

TNT

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

TNT Franchise Fund Inc.

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UP TO 2,450,000 SHARES OF CLASS B NON-VOTING COMMON STOCK
\$5,000,000 Minimum Offering Amount
\$24,500,000 Maximum Offering Amount
\$500 Minimum Individual Investment
\$5,000,000 Maximum Individual Investment

TNT Franchise Fund Inc. (“we,” “us”, “our” or “the Company”) is a newly formed Delaware corporation formed to acquire and operate franchises. We will initially open and operate Smash My Trash (“SMT”) and Teriyaki Madness (“TMAD”) franchises, but we may decide to acquire additional franchises in the future. We have entered into letters of intent, a deposit addendum, and a transaction agreement (collectively, the “LOIs”) with (i) Smash Franchise Partners, LLC (“SMT Franchisor”) to acquire SMT franchises in up to 30 territories across Rhode Island, Louisiana/ Mississippi, California, and Seattle, Washington, and (ii) M.H. Franchise Company, Inc. (“TMAD Franchisor”) to acquire TMAD franchises in up to 25 territories in the greater metro areas of Denver, Colorado, Houston, Texas, Tampa, Florida, and Chicago, Illinois. SMT franchisees operate mobile waste compaction services that greatly reduce trash hauls by smashing trash in open-top, roll-off containers. TMAD franchisees operate fast casual restaurants that make and sell Japanese-style teriyaki dishes and other specialty food items, beverage items, and other items. Any SMT and TMAD franchises that we acquire will be new territories without any prior franchise history in such territory. This offering (the “Offering”) will provide an opportunity for investors to gain exposure to a portfolio of SMT and TMAD franchises with less financial and operational risk than traditional franchise ownership. However, investors in this Offering will not have any direct relationship with SMT or TMAD (or with any franchisor the Company may enter into a franchise relationship with in the future). Any investor in this Offering will be a stockholder of the Company that receives only passive income from the Company’s relationships with its franchisors and will not have a franchisor-franchisee relationship.

We are offering a minimum of \$5,000,000 (“Minimum Offering Amount”) and a maximum of \$24,500,000 (“Maximum Offering Amount”) in the form of 2,450,000 shares of Class B Non-Voting Common Stock, \$0.00001 par value per share (the “Class B Non-Voting Stock”) as described in this confidential private placement memorandum (“Memorandum”). The purchase price per share is \$10.00 per share of Class B Non-Voting Stock (each, a “Share”), with a minimum individual investment of \$500, or 50 Shares, and a maximum individual investment of \$5,000,000, or 500,000 shares. This Memorandum describes some of the general terms that may apply to the Class B Non-Voting Stock and the general manner in which they may be offered. For more information on the Class B Non-Voting Stock being offered, please see the sections entitled “Securities Being Offered” and “Plan of Distribution.”

The Class B Non-Voting Stock will be offered to prospective investors on a best-efforts basis by the Company. The Company has engaged Dalmore Group, LLC (“Dalmore”), a member Financial Industry Regulatory Authority (“FINRA”)/Securities Investor Protection Corporation (“SIPC”), to act as the broker-dealer of record in connection with this Offering, but not for underwriting or placement agent services. The Company will pay Dalmore a fee equal to 1% of the first \$10,000,000 raised by Dalmore and 0.5% of any amount raised by Dalmore in excess of \$10,000,000, which does not include a one-time due diligence fee payable by the Company to Dalmore. See “Plan of Distribution.” Additionally, the Company has engaged Cooley LLP as its legal counsel, Daszkal Bolton LLP to audit the Company’s inception balance sheet, and EisnerAmper LLP to serve as its auditor for future audits. To the extent that the Company’s officers and directors make any communications in connection with the Offering, they intend to conduct such efforts in accordance with an exemption from registration contained in Rule 3a4-1 under the

Securities Exchange Act of 1934, as amended (the “Exchange Act”), and, therefore, none of them is required to register as a broker-dealer.

The Company expects to terminate the Offering on the date on which the Maximum Offering Amount has been sold or the Offering has been earlier terminated by the Company at its sole discretion. The Company will hold an initial closing when it has commitments for the Minimum Offering Amount and may undertake one or more closings on a rolling basis after the Minimum Offering Amount is reached. After each closing, funds tendered by investors will be available to the Company.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS MEMORANDUM IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Offering is inherently risky. See “Risk Factors” beginning on page 13.

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In this Memorandum, the terms “TNT Franchise Fund,” “we,” “us”, “our”, or “the Company” refers to TNT Franchise Fund Inc., a Delaware corporation.

CONFIDENTIAL INFORMATION

THIS MEMORANDUM IS HIGHLY CONFIDENTIAL. WE PREPARED IT SOLELY FOR USE IN CONNECTION WITH THIS OFFERING. YOU MAY NOT REPRODUCE OR DISTRIBUTE THIS MEMORANDUM, IN WHOLE OR IN PART, AND YOU MAY NOT DISCLOSE ANY OF THE CONTENTS OF THIS MEMORANDUM OR USE ANY INFORMATION HEREIN FOR ANY PURPOSE OTHER THAN CONSIDERING AN INVESTMENT IN THE SECURITIES OFFERED HEREBY. BY ACCEPTING DELIVERY OF THIS MEMORANDUM, YOU EXPRESSLY AGREE TO THE FOREGOING AND EXPRESSLY AGREE TO MAINTAIN THE INFORMATION CONTAINED IN THIS MEMORANDUM IN CONFIDENCE. YOU MAY NOT DISTRIBUTE THIS MEMORANDUM OR DISCLOSE ITS CONTENTS TO ANYONE WITHOUT OUR PRIOR WRITTEN CONSENT, OTHER THAN TO PERSONS YOU HAVE RETAINED TO ADVISE YOU IN CONNECTION WITH THIS OFFERING.

SUITABILITY

THIS IS A PRIVATE OFFERING AVAILABLE ONLY TO “ACCREDITED INVESTORS” AS THAT TERM IS DEFINED UNDER FEDERAL SECURITIES LAWS. EACH SUBSCRIBER WILL BE REQUIRED TO REPRESENT TO THE COMPANY THAT THE SUBSCRIBER IS AN “ACCREDITED INVESTOR” AND IS ACQUIRING THE SHARES AND WARRANTS FOR SUCH INVESTOR’S OWN ACCOUNT, FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO RESALE OR DISTRIBUTION.

RESALE RESTRICTIONS

THE SHARES HAVE NOT BEEN REGISTERED FOR RESALE UNDER FEDERAL OR STATE SECURITIES LAWS AND ARE RESTRICTED SECURITIES SUBJECT TO SIGNIFICANT RESTRICTIONS ON TRANSFER. YOU MAY NOT OFFER, SELL, ASSIGN, PLEDGE, ENCUMBER OR OTHERWISE TRANSFER

OR DISPOSE OF THE SECURITIES THAT YOU ACQUIRE IN THIS OFFERING OR ANY INTEREST THEREIN EXCEPT IN A TRANSACTION THAT IS REGISTERED UNDER THE SECURITIES ACT AND APPLICABLE STATE LAWS OR UNLESS AN EXEMPTION EXISTS UNDER FEDERAL AND STATE SECURITIES LAWS. ONE SUCH EXEMPTION EXISTS UNDER RULE 144 OF THE SECURITIES ACT (“RULE 144”). IN GENERAL, UNDER RULE 144, A PERSON WHO BENEFICIALLY OWNS RESTRICTED SHARES IS REQUIRED TO HOLD SUCH RESTRICTED SHARES FOR AT LEAST ONE YEAR FROM WHEN THE SECURITIES WERE ACQUIRED FROM THE COMPANY OR FROM AN AFFILIATE OF THE COMPANY, AND THERE HAS TO BE CERTAIN CURRENT PUBLIC INFORMATION AVAILABLE REGARDING THE COMPANY. THERE IS CURRENTLY NO CURRENT PUBLIC INFORMATION AVAILABLE REGARDING THE COMPANY.

IMPORTANT NOTICES TO PROSPECTIVE INVESTORS

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THESE SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION IN SUCH STATE.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS RELATING TO THIS OFFERING ON BEHALF OF THE COMPANY OTHER THAN AS SET FORTH IN THIS MEMORANDUM AND THE OTHER OFFERING DOCUMENTS PROVIDED TO PROSPECTIVE INVESTORS HERewith IN CONNECTION WITH THE OFFERING OF THE SHARES AND WARRANTS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

THE INFORMATION CONTAINED IN THIS MEMORANDUM HAS BEEN PROVIDED BY THE COMPANY. NEITHER THE BROKER NOR ANY OF ITS REPRESENTATIVES HAS INDEPENDENTLY VERIFIED ANY OF THE INFORMATION CONTAINED HEREIN OR MAKES ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM OR SHALL HAVE ANY LIABILITY FOR ANY REPRESENTATIONS (EXPRESS OR IMPLIED) CONTAINED IN, OR FOR ANY OMISSIONS FROM, THIS MEMORANDUM OR FOR ANY OTHER WRITTEN OR ORAL COMMUNICATIONS TRANSMITTED TO THE RECIPIENT IN THE COURSE OF ITS EVALUATION. ANY ESTIMATES, FORECASTS OR OTHER FORWARD-LOOKING STATEMENTS CONTAINED IN THIS MEMORANDUM HAVE BEEN PREPARED BY THE MANAGEMENT OF THE COMPANY IN GOOD FAITH ON A BASIS IT BELIEVES IS REASONABLE. SUCH ESTIMATES, FORECASTS AND OTHER FORWARD-LOOKING STATEMENTS INVOLVE SIGNIFICANT ELEMENTS OF SUBJECTIVE JUDGMENT AND ANALYSIS AND NO REPRESENTATION CAN BE MADE AS TO THEIR ATTAINABILITY. NO REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED) IS MADE OR IS TO BE RELIED UPON AS A PROMISE OR REPRESENTATION AS TO THE FUTURE PERFORMANCE OF THE COMPANY.

THE OFFERING DOCUMENTS CONTAIN ONLY SUMMARY INFORMATION ABOUT THE COMPANY. PROSPECTIVE SUBSCRIBERS ARE URGED TO CONDUCT THEIR OWN DUE DILIGENCE REGARDING THE COMPANY’S BUSINESS, FINANCIAL CONDITION AND THE SHARES AND WARRANTS. PROSPECTIVE SUBSCRIBERS SHOULD NOT ASSUME THAT THE SUMMARIES ARE COMPLETE. SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE TEXTS OF THE COMPLETE DOCUMENTS.

PROSPECTIVE SUBSCRIBERS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY SUBSEQUENT COMMUNICATION FROM THE COMPANY, THE BROKER OR ANY REPRESENTATIVE THEREOF AS LEGAL OR TAX ADVICE. ALL PROSPECTIVE INVESTORS ARE ENCOURAGED TO SEEK INDEPENDENT LEGAL AND TAX ADVICE.

ADDITIONAL INFORMATION

THIS MEMORANDUM DOES NOT PURPORT TO CONTAIN ALL OF THE INFORMATION THAT MAY BE REQUIRED TO EVALUATE THE OFFERING AND ANY RECIPIENT HEREOF SHOULD CONDUCT ITS OWN INDEPENDENT ANALYSIS. THE COMPANY WILL MAKE AVAILABLE TO ANY PROSPECTIVE

SUBSCRIBER THE OPPORTUNITY TO ASK QUESTIONS OF AND TO RECEIVE ANSWERS FROM ITS REPRESENTATIVES CONCERNING THE COMPANY AND THE TERMS OF THE OFFERING AND THE RIGHT TO OBTAIN ANY ADDITIONAL RELEVANT INFORMATION RELATING TO THE COMPANY, THE SECURITIES AND THE OFFERING TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN OBTAIN IT WITHOUT UNREASONABLE EFFORT OR EXPENSE.

THE COMPANY DOES NOT EXPECT TO UPDATE OR OTHERWISE REVISE THIS MEMORANDUM OR OTHER MATERIALS SUPPLIED HERewith UNLESS THERE IS A MATERIAL CHANGE IN THE INFORMATION SET FORTH HEREIN PRIOR TO THE CLOSING OR TERMINATION OF THE OFFERING HEREUNDER. THIS MEMORANDUM SPEAKS ONLY AS OF THE DATE HEREOF AND THE DELIVERY OF THIS MEMORANDUM AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS MEMORANDUM. EXCEPT AS PROVIDED IN THIS PARAGRAPH, THE COMPANY HAS NO OBLIGATION TO UPDATE THIS MEMORANDUM.

THE OFFERING CAN BE WITHDRAWN AT ANY TIME BEFORE A CLOSING AND IS SPECIFICALLY MADE SUBJECT TO THE TERMS DESCRIBED IN THIS MEMORANDUM. THE COMPANY AND THE BROKER RESERVE THE RIGHT TO REJECT ANY SUBSCRIPTION, IN WHOLE OR IN PART, OR TO ALLOCATE TO ANY PROSPECTIVE INVESTOR LESS THAN THE NUMBER OF SHARES AND WARRANTS SUBSCRIBED FOR BY SUCH PROSPECTIVE INVESTOR.

WE ENCOURAGE ALL PROSPECTIVE INVESTORS TO CONSULT WITH THEIR PERSONAL FINANCIAL, TAX AND LEGAL ADVISORS TO DETERMINE WHETHER AN INVESTMENT IN THE SHARES AND WARRANTS IS APPROPRIATE FOR THEM.

NASAA UNIFORM LEGEND

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SECURITIES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, NONE OF THE FOREGOING AUTHORITIES HAS CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE SECURITIES OFFERED HEREBY ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR AN EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

THIS MEMORANDUM MAY CONTAIN FORWARD-LOOKING STATEMENTS AND INFORMATION RELATING TO, AMONG OTHER THINGS, THE COMPANY, ITS BUSINESS PLAN AND STRATEGY AND ITS INDUSTRY. THESE FORWARD-LOOKING STATEMENTS ARE BASED ON THE BELIEFS OF, ASSUMPTIONS MADE BY, AND INFORMATION CURRENTLY AVAILABLE TO THE COMPANY'S MANAGEMENT. WHEN USED IN THIS MEMORANDUM, THE WORDS "ESTIMATE," "PROJECT," "BELIEVE," "ANTICIPATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. THESE STATEMENTS REFLECT MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE THE COMPANY'S ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS. FACTORS THAT COULD CAUSE OUR FORWARD-LOOKING STATEMENTS TO DIFFER FROM ACTUAL OUTCOMES INCLUDE, BUT ARE NOT LIMITED TO, THOSE DESCRIBED UNDER THE HEADING "RISK FACTORS" IN THIS MEMORANDUM. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE ON WHICH THEY ARE

MADE. THE COMPANY DOES NOT UNDERTAKE ANY OBLIGATION TO REVISE OR UPDATE THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER SUCH DATE OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

SUMMARY

The following information is only a brief summary of, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum. This Memorandum, together with the annexes attached, should be carefully read in its entirety before any investment decision is made.

The Company

We are a newly formed Delaware corporation formed to acquire and operate franchises. We will initially open and operate SMT and TMAD franchises, but we may decide to acquire additional franchises in the future. We have entered into LOIs with (i) SMT Franchisor to acquire SMT franchises in up to 30 territories across Rhode Island, Louisiana/Mississippi, New Hampshire, California, and Seattle, Washington, and (ii) TMAD Franchisor to acquire TMAD franchises in up to 25 territories in the greater metro areas of Denver, Colorado, Houston, Texas, Tampa, Florida, and Chicago, Illinois. SMT franchisees operate mobile waste compaction services that greatly reduce trash hauls by smashing trash in open-top, roll-off containers. TMAD franchisees operate fast casual restaurants that make and sell Japanese-style teriyaki dishes and other specialty food items, beverage items, and other items. Any SMT and TMAD franchises that we acquire will be new territories without any prior franchise history in such territory. This Offering will provide an opportunity for investors to gain exposure to a portfolio of SMT and TMAD franchises with less financial and operational risk than traditional franchise ownership. However, investors in this Offering will not have any direct relationship with SMT or TMAD (or with any franchisor the Company may enter into a franchise relationship with in the future). Any investor in this Offering will be a stockholder of the Company that receives only passive income from the Company's relationships with its franchisors and will not have a franchisor-franchisee relationship.

