

Aram, Shohreh@CORP

From: Mike Drumm <mike@drummlaw.com>
Sent: Monday, May 20, 2013 4:57 PM
To: Aram, Shohreh@CORP
Subject: RE: teriyaki madness
Attachments: redline pdf, clean pdf

Attached. Thanks!

From: Aram, Shohreh@CORP [mailto:Shorheh.Aram@corp.ca.gov]
Sent: Monday, May 20, 2013 5:04 PM
To: Mike Drumm (mike@drummlaw.com)
Subject: RE: teriyaki madness

Hi Mike,

I received your response to my last set of comments, except:

Item 7-end of the table you have stated that a Multi-Unit Operator will not be required to pay an initial franchise fee but Item 5 states you must pay a Multi-Unit Operator fee which is equal to the initial franchise fee. Please amend accordingly.

As soon as I receive your response to this comment, I'll be able to issue registration.

Thanks.

From: Aram, Shohreh@CORP
Sent: Thursday, May 16, 2013 1:57 PM
To: 'Mike Drumm'
Subject: RE: teriyaki madness

This one

Item 7-end of the table you have stated that a Multi-Unit Operator will not be required to pay an initial franchise fee but Item 5 states you must pay a Multi-Unit Operator fee which is equal to the initial franchise fee. Please amend accordingly.

From: Mike Drumm [mailto:mike@drummlaw.com]
Sent: Thursday, May 16, 2013 1:56 PM
To: Aram, Shohreh@CORP
Subject: Re: teriyaki madness

which comments? Thanks.

On Thu, May 16, 2013 at 1:56 PM, Aram, Shohreh@CORP <Shorheh.Aram@corp.ca.gov> wrote:
I just got the purchase receipt and the escrow agreement So, no need to worry about these comments.

From: Aram, Shohreh@CORP
Sent: Thursday, May 16, 2013 12:27 PM

Type of	Amount		Method		To Whom Payment is to be Paid (1)
	Low	High			
Miscellaneous Opening Expenses (14)	\$1,000	\$1,500	As incurred	As agreed	Third Parties, Approved Suppliers
Additional Funds – 3 Months (15)	\$13,749	\$19,749	As incurred	As agreed	Third Parties
TOTAL (16)	\$234,048	\$372,213			
Multi-Unit Operator	If you purchase multiple Teriyaki Madness Businesses under the Multi-Unit Operator Agreement, you will incur all costs listed above for each Teriyaki Madness Business that you open except that you will not be required to pay an Initial Franchise Fee- <u>but will be required to pay a Multi-Unit Operator Fee as explained in Item 5.</u>				

Notes

- 1 All expenditures paid to us or our 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 your arrangements with them.
- 2 This estimate covers the first three months of rental payments, an initial security deposit and a utility deposit. We estimate that a typical Unit will need between 1,500 and 2,000 square feet of space and we estimate lease rates to range between \$2.25 and \$4.00 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, some 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.
- 3 The estimate shown does not reflect any landlord contribution or tenant improvement allowance you may negotiate. The estimate involves expenses associated with the design and build-out of the Unit, such as plumbing, electrical and remodeling work and are based on our experience with existing franchisees. These costs may vary depending on the size, condition and location of the leased premises, supply and demand for materials and labor in your local area, local building and fire code requirements and requirements of the lease regarding such matters as construction, signage and inflation. You may also be able to negotiate with your 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 your lease payments. The costs vary with factors such as Unit size and type, configuration, remodeling needs, and location.
- 4 This estimate involves the furniture, fixtures, equipment you will need to open a Unit, such as chairs, tables, refrigerators, freezers, charbroil grills, a 6-burner range, deep fryer and other items. Some of these expenses will depend on Unit size, shipping distances, supplier chosen and your credit history.

Aram, Shohreh@CORP

From: Mike's email <mike@drummlaw.com>
Sent: Monday, May 20, 2013 3:44 PM
To: Aram, Shohreh@CORP
Cc: jen@drummlaw.com
Subject: Teriyaki Madness
Attachments: clean pages.pdf, Teriyaki Madness 2013 FDD v2F (1)-Teriyaki Madness 2013 FDD v3F (1).pdf, Teriyaki Madness Auditors Consent.pdf

Shohreh,

Attached please find the redline and changes pages showing the revisions requested by your last comment letter. As we discussed, we have included both affiliates information in Item 19. We have also attached the auditor's consent. Please let me know if you have any additional questions or comments. Thanks.

Mike



BAKER TILLY

Baker Tilly Virchow Krause, LLP
205 N Michigan Ave
Chicago, IL 60601-5927
tel 312 729 8000
fax 312 729 8199
bakertilly.com

AUDITORS' CONSENT

Baker Tilly Virchow, Krause, LLP consents to the use in the Franchise Disclosure Document issued by Teriyaki Madness Franchising, LLC ("Franchisor") on April 19, 2013, as it may be amended, of our report dated April 3, 2013, relating to the financial statements of the Franchisor for the period ending December 31, 2012. We understand that the Disclosure Document will be filed with various state authorities and delivered to prospective franchisees

Baker Tilly Virchow Krause, LLP

Baker Tilly Virchow Krause, LLP
April 3, 2013

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit A for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this franchise.

1. THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION/LITIGATION ONLY IN THE CITY WHERE WE HAVE OUR PRINCIPAL PLACE OF BUSINESS (CURRENTLY DENVER, COLORADO). OUT-OF-STATE ARBITRATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE/LITIGATE WITH US IN COLORADO THAN IN YOUR OWN STATE
2. THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT STATES THAT COLORADO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS
3. WE WERE FORMED ON JUNE 6, 2012 AND HAVE A BRIEF OPERATING HISTORY YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$234,048 TO \$372,213 THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF ~~MARCH~~ DECEMBER 31, 2013, WHICH IS ~~\$-25,726-68~~ -25,727.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source is our agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Your Managing Owner, Designated Manager, if applicable, and other staff members of your Franchised Business that we designate may attend optional additional or refresher training programs that we may offer, and must attend all mandatory additional or refresher training programs that we may require. We estimate that this training will be no longer than seven (7) days per year. This training may be offered at our training facility in Las Vegas, Nevada or at some other location in the United States we select. If our additional training program is located at our facility in Las Vegas, Nevada, you will not be required to pay a training fee, but you must pay for all expenses related to your and your employees' attendance at the training program. If our additional training program is located outside of our facility in Las Vegas, Nevada, you will be required to pay a training fee (currently \$500 per day) plus our and your, and your employee's, expenses related to attending and facilitating the training program. The location of each training program is in our sole discretion. We will provide instructors, and training materials for these programs. Any training program that we designate as mandatory must be attended by your Managing Owner, Designated Manager, if applicable, and other staff members of your Franchised Business that we designate, unless their absence is excused by us.

Your Managing Owner and Designated Manager, if applicable, must attend mandatory conferences at locations that we designate, and you must pay any conference fees, travel expenses, meals, living expenses and personal expenses. You will pay us, in the same manner as the Royalty Fee, a convention fee of \$1,500 ("Convention Fee") If your required attendees attend the annual convention, we will credit five hundred dollars (\$500) of the Convention Fee back to you in the form of a royalty rebate. The Convention Fee is in addition to travel expenses, meals, living expenses and personal expenses. If you wish to send more than two individuals to our annual conference, you must pay, in addition to expenses, a fee five hundred dollars (\$500) per additional individual.

ITEM 12 TERRITORY

The Franchise Agreement grants you the right to operate a single Unit at a location that we approve (the "Approved Location") You must operate the Unit only at the Approved Location, and you may not relocate the Unit without our approval. Our approval for relocation is based on the same standards used to approve new Unit sites including: where your Unit will be located, whether or not such relocation will infringe upon the rights of other Units, payment of the relocation fee and other requirements, and the time it will take to relocate your Unit.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, during the term of the Franchise Agreement, except as provided below, neither we nor any affiliate will establish or operate, or franchise any entity to establish or operate, a business using the Marks and System at any location within a certain geographic area surrounding the Approved Location, to be described in the Franchise Agreement ("Protected Territory") The scope of the area will likely differ among franchisees, and will be determined by population density and demographics, and geographical and political boundaries. As a general rule, the Protected Territory will include an area with a population of approximately 25,000 to 35,000. ~~However, your~~ Your Protected Territory may include less than 35,000 if your Unit is located in an area with high non-resident traffic. The boundaries of your Protected Territory may be described in terms of contiguous zip codes, street boundaries, county boundaries or depicted on a map that is attached to your Franchise Agreement. Once we establish your Protected Territory we will not change or modify it without your consent.

