



**Application for Sizzler®
Franchise Area Development Agreement**

PLEASE REMIT TO:

Sizzler USA Franchise, Inc.
Attn: Franchise Development Dept.
6101 W. Centinela Ave., Suite 300
Culver City, CA 90230
(310) 846-8750 Ph.
(310) 846-8794 Fx.

FRANCHISE EVALUATION PROCEDURE

Sizzler USA Franchise, Inc. (hereinafter “Sizzler®”) would like to thank you for your interest in becoming a Sizzler® franchisee. Please remember as you review this material that this is merely an application and determination of approval by our Franchisee Approval Committee. The Franchise Evaluation Form is one step in this multi-phase procedure.

Franchise Evaluation Procedure includes, but is not limited to:

- Review of applicant’s background (personal, professional and financial)
- Personal meeting with Todd Peterson, Vice President of Development, to discuss you level of interest, objectives, operational plan and vision as a Sizzler® franchisee
- Applicant’s review of the Uniform Franchise Offering Circular
- Discovery Day at our home office in Sherman Oaks, California
- Presentation of Area Development Agreement for signature and execution

Once the Area Development Agreement has been completed, the site selection and evaluation process will begin with assistance from our Development Department. Individual restaurant Franchise Agreements will be signed prior to the commencement of construction for each site in accordance with the Area Development Agreement.

Important: Do not incur any expenses relative to development of a particular site as this is merely and evaluation process and is not a guarantee of an Area Development Agreement. Any expenses that are incurred prior to the formal issuance of a Area Development Agreement, relating to securing land or building location for development, will be at the applicant’s own risk.

Receipt of application and additional information is not a guarantee of approval for a Sizzler® Area Development Agreement.

You will not have been granted a Sizzler® Area Development Agreement unless you are in receipt of a Area Development Agreement signed by the President / CEO of Sizzler USA Franchise, Inc. This or any other document or verbal advice is not to be construed in any way as, or to be an Area Development Agreement or the granting thereof.

The following data is submitted in connection with this application to provide Sizzler® such pertinent information as is deemed essential to appraising financial capabilities and business experience, and to evaluate the potential that exists for developing a casual dining restaurant under the Sizzler® system for which application is herein made.

Please type or print all information using black or blue ink. If a partnership of corporation, all principals or majority stockholders should complete an application form.

PERSONAL INFORMATION

(To be completed by each principal or majority shareholder.)

APPLICANT A		
FULL LEGAL NAME		
SOCIAL SEC #	DATE OF BIRTH	PLACE OF BIRTH
DRIVERS LIC #	OTHER NAMES USED	
SPOUSE NAME		
SPOUSE SSN #	SPOUSE DOB	SPOUSE DVR LIC #
ADDRESS		
CITY	STATE	ZIP
E-MAIL	PHONE	CELL
BUSINESS EXPERIENCE		
EDUCATION		
RESTAURANT EXPERIENCE		
DESCRIPTION OF EXISTING BUSINESS		
CURRENT OCCUPATION		
BUSINESS NAME		
BUSINESS ADDRESS		
BUS PHONE #	BUS FAX #	
BANK REFERENCES		
NAME OF BANK		NAME OF BANK
OFFICER NAME		OFFICER NAME
ADDRESS		ADDRESS
ACCT #		ACCT #
PHONE		PHONE
PREVIOUS ADDRESSES WITH THE PAST SEVEN YEARS		
ADDRESS, CITY, STATE, ZIP	FROM (DATE)	TO (DATE)

APPLICANT B		
FULL LEGAL NAME		
SOCIAL SEC #	DATE OF BIRTH	PLACE OF BIRTH
DRIVERS LIC #	OTHER NAMES USED	
SPOUSE NAME		
SPOUSE SSN #	SPOUSE DOB	SPOUSE DVR LIC #
ADDRESS		
CITY	STATE	ZIP
E-MAIL	PHONE	CELL
BUSINESS EXPERIENCE		
EDUCATION		
RESTAURANT EXPERIENCE		
DESCRIPTION OF EXISTING BUSINESS		
CURRENT OCCUPATION		
BUSINESS NAME		
BUSINESS ADDRESS		
BUS PHONE #	BUS FAX #	
BANK REFERENCES		
NAME OF BANK		NAME OF BANK
OFFICER NAME		OFFICER NAME
ADDRESS		ADDRESS
ACCT #		ACCT #
PHONE		PHONE
PREVIOUS ADDRESSES WITH THE PAST SEVEN YEARS		
ADDRESS, CITY, STATE, ZIP	FROM (DATE)	TO (DATE)