The Company is headquartered in Chicago, Illinois, and Kenneth Rose currently serves as the Company's sole director and officer. We are externally managed by FranShares, Inc. ("FranShares"). FranShares will manage the day-to-day operations of the Company, including, but not limited to: selecting, designing and opening franchise locations, hiring and supervising franchise employees, managing suppliers and service providers to franchise locations, serving as the point of contact to franchisors, and overseeing franchise operations. If the Maximum Offering Amount is achieved, FranShares will own approximately 2% of the outstanding shares of the Company and all of the Company's Class A Voting Common Stock (the "Class A Voting Stock"), and excess free cash flow from the Company from the operated businesses will be paid in the form of dividends pro rata among holders of shares of Class A Voting Stock and Class B Non-Voting Stock. See "Our Manager."

Franchising

The Federal Trade Commission (the "FTC") governs franchises pursuant to 16 C.F.R. Part 436 (the "Franchise Rule"). Pursuant to the Franchise Rule, a commercial business arrangement is a "franchise" if it satisfies three definitional elements. Specifically, the franchisor (*i.e.*, the person who grants a franchise and participates in the franchise relationship) must (1) promise to provide a trademark or other commercial symbol, (2) promise to exercise significant control or provide significant assistance in the operation of the business, and (3) require a minimum payment of at least \$500 during the first six months of operations. In the event that a commercial business arrangement constitutes a franchise, the franchisor must provide prospective franchisees a franchise disclosure document (a "FDD") at least 14 days before the prospective franchisee signs a binding agreement with, or makes payments to, the franchisor in connection with the proposed franchise sale. The Franchise Rule sets forth 23 specific disclosure items that must be included in every FDD, including business experience, initial and other fees, financing, territory, intellectual property, obligation to participate in the actual operation of the franchise business, optional financial performance representations and financial statements. We have included information in this Memorandum from the FDDs provided by TMAD Franchisor and SMT Franchisor. The information provided in the FDDs was prepared by TMAD Franchisor and SMT Franchisor, respectively, and the Company cannot attest to the accuracy or completeness of the information contained therein.

Franchising is a wealth-building alternative investment. Running a successful franchise location typically requires high investment minimums (typically between \$100,000 and \$2,000,000 per location), operational expertise and significant time commitments. Franchise investors are generally limited to either publicly traded franchisors or private equity-held multiunit franchise funds. Publicly traded franchisors, while available to retail investors,

typically have higher management costs, are limited in their ability to market shares under franchise agreements and usually consist of only one or a few brands. Private equity-held multiunit franchise funds are only available to high-net-worth investors, typically only operate in restaurants, and are limited in their ability to market shares under franchise agreements. Therefore, we believe there is a market opportunity available for a platform that offers investors exposure to a diversified set of businesses across different geographies and industries, all for less financial and operational risk than traditional franchise ownership carries.

Securities Offered

Up to 2,450,000 shares of Class B Non-Voting Stock at a price of \$10.00 per Share. The minimum offering amount for any investor is \$500; therefore, an investor must purchase at least 50 Shares. Upon purchase of Shares, a stockholder is granted (1) no voting rights and (2) a right to receive dividends or disbursements if and when the Board declares such dividends or disbursements. For a complete summary of the rights granted to holders of Class B Non-Voting Stock, see “Securities Being Offered” in this Memorandum.

Termination of Offering

The Company expects to terminate the Offering on the date on which the Maximum Offering Amount has been sold or the Offering has been earlier terminated by the Company at its sole discretion.

Multiple Closings

The Company will hold an initial closing when it has commitments for the Minimum Offering Amount and may undertake one or more closings on a rolling basis after the Minimum Offering Amount is reached. After each closing, funds tendered by investors will be available to the Company.

Shares Outstanding Before the Offering

As of the date of this Memorandum, there are 100 shares of Class A Voting Stock outstanding, all of which are held by FranShares, and there are no Shares of Class B Non-Voting Stock outstanding.

Shares Outstanding After the Offering

Assuming the Maximum Offering Amount is sold, following the consummation of this Offering, the Company will have 50,000 shares of Class A Voting Stock outstanding, all of which will be held by FranShares, and 2,450,000 shares of Class B Non-Voting Stock outstanding.

Management Structure

FranShares, Inc., a Delaware corporation, will be the external Manager of the Company.

Management Fee

FranShares does not intend to collect a management fee from the Company. However, FranShares will serve as the franchise broker of record for the Company and, as franchise broker, will receive a portion of the franchise fees received by the franchisor when new franchise locations are added to the Company. FranShares will not share such franchise broker fees with the investors in this Offering; however, FranShares will use a portion of its franchise fees to purchase Class A Common Stock from us. See “Our Manager.”

Use of Proceeds

We estimate that the net proceeds from the sale of the 2,450,000 Shares in this Offering will be approximately \$24,152,500, after subtracting fees of \$172,500 and estimated organizational and offering expenses of \$175,000. We intend to

use the net proceeds of this Offering for the acquisition of franchise locations. See "Use of Proceeds to Issuer" in this Memorandum.

Investor Suitability Standards

The Company will sell Shares only to Accredited Investors who meet the suitability standards described under the section entitled "Investor Suitability Standards," subject to the verification of each prospective investor's status as an Accredited Investor.

Professionals

The Company has engaged Dalmore to act as the broker-dealer of record in connection with this Offering, but not for underwriting or placement agent services. See "Plan of Distribution" for more details. Additionally, the Company has engaged Cooley LLP as its legal counsel, Daszkal Bolton LLP to audit the Company's inception balance sheet, and EisnerAmper LLP to serve as its auditor for future audits.

No Liquidity

There is no current public market for the Shares. While we anticipate a public market may develop in the future, we cannot guarantee the development or availability of a primary or secondary market. See "Risk Factors" and "Securities Being Offered" below for further discussion. The Shares are not registered and may only be sold pursuant to a transaction that is registered under the Securities Act and applicable state laws or unless an exemption exists under federal and state securities laws, including Rule 144, which requires a one-year holding period and the availability of certain current public information about the Company. The Company may facilitate or otherwise participate in the secondary transfer of any Shares on a limited basis at its discretion, and subject to applicable law, any transferee will be required to execute a subscription agreement with the Company. Prospective investors are urged to consult their own legal advisors with respect to secondary trading of the Shares.

Investment Company Act Exemption

We are not registered and will not be registered as an investment company under the Investment Company Act of 1940, as amended (the "ICA") and our Manager is not and will not be registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "IAA"). As a result, the Class B Non-Voting Stock offered hereby will not have the benefit of the protections of the ICA or the IAA.

Operating Expenses

The Company shall bear all costs and expenses associated with the Offering and the operation of the Company, including, but not limited to, the annual tax preparation of the Company's tax returns, any state and federal income tax due, accounting fees, filing fees, independent audit reports, costs associated with insurance, franchise acquisition costs, legal fees, transfer agent fees and any other costs incurred by the Company with respect to operations.

Dividends

Dividends will be paid pro rata to all stockholders from excess cash flows if and when declared by the Board. The Company anticipates having excess cash available for dividends

approximately 18 months following the initial deployment of capital from this Offering. It is anticipated that any dividends, if and when declared, will be paid quarterly. See “The Company’s Business—Management’s Expectations.”

Risk Factors

Investing in our securities involves risks. See the section entitled "Risk Factors" in this Memorandum and other information included in this Memorandum for a discussion of factors you should carefully consider before you decide to invest in our Shares.

RISK FACTORS

An investment in our Shares involves a high degree of risk. This includes risks that are specific to the Company's business and its financial condition, as well as all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events, and technological developments (such as cyber-attacks and the ability to prevent such attacks). Additionally, early-stage companies are inherently more risky than more developed companies, and the risk of business failure and complete loss of your investment capital is present. You should consider general risks as well as specific risks when deciding whether to invest.

Risks Related to This Offering and Our Securities

Investing in the Shares is risky.

An investment in the Company involves a high degree of risk and should only be considered by those who can afford the loss of their entire investment. Furthermore, the purchase of any Class B Non-Voting Stock should only be undertaken by persons whose financial resources are sufficient to enable them to indefinitely retain an illiquid investment. Each potential investor in the Company should consider all information provided to such potential investor regarding the Company as well as the following risk factors, in addition to the other information listed in this Memorandum. The following risk factors are not intended, and shall not be deemed to be, a complete description of the risks inherent in an investment in the Company.

There is currently no active market for our Shares, and while we anticipate a public market may develop in the future, we cannot guarantee the development or availability of a primary or secondary market; even if a public market did develop, there can be no assurance as to the depth or liquidity of any market for our Class B Non-Voting Stock or the prices at which holders may be able to sell Shares.

The lack of an active market impairs your ability to sell your Shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your Shares. The lack of an active market may impair our ability to raise capital to continue to fund operations by selling Shares or to use as a potential accretive currency to make acquisitions and form strategic alliances. As a result, investors could find it more difficult to trade, or to obtain accurate quotations of the market value of, the Shares as compared to securities that are traded on a stock exchange. Moreover, an investor may find it difficult or impossible to dispose of any shares purchased hereunder at any price.

Your investment could be illiquid indefinitely.

This investment in Class B Non-Voting Stock is meant to be held as a long-term investment, and you may not be able to sell your Shares. There is no established market for these securities and there may never be one. As a result, if you decide to sell these securities in the future, you may not be able to find a buyer and may be unable to convert your investment to cash easily. The Company may be acquired by an existing company in the industry. However, that may never happen, or it may happen at a price that results in you losing money on this investment.

If a market ever develops for the Shares, the market price and trading volume of the Shares may be volatile.

Although the Shares are not listed on an exchange or trading platform, if a market for the Shares does develop, the market price of the Shares could fluctuate significantly for many reasons, including reasons unrelated to our performance or the performance of any franchise location, such as reports by industry analysts, investor perceptions or announcements by our competitors regarding their own performance, as well as general economic and industry conditions. For example, to the extent that other companies, whether large or small, within our industry experience declines in their share prices, the value of the Shares may decline as well.

In addition, fluctuations in operating results of a particular franchise location or the failure of operating results to meet the expectations of investors may negatively impact the price of our securities. Operating results may fluctuate in the future due to a variety of factors that could negatively affect revenues or expenses in any particular

reporting period, including vulnerability of our business to a general economic downturn, changes in laws that affect our operations, competition, compensation-related expenses, application of accounting standards, seasonality, and our ability to obtain and maintain all necessary government certifications or licenses to conduct our business.

We intend to offer our Class B Non-Voting Stock pursuant to exemption from registration afforded by Section 4(a)(2) of the Securities Act and Rule 506 thereunder, and we cannot be certain if the minimal disclosure requirements under Rule 506 will make our shares less attractive to investors as compared to a traditional initial public offering.

As a Rule 506 issuer, we are only subject to minimal disclosure requirements, which may make an investment in our Shares less attractive to investors who are accustomed to enhanced disclosure and more frequent financial reporting. If our minimal disclosure requirements reduce the attractiveness of the Shares, we may be unable to raise the capital necessary to achieve the Maximum Offering Amount, which could impair our ability to develop a diversified portfolio of franchisors and could adversely affect the value of our Shares or the ability to make distributions to investors.

The Company's failure to comply with securities laws presents risks to investors.

The Securities will not be registered under the Securities Act in reliance upon the exemptions from the registration requirements of that statute afforded by Section 4(a)(2) and Rule 506 thereunder. If the offer and sale of the Securities are not exempt from registration under the Securities Act, or not either exempt or qualified for sale under the securities laws of all applicable states, investors would have a right to rescind their purchase of the Shares, seriously affecting the Company's operations, financial position, and prospects.

As a non-listed company conducting an exempt offering pursuant to Regulation D, we are not subject to a number of corporate governance requirements, including requirements for the board of directors and independent board committees.

As a non-listed company conducting an exempt offering pursuant to Regulation D, we are not subject to a number of corporate governance requirements that an issuer conducting an offering on Form S-1 or listing on a national stock exchange would be subject to. We are not required to have (i) a board of directors of which a majority consists of "independent" directors under the listing standards of a national stock exchange, (ii) an audit committee composed entirely of independent directors and a written audit committee charter meeting a national stock exchange's requirements, (iii) a nominating/corporate governance committee composed entirely of independent directors and a written nominating/corporate governance committee charter meeting a national stock exchange's requirements, (iv) a compensation committee composed entirely of independent directors and a written compensation committee charter meeting the requirements of a national stock exchange, and (v) independent audits of our internal controls. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to the corporate governance requirements of a national stock exchange.

If we are required to register under the Exchange Act, it would result in significant expense and reporting requirements that would place a burden on the Company and may divert attention from management of the franchise locations.

The Exchange Act requires issuers with more than \$10,000,000 in total assets to register its equity securities under the Exchange Act if its securities are held of record by more than 2,000 persons or 500 persons who are not Accredited Investors. If we fail to meet the conditions above and have Shares held of record by more than 2,000 persons or 500 non-Accredited Investors, then we would be required to register under the Exchange Act. If we are required to register under the Exchange Act, it would result in significant expense and reporting requirements that would place a burden on the Company and may divert attention from owning and operating SMT and TMAD franchise locations.

If we were to be required to register under the ICA or our Manager was required to register under the IAA, it could have a material and adverse impact on our results of operations and expenses and we may be forced to liquidate and wind up the Company.

We are not registered and will not be registered as an investment company under the ICA and our Manager is not and will not be registered as an investment adviser under the IAA. As a result, the Class B Non-Voting Stock offered hereby will not have the benefit of the protections of the ICA or the IAA. We have taken the position that the franchises we will acquire are not “securities” within the meaning of the ICA or the IAA, and thus our assets will consist of less than 40% investment securities under the ICA, and our Manager is not and will not be advising with respect to securities under the IAA. This position, however, is based upon applicable case law that is inherently subject to judgments and interpretation. If the Company were to be required to register under the ICA or the Manager were to be required to register under the IAA, it could have a material and adverse impact on our results of operations and expenses, and we may be forced to liquidate and wind up the Company.

The securities do not have voting rights attached.

The Class B Non-Voting Stock offered to investors does not have voting rights attached. This means as a Class B Non-Voting Stock stockholder, you will have no right to dictate how the Company is managed. Each investor is trusting in the Company’s management to make good business decisions that are in the best interest of the Company. Investors may not necessarily agree with such decisions, or such decisions may not be in the best interest of each investor individually.

The offering price of our securities has been arbitrarily determined by us.

Our Manager determined the number and price of securities offered by the Company. The price of the Shares we are offering was arbitrarily determined and bears no relationship to the book or asset values or to any other established criteria for valuing shares. Unlike listed companies that are valued publicly through market-driven stock prices, the valuation of private companies, especially early-stage companies, is difficult to assess, and investors may risk overpaying for their investment. Because the Offering price is not based upon any independent valuation, the Offering price may not be indicative of the proceeds that you would receive upon liquidation. Further, the Offering price may be significantly more than the price at which the shares would trade if they were to be listed on an exchange or actively traded by broker-dealers.

Investors in this Offering may not be entitled to a jury trial with respect to claims arising under the Subscription Agreement, which could result in less favorable outcomes to the plaintiff(s) in any action under the Subscription Agreement.

Investors in this Offering will be bound by the Subscription Agreement, which includes a provision under which investors waive the right to a jury trial of any claim they may have against the Company arising out of or relating to the Subscription Agreement. By signing the Subscription Agreement, the investor warrants that the investor has reviewed this waiver with his or her legal counsel and knowingly and voluntarily waives the investor’s jury trial rights following consultation with the investor’s legal counsel. If the Company opposed a jury trial demand based on the waiver, a court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To the Company’s knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by a federal court. However, the Company believes that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of Delaware, which governs the Subscription Agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether the visibility of the jury trial waiver provision within an agreement is sufficiently prominent such that a party knowingly, intelligently, and voluntarily waived the right to a jury trial. The Company believes that this is the case with respect to the Subscription Agreement. You should consult legal counsel regarding the jury waiver provision before you enter into the Subscription Agreement.

If you bring a claim against the Company in connection with matters arising under the Subscription Agreement, including claims under the federal securities laws, you may not be entitled to a jury trial with respect to those claims, which may have the effect of limiting and discouraging lawsuits against the Company. If a lawsuit is brought against

the Company under the Subscription Agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have, including results that could be less favorable to the plaintiff(s) in such an action.

Nevertheless, if the jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the Subscription Agreement with a jury trial. No condition, stipulation or provision of the Subscription Agreement serves as a waiver by any holder of the Company's securities or by the Company of compliance with any substantive provision of the federal securities laws and the rules and regulations promulgated under those laws.

In addition, if the Shares are transferred, the transferee is required to agree to all the same conditions, obligations, and restrictions applicable to the Shares or to the transferor with regard to ownership of the Shares that were in effect immediately prior to the transfer of the Shares, including the Subscription Agreement.