Although you will have a Protected Territory, we retain the right, for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights.

located outside of your Protected Territory, unless the customer is located in an area where there is not another Teriyaki Madness Unit in operation. You may not sell our proprietary products or any other products to any business or other customer at wholesale or for resale

Continuation of the Protected Territory is not dependent upon your achievement of a certain sales volume, market penetration, or quota. We do not pay compensation for soliciting or accepting orders inside your territory

Multi-Unit Operator Agreement

Under the Multi-Unit Operator Agreement, you are assigned a Development Territory in which you must develop five (5) or more Teriyaki Madness Franchises. The size of the Development Territory will depend on the number of Units to be developed, the demographics of the territory, the population and other factors. In certain densely populated metropolitan areas, a Development Territory may be small if it has a high population density, while Development Territories in less densely populated urban areas may have significantly larger areas. The Development Territory will be an exclusive territory for the development of Teriyaki Madness Franchises during the term of the Multi-Unit Operator Agreement so long as you are in compliance with the agreement. This exclusivity grants you the exclusive rights to open Units in the Development Territory provided that you follow the terms of the Multi-Unit Operator Agreement. The rights granted under the Multi-Unit Operator Agreement relate only to the development of the Teriyaki Madness Franchises identified in the Multi-Unit Operator Agreement. Except as provided in the Multi-Unit Operator Agreement, and subject to your full compliance with the Multi-Unit Operator Agreement and any other agreement among you or any of your affiliates and us or any of our affiliates, neither we nor our affiliates will establish or authorize any other person or entity, other than you, to establish a Teriyaki Madness Franchise in your Development Territory during the term of the Multi-Unit Operator Agreement. However, we, our affiliates, and any other authorized person or entity (including any other Teriyaki Madness Franchise) may, at any time conduct any other type of activities within your Development Territory that we are permitted to conduct under the Franchise Agreement. The Development Territory will terminate upon the completion of the Development Schedule or the termination of the Multi-Unit Operator Agreement, whichever occurs first, and the only territorial protections that you will receive upon termination will be those under each individual Franchise Agreement.

Upon your first failure to adhere to the Development Schedule, you will lose the exclusivity granted for the Development Territory. Any second or additional failures to adhere to the Development Schedule (including any extensions approved by us in writing) will constitute a material event of default under the Multi-Unit Operator Agreement, for which we may, among other things (i) terminate the Multi-Unit Operator Agreement; (ii) reduce the area of any territorial rights, (iii) permit you to extend the Development Schedule; or (iv) pursue any other remedy we may have at law or in equity, including but not limited to a suit for non-performance.

The size of the Development Territory may be a single or multi-city area, single county area or some other area, and will be described in Attachment A of your Multi-Unit Operator Agreement. We will determine the Development Territory before you sign the Multi-Unit Operator Agreement based on various market and economic factors.

ITEM 13 TRADEMARKS

The Marks and the System are owned by TM and are licensed exclusively to us. TM has granted us an exclusive license ("Trademark License") to use the Marks for purposes of franchising the System

We have provided the following information: the high and low annual gross revenue information for each year that the franchised locations were open; the average same store sales percentage increases for each year, the average unit volume of the group for each year; and the number and percentages of franchisees that met or exceeded the average unit volume for each year. For 2012, five (5) Teriyaki Madness restaurants were in operation for the entire year. For 2011, four (4) Teriyaki Madness restaurants were in operation for the entire year and for the years 2008 to 2010 only three (3) Teriyaki Madness restaurants were open for the entire year.

Your individual results may differ. There is no assurance you will earn as much.

Year	High	Low	Average Unit Volume ("AUV")	AUV Same Store Sales increases by %	Number of Franchisees at or above the AUV	Percentage of Franchisees at or above the AUV
2012	\$1,050,642	\$716,845	\$855,624	+23%	1	25%
2011	\$796,730*	\$512,931	\$694,582	+12.1	3	75%
2010	\$775,807	\$379,407	\$619,417	+0.1%	2	66.6%
2009	\$761,552	\$380,145	\$614,656	+14.6%	2	66.6%
2008	\$655,601	\$312,861	\$536,535	n/a	2	66.6%

*The Centennial location opened March 28, 2011 and therefore was not open a full year during 2011.

The financial performance representations figure does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Unit. Franchisees or former franchisees, listed in the franchise disclosure document, may be one source of this information.

The information provided in the following chart consists of the actual performance of our Maryland Affiliate-owned location only two affiliate locations (the "Affiliate Locations") for January 1, 2012 to December 31, 2012. The size, physical layout, and operations of this Unit, the Affiliate Locations are generally similar to the Units that our franchisees will own and operate. While the representations relate to the performance of the Affiliate Locations, franchised outlets will share some of the same characteristics, including, degree of competition and similar goods sold. The Affiliate Locations do not pay a royalty but do contribute marketing fees. We have included certain expenses for the Affiliate Locations. Franchise locations may or may not have similar expenses and they may have additional expenses than the ones listed below. Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request.

9845 S. Maryland Parkway, Ste. C, Las Vegas, Nevada 89183

January 1, 2012 through December 31, 2012

Total Income	\$952,722
Less: Cost of Goods Sold	(\$298,314)

Less Wages, Salaries, Benefits	(\$265,606)
Gross Profit	\$388,802
Less Total Operating Expenses	(\$164,426)
Operating Profit	\$224,376

Notes.

1. *Operating History.* The Maryland Unit opened for business in August 2003. It may take some time for a new Unit to establish itself in its marketplace. You should expect lower revenues during the early period of your operations.
2. *Cost of Goods Sold.* Cost of goods sold includes the cost of all food items and beverage items, and related supplies, such as napkins, cups, utensils, and take-away containers.
3. *Operating Expenses.* The expenses include many items such as rent, insurance, marketing, miscellaneous supplies, repairs, bank fees, and utilities.
4. *Wages, Salaries, Benefits.* The information for wages, salaries and benefits includes actual labor cost of all personnel in the restaurants.
5. *Location.* The locations reflected in this table are located in Las Vegas, which typically has long, hot summers and mild winters. It is open 7 days a week for an approximate total of 80 hours per week. Revenues for Units in other climates could be affected by the local weather. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

7481 West Lake Mead, Las Vegas NV 89128

January 1, 2012 through December 31, 2012

Total Income	\$719,487
Less: Cost of Goods Sold	(\$231,761)
Less: Wages, Salaries, Benefits	(\$188,868)
Gross Profit	\$298,858
Less: Total Operating Expenses	(\$136,113)
Operating Profit	\$162,745

Notes.

1. *Operating History.* The Lake Mead Unit opened for business in November 2010. It may take some time for a new Unit to establish itself in its marketplace. You should expect lower revenues during the early period of your operations.

2. Cost of Goods Sold. Cost of goods sold includes the cost of all food items and beverage items, and related supplies, such as napkins, cups, utensils, and take-away containers.

3. Operating Expenses. The expenses include many items such as rent, insurance, marketing, miscellaneous supplies, repairs, bank fees, and utilities.

4. Wages, Salaries, Benefits. The information for wages, salaries and benefits includes actual labor cost of all personnel in the restaurants.

5. Location. The locations reflected in this table are located in Las Vegas, which typically has long, hot summers and mild winters. It is open 7 days a week for an approximate total of 80 hours per week. Revenues for Units in other climates could be affected by the local weather. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Some Units have earned this amount. Your individual financial results are likely to differ. There is no assurance you'll earn as much. You should conduct an independent investigation of the costs and expenses you may incur in operating your Unit. Franchisees listed in this Franchise Disclosure Document may be one source of this information. Some Units have earned this amount. Your individual financial results are likely to differ. There is no assurance you'll earn as much. You should conduct an independent investigation of the costs and expenses you may incur in operating your Unit. Franchisees listed in this Franchise Disclosure Document may be one source of this information. Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, Teriyaki Madness Franchising, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Rodney Arreola at 5445 DTC Parkway, Suite 1050, Greenwood Village, Colorado 80111 and 1-888-978-3160, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2010 to 2012

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2010	4	4	0
	2011	4	5	+1
	2012	5	5	0

California Corporations Code section 31125 requires the Franchisor to give the Franchisee a disclosure document, approved by the department of corporations, prior to a solicitation of a proposed material modification of an existing franchise.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the franchise. Such provisions may not be enforceable under California law.

Under California civil code section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration. The arbitration will occur at Franchisor's Choice of Law State and the costs will be borne by the filing party and the prevailing party will be entitled to reimbursement of its expenses from the other party. Prospective Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as business and professions code section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement or Supplemental Agreements restricting venue to a form outside the State of California.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The Franchise Agreement and Supplemental Agreements require application of the laws of Franchisor's Choice of Law State. This provision may not be enforceable under California law.

Our website has not been reviewed or approved by the California Department of Corporations. Any complaints concerning the content of this website may be directed to the California Department of Corporations at www.corp.ca.gov.

