

FRANCHISE DISCLOSURE DOCUMENT

THG FRANCHISE GROUP LLC
An Illinois limited liability company
58 W. Wilson
Palatine, Illinois 60067
(847)496-7054
franchise@taphousegrills.com
www.thgfranchise.com



The franchisee will operate an upscale, casual restaurant offering a variety of food and a wide selection of local craft brews on tap using the primary name and mark “Tap House Grill Addictive Food/Creative Brews.”

The total investment necessary to begin operation of a Tap House Grill Addictive Food/Creative Brews restaurant franchise is \$666,500 to \$2,172,200. This includes \$39,000 to \$49,000 paid to the franchisor.

The total investment necessary to begin operations of an area development business for Tap House Grill Addictive Food/Creative Brews restaurant franchises ranges from \$27,800 to \$45,500 in addition to the cost to establish the first Franchised Restaurant described above. This includes the minimum initial Development Fee paid to the franchisor of \$27,000.

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 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 availability of disclosures in different formats, contact Scott Ward, 58 W. Wilson Street, Palatine, Illinois 60067 (847)496-7054.

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 “*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, D.C. 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 be laws on franchising in your state. Ask your state agencies about them.

Issuance date: May 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 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATING ONLY IN ILLINOIS. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN ILLINOIS THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF THE STATE OF ILLINOIS GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. SOME STATES HAVE REQUIRED THAT PAYMENT OF ALL INITIAL FEES IS POSTPONED UNTIL AFTER ALL OF THE FRANCHISOR'S INITIAL OBLIGATIONS ARE COMPLETE AND THE FRANCHISEE IS OPEN FOR BUSINESS. SEE EXHIBIT H TO THIS FRANCHISE DISCLOSURE DOCUMENT TO DETERMINE IF YOUR STATE HAS THIS REQUIREMENT.
4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$666,500 TO \$2,172,200. THIS AMOUNT EXCEEDS THE FRANCHISOR'S MEMBERS EQUITY AS OF DECEMBER 25, 2016, WHICH WAS (\$204,512).
5. 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

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