Our certificate of incorporation designates specific courts as the exclusive forum for certain litigation that may be initiated by our investors, which could limit our investors' abilities to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum, to the extent permitted by law for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owned by any of our current or former directors, officers or other employees or stockholders to us or our stockholders, creditors or other constituents, or a claim of aiding and abetting any such breach of fiduciary duty, (3) any action asserting a claim against us or any of our directors or officers or other employees or stockholders arising pursuant to, or any action to interpret, apply, enforce any right, obligation or remedy under or determine the validity of, any provision of the Delaware General Corporation Law (the "DGCL"), our certificate of incorporation or our bylaws, or (4) any action asserting a claim against us, our directors, officers or employees governed by the "internal affairs doctrine" or otherwise related to our internal affairs except for, in each case, any claim to which the Court of Chancery of the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery of the State of Delaware and the indispensable party does not consent to such jurisdiction, which is vested in the exclusive jurisdiction of another court or forum or, for which the Court of Chancery of the State of Delaware does not have subject matter jurisdiction. This exclusive forum provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act, which provides for exclusive jurisdiction of the federal courts. It could apply, however, to a suit that falls within one or more of the categories enumerated in the choice of forum provision and asserts claims under the Securities Act, inasmuch as Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. There is uncertainty as to whether a court would enforce such provision with respect to claims under the Securities Act, and our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur costs associated with resolving such action in other jurisdictions.

You will need to keep records of your investment for tax purposes.

As with all investments in securities, if you sell your Class B Non-Voting Stock, you may need to pay tax on the long- or short- term capital gains that you realize if sold at a profit or set any loss against other income. If you do not have a regular brokerage account, or your regular broker will not hold your Class B Non-Voting Stock for you, there will be no one keeping records for you for tax purposes, and you will have to keep your own records and calculate the gain on any sales of any securities you sell.

Risks Related to the Company

The Company may not have enough capital as needed and may be required to raise more capital.

The Company anticipates needing access to credit in order to support our working capital requirements as it grows. Although interest rates are low, it is still a difficult environment for obtaining credit on favorable terms. If the Company cannot obtain credit when needed, it could be forced to raise additional equity capital, modify our growth plans or take some other action. Issuing more equity may require bringing on additional investors. Securing these additional investors could require pricing our equity below its current price. If so, your investment could lose value as a result of this additional dilution. In addition, even if the equity is not priced lower, your ownership percentage would be decreased with the addition of more investors. If the Company is unable to find additional investors willing to provide capital, then it is possible it may cease sales activity. In that case, the only asset remaining to generate a return on your investment could be our intellectual property. Even if the Company is not forced to cease its sales activity, the unavailability of credit could result in the Company performing below expectations, which could adversely impact the value of your investment.

There can be no guarantee that the Company will reach its funding target from potential investors.

Due to the start-up nature of the Company, there can be no guarantee that the Company will reach its funding target from potential investors. The Company is offering up to \$24,500,000 in Shares in this Offering on a best-efforts basis and may not raise the complete amount. In the event the Company does not reach its funding target, it may not be able to achieve its investment objectives, operate franchise locations profitably, or acquire additional franchise locations. In particular, we will use the initial proceeds of this offering to repay FranShares for franchise fees that it has paid on our behalf. To the extent we do not raise sufficient proceeds in this or subsequent offerings to develop and operate all of the franchises to which those franchise fees relate, we will not be able to recoup any such franchise fees.

The amount of proceeds we raise in this Offering may be substantially less than the amount we would need to achieve a diversified portfolio of franchisors even if we are successful in raising the Maximum Offering Amount. If we are unable to raise substantial funds, we will make fewer investments, resulting in less diversification in terms of the number and location of SMT and TMAD franchise locations that we own and operate. In that case, the likelihood that any single franchise location's performance would adversely affect our profitability will increase. Your investment in our Shares will be subject to greater risk to the extent that we lack a diversified portfolio of franchisors.

Even if the Maximum Offering Amount is raised, the Company will likely need to raise additional funds in the future in order to grow. Future fundraising may affect the rights of investors. In order to expand, the Company is likely to raise funds again in the future, either by offerings of securities or through borrowing from banks or other sources. The terms of future capital-raising, such as loan agreements, may include covenants that give creditors greater rights over the financial resources of the Company. These rights and terms could adversely affect your investment in the Offering.

We have raised minimal operating capital and no revenue from operations.

We have minimal operating capital and for the foreseeable future will be dependent upon our ability to finance our operations from the sale of equity or other financing alternatives. There can be no assurance that we will be able to successfully raise capital in this Offering. The failure to successfully raise capital in this Offering could result in our bankruptcy or other event which would have a material adverse effect on us and our stockholders.

We do not have a significant operating history and, as a result, there is a limited amount of information about us on which to base an investment decision.

We are a recently formed corporation incorporated in July 2021. We have not generated any revenues and do not have any operating history upon which prospective investors may evaluate our performance. No guarantee can be given that the Company will achieve its investment objectives.

We are a newly formed company and are subject to the risks of any newly established business enterprise.

As a newly formed company, we are subject to the risks of any newly established business enterprise, including risks that we will be unable to create effective operating and financial controls and systems for our Company or effectively manage our anticipated growth, including in connection with any additional SMT and TMAD franchise locations we establish in the future, any of which could have a material adverse effect on the business and operating results of the Company.

We are employing a novel business model, which may make an investment in the Class B Non-Voting Stock difficult to evaluate, as it is unique to the franchise industry.

We were formed to permit investment in SMT and TMAD franchises. We are unaware of any company that is currently attempting to implement this strategy and, as a result, no peer companies exist. We cannot predict the extent to which investor interest in fractional ownership of SMT and TMAD franchise locations will lead to the development of an active trading market for our Shares or how liquid that market might become. Similarly, we cannot predict the extent to which we will be able to successfully offer to investors shares of offerings or a secondary trading market for such shares. Accordingly, there may be no comparable publicly-traded companies or shares against which you will be able to evaluate the performance of the Class B Non-Voting Stock.

There are few businesses that have pursued a strategy or investment objective similar to the Company's.

Although a number of well-established crowdfunding platforms exist in other industries and have been successful, we believe the public investment in franchises is unique and that our strategy is different from other platforms. The Company and the Shares may not gain market acceptance from potential investors, potential franchisors or service providers within the franchise or investment industries. This could result in the Company's inability to operate its franchise locations profitably or could impact the Company's acquisition of additional franchise locations. This would further inhibit market acceptance of the Company, and if the Company does not acquire any additional franchise locations, investors would not receive any benefits which may arise from economies of scale.

We may not be able to successfully acquire or operate franchise locations or generate sufficient operating cash flows to make or sustain distributions to the holders of our Shares.

As of the date of this Memorandum, we have entered into LOIs with (i) SMT Franchisor to acquire SMT franchises in up to 30 territories across Rhode Island, Louisiana/Mississippi, California, and Seattle, Washington, and (ii) TMAD Franchisor to acquire TMAD franchises in up to 25 territories in the greater metro areas of Denver, Colorado, Houston, Texas, Tampa, Florida, and Chicago, Illinois. The LOIs provide the Company with a non-binding right to acquire franchise locations in specific territories. See "The Company's Business" for more information. There can be no assurance that we will successfully acquire any SMT or TMAD franchise locations on the terms set forth in the LOIs or at all, and there can be no assurance of the number of such franchise locations that may exist within our portfolio. Even if we are able to acquire SMT or TMAD franchise locations, we may not be able to successfully operate the franchise locations or implement the operating policies and strategies successfully, which may affect our ability to make or sustain distributions to investors. Furthermore, there can be no assurance that we will be able to generate sufficient operating cash flows to pay operating expenses of the franchise locations and make distributions to stockholders.

If we cannot timely acquire franchise locations, we will have no immediate use for net proceeds of this Offering.

If we are unable to timely purchase SMT or TMAD franchise locations, we will have no immediate designated use for substantially all of the net proceeds of this Offering. As a result, the Company will have incurred substantial expenses without the holders of our Class B Non-Voting Stock realizing the expected benefits.

We may suffer from delays in locating suitable investments, which could limit our ability to make distributions and lower the overall return on your investment.

We rely upon FranShares, our Manager, including Mr. Rose, to identify suitable SMT and TMAD franchise locations. FranShares may manage other franchise investing entities in the future that also would rely on Mr. Rose for franchise opportunities. To the extent that our Manager faces competing demands upon its time in instances when we have capital ready for investment, we may face delays in execution. The more Shares we sell in this Offering, the greater our challenge will be to invest all of the net offering proceeds on attractive terms. Except for investments that may be described in supplements to this Memorandum prior to the date you subscribe for our Shares, you will have no opportunity to evaluate the terms of transactions or other economic or financial data concerning our SMT and TMAD franchise ownership. You must rely entirely on our Manager. We cannot be sure that our Manager will be successful in obtaining SMT or TMAD franchise opportunities on financially attractive terms. We could also suffer from delays in obtaining SMT or TMAD franchise opportunities as a result of our reliance on our Manager at times when its officers, employees and agents are simultaneously seeking to locate suitable franchise locations for other future FranShares affiliated entities, some of which may have investment objectives and employ investment strategies that are similar to ours. Furthermore, when we acquire SMT or TMAD franchise locations, it may take several months to begin generating revenue. Therefore, you could suffer delays in the receipt of distributions attributable to those properties.

There is substantial doubt about our ability to continue as a going concern.

As of July 9, 2021, our inception date, we had no cash on hand and \$5,000 of liabilities. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due.

The Company's success depends on the experience and skill of our Manager and its personnel.

We rely upon FranShares, our Manager, including Mr. Rose. The loss of our Manager or any of its key team members, including Mr. Rose, could harm the Company's business, financial condition, cash flow and results of operations. We cannot guarantee that we would be able to replace our Manager or that our Manager would be able to replace key team members with similarly qualified executives on a timely basis or at all.

Further, the Company's success and achievement of the Company's growth plans depend on our Manager's ability to recruit, hire, train and retain other highly qualified technical and managerial personnel. Competition for qualified employees among companies in the industries in which the Company participates is intense, and the loss of any key team members, or an inability to attract, retain and motivate additional highly skilled employees required for the expansion of the Company's activities, could have a materially adverse effect. The inability to attract and retain the necessary personnel, consultants and advisors could further have a material adverse effect on the Company's business, financial condition, or results of operations.

Disruptions in the financial markets, deteriorating economic conditions or public health crises could adversely impact the franchise market as well as the market for equity-related and debt-related investments generally, which could hinder our ability to implement our business strategy and generate returns to you.

We intend to acquire and operate SMT and TMAD franchise locations across specific geographic areas. Economic conditions greatly increase the risks of franchise ownership (see "Risks Related to Franchising"). The success of our business is significantly related to general economic conditions and, accordingly, our business could be harmed by any economic slowdown or downturn in the waste compaction and quick-service dining industries in which we acquire franchise locations. Periods of economic slowdown or recession, significantly rising interest rates, declining employment levels or the public perception that any of these events may occur can reduce volumes for many of our business lines. These economic conditions could result in a general decline in economic activity or in the number of franchise locations available for acquisition and disposition, which in turn would reduce revenue associated with franchise operations.

During an economic downturn or public health crisis, it may also take longer for us to dispose of franchise investments, or the selling prices of franchise locations may be lower than originally anticipated. As a result, the carrying value of our franchise investments may become impaired and we could record losses as a result of such impairment, or we could experience reduced profitability related to declines in franchise values. These negative general economic conditions could reduce the overall amount of sale activity in the franchise location. We are unable to predict the likely duration and severity of any disruption in financial markets or adverse economic conditions in the United States and other countries. Our revenues and profitability depend on the overall demand for our services from our clients.

The COVID-19 pandemic or other health pandemics could disrupt our business and could materially and adversely affect our business, revenues, financial condition and results of operations for an extended period of time.

The COVID-19 pandemic and related preventative and protective measures have negatively impacted, and may continue to impact, businesses globally. As a response to COVID-19, numerous jurisdictions implemented on a temporary or on-going basis social-distancing requirements, mask mandates, restrictions from gathering in groups, shelter-in-place orders and similar governmental orders and restrictions for residents to control the spread of COVID-19. These preventative and protective measures, and the willingness to scale them back, varies significantly across the jurisdictions where our franchise locations operate. There is no way to predict whether these preventative and protective measures will continue to be maintained, whether prior preventative and protective measures may be re-implemented or whether additional preventative and protective measures may be implemented in the future. The COVID-19 pandemic or another health pandemic may create a rapidly changing and complicated system for ensuring compliance and predicting our revenues and cost structure.

Investors' interests in the Company will be diluted if the Company issues additional shares.

Investors in this Offering will not have preemptive rights to any shares issued by us in the future, including selling additional shares in this or future offerings and issuing equity interests in a private offering of securities. See "Securities Being Offered." In particular, we are authorized, subject to the restrictions of Regulation D and other applicable securities laws, to provide for the issuance of an unlimited amount of one or more classes or series of shares in our Company, including preferred shares, and to fix the number of shares, the relative powers, preferences and rights, and the qualifications, limitations or restrictions applicable to each class or series thereof by resolution authorizing the issuance of such class or series, without stockholder approval. After your purchase of Shares in this offering, we may elect to (i) sell additional shares in this or future public offerings, (ii) issue equity interests in private offerings, or (iii) issue shares to the Company, or to its successors or assigns, in payment of an outstanding fee obligation. To the extent we issue additional equity interests after your purchase in this Offering, your percentage ownership interest in the Company will be diluted. In addition, depending upon the terms and pricing of any additional offerings and the value of your investments, you may also experience dilution in the book value and fair value of your shares.

The Company may rely on third parties to provide services essential to the success of our business.

The Company is externally managed by FranShares. See "Our Manager." In addition, the Company may rely upon third-party management for particular franchise locations. For example, if we acquire TMAD franchise locations, we expect to outsource management to Restaurant Sherpas, which currently operates approximately 10% of all TMAD locations. Any disruptions or failures by third parties providing services to us could materially and adversely affect the Company's business. As a result, your investment could be adversely impacted by the Company's reliance on third parties and their performance.

We are subject to various federal and state employment and labor laws and regulations.

Various employment and labor laws and regulations may govern our relationships with our employees and affect operating costs. These laws and regulations relate to matters including employment discrimination, minimum wage requirements, overtime, tip credits, unemployment tax rates, workers' compensation rates, working conditions, immigration status, tax reporting and other wage and benefit requirements. Any significant additional government regulations and new laws governing our relationships with employees, including minimum wage increases,

mandated benefits or other requirements that impose additional obligations on us, including any temporary or permanent measures implemented in response to COVID-19, could increase our costs and adversely affect our business and results of operations.

Risks Related to Franchising

The profitability of our franchise locations is uncertain.

We intend to contract selectively with franchisors to open and operate multiple SMT and TMAD franchise locations. The opening and operation of such franchise locations entail risks that these investments will fail to perform in accordance with expectations. In undertaking these transactions, we will incur certain risks, including the expenditure of funds on, and the devotion of management's time to, transactions that may not come to fruition. Additional risks inherent in these transactions include risks that these franchise locations will not achieve anticipated profitability and that estimates of the costs of opening or improving locations to market or franchisor standards may prove inaccurate. Expenses may be greater than anticipated. Further, franchise agreements may require the franchisee to pay royalties to the franchisor on gross revenues, even if the franchise location is operating at a loss or to continue operations, even when a business is unprofitable. Accordingly, there may be a long duration before you achieve a return on your investment, or you may not achieve a return on your investment.

Franchise investments are illiquid.

Because franchise investments are relatively illiquid, the ability to respond to economic or other conditions will be limited. The ability to respond is further limited if franchisees must comply with brand standards set and implemented by the franchisor. The foregoing and any other factor or event that would impede our ability to respond to adverse changes in the performance of a franchise location could have an adverse effect on the Company's financial condition and the results of operations.

Rising expenses could reduce cash flow and funds available for future acquisitions.

Franchise locations will be subject to increases in tax rates, utility costs, operating expenses, insurance costs, repairs and maintenance, administrative and other expenses where necessary. We would likely be required to pay those costs under our franchise agreements, which could adversely affect funds available for future acquisitions or cash available for distributions.

Actions by our franchisors could negatively affect our business and operating results.

We are economically dependent on retaining our franchise rights with each franchisor we contract with. Our operations depend, in part, on decisions made by our franchisors, including changes of distributors, suppliers, service offerings and prices, policies and procedures and advertising programs. Further, the franchisor may require us to use particular products, services, or computer software and hardware, and/or to purchase such goods and services from approved suppliers. Business decisions made by our franchisors could adversely impact our business, financial condition, and results of operations.

Poor operating results at any of our franchise locations could cause us to cease operations, regardless of ongoing lease and franchise agreement obligations.