ESCROW

Due to our financial condition, the Department of Corporations has required us to establish an impound account for all initial franchise fees that we charge, including the Initial Franchise Fee, Real Estate Fee and, if applicable, the Multi-Unit Operator Fee. Within 48 hours of our receipt of any type of initial fees from you, we will deposit those fees into an escrow account that we have established with Wells Fargo Bank in California.

When you pay any initial fees to us, we will deliver to you a purchase receipt that lists, among other things, the amount you paid to us, the date of payment, and the complete name and address of the depository Wells Fargo Bank. We will give you the original copy of the receipt, retain one copy for ourselves, and provide one copy to the depository.

When we complete all of our training and other initial obligations to you (listed in Item 11 of this Disclosure Document) and you are open for business, we will request that you affirm, in writing, that we have completed those obligations and that you assent to release of the funds held in escrow. After receipt of an

Order from the Department of Corporations, the funds will be released to us. The cover page, Item 5, Item 7, the Franchise Agreement and, Multi-Unit Operator Agreement and any addenda to these agreements are amended accordingly

HAWAII

The following is added to the Cover Page

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

Registered agent in the state authorized to receive service of process

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

The following list reflects the status of the franchise registrations of the Franchisor in the states which require registration

- 1 This proposed registration is effective in the following states: NA
- 2 This proposed registration is or will shortly be on file in the following states: NA
3. States which have refused, by order or otherwise, to register these franchises are
None
4. States which have revoked or suspended the right to offer the franchises are

Aram, Shohreh@CORP

From: Aram, Shohreh@CORP
Sent: Thursday, May 16, 2013 12:27 PM
To: Mike Drumm (mike@drummlaw.com)
Subject: RE: teriyaki madness

Sorry, Mike,

This one additional comment was inadvertently left out:

Item 7-end of the table you have stated that a Multi-Unit Operator will not be required to pay an initial franchise fee but Item 5 states you must pay a Multi-Unit Operator fee which is equal to the initial franchise fee. Please amend accordingly.

From: Aram, Shohreh@CORP
Sent: Thursday, May 16, 2013 12:17 PM
To: 'Mike Drumm'
Subject: RE: teriyaki madness

COMMENTS: I have reviewed your responses e-mailed to me of May 15, 2013 and have the following further comments. The rules referred to in this letter are under Title 10 of the California Code of Regulations. References to "Item" or "Instruction" mean those matters in the Disclosure Document ("FDD Guidelines")

1. State Cover Page-Please amend Risk Factor #4 to state franchisor's stockholder equity as of December 31, 2012 (instead of March) was \$(25,726)
2. Please submit the auditor's consent regarding the audit report attached to the franchisor's 2012 audited financial statements

Item 12

3. Please disclose a "range" of the population in the "protected territory" under the franchise agreement, since it can be 35,000 people or less.
4. Please describe the exclusive territory granted to the "multi-unit operator" or at a minimum state the minimum area granted

Item 19

5. An objection is being made to the disclosure of the earning results of one longest running affiliate-owned unit. The franchisor had 5 franchised outlets and 2 affiliate outlets that were open at the beginning and end of 2012. There were 4 franchised outlets and 2 affiliate outlets that were open at the end of 2010 and there were 5 franchised outlets and 2 affiliate outlets that were open at the end of 2011. There is no reasonable basis for including the results of this one affiliate outlet because that is the longest running one and perhaps the most profitable store. This is especially true because of the fact that there are material differences in the earning results of an affiliate

outlet vs. a franchised outlet in that at the very least it does not have to pay a franchise fee and royalties let alone other factors such as being located in better geographical location or other factors

The FTC Compliance Guide does not allow disclosure of an affiliate owned store when franchisor has adequate performance data of its own. Below is right out of the compliance guide:

“As noted, all financial performance representations must have a reasonable basis. When a franchisor has adequate performance data of its own upon which to base a performance representation, basing a financial performance representation on affiliate information likely would *not* be reasonable.”

Financial Assurance

6. With respect to the impoundment account, the impound/escrow agreement executed by both the franchisor and Wells Fargo Bank was not submitted. I also need a copy of the sample purchase receipt.

Also, please place the impound language on the franchise agreement and multi-unit agreement or an addendum to the agreements

Also, please add the word “Bank” right of after the words “Well Fargo”.

Also, please amend the last paragraph on the impound language to state “when we complete all of our training and other initial obligations .. and you are open for business....”.

Please be advised that this comment letter tolls the automatic effectiveness of the registration, if any. The application will be abandoned in accordance with Rule 250.16 if the requested information is not submitted within reasonable time from the date of this letter. There can be no refund of filing fees paid upon abandonment or withdrawal of the application.

Additional comments may be forthcoming. All material changes to your application must be submitted by pre-effective amendment, in accordance with Rules 310.123 and 310.112, which require a completed facing page on the form used for the original application and an originally signed certification page and corporate acknowledgment, if applicable. Amended materials should be marked to show all changes, in accordance with Rule 310.122.1

No hard copy to follow.

Shohreh Aram
Senior Corporations Counsel
Department of Corporations
Securities Regulation Division-LA
(213) 576-7584



H Michael Drumm
6886 Robb Ct
Arvada, CO 80004
720-257-9060
mike@drummlaw.com

5/14/2013

DEPARTMENT OF CORPORATIONS
RECEIVED LOS ANGELES OFFICE

MAY 16 2013

ATTN Shohreh Aram
Senior Corporations Counsel
Department of Corporations
Securities Regulation Division-LA
320 West 4th Street, Suite 750
Los Angeles, California 90013

RE: Teriyaki Madness, 993-6770

Dear Shohreh Aram

This letter is in response to your comment letter dated April 29, 2013. Teriyaki Madness Franchising, LLC (the "Franchisor") responses as follows:

1. Risk Factor #4 has been re-added and updated with current information
2. The auditor's consent is enclosed
3. The multi-unit is exclusive in that while the multi-unit operator is developing the territory, franchisor will not sell or open franchises in the territory. We have revised item 12 to clarify this.
4. The Franchise Territory is not exclusive as a result of the reservation of nontraditional locations. The multi-unit territory is exclusive for the development of franchises. Two different territories are being described in item 12.
5. See numbers 3 and 4 above
6. The changes have been made
7. Franchisor's reasonable basis is that this location is the longest running affiliate owned location and therefore the franchisor is able to obtain and verify all information that it has presented in Item 19.
8. Table 5 has been corrected
9. Franchisor has chosen escrow and has revised the FDD accordingly. We have also enclosed a copy of the escrow agreement.

We have also made changes requested by the state of Maryland. Two copies of the Disclosure Document showing the changes are enclosed, one redline and one clean. I trust this complies with your requirements and wish to thank you for your assistance. Should you require any further information, please advise

Very truly yours,
Drumm Law, LLC

A handwritten signature in black ink, appearing to read "H Michael Drumm". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

H Michael Drumm, Esq.

MAY 16 2013

PURCHASE RECEIPT FOR
Teriyaki Madness Franchising LLC

- 1 Name and Address of **Buyer/Franchisee**: _____

- 2 Name of **Individual** Receiving Payment for Franchisor _____
3. General **Location** of Franchise Involved and **Total Purchase Price**
4. Amount of **Payment Received** \$ _____
5. Name and Address of **Depository** _____

- 6 **Date** of Payment. _____

These funds will only be released to the franchisor upon order of the Commissioner upon a showing pursuant to Commissioner's Rule 310 113 4, Title 10, CA Code of Regulations, that the franchisor has fulfilled its obligation under the Franchise Agreement **NO FUNDS MAY BE RELEASED FROM THE IMPOUND ACCOUNT UNDER ANY CIRCUMSTANCES TO ANY PARTY (INCLUDING THE FRANCHISEE) WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER.**

Dated: _____

Franchisor: Teriyaki Madness Franchising LLC,

By _____

Franchisee: _____

By _____

ESCROW AGREEMENT FOR USE IN THE STATE OF CALIFORNIA

This Escrow Agreement (hereinafter referred to as "this Agreement"), made this 9th day of May, 2013, by Teriyaki Madness Franchising LLC, a limited liability Company organized under the laws of the State of Colorado (hereinafter referred to as "Franchisor"), and Wells Fargo Bank, National Association. (hereinafter referred to as "Bank"), as Escrowee for the Franchisee of Franchisor;

WHEREAS, Franchisor is desirous of establishing franchises in the State of California, and

WHEREAS, it is in the discretion of the California Commissioner of Corporations (hereinafter referred to as "Commissioner") as the state administrator for the Franchise Investment Law, to require an escrow of the franchise fee; and

WHEREAS, in order to conform to the procedures for arranging an escrow account, Franchisor desires to enter into an escrow agreement with Bank, pursuant to which initial franchise fees are to be held in escrow until Franchisor has met its initial obligations to its franchisees.

