

FRANCHISE DISCLOSURE DOCUMENT



BMB Franchising Services, Inc.
a Texas corporation
c/o RCI Hospitality Holdings, Inc.
10959 Cutten Road
Houston, Texas 77066
281-397-6730
www.4bombshells.com
www.bombshellsfranchise.com

The franchise is for the establishment and operation of a military-themed restaurant and sports bar offering a wide variety of menu items and alcoholic and non-alcoholic beverages under the Bombshells trade name and business system (“Bombshells Restaurant” or “Restaurant”).

The total investment necessary to begin operation of a single Bombshells Restaurant ranges from \$1,751,000 to \$2,931,000 for Restaurants established in connection with converting existing space and \$2,251,000 to \$3,101,000 for Restaurants that are established by new development and construction. This amount includes approximately \$111,000 to \$117,000 that must be paid to us or our affiliates, depending upon whether we require you to pay the architect training fee and the audio/visual plan review fee. If you sign a Development Agreement, you will also pay a development fee equal to the total of 100% of the initial franchise fee for the first Restaurant to be developed plus 50% of the initial franchise fee for each additional Restaurant to be developed. The pro rata portion of the development fee allocable to each Restaurant will be credited against the initial franchise fee due for that Restaurant.

This disclosure document summarizes certain provisions of your Franchise Agreement and Development Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

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 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 franchising.

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

Date of Issuance: January 25, 2017

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 Attachment 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 AND DEVELOPMENT AGREEMENTS REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND LITIGATION ONLY IN TEXAS. OUT OF STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND LITIGATE WITH US IN TEXAS THAN IN YOUR OWN STATE.
2. THE FRANCHISE AND DEVELOPMENT AGREEMENTS STATE THAT TEXAS LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. BECAUSE THE FRANCHISOR WAS FORMED ON MARCH 4, 2015, IT IS AT AN EARLY STATE OF DEVELOPMENT AND HAS A BRIEF OPERATING HISTORY. THIS FRANCHISE COULD BE A HIGHER RISK INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$1,751,000 TO \$3,101,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF SEPTEMBER 30, 2016, WHICH IS \$(785).
5. THE FRANCHISOR'S AUDITED FINANCIAL STATEMENTS SHOW IT HAS BORROWED A SUBSTANTIAL AMOUNT OF MONEY FROM ITS PARENT COMPANY. THE FRANCHISOR ALSO HAD AN ACCUMULATED DEFICIT OF \$(110,785) AND EQUITY OF \$(785). IF THE PARENT CANNOT CONTINUE TO PROVIDE FINANCIAL SUPPORT, THE FRANCHISOR MAY NOT HAVE THE FINANCIAL RESOURCES TO PROVIDE SERVICES TO YOU.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

See the following state effective date summary page for state effective dates.

BMB FRANCHISING SERVICES, INC.

**STATE EFFECTIVE DATE SUMMARY PAGE
FOR BOMBSHELLS RESTAURANT AND BAR**

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

STATE	EFFECTIVE DATE
California	_____, 2017
Hawaii	_____, 2017
Illinois	_____, 2017
Indiana	_____, 2017
Maryland	_____, 2017
Michigan	January 25, 2017
Minnesota	_____, 2017
New York	_____, 2017
North Dakota	_____, 2017
Rhode Island	_____, 2017
South Dakota	_____, 2017
Virginia	_____, 2017
Washington	_____, 2017
Wisconsin	_____, 2017

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