Factors such as intense competition, difficult labor market conditions and low levels of customers or customer traffic could cause us to cease operations at any of our franchise locations. We may have underperforming franchise locations, and we may elect to close such locations in the future regardless of ongoing lease or franchise agreement terms. We may experience reduced sales as a result of franchise location closures and could have ongoing liabilities beyond the date of the closure. Additionally, our franchise agreements may contain liquidated damages provisions that are triggered by such closures, causing us to be in breach of contract of those agreements.

We may not be able to attract and retain qualified team members to operate and manage our franchise locations.

The success of our franchise locations depends on our ability to attract, motivate, develop, and retain a sufficient number of qualified team members, including managers and hourly team members. The inability to recruit, develop and retain these individuals may delay the planned openings of franchise locations or result in high team-member turnover in existing franchise locations, thus increasing the cost to efficiently operate our franchise businesses. This could inhibit our investment strategy and business performance and negatively impact our operating results.

Changes in consumer preferences or discretionary consumer spending could harm our performance.

Our success depends, in part, upon the continued popularity of the products and services our franchisors offer and the appeal of our franchise concepts. We also depend heavily on consumer preferences and trends. Shifts in these consumer preferences could negatively affect our future profitability. Such shifts vary, depending on the type of franchise, but could be based on negative publicity, a general decrease in discretionary consumer spending, less disposable consumer income or a reduction in consumer confidence. A change in consumer preferences or decline in consumer spending could reduce sales at our franchise locations or impose practical limits on pricing. If we cannot respond to these consumer shifts through marketing, changes to our pricing structure or other methods, changes in consumer preferences or discretionary consumer spending could harm our business, financial condition, and results of operations.

Our assessment that certain businesses are recession resilient may prove to be incorrect.

We primarily invest in franchisors that we believe operate in industries that provide a necessity regardless of economic cycles, specifically trash compaction and quick-service restaurants. We believe these types of franchisors are recession-resilient. While we believe this to be the case, there can be no assurance that our franchise locations will succeed in the face of any economic downturn. Our business could be harmed by an economic slowdown or downturn in the industries in which we acquire franchise locations, which could have an adverse effect on our business, financial condition, and results of operations.

Higher-than-anticipated costs associated with the opening of new franchise locations or with the closing, relocating or remodeling of existing franchise locations may adversely affect our business, financial condition or results of operations.

Our revenue and expenses may be significantly impacted by the location, number, and timing of the opening of new franchise locations and the closing, relocating, and remodeling of existing franchise locations. We will likely incur substantial pre-opening expenses each time we open a franchise location and will incur other expenses if we close, relocate, or remodel existing franchise locations. These expenses may be higher if we open one or more franchise locations in new markets, but the costs of opening, closing, relocating, or remodeling any of our franchise locations may be higher than anticipated. An increase in such expenses could have an adverse effect on our business, financial condition, and results of operations.

The number of our brands exposes us to a greater variety of risks.

Our portfolio will consist of two brands, SMT and TMAD, which may expose us to a wider range of risks than a single-branded business. In addition, the impact of certain risks may differ across SMT and TMAD's industries, and certain risks may impact one or more of our brands disproportionately. Risks affecting one or more of our franchise brands could materially and adversely affect our business, financial condition, and results of operations.

Franchisee changes in control may cause complications.

Franchise agreements typically prohibit "changes in control" of a franchisee without the consent of its franchisor. If we wish to change the control of one or more of our franchise locations through a sale, merger, change in ownership or other method, our ability to do so depends on the consent of the applicable franchisor. There is no

assurance that our franchisor would provide such consent, and, even if such consent was provided, we may remain liable for the successor franchisee's liabilities under our franchise agreement.

Franchise agreements are subject to termination, non-renewal and a right of first refusal.

Franchise agreements typically are subject to termination by the franchisor under the franchise agreements in the event of a default, generally after expiration of applicable cure periods. Under certain circumstances, including unauthorized transfer or assignment of the franchise, breach of the confidentiality provisions or health and safety violations, a franchise agreement may be terminated by the franchisor under the franchise agreement upon notice without an opportunity to cure. Generally, the default provisions under the franchise agreements are drafted broadly and include, among other things, any failure to meet operating standards and actions that may threaten our intellectual property.

In addition, upon expiration of a franchise agreement, the franchisee may renew the franchise agreement and receive a "successor" franchise agreement for an additional term. This "successor" franchise agreement may contain additional or varied terms, such as increased franchise royalty rates, advertising fees and other costs; the satisfaction of certain conditions, such as updating the franchise location to current standards; or the payment of a renewal fee. Terminations or restructurings of franchise agreements could reduce franchise payments or require us to incur expenses to solicit and qualify new franchisors, which in turn may materially and adversely affect our business, financial condition and results of operations.

Further, franchise agreements are typically subject to a right of first refusal in favor of the franchisor. While franchisors may be willing to negotiate out of the right of first refusal, there is no guarantee that they will. Any right of first refusal in our franchise agreements could have an impact on our ability to sell franchise locations, which may materially and adversely affect our business, financial condition, and results of operations.

Our success depends substantially on the value of the franchise brands, and unfavorable publicity could harm our business.

Multiunit franchise businesses such as ours can be adversely affected by publicity resulting from complaints, litigation or general publicity. Negative publicity of our franchise brands from traditional media or online social network postings may also result from actual or alleged incidents or events taking place in our franchise locations or any franchise locations of the franchisor not owned by us.

There has been a marked increase in the use of social media platforms, including weblogs (blogs), social media websites and other forms of Internet-based communications which allow individuals access to a broad audience of consumers and other interested persons. Consumers value readily available information concerning goods and services that they have or plan to purchase and may act on such information without further investigation or authentication. The availability of information on social media platforms is virtually immediate, as is its impact. Many social media platforms immediately publish the content their subscribers and participants post, often without filters or checks on the accuracy of the content posted. The opportunity for dissemination of any sort of information or media, including inaccurate and prospectively harmful materials, is practically limitless, and the technology through which such opportunities are afforded is ubiquitous. Information concerning our Company or our franchise brands may be posted on such platforms at any time. Information posted may be adverse to our interests or may be inaccurate, each of which may harm our performance, prospects, or business. The harm may be immediate without affording us an opportunity for redress or correction. Such platforms also could be used for dissemination of trade secret information, compromising valuable Company assets. Regardless of whether any public allegations or complaints are valid, unfavorable publicity relating to any franchise location, whether owned by us or not, could adversely affect public perception of the entire brand. In summary, the dissemination of information online could harm our business, prospects, financial condition, and results of operations, regardless of the information's accuracy.

Our franchise brands may be subject to seasonal and periodic fluctuations, and past results are not indicative of future results.

Consumer traffic patterns for our franchise brands may fluctuate depending on seasonality, and holidays may also affect sales volumes seasonally for some of the franchise brands or franchise locations we operate. As a result of these and other factors, our financial results for any quarter may not be indicative of the results that may be achieved for a full year. Further, the financial results for our franchise brands as a whole, or for other franchise locations not owned by us, may not be indicative of the financial performance of our franchise locations.

Our business may be adversely impacted by the geographic limitations of our locations.

Our franchise locations are located in various states and regions. These various states and regions may face different economic conditions, consumer trends, or product availability. Different franchise locations may have varying levels of performance because of these factors, and the non-availability of products or services can cause disruptions in franchise operations. Further, these geographic fluctuations in states or regions that contain a high concentration of our franchise locations could have a material adverse impact on our sales and profit margins in the future, which in turn could materially and adversely affect our business, financial condition, and results of operations.

Complaints or litigation may adversely affect our business and reputation.

We may be subject to claims, including class action lawsuits, filed by customers, our franchisors, independent contractors, employees, suppliers, landlords, competitors, governmental authorities, and others in the ordinary course of business, including as a result of violations of health, employment and other federal, state and local laws, rules and regulations. Significant claims may be expensive to defend and may divert time and resources away from our operations, causing adverse impacts to our operating results. We may be subject to employee, franchisee, independent operator, and other claims in the future based on, among other things, discrimination, harassment, wrongful termination, and wage, rest break and meal break issues, including those relating to overtime compensation. If one or more of these claims were to be successful or if there is a significant increase in the number of these claims, our business, financial condition, and operating results could be harmed.

In addition, adverse publicity related to complaints, litigation or bankruptcy at the franchisor level could negatively impact the reputation of our franchise locations, even if such litigation is not valid or does not reflect on the actions of our franchise locations, resulting in further adverse impacts to results of operations.

Our failure to comply with government regulation related to our franchise operations, and the costs of compliance or non-compliance, could adversely affect our business.

We are subject to various federal, state, local and foreign laws affecting our business. Each of our franchise locations is subject to licensing and regulation by a number of governmental authorities. Our suppliers are also subject to regulation in some of these areas. Any difficulties or inability to retain or renew licenses, or increased compliance costs due to changed regulations, could adversely affect operations at existing franchise locations. Additionally, difficulties in obtaining or failing to obtain the required licenses or approvals could delay or prevent the development of new franchise locations. Franchisors are subject to various federal and state laws and regulations related to the offer and sale of franchise locations. Failure to comply with these laws could adversely affect the results we generate from franchise locations or otherwise impose costs on us. Further, we cannot predict how existing or future laws or regulations will be administered or interpreted. Failure to comply with new or existing franchise or independent operator laws and regulations in any jurisdiction or to obtain required government approvals could result in a ban or temporary suspension on future sales, which could reduce profits. In turn, this could materially and adversely affect our business, financial condition, and results of operations.

Certain franchise investments could adversely affect our financial results.

We may discover liabilities or deficiencies associated with any franchisors that we invest in that were not identified in advance, which may result in unanticipated costs. The effectiveness of our due diligence review and

ability to evaluate the results of such due diligence may depend upon the accuracy and completeness of statements and disclosures made or actions taken by the target companies or their representatives, including in such franchisor's FDD. As a result, we may not be able to accurately forecast the financial impact of a franchise investment, including tax and accounting charges. In addition, we may not be able to successfully integrate TMAD or SMT franchise locations, and we may incur significant costs to integrate and support franchise locations. Any of these factors could adversely affect our financial results.

The information provided in the FDDs was prepared by a third party independent of the Company and FranShares, and neither the Company nor FranShares can attest to the accuracy or completeness of the information contained therein.

The Company will need to secure leases for physical franchise locations, which may result in significant expenses and hinder our ability to generate returns for you.

The Company may choose to pay rent for six to twelve months of a TMAD location upfront, which will incur high outset costs prior to the location becoming operational. Alternatively, the Company may choose to have the franchisor execute a lease on the Company's behalf for a flat annual fee, which the Company expects to be approximately \$50,000. The Company may also have little control over the lease terms. Any of these factors could impact our cash flow, financial condition, and results of operations.

PLAN OF DISTRIBUTION

Plan of Distribution

The Company is offering up to 2,450,000 Shares (representing a Maximum Offering Amount of \$24,500,000) on a best-efforts basis. The minimum investment amount is \$500, or 50 Shares. The Company has engaged Dalmore, a broker-dealer registered with the SEC and a member of FINRA, to act as the broker-dealer of record for this Offering, but not for underwriting or placement agent services. As compensation, the Company has agreed to pay Dalmore a fee to support the Offering on all invested funds after the issuance of a No Objection Letter by FINRA. The Company will pay Dalmore a fee equal to 1% of the first \$10,000,000 raised by Dalmore and 0.5% of any amount raised by Dalmore in excess of \$10,000,000. In addition, the Company will pay Dalmore a one-time \$25,000 due diligence fee.

The Company will hold an initial closing when it has commitments for the Minimum Offering Amount and may undertake one or more closings on a rolling basis after the Minimum Offering Amount is reached. The Company will take a number of considerations into account when determining when to hold a closing. Such considerations will include the amount of funds raised in the Offering prior to such closing, the feedback received from market participants regarding their interest in participating in the Offering, and the impact that a closing would have on the continuation of the Offering. After each closing, funds tendered by investors will be available to the Company.

The Company expects to terminate the Offering on the date on which the Maximum Offering Amount has been sold or the Offering has been earlier terminated by the Company at its sole discretion. The Company may undertake one or more closings on a rolling basis after the Minimum Offering Amount is reached. After each closing, funds tendered by investors will be available to the Company.

None of the Shares being sold in this Offering are being sold by existing securities holders.

Investor Suitability Standards

Investment in the Shares involves significant risks and is suitable only for persons of adequate financial means who have no need for liquidity with respect to their investment and who can bear the economic risk of a complete loss of their investment. See the section entitled "Risk Factors" for more information. This offering is made in reliance on exemptions from the registration requirements of the Securities Act and applicable state securities laws and regulations.

Each investor must represent in writing that it qualifies as an Accredited Investor, as such term is defined in Rule 501(a) of Regulation D under the Securities Act, and must demonstrate the basis for such qualification. To be an Accredited Investor, an investor must fall within any of the following categories at the time of the sale of any Shares to that investor:

If a natural person,

- the investor's income during each of the last two years exceeded \$200,000 or, if the investor is married or has a spousal equivalent, the joint income of the investor and the investor's spouse or spousal equivalent, as applicable, during each of the last two years exceed \$300,000, and the investor reasonably expects the investor's income, from all sources during this year, will exceed \$200,000 or, if the investor is married or has a spousal equivalent, the joint income of investor and the investor's spouse or spousal equivalent, as applicable, from all sources during this year will exceed \$300,000;
- the investor's net worth, including the net worth of the investor's spouse or spousal equivalent, as applicable, is in excess of \$1,000,000 (excluding the value of the investor's primary residence);
- the investor is a holder in good standing of one or more of the following certifications or designations administered by FINRA: the Licensed General Securities Representative (Series 7), Licensed Investment Adviser Representative (Series 65), or Licensed Private Securities Offerings Representative (Series 82); or

- the investor is a “family client,” as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), of a family office as defined in rule 202(a)(11)(G)-1 under the Advisers Act, (i) with assets under management in excess of \$5,000,000, (ii) that is not formed for the specific purpose of acquiring the securities offered, and (iii) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment, and whose prospective investment is directed by such family office pursuant to clause (iii) of this sentence.

If an entity,

- The investor is a trust with total assets in excess of \$5,000,000 whose purchase is directed by a person with such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the prospective investment;
- The investor is a bank, an investment adviser registered pursuant to Section 203 of the Advisers Act or registered pursuant to the laws of a state, any investment adviser relying on the exemption from registering with the SEC under Section 203(l) or (m) of the Advisers Act, an insurance company, an investment company registered under the United States Investment Company Act of 1940, as amended, a broker or dealer registered pursuant to Section 15 of the Exchange Act, a business development company, a Small Business Investment Company licensed by the United States Small Business Administration, a Rural Business Investment Company as defined in Section 384A of the Consolidated Farm and Rural Development Act, as amended, a plan with total assets in excess of \$5,000,000 established and maintained by a state for the benefit of its employees or a private business development company as defined in Section 202(a)(22) of the Advisers Act;
- The investor is an employee benefit plan and either all investment decisions are made by a bank, savings and loan association, insurance company, or registered investment advisor, or the investor has total assets in excess of \$5,000,000 or, if such plan is a self-directed plan, investment decisions are made solely by persons who are Accredited Investors;
- The investor is a corporation, limited liability company, partnership, business trust, not formed for the purpose of acquiring the Securities, or an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), in each case with total assets in excess of \$5,000,000;
- The investor is an entity in which all of the equity owners (in the case of a revocable living trust, its grantor(s)) qualify under any of the above subparagraphs, or, if an individual, each such individual has a net worth, either individually or upon a joint basis with such individual’s spouse or spousal equivalent, as applicable, in excess of \$1,000,000 (within the meaning of such terms as used in the definition of “Accredited Investor” contained in Rule 501 under the Act), or has had an individual income in excess of \$200,000 for each of the two most recent years, or a joint income with such individual’s spouse or spousal equivalent, as applicable, in excess of \$300,000 in each of those years, and has a reasonable expectation of reaching the same income level in the current year;
- The investor is an entity, of a type not listed in any of the paragraphs above, which was not formed for the specific purpose of acquiring the securities offered, owning investments in excess of \$5,000,000;
- The investor is a “family office,” as defined in rule 202(a)(11)(G)-1 under the Advisers Act, (i) with assets under management in excess of \$5,000,000, (ii) that is not formed for the specific purpose of acquiring the securities offered, and (iii) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or
- The investor is a “family client,” as defined in rule 202(a)(11)(G)-1 under the Advisers Act, of a family office meeting the requirements in the above paragraph and whose prospective investment is directed by such family office pursuant to clause (iii) of the above paragraph.