NOW, THEREFORE, with the foregoing recitals hereinafter incorporated by reference and made a part hereof, it is agreed as follows:

1 Franchisor shall deposit with Bank initial franchise fees received from franchisees that are required to be escrowed under the order of the Commissioner, but bank shall not be responsible for insuring that any part or all monies received by Franchisor from each or any one franchisee are deposited with Bank.

2. Franchisor will supply Bank with the name and address of each franchisee, together with the amount of the deposit, which represents monies paid by each franchisee, and Bank will maintain records containing the same information. The information comprising the identity of subscribers shall be provided to the Bank in the format set forth in the list of Franchisees, attached as Exhibit D, or in another format approved in writing by the Bank.

3. All monies received by Bank from Franchisor shall be held by Bank as Escrowee for the exclusive purpose herein described and will be placed in a single, segregated account designated substantially as follows:

Wells Fargo Bank, N.A.; AS ESCROWEE FOR
FRANCHISES OF
Teriyaki Madness Franchise- 2013 CA Escrow Account
(hereinafter referred to as "Escrow Account")

4 Bank shall accept such funds as Franchisor shall deliver to Bank, as Escrowee, and Bank shall acknowledge the receipt of funds from Franchisor, however,

Bank shall not be responsible for the accuracy of the information provided to it by Franchisor.

5 Any funds deposited hereunder in the Escrow Account shall be invested and kept invested by Bank, at the option of the Franchisor, in instruments of its choosing, until they are to be disbursed as provided in Paragraph 5 hereof. All interest received and any increment thereon shall be added to the funds so deposited in the Escrow Account and shall be distributed as provided in Paragraph 5

a. Bank shall pay out funds, plus interest, if any, from the Escrow Account upon the occurrence of one of the following conditions.

i Upon written order from the Commissioner, Bank shall return part or all of the deposited franchise fee and other funds, plus interest, if any, to a specified franchisee or the franchisor as the Commissioner shall order

ii. Upon written request by the franchisor, Bank shall return part or all of the deposited franchise fee and other funds, plus interest, if any, to a specified franchisee

iii. Bank shall pay funds into court or disburse or deliver them in accordance with any final order of any court of competent jurisdiction.

b. Bank shall pay out funds, without interest, from the Escrow Account upon the occurrence of:

i. Upon written request from any franchisee to the franchisor, Bank shall return the franchisee funds to a specific specified franchisee which franchisor shall order.

c. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS SECTION 5, NO FUNDS MAY BE RELEASED FROM THE ESCROW ACCOUNT UNDER ANY CIRCUMSTANCE TO ANY PARTY (INCLUDING THE FRANCHISEE) WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER

Bank shall not be personally liable for any action taken or omitted by it in good faith and in the exercise of its own best judgment. Bank shall also be fully protected in relying upon any written notice, demand, certificate or document, which it in good faith believes to be genuine.

6. Bank is authorized, in its sole discretion, to disregard any and all notices or instructions given by any of the undersigned or by any other person, firm or corporation, except only such notices or instructions by the Commissioner, unless funds are to be returned directly to the franchisee, as are hereinafter provided for and orders of process of any court entered or issued with or without jurisdiction. If any property

subject hereto is at any time attached, garnished, or levied upon under any court order or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case of any order affecting such property or any part thereof, then and in any of such events Bank is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel of its own choosing is binding upon it; if it complies with any such order, writ, judgment, or decree, it shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated

7. Written consent of Bank to act in the capacity of Escrowee shall be manifested upon the duly authorized execution of this Agreement. The Commissioner may, at any time, inspect the records of Bank, insofar as they relate to this Agreement. At the Commissioner's discretion, statements indicating status of the escrow shall be furnished by Bank to the Commissioner. An executed duplicate original of this agreement shall be filed with the Commissioner at the Department of Corporations, 320 W. 4th Street, Suite 750, Los Angeles, California 90013, phone (866) 275-2677.

8 Duty and Liability of the Bank. (a) The duties of the Bank are specified in this Agreement.

(b) The Bank shall have only those duties as are specifically provided herein or in this Agreement, which shall be deemed purely ministerial in nature. The Bank shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument or document between the Franchisor and any party, including without limitation any franchise agreement or any offering or disclosure document in connection therewith. The Bank shall only be liable for its gross negligence or willful misconduct. In no event shall the Bank be liable, directly or indirectly, for any special, indirect or consequential losses or damages of any kind whatsoever (including without limitation lost profits), even if the Bank has been advised of the possibility of such losses or damages and regardless of the form of action.

(c) The Bank shall have no responsibility to inquire into or determine the genuineness, authenticity, or sufficiency of any notices, requests, securities, checks, or other documents or instruments submitted to it in connection with its duties under this Agreement. The Bank shall be entitled to deem the signatories of any documents or instruments submitted to it under this Agreement as being those purported to be authorized to sign such documents or instruments on behalf of the applicable party, and shall be entitled to rely upon the genuineness of the signatures of such signatories without inquiry and without requiring substantiating evidence of any kind

9 Deposit and Investment of Escrow Funds. (a) The Escrow Funds shall be credited by the Bank and recorded in a separate Escrow Account. The Bank shall be permitted, and is hereby directed, to invest all funds received under this Agreement,

including principal and interest, in the Wells Fargo Bank Money Market Deposit Account (the "MMDA") per the attached Exhibit A, during the period of this escrow. Bank may invest the Escrow Funds in alternative investments in accordance with written instructions as may from time to time be provided to Bank and signed by Franchisor. The Bank shall have no responsibility or liability for any loss which may result from any investment made pursuant to this Agreement, or for any loss resulting from the sale of such investment. The Franchisor acknowledges that the Bank is not providing investment supervision, recommendations, or advice. Any interest received by Bank with respect to the Escrow Funds, including reinvested interest, shall become part of the Escrow Funds and shall be disbursed to the Franchisor as directed in writing by Franchisor. The parties agree that, for tax reporting purposes, all interest or other taxable income earned on the Escrow Funds in any tax year shall be taxable to the Franchisor. Amounts on deposit in the MMDA are insured up to a total of \$250,000 per depositor, per insured bank (including principal and accrued interest) by the Federal Deposit Insurance Corporation (FDIC), subject to the applicable rules and regulations of the FDIC. The parties understand that deposits in the MMDA are not secured.

(b) The Franchisor shall within thirty (30) days after the date hereof, provide Bank with certified tax identification numbers by furnishing appropriate IRS forms W-9 or W-8 and other forms and documents that Bank may reasonably request. The Franchisor understands that if such tax reporting documentation is not so certified to the Bank, the Bank may be required by the Internal Revenue Code of 1986, as amended, to withhold a portion of any interest or other income earned on the Escrow Fund pursuant to this Agreement.

(c) To the extent that Bank becomes liable for the payment of any taxes in respect of income derived from the investment of funds held or payments made under this Agreement, the Bank shall satisfy such liability to the extent possible from the Escrow Funds. The Franchisor agrees to indemnify and hold Bank harmless from and against any taxes, additions for late payment, interest, penalties and other expenses that may be assessed against Bank on or with respect to any payment or other activities under this Agreement unless any such tax, addition for late payment, interest, penalties and other expenses shall be finally adjudicated to have been primarily caused by the gross negligence or willful misconduct of the Bank.

10 Bank shall be paid by Franchisor for any expenses incurred by it and reasonable compensation for its services as set forth in Exhibit B hereunder. Funds held by Bank pursuant to this Agreement shall not be subject to any liens or charges by Bank. The fee agreed upon for the services rendered hereunder is intended as full compensation, per annum, for Bank's services as contemplated by this Agreement; provided, however, that in the event that the conditions for the disbursement of funds under this Agreement are not fulfilled, or Bank renders any service not contemplated in this Agreement, or there is any assignment of interest in the subject matter of this Agreement, or any material modification hereof, or if any material controversy arises hereunder, or Bank is made a party to any litigation pertaining to this Agreement or the subject matter hereof,

then Bank shall be compensated for such extraordinary services and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event. If any amount due to Bank hereunder is not paid within thirty (30) days of the date due, Bank, in its sole discretion, may charge interest on such amount up to the highest rate permitted by applicable law.

11. If Bank believes it to be reasonably necessary to consult with counsel concerning any of its duties in connection with this Agreement, or in the event Bank retains counsel upon becoming involved in litigation on account of any deposit or of this Agreement, Franchisor shall reimburse Bank for and indemnify and hold Bank harmless against any and all costs, attorneys' fees, charges, disbursements and expenses in connection with such consultation or litigation.