Personal Background

1. Are all applicants identified in #1 above citizens of the United States? _____
 If you answered "NO", which applicant(s) is/are not? _____
 What is country of citizenship? _____

2. My preferred development territory is _____

3. Number of Sizzler® locations you propose to develop _____
 a: Percentage of time devoted to Sizzler® _____%
 b: Will this business be your primary source of income? **Yes () No ()**

4. Briefly summarize your Employment and Business experience. Please attach a current resume as supporting documentation.
5. Please describe briefly the principal positions (and nature of duties) you have held during the past five (5) years or, if graduated less than five (5) years ago, since graduation from college. Specific employers must be identified. Also, list any professional licenses or registrations, including bar admissions, accounting certificates, and SEC or state broker-dealer registrations held by you. What is sought is a sufficient description to enable the Franchisor to determine the extent of your experience in financial and business matters generally, and the restaurant business specifically.

6. List any franchise of food service operations in which the applicant or any of the persons listed above are presently, or have in the past, been associated either through employment or through ownership or holdings:

7. Does the activity in item 6 above subject the applicant to any restrictive covenant? **Yes () No ()**

8. If any such associations listed in item 6 have been terminated, state the date of termination and reason for termination.

9. Please list the names and addresses of your attorney and accountant:

Name	Address	Phone
_____	_____	_____
_____	_____	_____

10. Names of personnel who will participate in the management of the proposed restaurant(s) on a full-time and continuing basis, and will successfully complete all phase of the Management Training Program prior to the restaurant opening:

Operating Partner: _____

General Manager: _____

(Please attach a resume or detailed work history.)

11. If proposed franchisee is an entity other than an individual:

- a. Please indicate type of entity and percentage of personal ownership:
 Corporation _____% Limited Partnership _____%
 General Partnership _____% Other – Specify: _____
- b. Date of incorporation or organization _____
- c. Country, state or province where incorporated or organized _____
- d. Was the entity formed for the specific purpose of purchasing a Sizzler® franchise? **Yes () No ()**
- e. Dollar value of the entity's net worth:
 \$1,000,000 - \$1,999,999 \$2,000,000 - \$4,999,999
 \$5,000,000 and over

12. If making applications as a Partnership or Corporation, please furnish the names of persons owning or having a right to acquire an interest in the partnership or corporation and all officers and directors of the corporation (indicate percentage of interest).

	Name	Active	%Owned
President or Partner	_____		
Vice President or Partner	_____		
Secretary or Partner	_____		
Treasurer or Partner	_____		

If the proposed franchisee is other than an individual, a separate questionnaire for franchise applicants must be completed by all persons indicated in 12 above. If the proposed franchisee is other than an individual, please attach signed copies of the entity's current financial statements (balance sheets and income statements) and bank statements or other documentation supporting the liquidity position of the entity.

13. Has applicant or any other person listed above been convicted of a felony or misdemeanor, other than traffic violations? **Yes () No ()**
 If yes, please explain: _____

14. Is there pending against you (or any corporation or partnership of which you are or were a director, officer, shareholder or partner) any administrative, arbitration, criminal or civil action alleging a violation of any franchise law, theft, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, violation of securities law, or comparable allegations? **Yes () No ()**

15. During the previous ten years, have you (or any corporation or partnership of which you are or were a director, officer, shareholder or partner) been convicted or pleaded no lo contender or been held liable in a civil action by a final judgment, or been the subject of a complaint, arbitration or other legal proceeding, involving violation of any franchise law, embezzlement, theft, fraud, fraudulent conversion, restraint of trade, unfair or deceptive practices,

misappropriation of property, violation of securities law, or comparable allegations? **Yes () No ()**

16. Are you (or any corporation or partnership of which you are or were a director, officer, shareholder or partner) subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state or Canadian franchise, securities, antitrust, trade regulations or trade practice law, as a result of a concluded or pending action or proceeding brought by a public agency? **Yes () No ()**

17. During the past fifteen years, have you been adjudged bankrupt or reorganized due to insolvency, filed a petition in bankruptcy or had a petition in bankruptcy filed against you? **Yes () No ()**

