development Fees.

ITEM 6 **OTHER FEES**

Type of Fee(1)	Amount	Due Date	Remarks
Royalty Fee(2)	6% of Gross Sales(3)	Paid by electronic funds transfer every Wednesday for the preceding Reporting Period(4)	
Marketing Fee(5)	2% of Gross Sales(3)	Paid by electronic funds transfer every Wednesday for the preceding Reporting Period(4)	As of the date of this Disclosure Document, we do not collect the Marketing Fee, but reserve the right to begin collecting this fee upon 30 days advance written notice. Except for Special Sites, we will contribute the same amount for each similarly situated company or affiliate-owned restaurant in the same local marketing area.

Type of Fee(1)	Amount	Due Date	Remarks
Local Marketing(6)	2% of Gross Sales(3)	Periodically	The expenses for local marketing will be paid to third party vendors unless we designate a local marketing cooperative. If we designate a local cooperative, you must direct your local marketing expenditure to the marketing cooperative (7).
Online Ordering Fee	\$50 - \$100 per month	Paid by electronic funds transfer on the first day of each month for the preceding month.	As of the date of this Disclosure Document we do not collect the monthly Online Ordering Fee, but reserve the right to begin collecting this fee upon 30 days advance written notice.
Management Fee	5% of Gross Sales (3)	Paid by electronic funds transfer on the first day of each month for the preceding month.	Depending on the geographic location of your Restaurant, BASHA Management, Inc. may provide store management and/or operations services to you. You are not required to receive management and/or operations services from BASHA Management, Inc.
Slicing Fee	\$0.50 per pound of sliced ribeye	Paid by electronic funds transfer on the first day of each month for the preceding month.	Depending on the geographic location of your Restaurant, BAHSA Management, Inc. may provide you with meat slicing services. You are not required to contract with BAHSA Management, Inc. to provide you with meat slicing services if you slice your own ribeye.
Audits	Cost of audit plus interest at the maximum rate allowable by law (not to exceed 1.5% per month)	Immediately upon receipt of bill	You pay for the cost of the audit only if it shows an understatement of 2% or more of your Gross Sales.
Transfer Fee	\$14,000 plus our then current training fee for each person we train as a condition of transfer	Time of transfer	
Renewal Fee	\$5,000	Time of renewal	
Relocation Fee	\$5,000	Time of relocation	

Type of Fee(1)	Amount	Due Date	Remarks
Late Fee	\$100 for each delinquent report or payment	Automatically upon next Electronic Transfer of Funds	
Interest	1.5% per month	Immediately upon receipt of bill	
Additional Assistance/ Training	Our then-current training fee	Immediately upon receipt of bill	We provide opening assistance at no cost. See Item 11.
Insurance (8)	\$9,000-\$12,000	When premiums are due	See Items 7 and 8 for more information on insurance.

Notes:

- (1) You pay all fees to us unless otherwise noted. All fees are nonrefundable.
- (2) The amount of the Royalty Fee for any renewal term will be as provided in the franchise agreement executed for such renewal term.
- (3) Gross Sales includes the total revenues and receipts from the sale of all products, services and merchandise sold in your Restaurant, whether under any of our Trademarks or otherwise, including any catering or delivery services, cover charges or fees, in your Restaurant or on its premises as well as all license and use fees. Gross Sales does not include sales tax.
- (4) Reporting Period means the weekly period from Sunday to Saturday (unless we designate otherwise). If there are insufficient funds from which to pay the fee when due, the amount due will bear interest at the highest applicable legal rate up to a maximum of 1.5% per month from the date due.
- (5) See Item 11 for more information on advertising.
- (6) When collected, the Marketing Fee will be paid to us for deposit in a Marketing Fund. The expenses for local marketing must be paid by you directly to the vendors.
- (7) As further described in Item 11, we may designate a local marketing cooperative and require you to contribute to and participate in the marketing cooperative. Each Restaurant, including our company and affiliate-owned restaurants (except Special Sites), will be a member of the marketing cooperative. Each Restaurant will have one vote per Restaurant. If the majority of the Restaurants in a local marketing cooperative are company- or affiliate-owned, we will have majority voting power.
- (8) This estimate includes all risk or all peril coverage, business interruption insurance, comprehensive general liability insurance and other forms of required insurance. You pay insurance premiums directly to third party insurers. You must deliver to us upon execution of the lease or purchase agreement for the Authorized Location, but prior to commencing construction of your Restaurant, and thereafter annually or at our request a proper certificate evidencing the existence of the required insurance coverage. See Item 8 for more information on insurance.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee (Note 1)	\$27,500	Lump sum	Upon signing of Franchise Agreement	Us
Real Estate (Note 2)	Varies	As Arranged	As Arranged	Landlord
Leasehold Improvements (Note 3)	\$50,000 to \$204,000	As Arranged	As Arranged	Contractors
Equipment Package (Note 4)	\$142,525 to 212,850	As Arranged	As Arranged	Us
Management and Slicing Fee	\$0 to \$11,876	As Arranged	As Arranged	BASHA Management, Inc.
POS System (Note 5)	Included in the Equipment Package above	As Arranged	As Arranged	Us
Internet POS Monitoring (Note 6)	\$300 to \$600	As Arranged	As Arranged	Approved Supplier
Lease & Utility Security Deposits (Note 7)	\$3,500 to \$20,000	As Arranged	As Incurred	Lessor and Utility Companies
Insurance (Note 8)	\$2,000 to \$5,000	As Arranged	As Arranged	Insurance Company
Training (Note 9)	\$0 to \$1,500	As Incurred	As Incurred	Third Parties
Opening Marketing Campaign Fund (Note 10)	\$3,500	As Incurred	As Incurred in First 60 Days	Third Parties
Initial Opening Order (Note 11)	\$12,000 to \$15,000	As Arranged	Before Opening	Approved Suppliers
Professional Fees, Business Licenses and Permits	\$2,000 to \$10,000	As Arranged	As Arranged	Your Attorneys and Other Professionals, Local and State Agencies
Additional Funds (Note 12) (three month period)	\$25,000 to \$55,000	As Incurred	As Incurred In First Three Months	Employees, Suppliers
TOTAL (Note 13)	\$268,325 to \$566,826			

Notes:

- * We may offer you financing for the Equipment Package. (See Item 10) Other than the Equipment Package, we do not offer direct or indirect financing to franchisees for any items. Except where otherwise noted, all amounts that you pay to us or our affiliates are nonrefundable. Third party suppliers will decide if payments to them are refundable.
- (1) Initial Franchise Fee. The Initial Franchise Fee is \$27,500 and is due when you sign a Franchise Agreement. The Initial Franchise Fee is earned upon receipt and is nonrefundable. See Item 5 for more information on the Initial Franchise Fee.
 - (2) Real Estate. If you do not own suitable space for your Restaurant, you must lease a premises suitable for the operation of a Restaurant. You typically will lease a location with approximately 800 to 2,400 square feet, depending on the location of your Restaurant. Lease expenses may vary widely based on geographical location, size of the facility, local lease rates, and other factors.
 - (3) Leasehold Improvements. The costs of construction and leasehold improvements depend upon the size and condition of the premises, the nature and extent of the leasehold improvements required, the local cost of contract work and the geographic location of your Restaurant.
 - (4) Equipment Package. You will purchase your initial equipment from us. A list of the equipment included in this amount is attached as Schedule A to Franchise Agreement. See Item 5.
 - (5) POS System. You will purchase the computer system from us as part of the Equipment Package described in Schedule A to Franchise Agreement. The POS system will cost \$11,250 and is included in the total cost of the Equipment Package.
 - (6) Internet POS Monitoring. The estimate in the table above is for three months of service. The monthly fee will range from \$100 per month to \$200 per month. The continual Internet POS Monitoring fee will be paid to our approved supplier. As noted in Item 6, we reserve the right to collect an Online Ordering Fee ranging from \$50 per month to \$100 per month upon 30 days advance written notice.
 - (7) Lease & Utility Security Deposits. Landlords may require a security deposit, and utility companies may require that you place a deposit prior to installing telephone, gas, electricity and related utility services. A typical utility security deposit is one month's expense. A typical lease deposit will be an amount equal to first and last month's rent. These deposits may be refundable in accordance with the agreements made with the utility companies and landlord. Your rental expense may vary widely based on geographic location, size of the facility, negotiating factors, local rental rates and other factors.
 - (8) Insurance. You must procure and maintain throughout the term of the Franchise Agreement insurance in such amounts as set forth in the Franchise Agreement. The estimate is for approximately three months of insurance premiums. The cost of insurance will vary based on policy limits, type of policies procured, any lease requirements, nature and value of physical assets, number of employees, square footage, contents of the business, geographical location and other factors bearing on risk exposure.
 - (9) Training. You must make arrangements for at least one person to attend our training program. See Item 11 for more information on training. We will not charge you a fee for this person to attend our training program and we will pay all hotel and transportation costs for this one person to attend training. The estimate provided contemplates initial training of one person for 9 days. We also will not charge you a fee for one additional person to attend our training, but you are responsible for all hotel, transportation and other costs and expenses for any additional person

(outside of the first person as noted above) to attend training. You will pay our then-current training fee for any additional people to attend training.

