

## FRANCHISE DISCLOSURE DOCUMENT

# TOM'S URBAN®

**TOM'S URBAN FRANCHISING LLC**  
a Delaware limited liability company  
3900 East Mexico Avenue, Suite 1350  
Denver, Colorado 80210  
(303) 592-3800  
www.tomsurban.com  
franchise@tomsurban.com

The franchise offered is the right to establish and operate a casual full-service restaurant with an urban culinary twist, featuring chef-inspired food, alcoholic beverages, and related items under the “Tom’s Urban®” name and mark.

The total investment necessary to begin operation of a Tom’s Urban business is estimated to be \$1,821,000 to \$5,090,500. This includes \$106,500 to \$160,500 paid to franchisor or its affiliates.

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 government 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 Tom’s Urban Franchising LLC, 3900 East Mexico Avenue, Suite 1350, Denver, Colorado 80210, (303) 592-3800.

The terms of your contract will govern your franchise relationship. Don’t rely on this 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 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](http://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.

ISSUANCE DATE: September 4, 2019

## 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.

THE FRANCHISE AGREEMENT DOES 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 OR LITIGATION ONLY IN THE STATE WHERE OUR CORPORATE HEADQUARTERS ARE LOCATED (CURRENTLY, COLORADO). OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH THE FRANCHISOR WHERE OUR CORPORATE HEADQUARTERS ARE LOCATED THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT COLORADO 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. IF YOU ARE NOT AN INDIVIDUAL, WE MAY REQUIRE YOUR OWNERS TO GUARANTEE YOUR OBLIGATIONS AND BE BOUND BY THE PROVISIONS OF THE FRANCHISE AGREEMENT. YOUR SPOUSE AND, IF YOU ARE NOT AN INDIVIDUAL, THE SPOUSES OF YOUR OWNERS, MUST ALSO SIGN A GUARANTY, WHICH PLACES THE SPOUSE'S INTERESTS IN MARITAL ASSETS AT RISK.

4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$1,821,000 TO \$5,090,500. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2018 OF \$154,718.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may 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. If we use a franchise broker or referral source, we may pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

## STATE EFFECTIVE DATES

The following states require that the 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 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:

California	_____
Hawaii	_____
Illinois	Exempt
Indiana	September 5, 2019
Maryland	Exempt
Michigan	February 11, 2020
Minnesota	_____
New York	_____
North Dakota	_____
Rhode Island	_____
South Dakota	Exempt
Virginia	_____
Washington	_____
Wisconsin	September 4, 2019

In all other states that do not require registration, the effective date of this Disclosure Document is the issuance date of September 4, 2019.

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