12. Franchisor unconditionally guarantees that in the event Bank misapplies, dissipates, converts or is otherwise responsible for a deficiency in the funds deposited in the Escrow Account through the exercise of less than a fiduciary standard of care, Franchisor shall reimburse each and every franchisee to the extent of such deficiency if such amounts deposited are required to be returned to such franchisee under Paragraph 5(a) through (b) hereof

13. Franchisor shall give each franchisee a copy of this Agreement prior to collecting any monies from such franchisee.

14. Bank's duties as Escrowee shall terminate upon final distribution of all monies received under this Agreement. Bank may resign by giving the Franchisor, each franchisee whose funds are held in the Escrow Account, and Commissioner thirty (30) days prior written notice. Such resignation or removal, as the case may be, shall be effective thirty (30) days after the delivery of such notice or upon the earlier appointment of a successor, and Bank's sole responsibility thereafter shall be to safely keep the funds and to deliver the same to a successor bank as shall be appointed by Franchisor, as evidenced by a written notice filed with Bank or in accordance with a court order. If Franchisor has failed to appoint a successor bank prior to the expiration of thirty (30) days following the delivery of such notice of resignation or removal, Bank may petition any court of competent jurisdiction for the appointment of a successor bank or for other appropriate relief, and any such resulting appointment shall be binding upon Franchisor.

15. Notwithstanding any provision contained herein to the contrary, the Bank, including its officers, directors, employees and agents, shall:

(a) be entitled to deem the signatories of any documents or instruments submitted to it hereunder as being those purported to be authorized to sign such documents or instruments on behalf of the parties hereto, and shall be entitled to rely upon the genuineness of the signatures of such signatories without inquiry and without requiring substantiating evidence of any kind. In connection therewith, the Franchisor shall, as of the date hereof, execute Exhibit C-1 to this Agreement, designating those authorized to sign on its behalf;

(b) be, and hereby is, indemnified, defended and saved harmless by the Franchisor from all losses, liabilities, costs and expenses, including attorney fees and expenses, which may be incurred by it as a result of its acceptance of the Escrow Account or arising from the performance of its duties hereunder, unless such losses, liabilities, costs and expenses shall have been finally adjudicated to have directly resulted from the willful misconduct or gross negligence of the Bank, and such indemnification shall survive its resignation or removal, or the termination of this Agreement,

(c) in the event that (i) any dispute shall arise between the parties with respect to the disposition or disbursement of any of the assets held hereunder or (ii) the Bank shall be uncertain as to how to proceed in a situation not explicitly addressed by the terms of this Agreement whether because of conflicting demands by the other parties hereto or otherwise, be permitted to interplead all of the assets held hereunder into a court of competent jurisdiction, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets;

(d) have only those duties as are specifically provided herein, which shall be deemed purely ministerial in nature, and shall under no circumstance be deemed a fiduciary for any of the parties. The Bank shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument or document between the other parties hereto, in connection herewith. This Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Bank shall be inferred from the terms of this Agreement or any other agreement. IN NO EVENT SHALL THE BANK BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (i) DAMAGES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES WHICH DIRECTLY RESULT FROM THE BANK'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (ii) SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, EVEN IF THE BANK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF THE FORM OF ACTION;

(e) under no circumstances be required or expected to risk or advance its own funds or otherwise incur financial liability in the performance of its duties or exercise of its rights under this Agreement.

16 All notices, requests, demands, and other communications required under this Agreement shall be in writing, in English, and shall be deemed to have been duly given if delivered (i) personally, (ii) by facsimile transmission with written confirmation of receipt, (iii) by overnight delivery with a reputable national overnight delivery service, or (iv) by mail or by certified mail, return receipt requested, and postage prepaid. If any notice is mailed, it shall be deemed given five business days after the date such notice is deposited in the United States mail. If notice is given to a party, it shall be given at the address for such party set forth on the signature page hereto. It shall be the responsibility of Franchisor to notify Bank in writing of any name or address changes. In the case of

communications delivered to Bank, such communications shall be deemed to have been given on the date received by Bank.

If to the Franchisor:

Teriyaki Madness Franchising LLC
5445 DTC Parkway, Suite 1050
Greenwood Village, Colorado 80111
Attn: Rod Areola, CEO
Phone: (702) 403-2308
Fax: (800) 290-8067

If to Bank:

Wells Fargo Bank, N.A.
Corporate Trust Services
MAC: E2818-176
707 Wilshire Blvd., 17th Floor
Los Angeles, CA 90017
Attention: Kheang Tan
Phone: (213) 614-4117
Fax: (213) 614-3306

17. Except as otherwise provided in the this Agreement, the Franchisor shall not assign this Agreement or any rights or obligations thereunder without the prior written consent of the Bank and the State commissioner or similar State official, and any such attempted assignment without such prior written consent shall be void and of no force and effect.

18. In the event that any part of any this Agreement is declared by any court or other judicial or administrative body to be null, void, or unenforceable, said provision shall survive to the extent it is not so declared, and all of the other provisions of the applicable this Agreement shall remain in full force and effect.

19. This Agreement may be amended or modified, and any of the terms, covenants, representations, warranties, or conditions thereof or hereof may be waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance. Any waiver by any party of any condition, or of the breach of any provision, term, covenant, representation, or warranty contained in this Agreement, in any one or more instances, shall not be deemed to be nor construed as further or continuing waiver of any such condition.

20. The Bank may resign upon 30 days advance written notice to the Franchisor and the applicable State commissioner or other official. If a successor Bank is not appointed within the 30-day period following such notice, the Bank may petition any court of competent jurisdiction to name a successor Bank or interplead the Escrow Funds with such court, whereupon Bank's duties hereunder shall terminate.

21. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

22. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.


23. Security Procedure For Funds Transfers. The Bank shall confirm each funds transfer instruction received in the name of a party by means of the security procedure selected by such party and communicated to the Bank through a signed certificate in the form of Exhibit C-1 attached hereto, which upon receipt by the Bank shall become a part of this Escrow Agreement. Once delivered to the Bank, Exhibit C-1 may be revised or rescinded only by a writing signed by an authorized representative of the Party. Such revisions or rescissions shall be effective only after actual receipt and following such period of time as may be necessary to afford the Bank a reasonable opportunity to act on it. If a revised Exhibit C-1 or a rescission of an existing Exhibit C-1 is delivered to the Bank by an entity that is a successor-in-interest to such party, such document shall be accompanied by additional documentation satisfactory to the Bank showing that such entity has succeeded to the rights and responsibilities of the party under this Escrow Agreement.

The party understands that the Bank's inability to receive or confirm funds transfer instructions pursuant to the security procedure selected by such party may result in a delay in accomplishing such funds transfer, and agree that the Bank shall not be liable for any loss caused by any such delay.

22. Force Majeure. The Bank shall not be responsible or liable for any failure or delay in the performance of its obligation under this Escrow Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes, fire, flood, wars, acts of terrorism; civil or military disturbances; sabotage, epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Bank shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

IN WITNESS WHEREOF, this Agreement has been duly executed, the parties
intending to be legally bound hereby.

ATTEST:

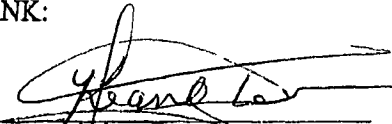


Its Secretary
Name: SCOTT C. EMMONS

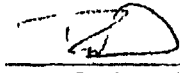
ATTEST:

Its Secretary
Name: _____

BANK:



By: _____
Name: Kheng Tan
Title: asst Vice President

FRANCHISOR.


By: _____
Name: ROD ARZOLA
Title: CEO

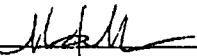
IN WITNESS WHEREOF, this Agreement has been duly executed, the parties
intending to be legally bound hereby.

ATTEST:



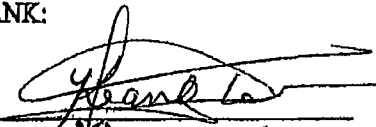
Its Secretary
Name: SCOTT C. Emmons

ATTEST:



Its Secretary
Name: Alan Arreola

BANK:


By: _____
Name: Kheana Tan
Title: asst Vice President

FRANCHISOR:

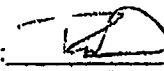

By: _____
Name: RUD AIRBOLD
Title: CEO

EXHIBIT A

**Direction for Investment of Cash Balances
Wells Fargo Money Market Deposit Accounts**

Direction to use the following Wells Fargo Money Market Deposit Accounts for Cash Balances for the following account(s)

Account Name Teriyaki Madness Franchise- 2013 CA Escrow Account

Account Number(s): TBD

You are hereby directed to deposit, as indicated below, or as I shall direct further in writing from time to time, all cash in the Account(s) in the following money market deposit account of Wells Fargo Bank, National Association (Bank).


Wells Fargo Money Market Deposit Account (MMDA)

I understand that amounts on deposit in the MMDA are insured, subject to the applicable rules and regulations of the Federal Deposit Insurance Corporation (FDIC), in the basic FDIC insurance amount of \$250,000 per depositor, per insured bank. This includes principal and accrued interest up to a total of \$250,000.