- (10) Opening Marketing Campaign Funds. You must spend at least \$3,500 before or during the first 60 days your Restaurant is open on grand opening marketing, promotion and events. See Item 11 for more information.
- (11) Initial Opening Order. Your initial opening order must be purchased only from approved suppliers. The initial opening order consists of various food products, beverages, paper products, cleaning supplies and other supplies utilized in the operation of the Restaurant.
- (12) Additional Funds. This amount of working capital is projected as sufficient to cover initial operating expenses, including employee salaries, for a period of three months. These figures are estimates, and we cannot guarantee you will not have additional expenses starting the business. Your costs will depend on factors such as: how closely you follow our recommended methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level reached during the initial period. This amount does not end your initial investment obligations.
- (13) Total. We have used our Affiliates' five years of experience in the business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

You are cautioned to allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs. You must bear any deviation or escalation in costs from the estimates in this Item 7 or estimates that we give during any phase of the development process.

ESTIMATED INITIAL INVESTMENT FOR AREA DEVELOPMENT AGREEMENT. If you sign an Area Development Agreement, your initial investment for your first Restaurant will be the same as disclosed in the Item 7 chart. You also will pay a one-time Area Development Fee as described in Item 5. This is the only additional initial investment for the Area Development Agreement. The Initial Franchise Fee for each subsequent Restaurant is set forth in Item 5. You also should be aware that your initial investment for your second and subsequent Restaurants likely will be higher than the above estimates for your first Restaurant due to inflation and other economic factors that may vary over time.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to ensure a uniform image and uniform quality of products and services throughout the BIG AL'S STEAKS system, you must maintain and comply with our quality standards. Although you are not required to purchase or lease real estate from us or our affiliates, we must accept the location of your Restaurant (see Item 11). You must execute our standard form of Lease Addendum in connection with any lease for the location, a copy of which is attached to the Franchise Agreement as Schedule D. You must construct and equip your Restaurant in accordance with our then current approved design, specifications and standards. In addition, it is your responsibility to ensure that your building plans comply with the Americans With Disabilities Act and all other federal, state and local laws. You also must use equipment (including hardware and software for a restaurant point-of-sale system), signage, fixtures, furnishings, products, ingredients, supplies and advertising materials that meet our specifications and standards.

Designated Sources

As noted in Items 5 and 7, you must purchase the Initial Equipment Package, including the POS System, from us. We reserve the right to derive revenue from your purchase of these items. In addition, you must purchase ongoing equipment and supplies only from us or our approved suppliers as noted in this Item 8. From time to time we, an affiliate or a third party vendor or supplier may be the only approved supplier for certain products. For example, as of the date of this Disclosure Document, we are the only approved supplier for the Equipment Package identified on Schedule A to the Franchise Agreement. Additionally, you must purchase your ribeye steak, bread and other proprietary BIG AL'S STEAKS products and ingredients and certain other specialty products we designate only from our designated supplier, currently Cheney Brothers. You will pay the then-current price in effect for all purchases you make from us, our affiliate or any third party vendor we designate.

Approved Supplies and Suppliers

We provide you with a list of approved manufacturers, suppliers and distributors ("Approved Suppliers List") and approved inventory products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the Restaurant ("Approved Supplies List"). The Approved Supplies List may specify the specific manufacturer or supplier of a specific product or piece of equipment. We reserve the right to designate a primary or single source of supply for certain products and supplies, and we or an affiliate may be that single source. For example we may require you to serve only Coca Cola soft drinks, juices, bottled water and other beverages. Additionally, you must use our approved system and supplier for processing credit card sales. The lists also may include other specific products without reference to a particular manufacturer or supplier, or they may set forth the specifications and/or standards for other approved products. We may revise the Approved Suppliers List and Approved Supplies List. We give you the approved lists as we deem advisable. We generally do not give these lists to approved suppliers.

We generally do not consider requests from franchisees to obtain products from an alternative supplier. We do not share the criteria we use in approving a supplier with our franchisees.

Because we supply the Equipment Package to our franchisees, each of our officers owns an interest in one of our suppliers (the Franchisor). Other than our officers' ownership interest in us, as of the date of this Disclosure Document no officer has an ownership interest in any approved supplier.

You must carry insurance policies protecting you, us and our affiliates. The insurance policy or policies shall be written in accordance with the standards and specifications (including minimum coverage amounts) set forth in writing by us from time to time, and, at a minimum, shall include the following (except as different coverages and policy limits may be specified for all franchisees from time to time in writing): (i) "special" causes of loss coverage forms (sometimes called "All Risk coverage" or "All Peril coverage") on the Restaurant, restaurant improvements, furniture, fixtures, equipment, supplies and other property used in the operation of the Restaurant, for full repair and replacement value, except that an appropriate deductible clause is permitted; (ii) business interruption insurance covering a minimum 12 months loss of income, including coverage for our Royalty Fees (for example, in the event of a fire or destruction of the premises, the insurance must cover our average royalty payments (based on the previous 12 month timeframe, or if a shorter timeframe, the total operating timeframe for the restaurant) during the rebuilding process); (iii) comprehensive general liability insurance, including product liability insurance and contractual liability insurance, with minimum limits of \$1,000,000 per occurrence and \$2,000,000 annual aggregate; (iv) workers' compensation covering all of your employees; (v) employers liability insurance with minimum limits of \$1,000,000 per occurrence; (vi) umbrella liability insurance which also includes employers liability, with minimum limits of \$2,000,000 per

occurrence; (vii) "Per Location" aggregate limits when multiple restaurant locations are insured under one comprehensive general liability and umbrella liability policy(cies); (viii) Big Al's Steaks A & S, Inc. named as an additional insured on all liability policies required by this subparagraph; (ix) severability of interests or separation of insureds provisions must be included in the liability policies and all policies must be primary and non-contributing with any insurance policy carried by Big Al's Steaks A & S, Inc.; and (x) any other such insurance coverages or amounts as required by law or other agreement related to the Restaurant. We may from time to time modify the required minimum limits (including an increase to the umbrella policy referenced in (vi) above) and require additional insurance coverages by providing written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the BIG AL'S STEAKS system, standards of liability and higher damage awards. Although we do not do so as of the date of this Disclosure Document, we reserve the right to designate a single source from which you must purchase or renew insurance.

The insurance coverages referenced in (iii), (iv), (v), (vi), (vii), (viii) and (ix) of this subparagraph must commence as of the date you sign your franchise agreement. The insurance coverages referenced in (i) and (ii) of this subparagraph must commence as of the date construction begins at the Restaurant.

You must deliver to us upon execution of the lease or purchase agreement for the Authorized Location, but before commencing construction of your Restaurant, and thereafter annually or at our request a proper certificate evidencing the existence of such insurance coverage and your compliance with the provisions of this subparagraph. The insurance certificate must show our status as an additional insured (as noted in (viii) above) and provide that we will be given 30 days' prior written notice of material change in or termination or cancellation of the policy. If you do not procure and maintain the required insurance coverage (including any modifications referenced in the preceding sentence), we have the right, but not the obligation, to procure insurance coverage and to charge the costs to you, together with a reasonable fee for the expenses we incur in doing so. You must pay these amounts to us immediately upon written notice.

Although we require certain insurance coverage and have recommended other coverages, we do not guarantee that the required or recommended insurance will be adequate to fully protect your assets. You should therefore consult with an insurance professional to determine what coverage, in addition to the minimum required coverage, may be needed for you and your Restaurant.

We and our affiliates reserve the right to receive rebates or other consideration from suppliers in connection with your purchase of goods, products and services as described in this Item 8, as well as in connection with any future purchase of any goods, products or services. Most of these payments are calculated on an amount based on products sold. We will retain and use such payments as we deem appropriate or as required by the vendor. We and our affiliates also will derive revenue from items we sell directly to you by charging you more than our cost. During our last fiscal year ending December 31, 2010, we received revenue of \$132,350 from franchisees based upon items we sold to franchisees, or 76% of our total revenues of \$174,219. During its last fiscal year ending December 31, 2010, our Affiliate BASHA Management, Inc. received revenue of \$15,150.70 from franchisee purchases of services, or 100% of its total revenues of \$15,150.70. During our last fiscal year we did not receive any rebates or other revenue from items purchased by our franchisees from any third party supplier.

We may negotiate prices for numerous products for the benefit of the System but not on behalf of individual franchisees. Currently, there is no purchasing or distribution cooperative but we reserve the right to create a cooperative and require you to participate. We may receive volume discounts for the System which we will pass through to our franchised restaurants. Beyond these discounts, we do not provide material benefits to you because of your use of approved suppliers.