Prospective investors will be required to represent in writing that, among other things, they meet the suitability standards set forth above, which represent minimum suitability requirements for prospective investors. Satisfaction of such standards by a prospective investor does not mean that the Shares are a suitable investment for such investor, and no person should invest in this Offering who cannot afford to lose his, her or its entire investment. In addition, certain states may impose additional or different suitability standards, which may be more restrictive.

Notwithstanding these minimum suitability standards, each prospective investor's status as an "Accredited Investor" must be independently verified by Dalmore. Prospective investors must complete and execute an Accredited Investor Questionnaire and provide any required documentation (e.g., IRS Forms W-2 or 1099, bank or brokerage statements, certificates of deposit or tax assessments) on the platform provided by Templum, Inc. ("Templum" and such platform the "Templum Platform"). Dalmore can view the files an investor submits or uploads to the Templum Platform and is responsible for reviewing any accreditation documents submitted. If the prospective investor's submission is insufficient, Dalmore will leave a note in the entry on the Templum portal for the issuer's team or IR service to resolve with the investor.

The Company, Templum or Dalmore may make or cause to be made such further inquiry and obtain such additional information as any such entity deems appropriate with regard to the suitability of prospective investors. We may reject purchase offers in whole or in part, in our joint discretion.

If, because of any error or misunderstanding as to such circumstances, a copy of this Memorandum is delivered to any person who does not meet the preceding standards, the delivery of this Memorandum to such prospective investor will not be deemed to be an offer and this Memorandum must be returned to the Company immediately.

Each person acquiring Shares may be required to represent that he, she or it is purchasing Shares for his, her or its own account for investment purposes and not with a view to resell or distribute the securities. Each prospective purchaser of Shares may be required to furnish such information or certification as the Company may require in order to determine whether any person or entity purchasing Shares is an Accredited Investor if such is claimed by the investor.

Subscription Procedure

In order to subscribe to purchase our shares, a prospective investor must first register on the Templum Platform. On the Templum Platform, the prospective investor must electronically complete, sign and deliver (i) an executed Subscription Agreement, like the one attached to this Memorandum as Annex II, and (ii) a completed Accredited Investor Questionnaire.

No offer to purchase the Shares will be accepted by the Company unless and until Dalmore verifies the investor's status as an Accredited Investor. We reserve the right to reject any potential investor's subscription in whole or in part for any reason, including if we determine in our sole and absolute discretion that such investor is not an Accredited Investor. Once the Accredited Investor Questionnaire is verified and the completed Subscription Agreement is signed for the Offering, and once the Minimum Offering Amount is reached, the Company or its agents will instruct the potential investor to transfer funds via the Templum Platform for its subscription amount.

The Company may close on investments on a "rolling" basis (so not all investors will receive their shares on the same date) after the Minimum Offering Amount is reached. Upon closing, when (i) the Minimum Offering Amount has been reached, (ii) Dalmore has verified the investor's status as an Accredited Investor and we have accepted the executed Subscription Agreement, and (iii) the subscription payment has been made available to us for our use, shares of Class B Non-Voting Stock will be issued, and you will become a stockholder.

To the extent that the funds are not ultimately received by us or are subsequently withdrawn by the investor, whether due to an ACH chargeback or otherwise, the Subscription Agreement will be considered terminated, and the investor will not be entitled to any Shares subscribed for or dividends that may have accrued.

In the event it takes some time for the Company to raise funds in this Offering, the Company may rely on cash on hand, or it may seek to raise funds by conducting a new offering of equity or debt securities.

Transfer Agent and Registrar

Colonial Stock Transfer Company, Inc. will serve as transfer agent to maintain stockholder information on a book-entry basis. We will not issue Shares in physical or paper form. Instead, our Shares will be recorded and maintained on our stockholder register.

USE OF PROCEEDS TO ISSUER

We estimate that the net proceeds from the sale of the 2,450,000 Shares in this Offering will be approximately \$24,152,500, after subtracting estimated fees of \$172,500 and estimated organizational and offering expenses of \$175,000. The Company has engaged Dalmore, a broker-dealer registered with the SEC and a member of FINRA, to act as the broker-dealer of record in connection with this Offering, but not for underwriting or placement agent services. The Company will pay Dalmore a fee equal to 1% of the first \$10,000,000 raised by Dalmore and 0.5% of any amount raised by Dalmore in excess of \$10,000,000, which does not include a one-time due diligence fee payable by the Company to Dalmore. See “Plan of Distribution” for more details.

We intend to use the net proceeds of the Offering as follows:

- \$218,450 to repay FranShares for aggregate deposits made to SMT Franchisor and TMAD Franchisor on the Company’s behalf prior to the consummation of this Offering;
- \$1,341,050 to pay remaining franchise fees to SMT Franchisor and TMAD Franchisor; and
- the remaining proceeds for working capital needed to develop and operate franchise locations and general corporate purposes, including the acquisition or leasing of real property, development of franchise locations, hiring employees, marketing and management services, some of which may be payable to SMT Franchisor and TMAD Franchisor pursuant to the terms of the franchise agreements. See “The Company’s Business—Franchising” for a description of the initial estimated investment for each of SMT and TMAD.

Pending deployment of the net proceeds from this Offering, we may place the proceeds in an interest-bearing account or invest the proceeds in short-term, highly liquid or other authorized investments.

THE COMPANY'S BUSINESS

Summary

We are a newly formed Delaware corporation formed to acquire and operate franchises. We will initially open and operate SMT and TMAD franchises, but we may decide to acquire additional franchises in the future. We have entered into LOIs with (i) SMT Franchisor to acquire SMT franchises in up to 30 territories across Rhode Island, Louisiana/Mississippi, California, and Seattle, Washington, and (ii) TMAD Franchisor to acquire TMAD franchises in up to 25 territories in the greater metro areas of Denver, Colorado, Houston, Texas, Tampa, Florida, and Chicago, Illinois. SMT franchisees operate mobile waste compaction services that greatly reduce trash hauls by smashing trash in open-top, roll-off containers. TMAD franchisees operate fast casual restaurants that make and sell Japanese-style teriyaki dishes and other specialty food items, beverage items, and other items. Any SMT and TMAD franchises that we acquire will be new territories without any prior franchise history in such territory.

We are externally managed by FranShares. FranShares will manage the day-to-day operations of the Company, including, but not limited to: selecting, designing and opening franchise locations, hiring and supervising franchise employees, managing suppliers and service providers to franchise locations, serving as the point of contact to franchisors, and overseeing franchise operations. If the Maximum Offering Amount is achieved, FranShares will own approximately 2% of the outstanding shares of the Company and all of the Company's Class A Voting Stock, and excess free cash flow from operations of the Company from the operated businesses will be paid in the form of dividends pro rata among holders of shares of Class A Voting Stock and Class B Non-Voting Stock. See "Our Manager."

FranShares does not intend to collect a management fee from the Company. However, FranShares will serve as the franchise broker of record for the Company and, as franchise broker, will receive a portion of the franchise fees received by the franchisor when new franchise locations are added to the Company. Pursuant to the terms of the LOIs, FranShares will be entitled to franchise broker fees equaling \$373,800 from SMT Franchisor (*i.e.*, 40% of the franchise fees payable to SMT Franchisor) and \$195,000 from TMAD Franchisor (*i.e.*, 30% of the franchise fees payable to TMAD Franchisor). FranShares will not share such franchise broker fees with the investors in this Offering; however, FranShares will use a portion of its franchise fees to purchase Class A Common Stock from us. As of the date of this Memorandum, we have no operations. As of July 9, 2021, our inception date, we had no cash on hand and \$5,000 of liabilities.

This Offering will provide an opportunity for investors to gain exposure to a portfolio of SMT and TMAD franchises with less financial and operational risk than traditional franchise ownership. However, investors in this Offering will not have any direct relationship with SMT or TMAD (or with any franchisor the Company may enter into a franchise relationship with in the future). The Company and each of SMT and TMAD will have a franchisor-franchisee relationship, pursuant to the Franchise Agreements between the Company and each franchisor. Any investor in this Offering, however, will be a stockholder of the Company that receives only passive income from the Company's relationships with its franchisors. Investors will not have such a franchisor-franchisee relationship, and nothing in this Memorandum nor in the Company's operations shall impart such a relationship on investors.

Market Opportunity

Franchising is a wealth-building alternative investment. Running a successful franchise location typically requires high investment minimums (typically \$100,000 to \$2,000,000), operational expertise, and significant time commitments. Investors seeking to add franchisors to their portfolio are generally limited to either publicly traded franchisors or private equity-held multiunit franchise funds. Publicly traded franchisors, while available to retail investors, typically have higher management costs, are limited in their ability to market shares under franchise agreements and usually consist of only one or a few brands. Private equity-held multiunit franchise funds are only available to high-net-worth investors, typically only operate in restaurants, and also are limited in their ability to market shares under franchise agreements. Therefore, we believe there is a market opportunity available for a platform that offers investors exposure to a diversified set of businesses across different geographies and industries, all for less financial and operational risk than traditional franchise ownership carries.

The franchise industry in the United States produces over \$787 billion of economic output from franchise establishments, representing 3% of nominal US GDP. With 774,965 franchise establishments and over 4,300 franchise brands across over 100 industries, franchising creates 8.2 million jobs annually in various industries, including senior care, fitness, hair care, home services, education, auto, beauty, food, children's fitness, and business-to-business. Despite this, 4,000 franchisors compete for approximately 14,000 franchisee candidates every year, with an additional 300 or more new concepts entering the market each year. Additionally, only 17% of franchisors have more than 100 locations. We believe that we can help solve the franchise supply and demand imbalance by introducing investors to an asset class that typically has been unavailable to them.

We intend to provide an investment opportunity to investors in a portfolio of two separate franchise brands initially, SMT and TMAD, but we may decide to acquire additional franchise brands in the future. We intend to use the proceeds from this Offering to acquire and operate as franchisee up to 30 SMT franchise locations and up to 25 TMAD franchise locations.

Franchising

The FTC governs franchises pursuant to the Franchise Rule. Pursuant to the Franchise Rule, a commercial business arrangement is a "franchise" if it satisfies three definitional elements. Specifically, the franchisor must (1) promise to provide a trademark or other commercial symbol, (2) promise to exercise significant control or provide significant assistance in the operation of the business, and (3) require a minimum payment of at least \$500 during the first six months of operations. With respect to the "trademark" element, a franchise entails the right to operate a business that is "identified or associated with the franchisor's trademark, or to offer, sell, or distribute goods, services, or commodities that are identified or associated with the franchisor's trademark." The term "trademark" is intended to be read broadly to cover not only trademarks, but any service mark, trade name, or other advertising or commercial symbol. Under the "significant control or assistance" element, examples of significant types of control include site approval for unestablished businesses, site design or appearance requirements, hours of operation, accounting practices and personnel policies and examples of significant types of assistance include formal sales, repair or business training programs, establishing accounting systems, furnishing management, marketing or personnel advice, selecting site locations, furnishing systemwide networks and website, and furnishing a detailed operating manual. Finally, fees that count toward the minimum franchisor payments may include initial franchise fees, rent, advertising assistance, training, security deposits, equipment rental and continuing royalties on sales.

In the event that a commercial business arrangement constitutes a franchise, the franchisor must provide prospective franchisees a FDD at least 14 days before the prospective franchisee signs a binding agreement with, or makes payments to, the franchisor in connection with the proposed franchise sale. The Franchise Rule sets forth 23 specific disclosure items that must be included in every FDD, including business experience, initial and other fees, financing, territory, intellectual property, obligation to participate in the actual operation of the franchise business, optional financial performance representations and financial statements. Specifically, under Item 12, franchisors must disclose specific information regarding the location and territory that the franchise agreement will grant to a franchisee. Further, Item 19 must be included in the FDD, but a franchisor can choose whether or not to provide financial representations. To the extent such financial representations are provided they can pertain to historical performance of all or a subset of existing franchised outlets or a forecast of future potential performance. For historic performance financial representations, a franchisor must state the material facts underlying the representation and must include information with respect to the following questions: did all outlets in the system, or only some of them, achieve the stated level of performance; are the outlets in the measured group franchised, company-owned or outlets of an affiliated system with similar operations; when was the stated level of performance achieved; how many outlets are in the group that achieved the stated level of performance, and how many are in the entire system; how many outlets in the relevant group supplied the performance data underlying the representation; what proportion of the group measured achieved the results claimed; and, what are the common attributes of the outlets that achieved the stated level of performance? Similarly, financial projected performance must be made upon a reasonable basis and must disclose the material bases and assumptions upon which the projection is based. We have included information in this Memorandum from the FDDs provided by TMAD Franchisor and SMT Franchisor and, in particular, Item 12 and Item 19 of each of the FDDs. The information provided in the FDDs was prepared by a third party independent of the Company and the Company cannot attest to the accuracy or completeness of the information contained therein.

As of the date of this Memorandum, we have entered into LOIs with each of SMT Franchisor and TMAD Franchisor. The LOIs provide the Company with a non-binding right to acquire franchise locations in certain territories as described further below. We believe that SMT and TMAD are recession-resilient franchisors. SMT operates in waste compaction, and trash is something that people produce regardless of economic cycles. Similarly, TMAD operates in fast casual dining, a sector of the dining industry that we believe is much more recession-resilient than sit-down dining, which is typically also higher in cost. Additionally, based on the Company's business model, we are negotiating favorable franchise valuations and average franchise fee savings of 27% between TMAD and SMT.

Territory restrictions for each of SMT and TMAD are set forth in Item 12 in each franchisor's applicable FDD. Accordingly, any SMT and TMAD franchises that we acquire will be new territories without any prior franchise history in such territory. SMT and TMAD will grant us protected territories, such that neither SMT nor TMAD will establish any SMT or TMAD franchise locations, as applicable, nor license nor franchise another party to establish any SMT or TMAD franchise locations, as applicable. SMT will grant us protected territories that each include a defined area with a minimum population of 200,000. TMAD will grant us protected territories that each include an area with a population of approximately 25,000.

Smash My Trash

Overview of Franchise

SMT businesses operate mobile waste compaction services that greatly reduce trash hauls by smashing trash in open-top, roll-off containers. This service reduces the number of landfill dumpster hauls a company makes by an average of 70% and saves companies at least 20% on their waste costs. Over 550 SMT franchise locations have been sold in the last three years. Teams are small (typically 2-4 employees), and SMT has a simple sales process with a demo conversion rate of over 60%.

The franchisor entity, Smash Franchise Partners, LLC, is an Indiana limited liability company formed on May 22, 2018. SMT Franchisor began offering franchise opportunities on August 1, 2018. As of December 31, 2020, there were 69 SMT franchise locations, with 65 franchise locations opening in 2020. SMT Franchisor also operates company-owned locations through affiliated entities.

SMT Franchisor did not provide financial data for its independent franchise locations in its FDD. However, it did provide financial information for its Houston-based affiliate, Smash My Trash, LLC, that was later acquired by a franchisee. Smash My Trash, LLC was established in Texas in 2015 and operated two smash trucks in Houston, Texas, serving an area with an approximate population of 400,000 people. On May 1, 2020, the affiliate's assets were sold to a franchisee who continues to operate the business.

According to the SMT FDD, that affiliate's gross revenue from January 1, 2019 to December 31, 2019 was \$1,388,523, with a gross profit of \$1,023,773 (representing 73.7% of sales). The most significant expense of the business in 2019 was payroll and human resources (16.9% of sales). From January 1, 2020 to April 30, 2020, gross revenue was \$379,738, with a gross profit of \$296,319 (78.0% of sales). The most significant expenses of the business during this time were payroll and human resources (26.8% of sales) and truck payments (5.6% of sales).

As a company-owned location, Smash My Trash, LLC was not required to pay an initial franchise fee (\$49,500), royalty fees (8% of gross sales) or other fees, including brand fund contributions (1% of gross sales). While the FDD indicates that there are no material financial and operational characteristics of the affiliate-owned location that are reasonably anticipated to differ materially from future operational franchise outlets, variances in performance are expected with respect to geographic location, length of time in operation and the number of trucks in operation, among others.

After Smash My Trash, LLC was acquired by a franchisee, gross sales from May 2020 through April 2021 were as follows:

Gross Sales for Houston Franchisee

	Gross Sales
May 2020 ¹	\$ 101,086
June 2020	\$ 77,215
July 2020	\$ 101,035
August 2020	\$ 98,920
September 2020	\$ 103,911
October 2020	\$ 103,832
November 2020	\$ 115,692
December 2020	\$ 113,150
January 2021	\$ 127,996
February 2021	\$ 125,377
March 2021	\$ 135,221
April 2021	\$ 144,669

There is no guarantee that SMT franchise locations acquired by the Company will perform similarly to either the affiliate or the Houston franchisee.