I acknowledge that I have full power to direct investments of the Account(s)

I understand that I may change this direction at any time and that it shall continue in effect until revoked or modified by me by written notice to you

Teriyaki Madness Franchising LLC

By. 
Authorized Representative

5/9/2013
Date

EXHIBIT B

FEES OF BANK

Acceptance fee

WAIVED

Initial Fees as they relate to Wells Fargo Bank acting in the capacity of Escrow Agent – includes creation and examination of the Escrow Agreement, acceptance of the Escrow appointment; setting up of Escrow Account, and coordination of receipt of funds for deposit to the Escrow Account.

Acceptance Fee payable in advance of Escrow Agreement execution.

Annual administration fee

\$5,000 00

Additional account annual administration fee

\$500.00

For administration services by Escrow Agent – includes daily routine account management; monitoring claim notices pursuant to the escrow agreement; disbursement of the funds in accordance with the agreement, and mailing of trust account statements to all applicable parties

This fee is Payable in advance, with the first installment due at the time of Escrow Agreement execution. Fee will not be prorated in case of early termination.

Transaction fees

Disbursements (check or wire):

\$25.00/each Domestic
\$40.00/each SWIFT

Out-of-pocket expenses

At cost

Out-of- pocket expenses will be billed as incurred at cost at the sole discretion of Wells Fargo.

Extraordinary services

Market rate

Fees for services not contemplated or not specifically covered elsewhere in this schedule will be determined by market rates for such services.

This proposal is based upon the following assumptions with respect to the role of escrow agent. Should any of the assumptions, duties or responsibilities change, we reserve the right to affirm, modify or rescind this proposal.

- Number of escrow accounts to be established: TBD
- Amount of escrow: TBD
- Number of cash transactions (deposits/disbursements): One per each account
- Term of Escrow: No more than One (1) year

- Fee schedule covers initial 12 month period for the escrow account. If the account is extended past 12 months, a \$5,000.00 and \$500.00 per additional account (if applicable) annual fee will be billed.
- This fee schedule assumes that balances in the escrow account will be held uninvested, invested in money market funds or a depository account that Wells Fargo has a relationship with
- All funds will be received from or distributed to a domestic or an approved foreign entity
- Should this transaction fail to close through no fault of Wells Fargo Bank, N.A. a fee, as well as out-of-pocket expenses incurred by Wells Fargo Bank, N.A., may be due and payable.
- Invoices outstanding for over 30 days are subject to a 1.5% per month late payment penalty
- Acceptance of the appointment described in this proposal is subject to compliance with the requirements of the USA Patriot Act of 2001 described below, Wells Fargo's satisfactory review of all governing documents, and the execution of the governing documents by all parties.
- This fee proposal is good for 90 days.

The USA Patriot Act of 2001 requires financial institutions to obtain, verify and record information to confirm the identity of the individual or entity establishing an account. For entities opening new accounts, we will ask you for documentation that may include annual reports, certified organizational documents, government issued business licenses or partnership agreements

Date: May 2, 2013

Submitted by:
Stuart Weiss
Vice President/Business Development
 707 Wilshire Boulevard
 17th Floor
 Los Angeles, CA 90017
 stuart.weiss@wellsfargo.com

EXHIBIT C-1

To

The Escrow Agreement by and between Teriyaki Madness Franchising LLC and Wells Fargo Bank, N.A. (the "Bank") dated May 9th, 2013 (the "Agreement")

I hereby certify that I am authorized to deliver this Exhibit C-1 on behalf of Teriyaki Madness Franchising LLC ("Franchisor"), and hereby further certify that the names, titles, telephone numbers, email addresses and specimen signatures set forth below identify the persons authorized to provide direction and initiate or confirm transactions, including funds transfer instructions, on behalf of the Franchisor, and that the option checked in Part C of this Exhibit C-1 is the security procedure selected by the Franchisor for use in verifying that a funds transfer instruction received by Bank is that of the Franchisor.

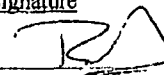
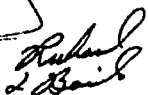
The Franchisor has reviewed each of these security procedures and has determined that the option checked in Part C of this Exhibit C-1 best meets its requirements; given the size, type and frequency of the instructions it will issue to Bank. By selecting the security procedure specified in Part C of this Exhibit C-1, the Franchisor acknowledges that it has elected to not use the other security procedures described below and agrees to be bound by any funds transfer instruction, whether or not authorized, issued in its name and accepted by Bank in compliance with the particular security procedure chosen by the Franchisor.

NOTICE: The security procedure selected by the Franchisor will not be used to detect errors in the funds transfer instructions given by the Franchisor. If a funds transfer instruction describes the beneficiary of the payment inconsistently by name and account number, payment may be made on the basis of the account number even if it identifies a person different from the named beneficiary. If a funds transfer instruction describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. Therefore, it is important that the Franchisor take such steps as it deems prudent to ensure that there are no such inconsistencies in the funds transfer instructions it sends to Bank.

Part A

Name, Title, Telephone Number, Email Address and Specimen Signature



for person(s) designated to provide direction, including but not limited to funds transfer instructions, and to otherwise act on behalf of the Franchisor

<u>Name</u>	<u>Title</u>	<u>Telephone No.</u>	<u>Email</u>	<u>Specimen Signature</u>
ROD ARICOLA	CEO	702-405-2303	ROD@TRIVIAKIMMADNESS.COM	
Rick Barich	CFO	720-219-0776	rick@franchise-shops.com	

[list more if desired]

Part B

Name, Title, Telephone Number and Email Address for
person(s) designated to confirm funds transfer instructions

<u>Name</u>	<u>Title</u>	<u>Telephone No.</u>	<u>Email</u>	<u>Specimen Signature</u>
ROD ARICOLA	CEO	702-405-2303	ROD@TRIVIAKIMMADNESS.COM	
Richard Barich	CFO	303 865-3222	rick@franchise-shops.com	

[list more if desired]

Part C

Means for delivery of instructions and/or confirmations

The security procedure to be used with respect to funds transfer instructions is checked below.

- ☒ Option 1 Confirmation by telephone call-back Bank shall confirm funds transfer instructions by telephone call-back to a person at the telephone number designated on Part B above. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts A and B of this Exhibit C-1.
- ☒ CHECK box, if applicable
If Bank is unable to obtain confirmation by telephone call-back, Bank may, at its discretion, confirm by email, as described in Option 2.
- ☐ Option 2 Confirmation by email Bank shall confirm funds transfer instructions by email to a person at the email address specified for such person in Part B of this Schedule. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts A and B of this Exhibit C-1. The Franchisor understands the risks associated with communicating sensitive matters, including time sensitive matters, by email. The Franchisor further acknowledges that instructions and data sent by email may be less confidential or secure than instructions or data transmitted by other methods. Bank shall not be liable for any loss of the confidentiality of instructions and data prior to receipt by Bank.
- ☐ CHECK box, if applicable.
If Bank is unable to obtain confirmation by email, Bank may, at its discretion, confirm by telephone call-back, as described in Option 1.
- ☐ Option 3 Delivery of funds transfer instructions by password protected file transfer system only - no confirmation. Bank offers the option to deliver funds transfer instructions through a password protected file transfer system. If the Franchisor wishes to use the password protected file transfer system, further instructions will be provided by Bank. If the Franchisor chooses this Option 3, it agrees that no further confirmation of funds transfer instructions will be performed by Bank.
- ☐ Option 4 Delivery of funds transfer instructions by password protected file transfer system with confirmation. Same as Option 3 above, but Bank shall confirm funds transfer instructions by ☐ telephone call-back or ☐ email (must check at least one, may check both) to a person at the telephone number or email address designated on Part B above. By checking a box in the prior sentence, the party shall be deemed to have agreed to the terms of such confirmation option as more fully described in Option 1 and Option 2 above.

Dated this 9th day of May, 2013.

By

Name ROD AREOLA

Title: CFO

EXHIBIT D

(a) List of Franchisees

Pursuant to this Agreement dated May 9th, 2013 by and between Teriyaki Madness Franchising LLC (the "Franchisor"), and Wells Fargo Bank, National Association (the "Bank"), the Franchisor hereby certifies that the following franchisees have paid money for the purchase of _____ (the "Franchise Units"), and the money (the "Escrow Funds") has been deposited with the Bank:

Name of Franchisee:

Address _____

Attn _____

Phone _____

Tax Identification Number: _____

Amount of Franchise Units subscribed for: _____

Amount of money paid and deposited with Bank: _____

Franchisor:

By: _____

Its: _____

Date: _____



BAKER TILLY

Baker Tilly Virchow Krause LLP
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Chicago, IL 60601-5927
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bakertilly.com

AUDITORS' CONSENT

Baker Tilly Virchow, Krause, LLP consents to the use in the Franchise Disclosure Document issued by Teriyaki Madness Franchising, LLC ("Franchisor") on April 19, 2013, as it may be amended, of our report dated April 3, 2013, relating to the financial statements of the Franchisor for the period ending December 31, 2012. We understand that the Disclosure Document will be filed with various state authorities and delivered to prospective franchisees.