You can expect items purchased or leased in accordance with our specifications will represent approximately 80% to 90% of total purchases you will make to begin operations of the business and 30% to 40% of the ongoing costs to operate the business.

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	Section in Agreement*	Item in Disclosure Document
a.	Site selection and acquisition/lease	Sections 2A and 5A; Section 4 of the Area Development Agreement; Section 8 of the Area Development Agreement Addendum	Items 7 and 11
b.	Pre-opening purchases/leases	Sections 5A, 6A-6E and 9B	Items 5, 6, 7 and 8
c.	Site development and other pre-opening requirements	Sections 5A and 5B; Sections 2 and 4 of the Area Development Agreement	Items 7, 8 and 11
d.	Initial and ongoing training	Sections 7B and 7C; Sections 5 and 6 of the Area Development Agreement	Items 5, 6 and 11
e.	Opening	Sections 2C and 5A; Section 4 of the Area Development Agreement	Items 5 and 11
f.	Fees	Sections 9A-9D; Section 3 of the Area Development Agreement; Sections 1 and 2 of the Area Development Agreement Addendum	Items 5, 6 and 7
g.	Compliance with standards and policies/Operations Manual	Sections 6A-6O; Sections 4 and 6A of the Area Development Agreement	Items 6, 7, 8, 11, 14 and 16
h.	Trademarks and proprietary information	Sections 3A-E and 6J; Section 6B of the Area Development Agreement	Items 13 and 14
i.	Restrictions on products/services offered	Sections 2D-E and 6A-C	Items 6, 7, 8, 11, and 16
j.	Warranty and customer services requirements	Sections 2E and 6L	Items 6 and 11
k.	Territorial development and sales quotas	Sections 2B and 2D; Section 4 of the Area Development Agreement; Schedule B of the Area Development Agreement	Item 12

	Obligation	Section in Agreement*	Item in Disclosure Document
l.	Ongoing product/service purchases	Sections 6A-6C	Items 6, 7 and 8
m.	Maintenance, appearance and remodeling requirements	Sections 5B-5F	Items 8 and 11
n.	Insurance	Section 10C	Items 6, 7 and 8
o.	Advertising	Sections 8A-8E and 9D	Items 6, 7 and 11
p.	Indemnification	Section 10B	Not Applicable
q.	Owner's participation/management/staffing	Sections 7A-7F; Sections 5 and 6 of the Area Development Agreement Addendum	Items 11 and 15
r.	Records/reports	Sections 9E, 9H and 9I	Item 11
s.	Inspections/audits	Sections 5A-5C, 6G and 9I	Items 6 and 11
t.	Transfer	Sections 11A-11G; Section 9 of the Area Development Agreement	Items 6 and 17
u.	Renewal	Sections 4B	Items 6 and 17
v.	Post-termination obligations	Sections 14A-C; Sections 8A-F of the Area Development Agreement	Item 17
w.	Non-competition covenants	Section 10D	Item 17
x.	Dispute resolution	Sections 12A and 12B; Sections 10G and 10M of the Area Development Agreement	Item 17
y.	Other	Not Applicable	Not Applicable

* Unless otherwise noted, Section references are to the Franchise Agreement.

ITEM 10
FINANCING

As noted in Item 5, we may finance the Equipment Package. Your ability to obtain financing from us will depend on a number of factors including current market conditions, your credit history and your personal financial condition. We do not guarantee your notes, leases or other obligations and we are unable to estimate whether you will be able to obtain financing for any or all of your investment. If you obtain financing from us, you and us will sign a Promissory Note and Personal Guarantee (copies of which are attached to the Franchise Agreement as Schedule F). We may finance the Equipment Package based upon the following terms:

Item Financed	Source of Financing	Down Payment	Amount Financed	Term	APR	Monthly Payment	Pre-Payment Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Equipment Package (1)	Us	(2)	\$27,500	3 years (2)	3.16% to 7%	\$1,145.85 (2)	No (3)	Yes – Personal Guaranty (4)	Yes (5)	Yes (5)

(1) We may finance up to \$27,500 of the Equipment Package for your Restaurant. Factors affecting financing approval and terms include your credit score and history, your net worth, our financial needs and standards, and other possible factors. We will offer financing through a Promissory Note, a sample copy of which is attached to the Franchise Agreement as Schedule F. The Note will consist of financing over a 3-year period at an annual interest rate ranging from 3.16% to 7%. We reserve the right to modify or cancel our financing program at any time. We provide financing for \$27,500 of the Equipment Package only. Any additional financing for the Equipment Package, Initial Franchise Fee, working capital or additional investment is your responsibility to obtain from other lending sources.

(2) As noted in note 1 above, we may finance \$27,500 of the Equipment Package only. You must be able to pay the remaining amount of the Equipment Package at the time you sign the Franchise Agreement. The first payment under the Note will be due 30 days after you open your BIG AL'S STEAKS Restaurant for business. The installment payments will consist of a fixed payment each month, and the monthly payment noted in the table above assumes you finance \$27,500 of the Equipment Package at an interest rate of 3.16%.

(3) The Note can be paid in part or in whole at any time without penalty.

(4) We require each Note to be personally guaranteed by the individual owner(s) of the Restaurant.

(5) We will have the right to demand immediate payment if you fail to make any installment payment on time as further stated in the Note. We will also have the right to terminate the Franchise Agreement if you fail to make an installment payment in accordance with the Note. A default of the Note will be a default of your Franchise Agreement.

(6) We do not have any present practice or intent to sell, assign, transfer or discount to a third party all or part of the financing arrangement.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we need not provide any assistance to you:

Pre-Opening Assistance: Before you open your Restaurant, we will:

1. Provide you with site selection criteria and general building and design requirements for your Restaurant (Franchise Agreement, Sections 5A and B).
2. Provide you with the Approved Suppliers and Approved Supplies List (Franchise Agreement, Section 6C).
3. Provide you with either a written copy or an electronic copy of the Operations Manual (or electronic access to the Operations Manual) that details the specifications and procedures incidental to the operation of the Restaurant (Franchise Agreement, Section 6I).
4. Provide the training programs described below (Franchise Agreement, Sections 7B and 7C).
5. Provide you with opening support for your Restaurant, and any additional support we determine necessary (Franchise Agreement, Sections 7B and 7C).

Ongoing Assistance. During the operation of your Restaurant, we will:

1. Maintain the Marketing Fund (Franchise Agreement, Section 8A).
2. Provide updates to the Approved Suppliers and Approved Supplies Lists (Franchise Agreement, Section 6C).
3. Make periodic visits to your Restaurant as we reasonably determine to be necessary to provide consultation and guidance. We will advise you of any problems arising out of the operation of your Restaurant as disclosed by the report or by our inspection (Franchise Agreement, Section 6G).
4. Provide refresher training courses, as we determine necessary and require you to attend. We may provide these training programs without charge; however, you must pay all expenses for you and your employees, including training materials, travel and living expenses (Franchise Agreement, Section 7C).

Our Obligations Under the Area Development Agreement

A developer signs the initial Franchise Agreement in the Development Schedule at the time the Area Development Agreement is signed. Our obligations under the Franchise Agreement apply to a developer. Each time a developer signs another Franchise Agreement, our obligations are activated for the new Restaurant to be established. We do not have separate obligations under the Area Development Agreement.

Marketing

As of the date of this Disclosure Document we do not collect a Marketing Fee, but reserve the right to do so upon 30 days advance written notice. If we begin collecting a Marketing Fee, you will pay a Marketing Fee of 2% of your Gross Sales to a marketing and development fund (the "Fund") established by us.

We administer the Fund. The Fund is not a trust or escrow account, and we do not have any fiduciary obligations with respect to the Fund. If all of the Marketing Fees are not spent in the fiscal year in which they accrue, the remaining amounts are retained in the Fund for use in the following years. We may use the Fund for various purposes, including, but not limited to, (1) salaries, benefits and any other payments made to employees or any other individual or entity providing services to the Fund; (2) broadcast or print advertising; (3) the creation, development and production of advertising and promotional materials (*i.e.*, print ads, radio, film and television commercials, videotapes, direct mail pieces, and other print advertising); (4) any marketing or related research and development; (5) advertising and marketing expenses, including product and food research and development, services provided by advertising agencies, public relations firms or other marketing, research or consulting firms or agencies, menu designs, customer incentive programs, sponsorships, marketing meetings and sales incentives, development of our website and intranet system, Internet access provider costs, subscriptions to industry newsletters or magazines, and administrative costs and salaries for marketing support personnel; and (6) costs and expenses incurred by us relating to any franchise convention we hold or sponsor.