The total investment necessary for a franchisee to open and begin operation of SMT franchise location(s) depends on the number of territories the franchisee operates. The initial franchise fee includes one protected territory with a population of 200,000 people, though franchisees may purchase additional territories, up to a total of ten territories. The total investment necessary for a franchisee to open and begin operation of a SMT franchise location in one territory is estimated to be between \$322,650 and \$395,500, depending on variable costs and fees. The total investment necessary for a franchisee to open and begin operation of SMT franchise locations in multiple territories is estimated to be between \$362,650 and \$1,210,500, depending on the number of territories and variable costs and fees. A breakdown of the total estimated initial investment, as disclosed in the FDD, is set forth below.

Estimated Initial Investment – One Territory

Type of expenditure	Amount	Method of payment	When done	To whom payment is to be made
Initial franchise fee ⁽¹⁾	\$49,500 - \$49,500	Check or wire transfer	Upon signing the franchise agreement	Us
Rent, Utilities, and Leasehold Improvements	\$500 - \$2,500	As arranged	As incurred or when billed	Warehouse owner, utility company, contractor
Market Introduction Program	\$2,500 - \$7,500	As arranged	As incurred or when billed	Vendors and suppliers
Furniture, Fixtures, and Equipment	\$500 - \$2,000	As arranged	As incurred	Vendors and suppliers
Computer Systems	\$400 - \$1,500	As arranged	As incurred	Vendors and suppliers
Insurance	\$2,000 - \$4,500	As arranged	Upon ordering	Insurance company
Smash Trucks ⁽²⁾	\$229,800 - \$265,000	As arranged	Deposit due within 30 days of signing the Franchise Agreement	Us and/or Affiliates
Licenses and Permits	\$500 - \$1,000	As arranged	Upon application	Government
Software Subscription – first three months	\$2,100 - \$3,000	As arranged	Monthly, commencing when you begin training	Us
Dues and Subscriptions	\$350 - \$1,000	As arranged	As incurred	Vendors, trade organizations

¹ Customers were being transitioned from the affiliate to the franchisee in May 2020, and the gross sales number for this month contains a mix of sales by the affiliate and by the franchisee.

Type of expenditure	Amount	Method of payment	When done	To whom payment is to be made
Professional Fees (lawyer, accountant, etc.)	\$2,500 - \$5,000	As arranged	As incurred or when billed	Professional service firms
Travel, lodging and meals for initial training	\$2,000 - \$3,000	As arranged	As incurred	Airlines, hotels and restaurants
Additional funds (for first 3 months) ⁽³⁾	\$30,000 - \$50,000	As arranged	Varies	Employees, suppliers
Total	\$322,650 - \$395,500			

Notes

1. If (1) a franchisee fails to complete the initial training program to SMT Franchisor's satisfaction, or (2) SMT Franchisor concludes, no more than 10 days after a franchisee completes the initial training program, that it does not have the ability to satisfactorily operate its franchise, then SMT Franchisor has the right to terminate the franchise agreement. If SMT Franchisor does so, it will refund the franchisee's franchise fee less any out-of-pocket costs incurred, subject to the franchisee signing a general release of liability. Otherwise, all fees paid to SMT Franchisor and its affiliates are non-refundable.
2. A franchisee must use one custom-built vehicle (a "Smash Truck") designed specifically for the franchised business and exclusively supplied by SMT Franchisor and its affiliates. The Smash Truck must follow SMT Franchisor's specifications and be fitted with its custom equipment. The vehicle must be kept in good condition, clean, dent-free and otherwise presenting a professional appearance. The franchisee will purchase the chassis from an approved dealer for approximately \$72,000. The franchisee will pay SMT Franchisor's affiliate, Custom Hydraulics, LLC, approximately \$175,400 for the Smash Machine, rigging and installation and customs. The franchisee will also pay Custom Hydraulics, LLC the cost of shipping and delivery, which ranges from \$7,400 to \$17,600.
3. This estimation includes any other required expenses a franchisee will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, and other operating expenses in excess of income generated by the business. In formulating the amount required for additional funds, SMT Franchisor relied on the following factors, basis, and experience: the development of a Smash My Trash business by its affiliate, and its general knowledge of the industry.

Estimated Initial Investment – Multiple Territories

Type of expenditure	Amount	Method of payment	When done	To whom payment is to be made
Initial Franchise Fee	\$89,500 - \$334,500 (2-10 Territories) ⁽¹⁾	Check or wire transfer	Upon signing the Franchise Agreement	Us
Initial Investment to Open Initial Business ⁽²⁾	\$273,150 - \$346,000	See Preceding Chart for Single Territory Investment		
Additional Smash Trucks ⁽³⁾	\$0 - \$530,000 (0 Trucks - 2 Trucks)	Check or wire transfer	Deposit due within 30 days of signing the Franchise Agreement	Us and/or Affiliates
Total	\$362,650-\$1,210,500			

Notes

1. We have agreed to pay \$31,150 per franchise location.
2. Please refer to the table for the Estimated Initial Investment for a Single Unit for expenses associated with opening the initial Smash My Trash business for one Territory under a Franchise Agreement. This includes the cost of one Smash Truck.
3. This estimation includes the number of Smash Trucks that a franchisee must initially order for operation based on the number of Territories the franchisee purchases. If the franchisee purchases 1, 2, or 3 Territories, it is required to initially order and operate 1 Smash Truck. If the franchisee purchases 4, 5, 6, or 7 Territories, it is required to initially order and operate 2 Smash Trucks. If the franchisee purchases 8, 9, or 10 Territories, it is required to initially order and operate 3 Smash Trucks. Each Smash Truck has an estimated cost that ranges from \$229,800 to \$265,000.

Any SMT franchise location must be operated according to SMT Franchisor’s specifications and pursuant to a signed franchise agreement with SMT Franchisor. SMT Franchisor imposes various obligations on franchisees, including obtaining insurance coverage, using specified computer hardware and software, purchasing Smash Truck(s) from SMT Franchisor or an approved vendor, using SMT Franchisor as a required supplier, participating in training, conducting local marketing, following obligations regarding trademarks, intellectual property and proprietary information, and complying with additional obligations located in the franchise agreement. The typical length of time between signing the franchise agreement and the opening of a SMT franchise location is four to seven months. SMT franchise locations currently operate according to a ten-year franchise term, with up to two additional five-year terms if certain conditions are met. SMT Franchisor’s affiliates, Innovative Waste Technologies, LLC and Custom Hydraulics, LLC, provide products or services to franchisees.

According to the FDD, there is a broad and high demand for waste compaction services because the market is relatively new and undeveloped. Franchisees may also have to obtain permits for dumping waste and for driving a large vehicle, depending on the jurisdiction. Further, at the time of the FDD, SMT had not been in business for three years or more and was unable to include all financial statements required by the Franchise Rules of the FTC. The FDD also disclosed three litigation actions, two of which are outstanding. No bankruptcy information was disclosed.

Overview of LOI and Non-Refundable Deposit

On January 5, 2022, we entered into a non-binding LOI with SMT Franchisor that set forth the terms upon which we would acquire up to 30 territories in which we would own and operate SMT franchises as a franchisee. On February 25, 2022, we entered into a deposit addendum and addenda thereto that set forth the proposed 30 territories and the terms upon which we will pay franchise fees to SMT Franchisor. The territories are set forth below.

Company Territories

Rhode Island	Louisiana / Mississippi	California	Seattle, Washington
Pawtucket	Jefferson, LA	LA County – 35	Seattle – 4
Providence	Laplace, LA	LA County – 39	Seattle – 5
Warwick	Covington, LA	LA County – 40	Seattle – 6
Woonsocket	Westwego, LA	LA County – 33	Seattle – 7
	New Orleans, LA	LA County – 42	Seattle – 8
	Houma, LA	LA County – 34	Snohomish County – 1
	Chalmette, LA	LA County – 36	Snohomish County – 2
	Lacombe, LA / MS	LA County – 37	
	Gulfport, LA	LA County – 38	
		LA County – 41	

Territories: 4	Territories: 9	Territories: 10	Territories: 7

Pursuant to the terms of the LOI, the Company will pay Smash My Trash an aggregate initial franchise fee of \$934,500 for 30 territories and will order 11 Smash Trucks from SMT Franchisor or an affiliate, for which the Company will pay \$330,000 as a deposit. The Smash Trucks will be allocated as follows: two in Rhode Island, three in Louisiana / Mississippi, three in California and three in Seattle, Washington. Each franchise business must open for business no later than the earlier of six months after signing the franchise agreement or five days after receiving possession of its first SMT truck. On February 25, 2022, the Company paid a non-refundable deposit of \$93,450, funded by FranShares, to SMT Franchisor, which will be credited against total franchise fees due upon entering into a franchise agreement with SMT Franchisor. The remaining franchise fees of \$841,050 will be due upon entering into one or more franchise agreements.

FranShares will serve as the franchise broker of record in connection with the entry of the Company into one or more franchise agreements with SMT Franchisor. In connection with such role, FranShares will be entitled to aggregate brokerage commissions of \$373,800. Pursuant to the terms of the LOI, FranShares will place 80% of such commission in an escrow account. Within 30 days of the Company opening all franchises, 50% of the escrowed funds will be released to FranShares and 50% of the escrowed funds will be released to the Company for the exclusive purpose of being used as operating capital for operating the franchises.

The final terms related to any SMT franchise will be as set forth in one or more franchise agreements between the Company and SMT Franchisor.

Teriyaki Madness

Overview of Franchise

The LOI for TMAD sets forth the proposed terms upon which the Company proposes to acquire the right to develop and operate 25 Teriyaki Madness restaurants in the greater metro areas of Denver, Colorado, Houston, Texas, Tampa, Florida, and Chicago, Illinois. After obtaining sufficient capital to fund development, the Company and TMAD Franchisor will enter into one or more franchise agreements, and all restaurants will be open and operating within three years from when the Company obtains such sufficient capital.

TMAD businesses operate fast casual restaurants that make and sell Japanese-style teriyaki dishes and other specialty food items, beverage items, and other items, setting TMAD apart from its Chinese-American fast casual competitors such as Panda Express, PF Chang’s and Pick Up Stix. Between 1999 and 2015, global Asian food sales rose by nearly 500%, according to *The Washington Post*, and Asian food is currently the fastest-growing food segment, followed by the fast casual segment.

TMAD Franchisor’s predecessor began offering TMAD franchise locations in June 2005. TMAD Franchisor began offering TMAD franchise locations in March 2016. As of December 31, 2020, TMAD Franchisor had franchised 88 TMAD locations. A total of 26 franchised locations opened in 2020, and now more than 350 locations are open or in development. Key statistics on TMAD as a franchisee include \$1,079,488 in average unit volume, profitability up to 25%, and an over 90% validation, with most franchisees opening additional franchise locations.

TMAD has had 48% growth in same store sales since the COVID-19 pandemic began. In response to the pandemic and the challenges it brought, TMAD and its CEO, a multi-franchise brand founder, increased store loyalty by focusing on customer marketing:

“Hey, we can admit when things aren't going our way, and for a couple of weeks in March of 2020, like the rest of the restaurant world, we were scared.” Teriyaki Madness CEO Michael Haith said. “It turned out we needed all hands on deck: While the industry as a whole struggled, our system saw big gains in 2020, with system-wide revenue increasing by 48% across the franchise system compared to 2019 and a 39% increase in grand opening sales for shops that opened during COVID over those that opened before COVID. Our YOY Q3 same-store sales were up 18%, and

last year we opened 30 new shops — 25 of which opened during the pandemic.” The truth is they were preparing for this and they didn’t know it, “We saw the writing on the wall, and in 2018, we embraced it. We launched our mobile app and added a robust loyalty program in 2019, allowing fans to accrue points with every purchase that can be redeemed for free drinks, sides and our delicious teriyaki bowls. The loyalty program has proven a massive success, with loyalty members spending an average of 16% to 19% more per order than non-loyalty members. In 2020, we saw an 88% increase in the number of loyalty members from 2019.”

The total investment necessary for a franchisee to open and begin operation of a TMAD location is estimated to be between \$327,200 and \$678,260, depending on costs and the number of restaurants the franchisee is opening. A breakdown of the total estimated initial investment, as disclosed in the FDD is set forth below.

Estimated Initial Investment (Single Location)

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee ⁽¹⁾	\$45,000	\$150,000	Lump Sum	Upon Signing the Franchise Agreement	TMAD Franchisor
Shop Opening Assistance Fee ⁽²⁾	\$27,500	\$27,500	Lump Sum	Upon Signing the Franchise Agreement	Affiliate of TMAD Franchisor
Site Investigation ⁽³⁾	\$1,000	\$1,000	Lump Sum	Prior to lease signing	Approved Suppliers
Site Survey ⁽⁴⁾	\$1,800	\$4,500	Lump Sum	30 calendar days prior to lease signing	Approved Suppliers
Rent, Security Deposit, Utility Deposit ⁽⁵⁾	\$7,000	\$13,000	As incurred	As agreed	Landlord, Utility Companies
Permit Expeditor ⁽⁶⁾	\$1,000	\$2,000	Lump Sum	10 days after lease signing	Approved Suppliers
Leasehold Improvements ⁽⁷⁾	\$120,000	\$200,000	As incurred	As agreed	Landlord, Contractors, Other Suppliers
Furniture, Fixtures and Equipment ⁽⁸⁾	\$51,000	\$130,000	As incurred	As agreed	Approved Suppliers
Architect	\$11,500	\$15,000	As incurred	As agreed	Approved Suppliers
Initiation Payment under optional Restaurant Management Agreement ⁽⁹⁾	\$0	\$7,500	As incurred	Upon Signing the Restaurant Management Agreement	Affiliate of TMAD Franchisor
Management Services Fee under optional Restaurant Management Agreement ⁽⁹⁾	\$0	\$7,500	As incurred	\$2,500 per month after construction commences	Affiliate of TMAD Franchisor
Initial Inventory and Supplies ⁽¹⁰⁾	\$12,500	\$15,000	As incurred	As agreed	Approved Suppliers
Insurance ⁽¹¹⁾	\$1,500	\$5,000	As incurred	As agreed	Insurance Providers
Business Licenses and Permits ⁽¹²⁾	\$500	\$9,860	As incurred	As agreed	Third Parties
Professional Fees ⁽¹³⁾	\$2,500	\$4,000	As incurred	As agreed	Attorney, Accountant
Signage ⁽¹⁴⁾	\$9,000	\$23,900	As incurred	As agreed	Approved Suppliers
Security and Music System ⁽¹⁵⁾	\$1,600	\$2,000	As incurred	As agreed	Approved Suppliers

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Office Equipment and Supplies ⁽¹⁶⁾	\$12,000	\$15,000	As incurred	As agreed	Approved Suppliers
Grand Opening Promotion ⁽¹⁷⁾	\$10,000	\$10,000	As incurred	As agreed	Approved Suppliers
Uniforms ⁽¹⁸⁾	\$600	\$1,000	As incurred	As agreed	Approved Suppliers
Initial and Hands-On Training Expenses ⁽¹⁹⁾	\$1,200	\$4,500	As incurred	As agreed	Airline, Hotel, Restaurants, etc.
Additional Funds – 3 Months ⁽²⁰⁾	\$10,000	\$30,000	As incurred	As agreed	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT⁽²¹⁾	\$327,200	\$678,260			

Notes:

All expenditures paid to TMAD Franchisor or its affiliates are non-refundable under any circumstances once paid. Fees paid to vendors, suppliers, or other third parties may or may not be refundable, depending on their policies or a franchisee's arrangements with them.

