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Business Oversight

FRANCHISE DISCLOSURE DOCUMENT

TOROtaxes

Toro Tax Franchising, LLC
A Nevada limited liability company
1800 East Sahara Avenue, Suite 106
Las Vegas NV 89104
(702) 741-4444
info@torotaxes.com
www.torotaxes.com

The franchise that we offer is for a business that provides services for the preparation and filing of income tax returns and related services and products (each, a 'Franchised Business' or Toro Taxes Business). The Franchised Business may be established as either a full service Toro Taxes store or a seasonally operated Toro Taxes kiosk. We offer individual unit franchises and area development franchises for the development of multiple Toro Taxes stores.

The total investment necessary to begin operation of a Toro Taxes Business under a franchise agreement is \$23,025 to \$51,200. This includes \$6,500 that must be paid to us or our affiliate for the initial franchise fee, \$1,000 that must be paid to us or our affiliate for the scanner and signature pad equipment fee, and \$3,000 that must be contributed to your designated marketing area fund. The total investment necessary to begin operation of a Toro Taxes store under a development agreement is \$35,025 to \$63,200. This includes \$5,000 that must be paid to us or our affiliate for the initial franchise fee for your first Toro Taxes store, \$1,000 that must be paid to us or our affiliate for the scanner and signature pad equipment fee for your first Toro Taxes store, \$3,000 that must be contributed to your designated marketing area fund, and \$13,500 that must be paid to us or our affiliate for the development territory fee.

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 Toro Tax Franchising, LLC at 1800 East Sahara Avenue, Suite 106 Las Vegas NV 89104, (702) 741-4444.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire 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, 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 on franchising.

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

Issuance Date June 9, 2017

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STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administration 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 LITIGATION, ONLY IN NEVADA. 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 NEVADA THAN IN YOUR OWN STATE.
- 2 THE FRANCHISE AGREEMENT STATES THAT NEVADA LAW 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 YOUR SPOUSE MUST SIGN A DOCUMENT, SUCH AS GUARANTEE, THAT MAKES YOUR SPOUSE LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN IF YOUR SPOUSE DOES NOT OWN ANY PART OF THE FRANCHISE BUSINESS. IF YOU LIVE IN A COMMUNITY PROPERTY STATE, YOUR SPOUSE MAY BE LIABLE FOR YOUR FINANCIAL OBLIGATIONS EVEN IF HE OR SHE HASN'T SIGNED ANYTHING. BOTH YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS INCLUDING YOUR HOUSE COULD BE LOST IF YOUR FRANCHISE FAILS.
- 4 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$23,025 TO \$63,200. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2016 WHICH IS NEGATIVE (\$68,307).
- 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 of the franchise.

State Effective Dates

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

The 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

Effective Dates

California
Connecticut
Florida
Hawaii
Illinois
Indiana
Kentucky
Maine
Maryland
Michigan
Minnesota
Nebraska
New York
North Carolina
North Dakota
Rhode Island
South Carolina
South Dakota
Texas
Utah
Virginia
Washington
Wisconsin

In all other states the effective date of this Franchise Disclosure Document is the Issuance Date of June 9, 2017

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