We determine the use of the monies in the Fund. We are not required to spend any particular amount on marketing, advertising or promotion in the area in which your Restaurant is located. We oversee the advertising program and use the Fund to create marketing materials and conduct national, regional or local advertising. We will contribute to the Fund amounts equal to your required percentage for each similarly situated company-owned and affiliate-owned restaurant in the same local marketing area, except those restaurants located at "Special Sites" (see Item 12). From time to time we may contribute to the Fund some amounts paid to us by outside suppliers. We will prepare an annual unaudited accounting of the Fund and will make it available for your review upon your written request. We have our own in-house marketing and advertising production capabilities, but also may use an outside national, regional, or local agency. We may be reimbursed for administrative costs and overhead incurred in administering the Fund. We will not use any of the advertising funds for the solicitation of franchise sales.

As noted above, we currently do not collect a Marketing Fee and, therefore, do not have any Marketing Fee expenditures to report.

You must spend at least 2% of your Gross Sales on local marketing and promotion. You may only use your own marketing material (including any marketing done through the Internet or through social media platforms) if we have approved it before its use. This local marketing and promotion expenditure is in addition to any Marketing Fee we may collect in the future.

You also must spend at least \$3,500 on grand opening marketing and promotion (the "Opening Marketing Campaign Fund"). The Opening Marketing Campaign Fund must be spent before or during the 60 days following the opening of your Restaurant. All marketing and promotion must be approved by us.

You must maintain a business phone and advertise continuously in the yellow pages or classified section of a local telephone directory (no display ads are required currently), the cost of which will count

toward your local marketing requirement. You must obtain our written approval of all promotional and marketing materials prior to their use.

Although we do not currently do so, we reserve the right to require advertising or marketing cooperatives to be formed, changed, dissolved or merged.

POS System

Included in your Equipment Package is a computer-based point-of-sale cash register system and other computer hardware and software including any credit card processing system that we designate (the "POS System"). You must record all sales on the POS System. The POS System consists of 2 point-of-sale stations and all hardware, software and data used to record and analyze sales, labor, and some inventory and product usage, employee information and tax information. Currently, each point-of-sale station hardware consists of a computer and LCD touch screen and is connected to your lockable cash drawer, customer receipt printer, and a kitchen printer. The POS System software currently used is the Future POS Software, a general point-of-sale accounting software program. We reserve the right to designate changes or enhancements to the POS System used in your Restaurant including the electronic cash registers, computer hardware, software and other equipment. At such time as we designate the change or enhancement to the POS System, you may be required to make certain payments to us or our designated suppliers. You will have 3 months to install and commence using the changed or enhanced POS System. You must acquire the right to use hardware, software, peripheral equipment and accessories, and arrange for installation, maintenance and support services of the initial, changed or enhanced POS System, all at your cost.

The POS System we develop may include proprietary software. You may be required to license the proprietary software from us, an affiliate or a third party, and you also may be required to pay a software licensing or use fee in connection with your use of the proprietary software. All right, title and interest in the software will remain with the licensor of the software.

We may access the POS System and retrieve, analyze, download and use all software, data and files stored or used on the POS System. We may access the POS System through our intranet, in your Restaurant or from other locations. You must store all data and information that we designate and report data and information in the manner we specify, including through our intranet or other online communications. You also must maintain a phone line and a separate modem dedicated for the sole use of allowing our computer system to interface and communicate with your POS System and you may need to purchase software designated by us for this to occur. You also must have your Restaurant connected to the Internet using a connection method we approve, currently DSL or Cable modem. You must have a permanent Internet email account.

You understand that the data storage, phone line, modem, communication software, Internet access, Internet email account and all additional hardware and software needed to implement and maintain these services is at your cost. We estimate the cost of purchasing the POS System will be approximately \$11,250, and is included in the amount you pay to us for the Equipment Package as described in Item 5. You also are required to pay a continual Internet enterprise monitoring and participation fee. The continual Internet enterprise monitoring and participation fee will range from \$100 per month to \$200 per month. The continual Internet enterprise monitoring and participation fee will be paid to our approved supplier. Included with your POS System is a 2-year support package. We estimate the annual cost of optional and/or required maintenance, updating, upgrading or support contracts for the POS System will range from \$100 to \$750. In addition, when your initial support package term expires, you will be required to enter into a new POS support package with our then-current POS support supplier.

As noted in Item 6, we reserve the right to collect an Online Ordering Fee ranging from \$50 per month to \$100 per month upon 30 days advance written notice.

You must upgrade or update hardware and software, as directed by us, during the term of the Franchise Agreement. There are no contractual limitations on the frequency and cost of the obligation.

Site Selection

You select the site for the Restaurant with site selection guidelines we provide. You must verify to us that your site complies with our site selection guidelines. We do not select your site. However, upon your submission of all required information, we will notify you in writing within 30-45 days whether or not we have any objections to the site you proposed. You may not proceed to develop a Restaurant on the site unless we have provided you with our written acceptance of the site. Further, we must approve your plans and specifications for the Restaurant prior to the time you commence construction. Our identification, or acceptance of a site does not constitute a guarantee, recommendation or assurance as to the success of the site or your Restaurant. The site selection factors considered by us in deciding whether or not to object to the location may include the following: (a) demographics; (b) traffic patterns; (c) visibility; (d) business mix; (e) ability to reflect image to be portrayed by BIG AL'S STEAKS businesses; and (f) adequacy of signs and image.

If you have not selected a site at the time the Franchise Agreement is signed you have 180 days to do so. If the site selection cannot be agreed upon, we may terminate the Franchise Agreement or grant you an extension of time to locate a site.

Typical Length of Time Before You Open Your Restaurant

The typical length of time between the signing of the Franchise Agreement and the opening of your business is approximately 12 to 18 months. Factors that may impact this length of time may include whether you have a site selected upon execution of the Franchise Agreement, your ability to obtain a site, prepare a site survey, arrange leasing and financing, make leasehold improvements, install fixtures, equipment, and signs, decorate the Restaurant, meet local requirements, obtain inventory, and similar factors.

Unless we provide you with written notice stating otherwise, we must approve your opening date.

If a developer fails to comply with the Development Schedule, we may terminate the Area Development Agreement, reduce the number of Restaurants the developer has the right to develop, terminate or reduce the Development Territory, repurchase any Restaurants open by you under the Area Development Agreement or exercise any other rights and remedies that we may have (Area Development Agreement, Section 8).

Operations Manual

Attached as Exhibit E to this Disclosure Document is the table of contents for our Operations Manual. You must treat the Operations Manual, and other written materials created for or approved for use in the operation of the Restaurant, and the information contained in them, as confidential. The Operations Manual will remain our sole property. We may, from time to time, revise the contents of the Operations Manual and you must comply with each new or changed standard.

Training

You must complete the following initial training program at least 14 days prior to opening your Restaurant. There is no charge for you and one additional person to attend the initial training program. You must complete the following initial training program to our satisfaction:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Welcome, History, Orientation	1	0	Delray Beach, Florida
Industry Study	1	0	Delray Beach, Florida
Franchisee/Franchisor Relationship	2	0	Delray Beach, Florida
Menu/POS Training	2	0	Delray Beach, Florida
Hands-On/In-Store Training	1	1	Delray Beach, Florida
Business Basics – Running a Big Al’s Steaks	4	0	Delray Beach, Florida
Human Resources	1	0	Delray Beach, Florida
Equipment Review	1	0	Delray Beach, Florida
Hands-On – Opening the Store	0	2	Delray Beach, Florida
Hands-On – Real Time Opening the Store	0	3	Delray Beach, Florida
Closing Procedures of the Store	0	2	Delray Beach, Florida
Ordering and Inventory	2	0	Delray Beach, Florida
Products, Prep, Recipes and Cooking	1	2	Delray Beach, Florida
Cleaning and Equipment Maintenance	1	1	Delray Beach, Florida
Reporting and Documentation	2	0	Delray Beach, Florida
Accounting and Financial	2	0	Delray Beach, Florida
Marketing, Advertising and Grand Opening	2	0	Delray Beach, Florida
Overview	1	1	Delray Beach, Florida
On-Site Training in Philadelphia	0	12	Philadelphia, Pennsylvania

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Recap	4	0	Delray Beach, Florida
Review and Graduation	4	0	Delray Beach, Florida
TOTAL	32	24	

Alan Costilo and Adam Costilo will oversee our training. Alan Costilo has been our Chief Executive Officer since our inception in October 2008. For the last 5 years, Alan Costilo has been an owner/operator of our Affiliates' BIG AL'S STEAKS Restaurants. Adam Costilo has been our Chief Operating Officer since our inception in October 2008. For the last 5 years, Adam Costilo has been an owner/operator of our Affiliates' BIG AL'S STEAKS Restaurants. Additional information regarding Alan Costilo's and Adam Costilo's background and experience is set forth in Item 2. Other of our or our Affiliate's officers, directors or employees may assist with training. The Operations Manual will be used as the principal instructional material.