- (1) Initial Franchise Fee. The estimated expenditures shown in the chart above are for the development and opening of an initial TMAD location. The Initial Franchise Fee is \$45,000 for the purchase of a single TMAD location (as shown in the Low column above). The Initial Franchise Fee for a standard franchise will be \$99,000 (\$33,000 per TMAD location). The Initial Franchise Fee for a platinum franchise will be \$150,000 (as shown in the High column above; or \$30,000 per TMAD location).
- (2) Shop Opening Assistance Fee. The Shop Opening Assistance fee is \$27,500 for the initial TMAD location. If the franchisee purchases a Standard Franchise or Platinum Franchise, the Shop Opening Assistance Fee is optional for each additional TMAD location.
- (3) Site Investigation. All sites are required to have a site investigation prior to lease signing. Estimated cost is \$1,000 per location.
- (4) Site Survey. All sites are required to have a CAD format site plan and PDF format 'As Built' drawings provided to the Design & Construction Department at least 30 calendar days prior to lease signing or will require a full site survey prior to lease signing. Estimated cost for a Site Survey is \$1,800 - \$4,500 per location, if these costs are not covered by the landlord.
- (5) Rent, Security Deposit, Utility Deposit. The low estimate anticipates that rent commencement date will start approximately 120-150 days after a franchisee takes possession of the TMAD location and provides for rent payment for one month, an initial security deposit and a utility deposit. The high estimates assume a franchisee takes possession of the TMAD location immediately and includes three months for rent payment. TMAD Franchisor estimates that a typical TMAD location will need between 1,200 and 1,800 square feet of space, and it estimates lease rates to range between \$2.00 and \$4.25 per square foot per month. There are a variety of factors that can affect lease rates, the most prominent being location and market conditions. In addition, most leases are triple net leases which require the tenant to pay rent plus all taxes, insurance and maintenance expenses, while other leases may charge a variable rent based on a percentage of your income, with no fixed minimum rental charge. This estimate does not account for triple net expenses or other amounts beyond the base rental rate. You should investigate lease rates in your own area.
- (6) Permit Expediter. All sites will require a permit expeditor within 10 business days of lease signing. Estimated cost is \$1,000 - \$2,000 per location.

- (7) Leasehold Improvements. The low estimate shown assumes that the space does not require additional HVAC, restrooms or grease traps. The franchisee may be able to negotiate with its landlord for a significant landlord contribution for these expenses. In a build-to-suit lease, the landlord typically includes some or all of the improvements and fixtures in lease payments. The costs may go up if the landlord does not provide what TMAD Franchisor requests in its standard work letter or does not provide an adequate allowance to cover these improvements. The high estimate is a new space with no landlord contributions for tenant improvements reflected in the estimate. The estimates involve expenses associated with the design and build-out of the TMAD location, such as plumbing, electrical and remodeling work and are based on TMAD Franchisor's experience with existing franchisees. These costs may significantly vary depending on the size, condition and location of the leased premises, supply and demand for materials and labor in the franchisee's local area, local building and fire code requirements, and requirements of the lease regarding such matters as construction, signage and inflation. The costs vary with factors such as TMAD location size and type, configuration, remodeling needs, and location.
- (8) Furniture, Fixtures and Equipment. This estimate involves the furniture, fixtures, and equipment the franchisee will need to open a TMAD location, such as chairs, tables, casework, refrigerators, freezers, grills, a range, deep fryer, exhaust hood, and other items. Some of these expenses will depend on TMAD location size, shipping distances, supplier chosen, any equipment in the space that can be utilized, and the franchisee's credit history.
- (9) Optional Management Services. The high estimates assume three months of these services leading up to the opening of the TMAD location.
- (10) Initial Inventory and Supplies. A franchisee must have TMAD Franchisor's required opening inventory and supply items on hand, including small wares and other service items, when it begins the on-site training of its TMAD location. The franchisee must purchase the initial inventory and supplies from TMAD Franchisor's approved suppliers. Some of this inventory will be used during an on-site training in order to provide simulations for the franchisee and its staff before serving to the public.
- (11) Insurance. A franchisee must obtain and maintain certain types and amounts of insurance.
- (12) Business Licenses and Permits. A franchisee must obtain all necessary permits and licenses required by applicable law before it begins operation of the TMAD location.
- (13) Professional Fees. TMAD Franchisor strongly recommends that franchisees hire a lawyer, accountant, or other professional for advice on this franchise offering. Rates for professionals can vary significantly based on area and experience.
- (14) Signage. The estimate is the cost of the interior and exterior signs a franchisee will need for its TMAD locations. This includes the entire décor package, including posters, menu boards, wallpaper murals and vinyls, and can vary depending on signage requirements for the franchisee's city, landlord policies, and available space on the building.
- (15) Office Equipment and Supplies. A franchisee must purchase TMAD Franchisor's approved point-of-sale system from its approved supplier, a computer, business stationery, and certain other related items necessary to operate and manage the TMAD location.
- (16) Security and Music Systems. A franchisee must purchase and install a security system that meets TMAD Franchisor's standards and specifications (\$375-\$675), a camera and monitoring system that meets TMAD Franchisor's standards and specifications (\$1,200-\$1,600), and a music and speaker system that meets TMAD Franchisor's standards and specifications (\$380-\$700). The costs in the chart above reflect the cost to procure and install the required equipment from TMAD Franchisor's preferred vendors. The range of costs depends on the size and layout of the location.
- (17) Grand Opening Promotion. The franchisee must spend at least \$10,000 on a required grand opening advertising campaign, as TMAD Franchisor's marketing department specifies for a TMAD location.

- (18) Uniforms. A franchisee is required to have at least one clean apron per employee per shift. A franchisee is also required to have one hat per employee, two shirts for each part-time employee and four shirts for each full-time employee. A franchisee must purchase uniforms from our approved suppliers.
- (19) Initial and Hands-On Training Expenses. This estimates the expense a franchisee will incur in sending two individuals to an initial training and hands-on training programs, including travel expenses. TMAD Franchisor does not charge a fee for training. These estimates do not include any salary or wages the franchisee may pay to any of its trainees for the time they spend in training.
- (20) Additional Funds – 3 Months. This estimates a franchisee’s initial startup expenses (other than the items identified separately in the above table) and is based on TMAD Franchisor’s experience, the experience of our affiliates, and our current requirements for TMAD franchises. These figures are estimates, and TMAD Franchisor cannot guarantee that a franchisee will not incur additional expenses in starting the TMAD location. A franchisee’s costs depend on how closely it follows TMAD Franchisor’s methods and procedures, the franchisee’s management skill, experience, and business acumen, local economic conditions, the local market for the franchisee’s services and products, the prevailing wage rate, competition, and the sales level reached during the initial period. These estimates are based on an initial period of three months.
- (21) Figures May Vary. TMAD Franchisor has relied on the experience of its affiliates, predecessor and officers to arrive at these estimates. A franchisee should review these figures carefully with a business advisor before deciding to acquire the Franchise. TMAD Franchisor does not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, a franchisee’s creditworthiness, and collateral and lending policies of financial institutions from which a franchisee requests a loan.

Any TMAD franchise location must be operated according to TMAD Franchisor’s standard business operating practices and pursuant to a signed franchise agreement. The form franchise agreement includes various specifications and obligations for any franchisee, including using approved suppliers, obtaining insurance coverage, using specified computer hardware and software, complying with advertising and marketing requirements, attending training, abiding by territory restrictions, and following obligations regarding trademarks, intellectual property, and proprietary information. Franchise locations currently operate according to a ten-year franchise term, with one ten-year renewal period available if certain conditions are met. Pre- and post- operating obligations include site selection, construction, permits, and day-to-day oversight of operations. Optional management services are available through Restaurant Sherpas, an affiliate of TMAD Franchisor. If we acquire TMAD franchise locations, we expect to outsource management to Restaurant Sherpas, which currently operates approximately 10% of all TMAD locations.

According to TMAD’s FDD, the fast-casual restaurant industry is well-developed and highly competitive. Any TMAD franchisee may have to compete with established national and international brands. Second, the restaurant industry in general is heavily regulated. The operation of a TMAD business may be impacted by a wide variety of federal, state, and local laws, rules, and regulations. No litigation or bankruptcy information was disclosed in the TMAD.

According to TMAD’s FDD, 2020 gross profit and operating income for select stores¹ were as follows:

Gross Profit and Operating Income (Period ending December 31, 2020)

	Gross Profit²	Operating Income³	Operating Income Percent of Sales
Store A	\$889,479	\$176,813	14.03% of sales
Store B	\$1,164,161	\$204,196	12.43% of sales
Store C	\$1,250,346	\$416,488	24.99% of sales
Store D	\$998,551	\$338,597	22.97% of sales
Store E	\$1,061,820	\$319,525	20.37% of sales
Store F	\$960,002	\$185,565	14.08% of sales

Store G	\$799,649	\$188,089	15.55% of sales
Store H	\$924,074	\$271,935	19.70% of sales
Store I	\$816,486	\$171,871	15.93% of sale
Store J	\$1,090,589	\$115,692	10.31% of sales
Store K	\$772,307	\$134,544	12.09% of sales
Store L	\$624,506	\$37,110	4.32% of sales
Store M	\$665,830	\$101,604	11.02% of sales
Store N	\$741,832	\$144,574	13.58% of sales
Store O	\$608,987	\$(5,989)	(0.695% of sales)
Store P	\$398,240	\$23,289	4.22% of sales
Store Q	\$715,057	\$245,087	25.06% of sales
Store R	\$547,842	\$135,382	17.11% of sales
Store S	\$366,732	\$60,849	11.97% of sales
Store T	\$394,767	\$46,866	8.28% of sales
Store U	\$583,149	\$80,820	10.23% of sales
Store V	\$750,803	\$216,823	21.80% of sales

- 1 All stores represented below have been open for a minimum of 24 months, are larger than 1,350 square feet, are smaller than 3,000 square feet, have not changed ownership in the last two years, are not in resale and are in traditional locations. The presented information has not been audited.
- 2 Gross Profit is defined as total sales less costs of goods sold.
- 3 Operating Income is defined as gross profit less payroll and labor expenses, occupancy expenses and direct operating expenses, including royalty fees, marketing fund contributions, insurance, marketing, miscellaneous supplies, repairs, and bank fees. It does not include interest, depreciation, amortization, business taxes and other costs and expenses that must be deducted from Total Sales figures to obtain net income.

There is no guarantee that any TMAD franchise locations acquired by the Company will perform similarly.

Overview of Transaction Agreement

On January 11, 2022, we entered into a non-binding LOI with TMAD Franchisor that was superseded on March 11, 2022, by a transaction agreement entered into with TMAD Franchisor. The transaction agreement set forth the terms upon which we would acquire up to 25 territories in the greater metro areas of Denver, Colorado, Houston, Texas, Tampa, Florida, and Chicago, Illinois, in which we would own and operate TMAD franchises as a franchisee. Total franchise fees payable to TMAD Franchisor are expected to be \$625,000.

Pursuant to the terms of the transaction agreement, upon the sale of a sufficient amount of proceeds from this Offering to fund the development of up to 25 franchise locations in the greater metro areas of Denver, Colorado, Houston, Texas, Tampa, Florida, and Chicago, Illinois, we and TMAD Franchisor will use best efforts to enter into one or more franchise agreements pursuant to which we will acquire the right to develop and operate the TMAD franchises. We have agreed to use our good faith efforts to develop and open the 25 franchise locations within five years. On March 14, 2022, we made a deposit of \$125,000, \$50,000 of which is non-refundable, to TMAD Franchisor. The deposit was funded by FranShares and will be credited against the total franchise fees due. The remaining franchise fees of \$500,000 were due April 30, 2022.

FranShares will serve as the franchise broker of record in connection with the entry of the Company into one or more franchise agreements with TMAD Franchisor. In connection with such role, FranShares will be entitled to aggregate franchise broker fees of \$195,000.

The final terms related to any TMAD franchise locations will be as set forth in one or more franchise agreements between us and TMAD Franchisor.

Management Expectations

We have included in this Memorandum information regarding management's expectations regarding the future performance of the Company. Projections and expectations are inherently uncertain and could vary significantly from the estimates set forth herein if any or all of the assumptions on which the estimates are based do not come to fruition. Actual results may differ materially from the estimates set forth herein, including those discussed in the section entitled "Risk Factors" and elsewhere in this Memorandum. Investors are cautioned from relying on these projections and expectations when making an investment decision regarding the Company's stock.

Management's estimates set forth below are based upon the following assumptions at the high end of the ranges provided:

- The acquisition of 30 SMT franchises and 25 TMAD franchises pursuant to the terms of the LOIs. No other franchises are added to the Company's portfolio.
- The Maximum Offering Amount is achieved and the Company raises no additional equity capital.
- The initial investment amount for each SMT and TMAD franchise is consistent with the estimates set forth in the FDDs for each of SMT and TMAD. We also have assumed an additional \$100,000 investment per year in each franchise location for additional management.
- Each franchise location requires a four-year ramp period to achieve the financial performance set forth in the FDDs for each of SMT and TMAD, with financial performance of each franchise location consistent with the financial performance representations set forth in the FDDs for each of SMT and TMAD immediately following the four-year opening anniversary of each franchise location.
- The portfolio is built and held over five years from the closing of this Offering and the entire portfolio is sold at 5x EBITDA at the end of the fifth year.

The low end of the ranges provided assume all of the above but applies an additional 25% discount for unexpected deviations from management's assumptions.

Based on the foregoing qualifications and assumptions, we anticipate the following returns for investors in this Offering:

Portfolio Internal Rate of Return ("IRR") ⁽¹⁾	16 – 21%
Equity IRR ⁽²⁾	9 – 12%
Cash Yields ⁽³⁾	10 – 14%

- (1) Portfolio IRR projections are calculated using all cash flows, including the initial investment of \$25,000,000 of offering proceeds, annual earnings before interest, depreciation and amortization ("EBITDA"), less estimated corporate taxes, and the sale of the entire portfolio at the end of the fifth year at 5x EBITDA.
- (2) Equity IRR projections are calculated using the initial investment of \$25,000,000 of offering proceeds and the sale of the entire portfolio at the end of the fifth year at 5x EBITDA..
- (3) Cash Yield projections are calculated as the arithmetic mean (average) of five years of annual cash flows (including EBITDA, less estimated corporate taxes) divided by the initial investment of \$25,000,000 of offering proceeds.

Competition

There is significant competition in the franchise industry, with over 774,000 franchise establishments in the United States contributing to more than \$787 billion in economic activity annually. Many franchise operators are

larger and better capitalized. Although we believe that we are well-positioned to compete effectively in each facet of our business, there is enormous competition in our market sector and there can be no assurance that we will compete effectively or that we will not encounter increased competition in the future that could limit our ability to conduct our business effectively.

Employees

We do not currently have any employees, but we plan to hire professional managers and employees after we acquire franchise locations. Additionally, we are externally managed by FranShares, which will manage the day-to-day operations of the Company, including, but not limited to: selecting, designing and opening franchise locations, hiring and supervising franchise employees, managing suppliers and service providers to franchise locations, serving as the point of contact to franchisors, and overseeing franchise operations. FranShares currently has three full-time employees. See “Our Manager.”

Legal Proceedings

There are no legal proceedings material to our business or financial condition pending and, to the best of our knowledge, there are no such legal proceedings contemplated or threatened.

THE COMPANY’S PROPERTY

As of the date of this Memorandum, the Company does not own or lease any real property. FranShares, our Manager, leases office space at 405 West Superior Street, #93, Chicago, Illinois 60654. We believe that this property is suitable and adequate for our current business operations.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) should be read in conjunction with our financial statements and related notes appearing at the end of this Memorandum. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the section entitled “Risk Factors” and elsewhere in this Memorandum.

Overview

We are a newly formed Delaware corporation formed to acquire and operate franchises. We will initially open and operate SMT and TMAD franchises, but we may decide to acquire additional franchises in the future. We have entered into LOIs with (i) SMT Franchisor to acquire SMT franchises in up to 30 territories across Rhode Island, Louisiana/Mississippi, California, and Seattle, Washington, and (ii) TMAD Franchisor to acquire TMAD franchises in up to 25 territories in the greater metro areas of Denver, Colorado, Houston, Texas, Tampa, Florida, and Chicago, Illinois. SMT franchisees operate mobile waste compaction services that greatly reduce trash hauls by smashing trash in open-top, roll-off containers. TMAD franchisees operate fast casual restaurants that make and sell Japanese-style teriyaki dishes and other specialty food items, beverage items, and other items. This Offering will provide an opportunity for investors to gain exposure to a portfolio of SMT and TMAD franchises with less financial and operational risk than traditional franchise ownership. However, investors in this Offering will not have any direct relationship with SMT or TMAD (or with any franchisor the Company may enter into a franchise relationship with in the future). Any investor in this Offering will be a stockholder of the Company that receives only passive income from the Company’s relationships with its franchisors and will not have a franchisor-franchisee relationship.