18. During the past fifteen years, were you a shareholder, director or officer of a corporation, or a partner or officer of a partnership, at a time when, or within one year of the time when, such corporation or partnership was adjudged bankrupt or reorganized due to insolvency or had a petition in bankruptcy filed against it? **Yes () No ()**

19. During the previous ten years, have you received any medical or psychological treatment as a result of, or related to, the above or dependence on drugs, alcohol, or controlled substances? **Yes () No ()**

20. Have you ever been arrested or had criminal charges filed against you?
Yes () No ()

21. Please indicate any additional information which you think may be helpful in enabling Sizzler® to determine that your knowledge and experience in financial and business matters are sufficient to enable you to successfully operate a Sizzler® restaurant:

**FINANCIAL INFORMATION
SOURCE OF EQUITY**

Please attach a signed current financial statement (balance sheet and income statement), and bank statements or other documentation supporting you liquidity position, and copies of federal income tax returns for the last two (2) years.

1. Do you have any contingent liabilities in which you reasonably anticipate could cause the need for sudden cash requirements in excess of cash readily available to you? **Yes () No ()**
2. Do you have any reason to anticipate any significant decline in income or net worth in the next three years? **Yes () No ()**
3. During the previous ten years, have you (or any corporation or partnership of which you are or were a director, officer, shareholder or partner) defaulted in the repayment of a loan? **Yes () No ()**
4. During the previous ten years, have you (or any corporation or partnership of which you are or were a director, officer, shareholder or partner) made an assignment for the benefit of creditors, has a receiver appointed for any of your property, been declared insolvent, or otherwise been the subject of any proceedings under any state or federal law relating to debtors and creditors? **Yes () No ()**
5. During the previous ten years, have you (or any corporation or partnership of which you are or were a director, officer, shareholder or partner) been sued for collection of any debt or been sued for the foreclosure of any collateral securing any debt? **Yes () No ()**
6. During the previous ten years, have you (or any corporation or partnership of which you are or were a director, officer, shareholder or partner) been the subject of any "work out" arrangements with any lender as a result of failure to timely repay any loan in accordance with its original terms? **Yes () No ()**
7. During the previous ten years, have you (or any corporation or partnership of which you are or were a director, officer, shareholder or partner) given a deed in lieu of foreclosure any lender, or otherwise transferred property to a lender to avoid foreclosure or collection action? **Yes () No ()**
8. If any part of the funds are to be borrowed, please identify the lender, amount of loan, and repayment terms: _____

The source and amount of equity to be utilized in the development of a new restaurant project is an important consideration. Sizzler® has established a minimum equity amount that may be greater depending on individual lender requirements, etc. Typically, 20 to 25% of the total project cost will be required as an equity investment in each project. If you are not in the financial position to solely pursue the business venture, partnerships are an acceptable business structure.

Use the following chart to identify the source of funds and the taxes, expenses, cost penalties, etc. to be deducted to arrive at the net equity amount. The source and gross amount information should match the financial statement submitted with this Application. If additional space is required, please use a separate sheet of paper.

SOURCE	Gross Amount	Taxes or Other Expenses Payable	Net Equity Amount
Cash			
Securities			
Retirement Accounts*			
Other			
Other			
TOTAL EQUITY:			

* Retirement accounts must be discounted at a rate of 50% for use with Sizzler® projects.

I/we certify that the above represents the source(s) and amount(s) of funds to be used for the equity portion of the new restaurant project.

Date

Corporate/Partnership Name

Signature of Applicant or Authorized Officer or Partner Thereof

Signature of Applicant or Authorized Officer or Partner Thereof

Signature of Applicant or Authorized Officer or Partner Thereof

Signature of Applicant or Authorized Officer or Partner Thereof

MANAGEMENT & OPERATING PLAN

Sizzler USA Franchise, Inc. recognizes the significance of the role of management to the successful operation of a Sizzler® restaurant. As part of the approval procedure and to assist Sizzler® in determining who will be responsible for the operations, please indicate your intentions by checking the appropriate box. Sizzler® will require one of the following:

- A. The Franchisee is either to be an “owner/operator” of the restaurant(s) and will remain active on a day-by-day basis, successfully completing the Manager In Training Program prior to the opening of the location, or;
- B. In the event the Franchisee will be an “investor” and not active on a day-to-day basis, the Franchisee is to provide Sizzler® with the following information:
 - Who will be the Operating Partner? _____
 - A written compensation program for the Operating Partner for the restaurant, to be developed by the Franchisee, must be submitted to Sizzler® for its approval and be in effect on the day the restaurant opens. The development and implementation of a qualified compensation program in and of itself is not a guarantee of a successful operations. The day-to-day activities and performances of management will, in most situations, dictate the potential successful of that operation.
 - The “investor/franchisee” and the “designated operating partner” must attend the Discovery Day meeting at the Sizzler® home office in Sherman Oaks, California prior to the execution of the Area Development Agreement.
 - The Operating Partner must attend and successfully complete the Manager In Training Program prior to the opening of the restaurant.

BUSINESS ENTITY OVERVIEW

Please be particularly careful that information given is accurate and that the individual, partnership or corporation making the application is designated correctly.

The Partnership Agreements or Articles of Incorporation should be completed at the time of application. If they are not, the Agreement must be issued to the principles as sole proprietors. Upon completion of the Partnership Agreement or Articles of Incorporation, an assignment from the sole proprietorship to the partnership or corporation may be accomplished under the terms of "Assignment" currently in use by Sizzler USA Franchise, Inc.

All shareholders in a corporate franchise or all partners in a partnership franchise, as the case may be, must be bound by a buy-out agreement with respect to their interest in the franchise.

The use of the name Sizzler® or any corresponding trademarks within the corporate or partnership name is strictly prohibited.

Please complete one of the following categories:

INDIVIDUAL

A) _____
Name Business Address State

B) _____
Name Business Address State

PARTNERSHIP * Please complete supplemental worksheet for partnerships

_____, "a Partnership" _____
Name of Partnership Business Address, State

CORPORATION

_____, a _____ Corporation _____
Name of Corporation State in which incorporated State

NOTE: A copy of the Articles of Incorporation will be required prior to the execution of the Area Development Agreement.

SUPPLEMENTAL PARTNERSHIP WORKSHEET

PARTNERSHIP

_____, "a Partnership" _____
Name of Partnership Business Address, State

PARTNERSHIP INFORMATION

Name	Phone	% Ownership
Address		

Name	Phone	% Ownership
Address		

Name	Phone	% Ownership
Address		

FINANCIAL NOTE: If the proposed franchisee is other than an individual, a separate questionnaire for franchise applicants must be completed by all persons indicated above. If the proposed franchisee is other than individual, please attach signed copies of the entity's current financial statements (balance sheets and income statements) and bank statements or other documentation supporting the liquidity position of the entity.

FRANCHISOR DISCLOSURE

Sizzler USA Franchise, Inc. does not disclose certain information (average sales volumes, average return on investment, variable expenses percentage, etc.) to prospective Franchise applicants other than information included in the Uniform Franchise Offering Circular (UFOC). Sizzler® firmly believes that access to this type of information by a prospective Franchise is critical in deciding whether or not to make application. Accordingly, Sizzler® will provide a list of its restaurant operators by region, prototype location, etc. With the UFOC given to each prospective applicant and strongly recommends that applicant contact several franchise appearing on the respective lists.

Applicant acknowledges that Sizzler® does not warrant or guarantee the accuracy or validity of information obtained from franchised contacts. Applicant further acknowledges that, other than information published in the UFOC, neither Sizzler® nor its representatives have stated or suggested (orally, in writing or visually) a specific level or range of potential or actual sales, income, gross or net profits or variable expense data in connection with the making of this application. Furthermore, this application or any other document or verbal advice is not to be construed in any way as, or to be, an Area Development Agreement, Franchise Agreement or the granting thereof.

REPRESENTATION WARRANTIES

Applicant acknowledges and agrees that all information contained in this application is true and accurate. The information included in this application is for use by Sizzler® in determining approval of a franchise. I authorize Sizzler® to utilize other investigative sources that it considers necessary in making this determination, including credit and criminal reporting agencies. Further, I hereby authorize the bank references listed in this application to release the information necessary to assist Sizzler® in its review.

Corporation/Partnership Name

A) _____
Signature

B) _____
Signature

Printed Name

Printed Name

Date

Date

ATTACHEMENTS

Must be submitted with this completed application. Please attach:

___ Financial Statements

___ Resume or Detailed Work History

(Insert Account Verification Release form here.)