You (or if Franchisee is a legal entity, one of your owners) must complete to our satisfaction this training program that lasts approximately 9 days. 8 days of training will be held in Delray Beach, Florida, and 1 day will be held in Philadelphia, Pennsylvania. We will pay all hotel and transportation costs for you (or one of your owners) to attend our training program. We will train one additional person without charging you a training fee. You, however, are responsible for paying all hotel and transportation costs for any additional people to attend our training program.

If you would like us to train more than the two people noted above, or if it becomes necessary to re-train a certain individual, we will charge you our then-current training fee. You also will be responsible for paying all travel and hotel costs and other daily expenses for each additional person who attends our initial training program. Training generally occurs at our affiliate's Delray Beach, Florida, Restaurant and in Philadelphia, Pennsylvania, but we may schedule your training at another site.

Any managers or replacement managers you hire must complete our training course.

Your Restaurant may be certified as a training center or Franchise Training Unit. To be certified as a training center, all of your Restaurants and any Restaurants operated by your affiliates must have been in continuous full contractual compliance with all Franchise Agreements executed by you or your affiliates and you and your affiliates are in full compliance with all operational requirements, all for an uninterrupted period of six months prior to your request that your Restaurant be certified as a training center. If your Restaurant is certified as a training center, you may train any managers or replacement managers you hire. Any managers or replacement managers that you train, must pass a training test we administer.

Additionally, prior to the opening of your Restaurant, we will provide you with on-site opening training and assistance for up to 14 days as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Set Up	1-2	3-5	Franchisee Location
POS and Pricing	3-4	4-7	Franchisee Location
Marketing	2-4	2-4	Franchisee Location
Inventory and Ordering 101	2-4	2-4	Franchisee Location
Introducing Yourself to the Community	1	3-5	Franchisee Location
Equipment 101	2	4-8	Franchisee Location
Products, Prep, Recipes and Cooking	2	6-12	Franchisee Location
Opening	2	4-8	Franchisee Location
Closing	2	4-8	Franchisee Location
Back Office	2	2-4	Franchisee Location
TOTAL	19-25	34-65	

If you request additional days of on-site training or if we determine that it is necessary to provide you with more on-site training we may require you to pay to us for each additional on-site training day our then-current daily on-site training fee.

We may require you to attend refresher training programs. We will not charge for this training, but you must pay the travel, living expenses and supply costs for you and your employees.

We may require you to attend any annual meeting, convention or conference of franchisees we hold and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, restaurant management, sales or sales promotion, or similar topics, at your own expense.

ITEM 12 **TERRITORY**

You receive the right to operate a BIG AL'S STEAKS Restaurant at a specific location described in the Franchise Agreement. We will not during the term of your franchise operate or grant others the right to operate any other BIG AL'S STEAKS restaurant within a specified geographic area ("Designated Area"), except as generally described in this Item 12 and more fully set forth in the Franchise Agreement. We determine the Designated Area and incorporate it into a written description or a map attached to the Franchise Agreement or in a separate correspondence from us to the franchisee.

The criteria used for determining the boundaries of the Designated Area include: population base, density of population, growth trends of population, the density of residential and business entities, traffic generators, driving times and other topographical features which clearly define contiguous areas like rivers, mountains, major freeways and underdeveloped land areas. Generally, a Designated Area will have a general trade area with a population base or business base of approximately 40,000.

During the term of the Franchise Agreement and provided you are in compliance with the terms and conditions of that Agreement, we will not (i) modify the Designated Area without your written permission, (ii) locate either a company-owned or franchised BIG AL'S STEAKS restaurant within the Designated Area, or (iii) establish a company-owned or another franchised business in the Designated Area under the Marks that offer the same menu items, products and services as your BIG AL'S STEAKS Restaurant, except for Merger/Acquisition Activity (as defined and described below).

We retain all rights that are not expressly granted to you under the Franchise Agreement. The license granted to you under the Franchise Agreement does not include (i) any right to sell products and Menu Items at any location other than the Authorized Location, except for any catering or delivery services we permit, (ii) any right to sell products and Menu Items to any person or entity for resale or further distribution, except as we may establish from time to time, or (iii) any right to exclude, control or impose conditions on our development of future franchised, company- or affiliate-owned restaurants at any time or at any location outside the Designated Area.

Further, we may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any rights therein:

- (i) establish and/or license others to establish franchised or company-owned Restaurants at any location outside the Designated Area regardless of the proximity of such restaurants to your Designated Area;
- (ii) merge with, acquire or become associated with ("Merger/Acquisition Activity") any businesses or restaurants of any kind under other systems and/or other marks, which businesses and restaurants may convert to or operate under the Marks and may offer or sell menu items, products and services that are the same as or similar to the Menu Items offered at or from the Restaurant, and which may be located anywhere within or outside the Designated Area; and
- (iii) sell and distribute for ourselves and/or license others to sell and distribute through franchised businesses or any other method of distribution, within and outside the Designated Area, menu items the same as or different from the Menu Items offered under the System, and which are offered and distributed under marks different than the Trademarks.

In addition, we and our affiliates have the right to offer, sell or distribute, within and outside of the Designated Area, any proprietary items or other products or services associated with the System (now or in the future) or identified by the Trademarks, or any other trademarks, service marks or trade names, except for retail food service Menu Items that are cooked or prepared to be served to the end user or customer for consumption at the retail location. The distribution channels or methods include, without limitation, grocery stores, club stores, convenience stores, wholesale, business or industry locations (e.g. manufacturing site, office building), military installations, military commissaries or the Internet.

Special Sites are excluded from the Designated Area and we have the right to develop or franchise the following Special Site locations—(1) military bases; (2) public transportation facilities; (3) sports facilities, including race tracks; (4) student unions or other similar buildings on college or university campuses; (5) amusement and theme parks; and (6) community and special events.

You must not offer catering and delivery services unless we authorize in writing. We and our affiliates may not engage in catering and delivery services within the Designated Area, unless originating from an affiliate-operated Special Site, as described above. Although we do not encourage other franchisees to cater or deliver in another franchisee's designated area, we have no obligation to enforce these prohibitions against any franchisee.

Continuation of your Designated Area does not depend on the achievement of a certain sales volume, market penetration or other contingency. You do not receive the right to acquire additional franchises within or outside of your Designated Area unless you sign another franchise agreement with us.

We do not restrict you from soliciting customers outside your Designated Area. You do not, however, have the right to use other channels of distribution to make sales outside your Designated Area.

You do not have the right to relocate your Restaurant without our prior written approval. If we allow you to relocate your Restaurant, you must do so at your cost, and we may require you to pay us a relocation fee, prior to you relocating your Restaurant, to cover our expenses in assisting with the relocation. We also may require you to sign our then-current form of franchise agreement as a condition of the relocation.

Area Development Agreement

If you and we enter into an Area Development Agreement requiring you to open and operate multiple BIG AL'S STEAKS Restaurants in a Development Territory, we will not develop or operate or grant anyone else a franchise to develop and operate a BIG AL'S STEAKS restaurant business (except for the Special Sites defined above) in the Development Territory prior to the earlier of (i) the expiration or termination of your Area Development Agreement; (ii) the date on which you must execute the Franchise Agreement for your last Restaurant pursuant to the terms of the Development Schedule or (iii) the date on which the Designated Area for your final Restaurant under this Agreement is determined. However, in the event that the Development Territory covers more than one city, county or designated market area, the protection for each particular city, county or designated market area will expire upon the earliest of (1) any of the foregoing events or (2) the date when the Designated Area for your final Restaurant to be developed in such city, county or designated market area under the Area Development Agreement is determined. Notwithstanding anything in the Area Development Agreement, upon the earliest occurrence of any of the foregoing events (i) the Development Territory will expire and (ii) we will be entitled to develop and operate, or to franchise others to develop and operate, BIG AL'S STEAKS restaurants in the Development Territory, except as may be otherwise provided under any Franchise Agreement that has been executed between us and you and that has not been terminated. At the time you execute your final Franchise Agreement under the Development Schedule, you must have an Authorized Location for your final Restaurant. We determine the Development Territory in an Area Development Agreement using the same criteria that is used in deciding a Designated Area for one Restaurant. However, the Development Territory must be able to support the number of restaurants you intend to establish in that area. As a result, the Development Territory generally consists of a portion of a city, county or designated market area.

The rights and restrictions described above regarding what we and our affiliates can and cannot do in a franchisee's Designated Area for a single Restaurant are generally the same for the Development Territory set forth in an Area Development Agreement. In addition, we may terminate the Area Development Agreement if you (i) fail to exercise options to enter into Franchise Agreements with us within any period on the Development Schedule; (ii) fail to comply with any other terms and conditions of the Area Development Agreement; (iii) make or attempt to make a transfer or assignment in violation

of the Area Development Agreement; or (iv) fail to comply with the terms and conditions of any individual Franchise Agreement or of any other agreement to which you and we or our affiliates are parties.

