

FRANCHISE DISCLOSURE DOCUMENT



TOM N TOMS FRANCHISE, LLC
A California limited liability company
3974 Wilshire Blvd., 2nd Fl., Los Angeles, CA 90010
(213)
www.tomntomsusa.com

We offer franchises for the operation of a "Tom N Toms" Coffeehouse featuring premium coffee products and complementary food and beverages.

The total investment necessary to begin operation of a Tom N Toms franchised business is \$389,400 to \$511,300. This includes \$20,000 that must be paid to the franchisor as a franchise fee.

This Disclosure Document summarizes certain provisions of your franchise agreement, 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.**

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 Sean Yang at 3974 Wilshire Blvd., 2nd Fl., Los Angeles, CA 90010 and (213) 908-6829.

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 contracts 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, 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 also be laws on franchising in your state. Ask your state agencies about them.

The issuance date of this Franchise Disclosure Document is February 17, 2012.

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 G to this Disclosure Document 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 AND DEVELOPMENT AGREEMENT PERMIT YOU TO ARBITRATE OR SUE ONLY IN CALIFORNIA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST MORE TO ARBITRATE WITH OR SUE TOM N TOMS IN CALIFORNIA THAN IN YOUR HOME STATE. CERTAIN STATES HAVE LAWS THAT SUPERSEDE THIS REQUIREMENT. SEE THE STATE ADDENDA TO THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT, AND THE STATE ADDENDA TO THE DISCLOSURE DOCUMENT.
2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT CALIFORNIA LAW GOVERNS THESE AGREEMENTS. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS. EVEN THOUGH THE FRANCHISE AGREEMENT PROVIDES THAT CALIFORNIA LAW APPLIES, LOCAL LAW MAY SUPERSEDE THIS REQUIREMENT IN YOUR STATE. SEE THE STATE ADDENDA TO THE FRANCHISE AGREEMENT AND THE STATE ADDENDA TO THE DISCLOSURE DOCUMENT.
3. FOR A SINGLE UNIT FRANCHISE, YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: _____, 2012

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