Baker Tilly Virchow Krause, LLP

Baker Tilly Virchow Krause, LLP
April 3, 2013

MAY 16 2013

FRANCHISE DISCLOSURE DOCUMENT



Teriyaki Madness
Franchising, LLC
5445 DTC Parkway, Suite 1050
Greenwood Village
Colorado 80111
Phone: 1-888-978-3160
www.teriyakimadness.com

Teriyaki Madness businesses operate fast casual restaurants that make and sell Japanese-style teriyaki dishes and other specialty food items, beverage items, and other items ("Teriyaki Madness Franchise")

The total investment necessary to begin operation of a single Teriyaki Madness Franchise is between \$234,048 and \$372,213. This includes \$50,000 that must be paid to the franchisor or its affiliates.

~~Franchisees may also choose to become a Multi-Unit Operator ("Multi-Unit Operator"), earning the right to establish and operate a certain number of Teriyaki Madness Franchises in a specified area. Multi-Unit Operators must sign our Multi-Unit Operator agreement (the "Multi-Unit Operator Agreement") at the same time as the franchise agreement. Multi-Unit Operators must commit to open five (5) or more Teriyaki Madness Franchises at reduced initial franchise fees. The total investment necessary to begin operation of a Multi-Unit Operator franchise will depend on the number of Teriyaki Madness Franchises to be opened. Multi-Unit Operators must commit to open five (5) or more Teriyaki Madness Franchises at reduced initial franchise fees.~~

The Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least fourteen (14) calendar days before you sign a binding agreement with, or make any payment in connection with the franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Rodney Arreola at 5445 DTC Parkway, Suite 1050, Greenwood Village, Colorado 80111 and 1-888-978-3160.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 19, 2013

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise.

- 1 THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION/LITIGATION ONLY IN THE CITY WHERE WE HAVE OUR PRINCIPAL PLACE OF BUSINESS (CURRENTLY DENVER, COLORADO). OUT-OF-STATE ARBITRATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE/LITIGATE WITH US IN COLORADO THAN IN YOUR OWN STATE.
- 2 THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT STATES THAT COLORADO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3 WE WERE FORMED ON JUNE 6, 2012 AND HAVE A BRIEF OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
- 4 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$234,048 TO \$372,213. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF MARCH 31, 2013, WHICH IS \$-25,726.68.
- 5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more **FRANCHISE BROKERS** or referral sources to assist us in selling our franchise. A franchise broker or referral source is our agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

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initial and ongoing support to our franchisees. Neither TMI, TMM, nor TM International has ever offered franchises in this or any other line of business.

The Franchised Business

We award franchises for the use of our "TERIYAKI MADNESS" trademarks, trade names, service marks and logos ("Marks") for the operation of Teriyaki Madness Franchises. The franchise is operated under a business format per a unique system, including our valuable know-how, information, trade secrets, training methods, operations manual, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of Teriyaki Madness Franchises ("System"). We reserve the right to change or otherwise modify the System at any time at our sole discretion. Each Teriyaki Madness Franchise operates a fast casual restaurant that makes and sells Japanese-style teriyaki dishes, and other specialty food items, beverage items, and other items ("Franchised Business" or "Unit"). Teriyaki Madness Units feature grilled high-quality meats marinated and served with our proprietary signature teriyaki sauces. Units offer generous portion sizes at reasonable prices. All meats are grilled to order and served promptly.

You must operate your Teriyaki Madness Franchise per our standard business operating practices and sign our standard franchise agreement attached to this Disclosure Document as Exhibit C ("Franchise Agreement"). Your Teriyaki Madness Franchise must offer only those services and products that we have authorized. We reserve the right to add, modify, or delete any services or products that you must offer or sell at your Teriyaki Madness Franchise at any time at our sole discretion. You must also obtain all necessary permits, licenses and approvals to operate your Teriyaki Madness Franchise.

We offer a standard franchise which is available to those persons who we deem qualified, at our sole discretion, to operate a Teriyaki Madness Franchise. You may operate one Unit for each Franchise Agreement you sign with us. We retain the right, in our sole discretion, to choose to award or not to award a Teriyaki Madness Franchise to any prospective franchisee, and to cease discussions regarding the awarding of a franchise at any time, regardless of the stage of the franchise award process or the time and money spent by you or any other prospective franchisee.

We also offer to select qualified persons ("Multi-Unit Operators") the opportunity to sign our Multi-Unit Operator agreement ("Multi-Unit Operator Agreement") and acquire the right to develop multiple Teriyaki Madness Franchises in a designated development area according to a development schedule. When you sign a Multi-Unit Operator Agreement, you are granted the right to build a mutually agreed upon number of Teriyaki Madness Franchises (a minimum of 5 Units) in a specified territory ("Development Territory") in accordance with a specified development schedule ("Development Schedule"). The Development Territory will be established based on the consumer demographics of the Development Territory, geographical area, city, county and other boundaries. Multi-Unit Operators will be required to pay the non-refundable initial franchise fees for all Units to be developed under the Multi-Unit Operator Agreement at the time they sign the Multi-Unit Operator Agreement. If you enter into a Multi-Unit Operator Agreement, you must sign a Franchise Agreement in the form attached to this Disclosure Document for your first Teriyaki Madness Franchise ("Initial Franchise Agreement") at the same time that you sign the Multi-Unit Operator Agreement. We will require you to sign our then-current form of Franchise Agreement after that for each Teriyaki Madness Franchise that you develop under the Multi-Unit Operator Agreement except that any additional Franchise Agreements signed pursuant to the Development Schedule will have the same royalty rate as the Initial Franchise Agreement. Unless otherwise stated, any reference in this Disclosure Document to "you" or "Franchisee" includes you both as a Multi-Unit Operator under a Multi-Unit Operator Agreement and as Franchisee under a Franchise Agreement.

Type of	Amount		Method		To Whom Payment is to be Paid (1)
	Low	High			
Miscellaneous Opening Expenses (14)	\$1,000	\$1,500	As incurred	As agreed	Third Parties, Approved Suppliers
Additional Funds – 3 Months (15)	\$13,749	\$19,749	As incurred	As agreed	Third Parties
TOTAL (16)	\$234,048	\$372,213			
<u>Multi-Unit Operator</u>	<u>If you purchase multiple Teriyaki Madness Businesses under the Multi-Unit Operator Agreement, you will incur all costs listed above for each Teriyaki Madness Business that you open except that you will not be required to pay an Initial Franchise Fee.</u>				

Notes

- 1 All expenditures paid to us or our 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 your arrangements with them.
- 2 This estimate covers the first three months of rental payments, an initial security deposit and a utility deposit. We estimate that a typical Unit will need between 1,500 and 2,000 square feet of space and we estimate lease rates to range between \$2.25 and \$4.00 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, some 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.
- 3 The estimate shown does not reflect any landlord contribution or tenant improvement allowance you may negotiate. The estimate involves expenses associated with the design and build-out of the Unit, such as plumbing, electrical and remodeling work and are based on our experience with existing franchisees. These costs may vary depending on the size, condition and location of the leased premises, supply and demand for materials and labor in your local area, local building and fire code requirements and requirements of the lease regarding such matters as construction, signage and inflation. You may also be able to negotiate with your 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 your lease payments. The costs vary with factors such as Unit size and type, configuration, remodeling needs, and location.
- 4 This estimate involves the furniture, fixtures, equipment you will need to open a Unit, such as chairs, tables, refrigerators, freezers, charbroil grills, a 6-burner range, deep fryer and other items. Some of these expenses will depend on Unit size, shipping distances, supplier chosen and your credit history.

- ~~17- If you purchase multiple Teriyaki Madness Businesses under the Multiple Unit Development Agreement, you will incur all costs listed above for each Teriyaki Madness Business that you open except that you will not be required to pay an Initial Franchise Fee.~~

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Franchised Business according to our System and specifications. We may regulate the types of products and services offered, inventory levels and conditions, minimum requirements for days and hours of operations, participation in market research and testing and product and service development programs. We may also regulate any other aspects of operating and maintaining the Franchised Business that we determine to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Teriyaki Madness Franchises. You must operate the Teriyaki Madness Franchise according to our System Standards (defined in ITEM 11 below). System Standards may regulate the types, models, and brands of supplies, equipment (including the Computer System), furnishings, and interior and exterior signs (collectively, the "Operating Assets") System Standards may also regulate services, products, and supplies the Teriyaki Madness Franchise must offer, unauthorized and prohibited services and products, inventory requirements, designated and approved suppliers, and any other aspects of operating and maintaining the Franchised Business.