ITEM 13
TRADEMARKS

The Franchise Agreement licenses you to use the service mark BIG AL'S STEAKS, as well as other trademarks, service marks, trade names and commercial symbols (collectively, the "Marks"). We also claim common law trademark rights for all of the Marks. We have filed or intend to file all required affidavits and renewals for the Marks listed below.

TRADEMARK	REGISTRATION DATE	REGISTRATION NUMBER
BIG AL'S STEAKS	August 11, 2009	3665951

On December 3, 2008, we received an Office Action from the U.S. Patent & Trademark Office regarding the registration of the Marks. The Office Action stated that the U.S. Patent & Trademark Office would not register the BIG AL'S STEAKS Mark because of a likelihood of confusion with the BIG AL'S BAR trademark, Registration No. 2213916. In order to obtain registration of the BIG AL'S STEAKS Mark, Big Al's Steaks, Inc. and SDF, Inc. of Rockford, Illinois ("SDF") (who had previously registered "BIG AL'S BAR" with the U.S. Patent & Trademark Office) entered into a Consent Agreement dated April 3, 2009, agreeing, among other things, that:

1. In return for payment from Big Al's Steaks, Inc., SDF provided its consent for Big Al's Steaks, Inc. to register and use the trademark "BIG AL'S STEAKS" nationally, with the exception of use within 50 miles of and including the city of Rockford, Illinois.

2. Big Al's Steaks agrees to never open a BIG AL'S STEAKS restaurant within and including 50 miles of the city of Rockford, Illinois.

We responded to the Office Action on April 20, 2009, which response included a copy of the Consent Agreement.

Our Affiliate, Big Al's Steaks, Inc., has licensed us the right to use the Marks and to sublicense the use of any of the Marks for the operation of a Restaurant under a license agreement dated April 29, 2009. The license agreement provides for unlimited, automatic renewals. Our Affiliate may terminate the license agreement if, among other things, we file bankruptcy or we or any BIG AL'S STEAKS franchisee materially misuse the Marks. The license agreement contains no other limitations.

Schedule C to your Franchise Agreement identifies the Marks that you are licensed to use. We have the right to change Schedule C from time to time. Your use of the Marks and any goodwill is to our and our Affiliate's exclusive benefit and you retain no rights in the Marks. You also retain no rights in the Marks upon expiration or termination of your Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing. We may change the System presently identified by the Marks including the adoption of new Marks, new Menu Items, new products, new equipment or new techniques and you must adopt the changes in the System, as if they were part of the Franchise Agreement at the time of its execution. You must comply

within a reasonable time, at your expense, if we notify you to discontinue or modify your use of any Mark. We will have no liability or obligation as to your modification or discontinuance of any Mark.

Other than the Office Action noted above, there are currently no effective material determinations by the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Marks. Except for the terms of the Consent Agreement described above, there are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the Marks.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to the Marks and we have the sole right to decide to pursue or settle any infringement actions related to the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you must make the changes or substitutions at your own expense.

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

There are no patents, patent applications or copyrights currently pending or registered that are material to the franchise, although we do claim copyright ownership and protection for our BIG AL'S STEAKS Franchise Agreement, Operations Manual, website and for various sales promotional and other materials published from time to time.

There are no currently effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights. There are currently no agreements in effect that significantly limit our rights to use or license the use of any patents or copyrights in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the patents or copyrights.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to any patents and copyrights and we have the sole right to decide to pursue or settle any infringement actions related to the patents or copyrights. You must notify us promptly of any infringement or unauthorized use of the patents or copyrights of which you become aware.

You must keep confidential during and after the term of the Franchise Agreement all trade secret and proprietary information, including the Operations Manual and the care and preparation of the Menu Items. Upon termination of your Franchise Agreement, you must return to us all proprietary information, including but not limited to any writing relating to the care and preparation of the Menu Items, the Operations Manual and all other copyright material. You must notify us immediately if you learn about an unauthorized use of proprietary information. We are not obligated to take any action and we have the sole right to decide the appropriate response to any unauthorized use of proprietary information. You must comply with all changes to the Operations Manual at your cost.

All ideas, concepts, procedures, techniques or processes concerning the BIG AL'S STEAKS Restaurant, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you will assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE
FRANCHISE BUSINESS

We recommend, but do not require, that during the term of the Franchise Agreement, you (if franchisee is an individual) or one of your owners (if franchisee is a legal entity) devote full time and best efforts to the management of the Restaurant and provide direct, on-site supervision of the Restaurant. You may, however, hire a manager to provide direct, on-site supervision of the Restaurant and/or assist you in the day-to-day operations of the Restaurant.

Any manager(s) or replacement manager(s) you hire must complete our training course. As described in Item 11, any manager(s) or replacement manager(s) you hire must be trained by us, or if your Restaurant is a training center, by you and pass our training test. If any person fails to satisfactorily complete the training program, you may designate a different individual, who must then satisfactorily complete the training program. The use of a manager in no way relieves you of your obligations to comply with the Franchise Agreement and to ensure that the Restaurant is properly operated.

You must attend any annual meeting, convention or conference of franchisees and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, restaurant management, sales or sales promotion, or similar topics, that we offer, at your own expense.

All shareholders, officers, directors, partners, members and all managers and other employees having access to our proprietary information must execute non-disclosure agreements in a form we accept. If we so require, your managers and supervisory personnel and other employees receiving training from us must execute covenants not to compete in a form that we approve.

If you are a legal entity, each owner holding a 10% or more ownership interest in you must sign a personal guaranty in the form attached to the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Item 8 of this Disclosure Document describes our requirements for approved supplies and suppliers. You must offer for sale at the Restaurant all of the Menu Items and related products that we periodically require and you may not offer at the Restaurant any unapproved products or use the premises for any purpose other than the operation of a Restaurant. We have the unlimited right to change the types of authorized products and services you may offer.

You must not install or maintain on the premises of the Restaurant any pool tables, video games, jukeboxes, gum machines, games, rides, vending machines, cigarette vending machines, gaming machines, games of chance or other similar devices.

You may not offer any delivery service or engage in catering services without our prior written approval. You also may not offer for sale any Menu Items or other products through the Internet or other online programming or marketing. See Item 12. You are not otherwise limited in the customers to whom you may sell products or services.

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.

	Provision	Section in Agreement*	Summary
a.	Length of the term of the franchise	Section 4A Sections 2 and 4 and Appendix B to the Area Development Agreement	Term is 10 years. Term depends on the number of Restaurants to be developed under the Area Development Agreement as specifically set forth in Appendix B.
b.	Renewal or extension of the term	Section 4B	Renewal for 1 additional term of 10 years. No renewal rights under the Area Development Agreement.

	Provision	Section in Agreement*	Summary
c.	Requirements for you to renew or extend	Section 4B	<p>You give us written notice of your decision to renew at least 6 months but not more than 12 months before the end of the expiring term; you sign our then current form of franchise agreement; you have complied with the modernization requirements for your Restaurant; you are not in default and have satisfied your obligations on a timely basis; if leasing, you have written proof of your ability to remain in possession of the Restaurant premises throughout the renewal term; you comply with our training requirements; you pay us, at the time of renewal, a \$5,000 renewal fee; and you sign a release.</p> <p>If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.</p>
d.	Termination by you	Section 13C	<p>You may terminate the Franchise Agreement only for a material breach by us, provided you give us written notice of the breach and allow 30 days to cure such breach and, if not cured, wait 60 days from the original notice of breach before terminating the Franchise Agreement.</p> <p>You do not have the right to terminate the Area Development Agreement.</p>
e.	Termination by us without cause	Section 2A	If you fail to locate a site for your Restaurant within 180 days after signing the Franchise Agreement, we may terminate the Franchise Agreement.
f.	Termination by us with cause	Sections 13A and 13B Section 7B of the Area Development Agreement	We can terminate the Franchise Agreement and Area Development Agreement only if you default or fail to comply with your obligations. The Franchise Agreement and Area Development Agreement contain cross-default provisions.
g.	“Cause” defined - defaults which can be cured	Sections 13A and 13B Section 7B of the Area Development Agreement	<p>You have 10 days to cure the non-submission of reports and non-payment of amounts due and owing; and 30 days to cure defaults for the failure to abide by our standards and requirements in connection with the operation of your business, or failure to meet any requirements or specifications established by us, and any other default not listed in (h) below.</p> <p>You have 30 days to cure defaults not listed in (h) below.</p>