We are externally managed by FranShares. FranShares will manage the day-to-day operations of the Company, including, but not limited to: selecting, designing and opening franchise locations, hiring and supervising franchise employees, managing suppliers and service providers to franchise locations, serving as the point of contact to

franchisors, and overseeing franchise operations. If the Maximum Offering Amount is achieved, FranShares will own approximately 2% of the outstanding shares of the Company and all of the Company’s Class A Voting Stock, and excess free cash flow from operations of the Company from the operated businesses will be paid in the form of dividends pro rata among holders of shares of Class A Voting Stock and Class B Non-Voting Stock. FranShares does not intend to collect a management fee from the Company. However, FranShares will serve as the franchise broker of record for the Company and, as franchise broker, will receive a portion of the franchise fees received by the franchisor when new franchise locations are added to the Company. Pursuant to the terms of the LOIs, FranShares will be entitled to franchise broker fees equaling \$373,800 from SMT Franchisor (*i.e.*, 40% of the franchise fees payable to SMT Franchisor) and \$195,000 from TMAD Franchisor (*i.e.*, 30% of the franchise fees payable to TMAD Franchisor). FranShares will not share such franchise broker fees with the investors in this Offering; however, FranShares will use a portion of its franchise fees to purchase Class A Common Stock from us. See “Our Manager.”

As of the date of this Memorandum, we have no operations. As of July 9, our inception date, we had no cash on hand and \$5,000 of liabilities.

Results of Operations

As of July 9, 2021, our inception date, we had not generated any revenue. The Company does not anticipate generating revenue until it has successfully begun operating one or more franchise locations.

The Company’s expenses will include initial franchise investment, which can include variable costs and fees depending on the franchise brand and number of locations being franchised. The total investment necessary for a franchisee to open and begin operation of a SMT franchise location is estimated to be between \$312,250 and \$369,000, depending on variable costs and fees. The total investment necessary for a franchisee to open and begin operation of a Teriyaki Madness franchise location is estimated to be between \$327,200 and \$678,260, depending on costs and the number of restaurants the franchisee is opening. See “The Company’s Business.” We also will have expenses associated with operating franchise locations, including cost of goods sold, payroll and labor and franchise fees, including royalty and brand or marketing fund fees.

Liquidity and Capital Resources

As of July 9, 2021, our inception date, we had no cash on hand and \$5,000 of liabilities. The Company believes that funding from this Offering will be sufficient, when combined with revenues of to-be-acquired franchise locations, to operate the Company for at least 12 months.

Plan of Operations

The Company intends to use the proceeds of this Offering to acquire SMT and TMAD franchise locations. The Company believes that funding from this Offering will be sufficient, when combined with revenues of to-be-acquired SMT and TMAD franchise locations, to operate the Company for at least 12 months.

Trends

The Company’s business will be highly dependent on its ability to successfully enter into franchise agreements and operate franchise locations.

DIRECTORS, EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES

The following table sets forth the name and position of our executive officer and director. We are externally managed by FranShares and will not have any employees. See “Our Manager.”

Name	Position	Age	Term of Office
Kenneth Rose	Chief Executive Officer, President,	32	July 2021 - Present

	Secretary and Sole Director		
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Mr. Rose serves as our Chief Executive Officer, President, Secretary, and sole director. He founded FranShares in September 2020 and has served as its Chief Executive Officer since that time. Before starting FranShares, Mr. Rose began his career at Merrill Lynch as a financial advisor, where he earned his FINRA Series 7 and Series 66 licenses. From there, he joined the world’s largest franchise brokerage, FranNet, where he helped clients looking to invest in franchises through the recommendation, evaluation, and purchase process. In 2017, he founded Semfia Franchise Brokerage (formerly Realistic Insights LLC), where he currently serves as Chief Executive Officer. Semfia is a franchise brokerage focused on income-producing and manager-run franchises. Mr. Rose is a renowned franchise expert who has worked with over 600 franchise brands in more than 100 industries. He has been featured in *Business Insider*, *Forbes*, *ABC*, *American Express*, *TheHustle*, *Marketwatch*, the Amazon feature book *More Than Just French Fries* and other publications, reaching over 300 million people worldwide. He has also been a featured speaker on franchising nationwide. Mr. Rose received his degree in financial services from San Diego State University.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

We were formed in July 2021 and did not have any operations as of the end of the last fiscal year. As of the date of this Memorandum, we did not provide any compensation to Mr. Rose, our Chief Executive Officer, President, Secretary and sole director.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN SECURITYHOLDERS

The tables below show, as of January 31, 2022, the security ownership of the Company’s director and executive officer, any securityholder owning 10% or more of the Company’s voting securities and other investors who own 10% or more of the Company’s voting securities.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Amount and Nature of Beneficial Ownership Acquirable	Percent of Total Voting Power
Class A Voting Stock	Kenneth Rose ⁽¹⁾ c/o FranShares, Inc. 405 W Superior St, #93 Chicago, IL 60654	100 Shares ⁽²⁾	N/A	2%

- (1) Reflects shares held by FranShares. Mr. Rose owns 100% of the outstanding shares of FranShares and has voting and investment control with respect to the shares of Class A Voting Stock held by FranShares.
- (2) If the Maximum Offering Amount is achieved, FranShares will acquire an additional 49,900 shares of Class A Voting Stock at a price of \$10.00 per share. Assuming no other Class A Voting Stock will be outstanding, FranShares will retain 100% of the total voting power following the subsequent acquisition of additional shares of Class A Voting Stock.

OUR MANAGER

Management Agreement

On May 3, 2022, the Company entered into a management agreement with FranShares (“Management Agreement”), whereby FranShares agreed to service the day-to-day operations of the Company, as applicable, including, but not limited to: selecting, designing and opening franchise locations, hiring and supervising franchise employees, managing suppliers and service providers to franchise locations, serving as the point of contact to franchisors, and overseeing franchise operations.

Pursuant to the Management Agreement, the Company has agreed to reimburse FranShares for all reasonable costs and expenses FranShares incurs in connection with the performance of management services. Additionally, if FranShares or one of its affiliates serves as the franchise broker of record for the Company, FranShares may retain up to 50% of the franchise fees paid by franchisees when new franchise locations are added to the Company. Pursuant to the terms of the LOIs, FranShares will be entitled to franchise broker fees equaling \$373,800 from SMT Franchisor (*i.e.*, 40% of the franchise fees payable to SMT Franchisor) and \$195,000 from TMAD Franchisor (*i.e.*, 30% of the franchise fees payable to TMAD Franchisor). FranShares will not share such franchise broker fees with the investors in this Offering; however, FranShares will use a portion of its franchise fees to purchase Class A Common Stock from us.

Pursuant to the terms Management Agreement, either the Company or FranShares may assign the Management Agreement to a third party with written consent, and the parties may amend or modify the Management Agreement by written agreement. The Management Agreement also contains customary indemnification, confidentiality, and other provisions.

Employees

FranShares has three full-time employees.

Kenneth Rose. See “Directors, Executive Officers and Significant Employees” for biographical information about Mr. Rose.

Whitney Tindale. Mr. Tindale serves as Director of Financial Operations for FranShares. Whitney is a chartered accountant with over 20 years of financial operations experience. He currently oversees the operations, financial, tax and compliance functions at FranShares. Before joining FranShares, Mr. Tindale was a U.S. Alternatives Director at Schrodgers (over \$500 billion regulatory assets under management), where he developed and managed the operations of the alternative rates strategy. He was also a senior member of the firm’s U.S. private asset product development team, for which he leveraged his broad operational, structuring and tax expertise to develop and launch private equity, private debt and other alternative funds. Prior to his time at Schrodgers, Mr. Tindale spent 14 years at EMF Financial Products (over \$1 billion regulatory assets under management), a relative value hedge fund advisor, where he served as Principal, Chief Financial Officer and Chief Compliance Officer. Whitney also spent 5 years as Chief Financial Officer at Coast Asset Management (over \$1 billion regulatory assets under management), a relative value hedge fund and fund of funds advisor.

Brandon Sellers. Mr. Sellers serves as Head of Growth for FranShares. Brandon has over 10 years of growth marketing experience across fintech, consumer products, e-commerce, mobility and B2B SaaS. He has developed expertise in building growth programs from the ground up at early-stage venture-backed companies, while helping them achieve product-market fit. Prior to joining FranShares, Brandon was the Head of Growth at Gridwise, where he led the team that scaled the company from nearly zero to 400,000 users, using growth tactics such as paid acquisition, SEO, content and influencers. Prior to Gridwise, Brandon founded his own growth agency, which served more than 50 clients while reaching \$450,000 in annual recurring revenue. Brandon holds a Bachelor’s of Accountancy from the University of Northern Illinois.

Related Party Transactions

FranShares made aggregate deposits of \$218,450 to SMT Franchisor and TMAD Franchisor on our behalf prior to the consummation of this Offering. We will use proceeds of this offering to repay FranShares for these deposits made on our behalf and FranShares will use this repayment to purchase shares 21,845 shares of Class A Common Stock. The remaining shares of Class A Common Stock to achieve total ownership by FranShares of 50,000 shares of Class A Common Stock will be acquired by FranShares promptly upon receipt of FranShares of broker commissions from SMT Franchisor and TMAD Franchisor. In addition, FranShares may purchase shares of Class B Non-Voting Stock of the Company from time to time in the future on the same terms as all other investors in the Offering.

SECURITIES BEING OFFERED

The following description summarizes important terms of the Company's capital stock. This summary does not purport to be complete and is qualified in its entirety by the provisions of the Company's articles of incorporation and bylaws, copies of which are included as annexes to this Memorandum. For a complete description of the Company's capital stock, you should refer to its articles of incorporation, bylaws, and applicable provisions of the Delaware General Corporation Law.

Authorized Capital Stock

As of the date of this Memorandum, the Company's authorized capital stock consists of two classes of common stock, 500,000 shares of Class A Voting Stock, par value \$0.00001 per share, and 5,000,000 shares of Class B Non-Voting Stock, par value \$0.0001 per share. As of the date of this Memorandum, the Company's outstanding shares consist of 100 shares of Class A Voting Stock. The Company is offering up to 2,450,000 shares of Class B Non-Voting Stock in this Offering. If the Maximum Offering Amount is achieved, the Company anticipates having 50,000 shares of Class A Voting Stock and 2,450,000 shares of Class B Non-Voting Stock outstanding following the consummation of this offering.

The rights of each class of common stock are identical other than as it relates to voting.

Common Stock

Each share of Class A Voting Stock is entitled to one vote per share on all matters to which stockholders are entitled to a vote. Cumulative voting is not permitted. Except as otherwise required by law, shares of Class B Non-Voting Stock have no voting rights and are not entitled to vote.

Shares of Class A Voting Stock and Class B Non-Voting Stock will be treated equally with respect to distributions and rights upon liquidation.

Taxation

The Company is a Delaware C-Corporation and is subject to both federal and state corporate taxes. Additionally, as a stockholder of the Company, you will be liable for capital gains taxes on any dividends paid to you from the Company.

Choice of Forum

Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum, to the extent permitted by law for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owned by any of our current or former directors, officers or other employees or stockholders to us or our stockholders, creditors or other constituents, or a claim of aiding and abetting any such breach of fiduciary duty, (3) any action asserting a claim against us or any of our directors or officers or other employees or stockholders arising pursuant to, or any action to interpret, apply, enforce any right, obligation or remedy under or determine the validity of, any provision of the Delaware General Corporation Law (the "DGCL"), our certificate of incorporation or our bylaws, or (4) any action asserting a claim against us, our directors, officers or employees governed by the "internal affairs doctrine" or otherwise related to our internal affairs except for, in each case, any claim to which the Court of Chancery of the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery of the State of Delaware and the indispensable party does not consent to such jurisdiction, which is vested in the exclusive jurisdiction of another court or forum or, for which the Court of Chancery of the State of Delaware does not have subject matter jurisdiction. This exclusive forum provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act, which provides for exclusive jurisdiction of the federal courts. It could apply, however, to a suit that falls within one or more of the categories enumerated in the choice of forum provision and asserts claims under the Securities Act, inasmuch as Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by

the Securities Act or the rules and regulations thereunder. There is uncertainty as to whether a court would enforce such provision with respect to claims under the Securities Act, and our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers, and other employees. Alternatively, if a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur costs associated with resolving such action in other jurisdictions.

**ANNEX I
FINANCIAL STATEMENTS**

The following audited financial statements reflect the Company's planned offering terms as of July 12, 2021. The offering terms of this Memorandum may vary.



TNT Franchise Fund, Inc.

Balance Sheet

July 12, 2021

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Independent Auditors' Report

To the Board of Directors and Stockholders
TNT Franchise Fund Inc.

Opinion on the Balance Sheet

We have audited the accompanying balance sheet of TNT Franchise Fund Inc. (a Delaware corporation) sheet at July 12, 2021, and the related notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the balance sheet in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of balance sheet that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this balance sheet based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free from material misstatement.

Continued from previous page

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the balance sheet. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the balance sheet, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the balance sheet in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the balance sheet.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the balance sheet referred to above present fairly, in all material respects, the financial position of TNT Franchise Fund Inc. at July 12, 2021 in accordance with accounting principles generally accepted in the United States of America.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statement has been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company's ability to execute its business plan is dependent upon its completion of the proposed offering described in Note 5 to the financial statements. The Company lacks the financial resources it needs to sustain operations for a reasonable period of time, which is considered to be one year from the issuance date of the financial statements. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters also are described in Note 1. The financial statement does not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

/s/ Daszkal Bolton LLP
Fort Lauderdale, Florida

July 28, 2021

TNT Franchise Fund Inc.
Balance Sheet
July 12, 2021

ASSETS

Current assets	\$	-
Other assets:		
Deferred offering costs		5,000
Total assets	\$	5,000

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities:		
Accrued expenses	\$	5,000
Total liabilities		5,000
Stockholder's equity:		
Common stock, \$0.00001 par value, 50,000,000 shares authorized, 100 shares issued and outstanding		0
Additional paid-in capital		100
Stock subscription receivable		(100)
Total stockholder's equity		-
Total liabilities and stockholder's equity	\$	5,000

See accompanying notes to financial statements.

TNT Franchise Fund, Inc.
Notes to Financial Statements

Note 1 – Organization and Business Operation

Business Activity

TNT Franchise Group Inc. (the “Company”) was incorporated in the State of Delaware on July 9, 2021 to acquire franchises across a variety of brands, industries and geographic areas throughout the United States.

As of July 12, 2021, the Company had not commenced any operations. All activity relates to the Company’s formation and proposed offering. The Company will not generate any operating revenues until after the completion of its acquisition of franchises.

Going Concern Consideration

As of July 12, the Company had no cash and has contractual commitments of approximately \$5,000. The Company expects to continue to incur significant costs in pursuit of its financing and acquisition plans. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. Management plans to address this uncertainty through the proposed offering. There is no assurance that the Company’s plans to raise capital or to consummate franchise acquisitions will be successful. The financial statements do not include any adjustment that might result from the outcome of these uncertainties.

Note 2 – Summary of Significant Accounting Policies

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statement. Actual results could vary from these estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash and cash equivalents. The Company has no cash and cash equivalents

Income Taxes

The Company is a Delaware Corporation. Accordingly, the Corporation will be subject to federal and state income taxation upon commencement of operations.

Note 2 – Summary of Significant Accounting Policies, continued

Fair Value of Financial Instruments

The Company’s financial instruments consist mainly of subscription receivable.

Long-Lived Assets

The Company will review its long-lived assets and certain identifiable intangibles held and used for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In evaluating the fair value and future benefits of its intangible assets, management will perform an analysis of the anticipated undiscounted future net cash flow of the individual assets over the remaining amortization period. The Company will recognize an impairment loss if the carrying value of the asset exceeds the expected future cash flows.

Revenue Recognition

The Company plans to recognize revenue from franchise operations when earned.

Note 3 – Fair Value of Financial Instrument

The carrying amounts of subscription receivable approximates fair value due to its short-term nature.

Note 4 – Stockholder's Equity

The Company is authorized to issue 50,000,000 shares of Common Stock, of which (a) 10,000,000 shares are designed as Class A Voting Common Stock, with a par value of \$0.00001, and (b) 40,000,000 shares of Class B Non-Voting Common Stock, with a par value of \$0.00001.

Note 5 – Related Party Transactions

Management Agreement

FranShares, Inc., a Delaware corporation and current sole shareholder of the Company, will be the Manager of the Company and will provide certain support functions in areas including management, back office accounting services and operations.

FranShares, Inc. will charge the franchisors a brokerage fee of 40 - 50% of franchise fees when new franchises are added to the Company.

Note 6 – Subsequent Events

The Company has evaluated subsequent events through July 28, 2021, the date on which the financial statements and their accompanying notes were available to be issued.

The Company plans to initiate an offering of up to 20,000,000 shares of Class B Non-Voting Common Stock to prospective investors at a price of \$1.00 per share. The Company intends to use the proceeds received for the acquisition of franchises. The current sole shareholder intends to acquire up to 5,000,000 shares of Class A Voting Common Stock at a price of \$1.00 per share.

ANNEX II
SUBSCRIPTION AGREEMENT