

# FRANCHISE DISCLOSURE DOCUMENT

MTY FRANCHISING USA, INC  
9311 East Via de Ventura  
Scottsdale, Arizona, 85258  
(888) 729-7482 or (480) 515-6250  
rayz@mtygroup.com



The franchise is offered for the rights to operate a Thai Express franchised restaurant, a retail quick service restaurant selling “Thai-style” foods and drinks and other menu items using the trademark THAI EXPRESSTM

The total investment necessary to begin operation of a Thai Express food court franchise ranges between \$370,900 and \$598,500 including \$25,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a second food court restaurant under the Multiple Unit Purchase Agreement ranges between \$368,400 and \$596,000, including \$22,500 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a third food court, and any subsequent food court restaurant under the Multiple Unit Purchase Agreement ranges between \$365,900 and \$593,500, including \$20,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a Thai Express Institutional License food court franchise ranges between \$357,900 and \$585,500, including a total of \$12,000 that must be paid to the franchisor or its affiliates.

The total investment necessary to begin operation of a Thai Express street location franchise ranges between \$579,550 and \$832,700, including \$25,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a second street location restaurant under the Multiple Unit Purchase Agreement ranges between \$577,050 and \$830,200, including \$22,500 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a third street location, and any subsequent restaurant under the Multiple Unit Purchase Agreement ranges between \$574,550 and \$827,700, including \$20,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a Thai Express Institutional License street location franchise ranges between \$571,550 and \$819,700, including a total of \$12,000 that must be paid to the franchisor or its affiliates.

The disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 days before you sign a binding agreement or make any payment in connection with the franchise sale. **Note, however, that no governmental 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 Ray Zandi at 9311 East Via de Ventura, Scottsdale, Arizona 85258, (888)729-7482 or (480) 515-6250.

The terms of your contract will govern your franchise relationship. Do not 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. Information comparing franchisors is available. Call your state agency or your public library for sources of information. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," is available from the FTC. 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](http://www.ftc.gov) for additional information.

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

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and October 6, 2016**

## 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 E** 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN PHOENIX, ARIZONA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN PHOENIX, ARIZONA THAN IN YOUR OWN STATE.
- 2 THE FRANCHISE AGREEMENT STATES THAT ARIZONA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3 WE AND OUR AFFILIATES MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCTS OR SERVICE TO THE GENERAL PUBLIC UNDER THE SAME AND/OR DIFFERENT TRADEMARK IN COMPETITION WITH THE FRANCHISE.
- 4 SPOUSE(S) OF FRANCHISE OWNERS AND DEVELOPERS MUST SIGN A PERSONAL GUARANTEE AND INDEMNITY MAKING SUCH SPOUSES JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE, WHETHER OR NOT SUCH SPOUSES ARE INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNERS AND SPOUSE(S) AT RISK IF YOUR FRANCHISE FAILS.
- 5 YOU MUST SIGN A SECURITY AGREEMENT GIVING US A FIRST PRIORITY INTEREST IN ALL PRESENT AND FUTURE ACCOUNTS, INVENTORY, EQUIPMENT, INTANGIBLES, PROCEEDS AND INTEREST IN THE FRANCHISE. THIS SECURITY INTEREST MAY IMPAIR YOUR ABILITY TO OBTAIN FINANCING FOR YOUR OPERATIONS.
- 6 THE FRANCHISOR'S AUDITED FINANCIAL STATEMENTS DATED NOVEMBER 30, 2015 REFLECT THAT CURRENT LIABILITIES SUBSTANTIALLY EXCEED CURRENT ASSETS. AS PER THE AUDITED BALANCE SHEET THE FRANCHISOR HAD A WORKING CAPITAL DEFICIENCY OF \$1,296,625.
- 7 PLEASE NOTE THAT 60% OF FRANCHISOR'S ASSETS ARE INTANGIBLE. YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
- 8 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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