	Provision	Section in Agreement*	Summary
h.	“Cause” defined – defaults which cannot be cured	<p>Sections 2A, 5A, 5B, 5D, 9I, 13A, 13B and 15P</p> <p>Section 4C, 7B and 10N of the Area Development Agreement</p>	<p>Non-curable defaults include: any material misrepresentation or omission in your application for a franchise, abandonment, loss of lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to relocate, closing of the Restaurant, the closing of the Restaurant by the authorities for health or public safety reasons, failure to locate a site for your Restaurant within 180 days after signing the franchise agreement, unauthorized use of confidential information, your insolvency, unapproved assignments or transfers, defaults that materially impair the goodwill associated with any of the Marks, criminal convictions, intentionally (or unintentionally in two or more occasions) understating or underreporting Gross Sales or other fees, multiple defaults, you employ or seek to employ, directly or indirectly, any person who is at the time or was at any time during the prior 6 months employed in any type of managerial position by us, our affiliates, or by any franchisee in the system, or failure to cure within 24 hours of notice a default which violates any health, safety or sanitation law or regulation or any system standard as to food handling, cleanliness, health or sanitation.</p> <p>Non-curable defaults include: insolvency or general assignment for the benefit of creditors, appointment of a receiver of your property, a final judgment remains unsatisfied of record for 30 days or longer, execution is levied against your business or property, suit to foreclose any lien or mortgage against your premises or equipment is instituted against you and is not dismissed or in the process of being dismissed within 30 days, failure to meet the Development Schedule, you employ or seek to employ, directly or indirectly, any person who is at the time or was at any time during the prior 6 months employed in any type of managerial position by us, our affiliates, or by any franchisee in the system, or notice of termination of a Franchise Agreement.</p>

	Provision	Section in Agreement*	Summary
i.	Your obligations on termination/non-renewal	Section 14A-14C Sections 8A-G of the Area Development Agreement	Obligations include complete de-identification and payment of amounts due, assignment of lease and telephone numbers upon our demand, return of Operations Manual and Confidential Information, proprietary materials and related writings, and right to purchase assets of the Restaurant (also see (o) and (r) below). You lose all remaining rights to develop Restaurants. Other obligations include those obligations noted above if existing Franchise Agreements also are terminated. We also may have the right to purchase assets of the Restaurants (see (o) below).
j.	Assignment of contract by us	Section 11G Section 9A of the Area Development Agreement	No restriction on our right to assign.
k.	“Transfer” by you – defined	Section 11A Section 9B of the Area Development Agreement	Includes any transfer of your interest in the Franchise Agreement or in the business or any ownership change listed in Section 11A of the Franchise Agreement and Section 9B of the Area Development Agreement.
l.	Our approval of transfer by you	Section 11B Section 9B of the Area Development Agreement	We have the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for our approval of transfer	Sections 11B-11D Section 9B of the Area Development Agreement	Transferee meets all of our then-current requirements for new franchisees, transfer fee and any applicable training fee paid, all amounts owed by prior franchisee paid, required modernization is completed, training completed, transferee executes then current form of franchise agreement (modified to reflect that agreement relates to a transfer), required guarantees signed, necessary financial reports and other data on franchise business is prepared, release signed by you, full compliance of your obligations under all Franchise Agreements executed between you and us, and other conditions that we may reasonably require from time to time as part of our transfer policies (also see (r) below); provided that certain transfer conditions do not apply to transfers to immediate family members or among Owners. You cannot transfer rights under the Area Development Agreement unless you transfer all of your rights and interests under all Franchise Agreements.

	Provision	Section in Agreement*	Summary
n.	Our right of first refusal to acquire your business	Section 11F	We can match any offer for your Restaurant assets and, in the case of a proposed stock sale, we can purchase your Restaurant assets at a price determined by an appraiser, unless you and we agree otherwise.
o.	Our option to purchase your business	Section 14B Section 10F of the Area Development Agreement	Upon termination, we have the right (but not the obligation) to purchase or designate a third party that will purchase all or any portion of the assets of your Restaurant, including the land, building, equipment, fixtures, signs, furnishings, supplies, leasehold improvements, and inventory. Qualified appraiser(s) will determine price as set forth in the Franchise Agreement. This right to purchase is qualified under the Area Development Agreement, depending on the number of Restaurants in the Development Territory and the reason for the termination of the Area Development Agreement.
p.	Your death or disability	Section 11E	You can transfer your franchise rights to your heir or successor in interest like any other transfer, provided the person satisfies our training requirements and other transfer conditions, but if assignee is your spouse or child, no transfer fee is required.
q.	Non-competition covenants during the term of the franchise	Section 10D	Except as we otherwise agree to in writing, no direct or indirect involvement in the operation of any restaurant or food business other than the one authorized in the Franchise Agreement.
r.	Non-competition covenants after the franchise is terminated or expires	Section 10D	No direct or indirect involvement in a Competing Business for 2 years (i) at the premises of the former Restaurant (ii) within 5 miles of the former Restaurant or (iii) within 5 miles of any other business or restaurant using the System. A Competing Business for purposes of the post-term non-compete includes any business where 5% or more of its sales include the sale of steak sandwiches on a submarine or hoagie roll.
s.	Modification of the Agreement	Section 15B Section 10C of the Area Development Agreement	No modifications generally, but we have the right to change the Operations Manual, list of authorized trademarks and menu.

	Provision	Section in Agreement*	Summary
t.	Integration/merger clause	Section 15B Section 10C of the Area Development Agreement	Only the terms of the Franchise Agreement are binding (subject to federal law). Any statements or promises not in the Franchise Agreement or this Disclosure Document should not be relied upon and may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 12 Section 10M of the Area Development Agreement	Except for certain claims, all disputes must be arbitrated in the city closest to where our headquarters are located (currently, Delray Beach, Florida) (subject to state law).
v.	Choice of forum	Section 15I Section 10G of the Area Development Agreement	Litigation must be in the applicable federal or state court where our headquarters are located (currently, Florida) (subject to state law).
w.	Choice of law	Section 15H Section 10G.1 of the Area Development Agreement	Except for claims under federal trademark law, and the parties' rights under the Federal Arbitration Act, the law of the State of Florida will govern any dispute (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 of 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 any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Alan Costilo at 450 E. Atlantic Avenue, Delray Beach, Florida 33483; (561) 819-0399, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2008 TO 2010

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2008	0	0	0
	2009	0	0	0
	2010	0	1	+1
Company-Owned	2008	2	2	0
	2009	2	2	0
	2010	2	2	0
Total Outlets	2008	2	2	0
	2009	2	2	0
	2010	2	3	+1

TABLE NO. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2008 TO 2010

State	Year	Number of Transfers
Total	2008	0
	2009	0
	2010	0

TABLE NO. 3**STATUS OF FRANCHISED OUTLETS
FOR YEARS 2008 TO 2010**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Required by Franchisor	Ceased operations Other Reasons	Outlets at End of the Year
Florida	2008	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0
	2010	0	1	0	0	0	0	1
Total	2008	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0
	2010	0	1	0	0	0	0	1

Note: No franchised outlets are located in the States omitted from this table.

TABLE NO. 4**STATUS OF COMPANY-OWNED
OUTLETS FOR YEARS 2008 TO 2010**

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Florida	2008	2	0	0	0	0	2
	2009	2	0	0	0	0	2
	2010	2	0	0	0	0	2
Total	2008	2	0	0	0	0	2
	2009	2	0	0	0	0	2
	2010	2	0	0	0	0	2

Note: No company- or affiliate-owned outlets are located in the states omitted from this table.

TABLE NO. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2010

State	Franchised Agreements Signed But Not Opened	Projected New Franchised Outlets in the next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Florida	0	2	2
Total	0	2	2

Below is a list of our current franchisees:

Sempire C Corp.
1000 N. Congress Avenue, Suite M100
Boynton Beach, Florida 33436
(561) 424-0089

As of the date of this Disclosure Document, no franchisee has had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement or has not communicated with us within ten weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us. We have not created, sponsored or endorsed any trademark-specific franchisee associations.

ITEM 21
FINANCIAL STATEMENTS

As noted in Item 1, we were first formed in October 2008. Attached to this Disclosure Document as Exhibit B are audited financial statements for the following time periods:

1. October 1, 2008 through December 31, 2008,
2. January 1, 2009 through December 31, 2009, and
3. January 1, 2010 through December 31, 2010.

ITEM 22
CONTRACTS

This Disclosure Document includes a sample of the following contracts:

Exhibit C - Franchise Agreement, including Schedules: A-BIG AL'S STEAKS Schedule A; B-Data Sheet; C-Trademarks; D-Addendum to Lease; E-Electronic Transfer of Fund Authorization; F-Promissory Note; Franchise Agreement Personal Guarantee and Acknowledgment Addendum.

Exhibit D - Area Development Agreement, including: Personal Guarantee; Appendix: A -Data Sheet; B-Description of Territory; C-Development Schedule; and Acknowledgment Addendum.

Exhibit F - Sample Release.

ITEM 23
RECEIPTS

Attached to this Disclosure Document as Exhibit G is a detachable acknowledgment of receipt.

EXHIBIT A

LIST OF STATE AGENCIES

CALIFORNIA

California Commissioner of
Corporations
Department of Corporations
State of California
320 West 4th Street, Suite 750
Los Angeles, California 90013
Telephone: 1-866-275-2677

HAWAII

Commissioner of Securities of
the State of Hawaii
335 Merchant Street
Room 203
Honolulu, HI 96813

ILLINOIS

Attorney General State of Illinois
500 South Second Street
Springfield, Illinois 62706

INDIANA

Agent for Service of Process
Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

State Administrator

Securities Commissioner
Indiana Securities Division
302 West Washington, Room E-
111
Indianapolis, Indiana 46204

MARYLAND

Agent to Receive Process
Securities Commissioner
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

State Authority

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

MICHIGAN

Consumer Protection Division
Attn.: Franchise
670 Williams Building
Lansing, Michigan 48913

MINNESOTA

Commissioner of Commerce
Minnesota Department of
Commerce
85 7th Place East
Suite 500
St. Paul, Minnesota 55101

NEW YORK

Agent to Receive Process

Secretary of State
State of New York
162 Washington Avenue
Albany, New York 12231

State Administrator

New York State Department of
Law
Bureau of Investor Protection and
Securities
120 Broadway, 23rd Floor
New York, New York 10271

NORTH DAKOTA

North Dakota Securities
Department
600 East Boulevard Avenue
State Capital Fifth Floor,
Dept. 414
Bismarck, North Dakota 58505
Telephone: (701)328-4712

RHODE ISLAND

Rhode Island Department of
Business Regulation
Securities Section
1511 Pontiac Avenue
John O. Pastore Center
Building 69-1
Cranston, RI 02920

SOUTH DAKOTA

Division of Securities
State of South Dakota
445 E. Capitol Avenue
Pierre, SD 57501

VIRGINIA

Agent to Receive Process
Clerk of the State Corporation
Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

State Administrator

State Corporation Commission
Division of Securities and Retail
Franchise
1300 East Main Street, 9th Floor
Richmond, Virginia 23219

WASHINGTON

Director
Department of Financial
Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507

WISCONSIN

Division of Securities
Department of Financial
Institutions
345 W. Washington Avenue, 4th
Floor
Madison, Wisconsin 53703

EXHIBIT B
FINANCIAL STATEMENTS

EXHIBIT C

FRANCHISE AGREEMENT WITH SCHEDULES: A-BIG AL'S STEAKS SCHEDULE A;
B-DATA SHEET; C-TRADEMARKS; D-ADDENDUM TO LEASE; E-ELECTRONIC
TRANSFER OF FUND AUTHORIZATION; F-PROMISSORY NOTE; FRANCHISE
AGREEMENT PERSONAL GUARANTEE AND ACKNOWLEDGMENT ADDENDUM.

EXHIBIT D

AREA DEVELOPMENT AGREEMENT

EXHIBIT E

OPERATIONS MANUAL TABLE OF CONTENTS

Introduction to the Manual: 7 Pages

- Forward
- Confidentiality Notice
- Purpose of the Manual
- Keeping the Manual Current
- Submitting Suggestions
- Disclaimer(s)

Introduction to Big Al's Steaks: 5 Pages

- Welcome Letter From President
- Who We Are
- History of the Company
- Mission Statement

Overview of Services Provided to Franchisees: 6 Pages

- Initial Training & Support
- Ongoing Training & Support
- Initial Package
- Retail Prices
- Approved Suppliers
- Marketing/PR
- Franchisee Advisory Boards and Other Councils

Overview of Franchisee's Responsibilities: 7 Pages

- Responsibilities to Franchisor
- Responsibilities to Customers
- Responsibilities to Other Franchisees
- Paying Fees & Royalty
- Reports/Audits/ Inspections
- Protecting Your Brand

Pre-Opening Procedures: 43 Pages

- Pre-Opening Timeline and Checklist
- Establishment of a Business Form
- Writing a Business Plan
- Licenses & Permits
- Opening a Bank Account
- Establishing Credit with Vendors
- Insurance Requirements
- Locating & Securing a Location
- Setting Up Your Location
- Initial Package
- Initial Training: Corporate Office
- On-Site Training

Human Resources: 47 Pages

- Job Descriptions
- Staffing
 - o Recruiting
 - o Interviewing Job Applicants
 - o Hiring
- Training
- Required Dress Code
- Performance Evaluations
- Suggested Sections for Your Employee Handbook
- Terminations & Resignations
- Local, State, And Federal Laws
 - o EEOC
 - o Wage & Labor Laws

Business Operations & Policies: 23 Pages

- Sales and Pricing
- Building Your Business
- Customer Service Procedures
- Handling Typical Complaints, Problems, Incidents
- Quality Standard
- Cash Handling Procedures
- Banking Procedures
- Royalty Reporting
- Technology/ Website

Cheese Steaks 101: 40 Pages

- The Sales Process
- Products
- Prep Work
- Opening Procedures
- Closing Procedures
- Ordering & Inventory
- Safety & Security
- Cleaning & Equipment Maintenance

Marketing: 25 Pages

- Advertising Requirements
- Marketing Cooperatives
- Approved Types of Advertising
- Use of Logo and Approved Materials
- Obtaining Advertising Approval
- Local Marketing
- Community Events & Involvement

Appendix: 19 pages

- Forms
- Check lists

Total pages: 222

EXHIBIT F
SAMPLE RELEASE

RELEASE OF CLAIMS

For and in consideration of the Agreements and covenants described below, Big Al's Steaks A & S, Inc. ("Franchisor") and _____ ("Franchisee") enter into this Release of Claims ("Agreement").

RECITALS

A. Franchisor and Franchisee entered into a Franchise Agreement dated _____, _____.

B. [NOTE: Describe the circumstances relating to the release.]

C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, Franchisor and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release of Claims by Franchisor.** In consideration of, and only upon full payment of \$_____ to Franchisor, and the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisor, for itself and for each of its affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of its past and present directors, officers, employees, attorneys, agents, assigns and representatives does hereby release and forever discharge Franchisee and each of his heirs, executors, successors, and assigns of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney's fees), complaints, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, disclosed or undisclosed, related to the Franchise Agreement. This release does not release Franchisee from any obligations he may have under this Agreement.

5. **Release of Claims by Franchisee.** In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisee, for himself and for each of his heirs, executors, administrators, insurers, attorneys, agents, representatives, successors, and assigns, does hereby release and forever discharge Franchisor and each of its respective affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of their past and present directors, officers, employees, attorneys, agents, assigns and representatives in their capacities as such, of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney's fees), complaints, charges, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, related to the Franchise Agreement.

6. **Reservation of Claims Against Non-Settling Parties.** Franchisor and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

7. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

8. **Voluntary Nature of Agreement.** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

9. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the law of the state of _____.

10. **Attorneys' Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

Dated: _____, 2011

BIG AL'S STEAKS A & S, INC.

By _____

Its _____

Dated: _____, 2011

FRANCHISEE: _____

By _____

EXHIBIT G

RECEIPTS

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Big Al's Steaks A & S, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale.

Iowa, New York, Oklahoma and Rhode Island require that Big Al's Steaks A & S, Inc. gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon, Washington and Wisconsin require that Big Al's Steaks A & S, Inc. gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Big Al's Steaks A & S, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

The franchisor is Big Al's Steaks A & S, Inc., located at 450 E. Atlantic Avenue, Delray Beach, Florida 33483. Its telephone number is (561) 819-0399.

Issuance Date: April 18, 2011, as amended November 1, 2011

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

Big Al's Steaks A & S, Inc. authorizes the respective state agencies identified on Exhibit A and the agent for service of process identified in Item 1 to receive service of process for it.

I have received the 2011 Franchise Disclosure Document. This Disclosure Document included the following Exhibits: A) List of State Agencies; B) Financial Statements; C) Franchise Agreement; D) Area Development Agreement; E) Operations Manual Table of Contents; F) Sample Release; and G) Receipts.

Date: _____

Signed: _____

Print Name: _____

Address: _____

City: _____ State _____

Phone () _____ Zip _____

Date: _____

Signed: _____

Print Name: _____

Address: _____

City: _____ State _____

Phone () _____ Zip _____

Copy for Franchisee

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Big Al's Steaks A & S, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale.

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If Big Al's Steaks A & S, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

The franchisor is Big Al's Steaks A & S, Inc., located at 450 E. Atlantic Avenue, Delray Beach, Florida 33483. Its telephone number is (561) 819-0399.

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Date: _____

Signed: _____

Print Name: _____

Address: _____

City: _____ State _____

Phone () _____ Zip _____

Date: _____

Signed: _____

Print Name: _____

Address: _____

City: _____ State _____

Phone () _____ Zip _____

Copy for Big Al's Steaks A & S, Inc.