You are required to obtain services and products from (1) designated suppliers, (2) approved suppliers and/or (3) according to our specifications. Collectively, the purchases and leases you obtain according to our specifications or from approved or designated suppliers represent approximately eighty-five percent (85%) to ninety percent (90%) of your total purchases and leases to establish your Teriyaki Madness Franchise and approximately seventy percent (70%) to seventy-five percent (75%) of your total purchases and leases to operate your Teriyaki Madness Franchise. We describe below the purchases and leases that you must make according to our specifications and from designated or approved suppliers (which may include us or our affiliates).

To ensure that the highest degree of quality and service is maintained, you must operate the Franchised Business in strict conformity with the methods, standards, and specifications that we list in our proprietary and confidential operating manual ("Manual"), which may exist in various parts, locations, and formats and may include a combination of audio, video, written material, electronic media, website content, and/or software components. You must not (i) deviate from these methods, standards, and specifications without our prior written consent, or (ii) otherwise operate in any manner which reflects adversely on our Marks or the System. Our Manual states our specifications, standards, and guidelines for all goods and services that we require you to obtain in establishing and operating your Franchised Business.

We will notify you of new or modified specifications, standards, and guidelines through periodic amendments or supplements to the Manual or through written communication (including electronic communication). We will issue copies of our standards and specifications to you and approved and proposed suppliers, unless these standards and specifications contain our confidential information.

You must purchase all food items, beverage items, marketing materials, uniforms, logo apparel, credit card merchant services, apparel and other items and services that we designate only from suppliers that we have designated and approved in writing. Our approved suppliers have demonstrated to our satisfaction that they have the ability to meet our standards and specifications for the relevant items and services, they possess adequate quality controls, and they have the capacity to supply your needs promptly and reliably. We have the right to change the list of approved suppliers, and you must promptly

While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Protected Territory, and you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Protected Territory, you may not make any sales or deliver any products to customers located outside of your Protected Territory, unless the customer is located in an area where there is not another Teriyaki Madness Unit in operation. You may not sell our proprietary products or any other products to any business or other customer at wholesale or for resale.

Continuation of the Protected Territory is not dependent upon your achievement of a certain sales volume, market penetration, or quota. We do not pay compensation for soliciting or accepting orders inside your territory.

Multi-Unit Operator Agreement

Under the Multi-Unit Operator Agreement, you are assigned a Development Territory in which you must develop five (5) or more Teriyaki Madness Franchises. The Development Territory will be an exclusive territory for the development of Teriyaki Madness Franchises during the term of the Multi-Unit Operator Agreement so long as you are in compliance with the agreement. The rights granted under the Multi-Unit Operator Agreement relate only to the development of the Teriyaki Madness Franchises identified in the Multi-Unit Operator Agreement. Except as provided in the Multi-Unit Operator Agreement, and subject to your full compliance with the Multi-Unit Operator Agreement and any other agreement among you or any of your affiliates and us or any of our affiliates, neither we nor our affiliates will establish or authorize any other person or entity, other than you, to establish a Teriyaki Madness Franchise in your Development Territory during the term of the Multi-Unit Operator Agreement. However, we, our affiliates, and any other authorized person or entity (including any other Teriyaki Madness Franchise) may, at any time conduct any other type of activities within your Development Territory that we are permitted to conduct under the Franchise Agreement. The Development Territory will terminate upon the completion of the Development Schedule or the termination of the Multi-Unit Operator Agreement, whichever occurs first, and the only territorial protections that you will receive upon termination will be those under each individual Franchise Agreement.

Upon your first failure to adhere to the Development Schedule, you will lose the exclusivity granted for the Development Territory. Any second or additional failures to adhere to the Development Schedule (including any extensions approved by us in writing) will constitute a material event of default under the Multi-Unit Operator Agreement, for which we may, among other things: (i) terminate the Multi-Unit Operator Agreement, (ii) reduce the area of any territorial rights, (iii) permit you to extend the Development Schedule, or (iv) pursue any other remedy we may have at law or in equity, including but not limited to a suit for non-performance.

The size of the Development Territory may be a single or multi-city area, single county area or some other area, and will be described in Attachment A of your Multi-Unit Operator Agreement. We will determine the Development Territory before you sign the Multi-Unit Operator Agreement based on various market and economic factors.

ITEM 13 TRADEMARKS

The Marks and the System are owned by TM and are licensed exclusively to us. TM has granted us an exclusive license ("Trademark License") to use the Marks for purposes of franchising the System around the world. The Trademark License extends until December 31, 2025, but it will automatically

Provision	Section in Franchise Agreement	Summary
(m) Conditions for franchisor approval of transfer	15 03	Written notice, transferee qualifies, you are not in default, payment of transfer fee, transferor signs general release, transferee signs new franchise agreement, refurbish Unit, transferee successfully completes training program and others
(n) Franchisor's right of first refusal to acquire franchisee's business	15 04	We can match any written and verified offer
(o) Franchisor's option to purchase franchisee's business	17 11	Upon expiration or termination, we can buy all or part of your assets
(p) Death or disability of franchisee	15 05	Your personal representative must submit to us a proposal meeting the requirements of transfer within 6 months of your death or mental incompetence
(q) Non-competition covenants during the term of the franchise	5 21	Prohibitions on diverting business to competitors, involvement in any similar business, soliciting employees
(r) Non-competition covenants after the franchise is terminated or expires	17 10	Prohibitions on diverting business to competitors, involvement in any competing business for 2 years and within 25 miles of any Unit, soliciting employees
(s) Modification of the agreement	19 02	We may modify the System and Manual -- no modification of agreements unless in writing and signed (with exceptions)
(t) Integration / merger clause	19 06	Only the terms of the Franchise Agreement and the Multi-Unit Operator Agreement <u>franchise agreement</u> are binding (subject to state, FTC and/or federal law) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable
(u) Dispute resolution by arbitration or mediation	18 02	Binding arbitration for most disputes
(v) Choice of forum	18 05	City where our principal place of business is located -- currently Denver, Colorado (subject to state law)
(w) Choice of law	19 04	Colorado (subject to state law)

This table lists certain important provisions of the Multi-Unit Operator purchase agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document

THE MULTI-UNIT OPERATOR RELATIONSHIP

Provision	Section in Agreement	Summary
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Provision	Section in Agreement	Summary
r Non-competition covenants after the Multi-Unit Operator Agreement is terminated or expires	Not Applicable	Not Applicable
s Modification of the agreement	Not Applicable	Not Applicable
t Integration /merger clause	Section 12 of Multi-Unit Operator Agreement	Only the terms of the franchise agreement <u>Franchise Agreement and the Multi-Unit Operator Agreement</u> are binding (subject to state, FTC or and federal law) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable
u Dispute resolution by arbitration	Section 16 of Multi-Unit Operator Agreement	Except for actions brought by us for injunctive or any temporary or permanent equitable relief or actions involving our Marks or property, all disputes must be arbitrated in Denver, Colorado
v Choice of forum	Section 18 of Multi-Unit Operator Agreement	The venue for all proceedings related to or arising out of the Agreement is state or federal court located in Denver, Colorado, unless otherwise brought by us (<u>See</u> State Disclosure Document Addendum including State Amendments to the Multi-Unit Operator Agreement)
w Choice of law	Section 18 of Multi-Unit Operator Agreement	The Agreement is to be governed and enforced under Colorado law (<u>See</u> State Disclosure Document Addendum including State Amendments to the Multi-Unit Operator Agreement)

ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote our franchise

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying, or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

As of December 31, 2012 we had five (5) franchised Teriyaki Madness franchises and two (2) affiliate owned Teriyaki Madness locations ("Affiliate Locations") All of these locations are located in Nevada. The information in the table below is a historical financial performance representation for the 4 Teriyaki Madness franchised restaurants in operation that were larger than 1,300 square feet. One Teriyaki Madness restaurant did not meet this requirement and therefore was not included in the table below.

We have provided the following information the high and low annual gross revenue information for each year that the franchised locations were open, the average same store sales percentage increases for each year, the average unit volume of the group for each year, and the number and percentages of franchisees that met or exceeded the average unit volume for each year For 2012, five (5) Teriyaki Madness restaurants were in operation for the entire year For 2011, four (4) Teriyaki Madness restaurants were in operation for the entire year and for the years 2008 to 2010 only three (3) Teriyaki Madness restaurants were open for the entire year

~~Some Units have earned this amount~~ Your individual results may differ There is no assurance you will earn as much

Year	High	Low	Average Unit Volume ("AUV")	AUV Same Store Sales increases by %	Number of Franchisees at or above the AUV	Percentage of Franchisees at or above the AUV
2012	\$1,050,642	\$716,845	\$855,624	+23%	1	25%
2011	\$796,730*	\$512,931	\$694,582	+12 1	3	75%
2010	\$775,807	\$379,407	\$619,417	+ 01%	2	66 6%
2009	\$761,552	\$380,145	\$614,656	+14 6%	2	66 6%
2008	\$655,601	\$312,861	\$536,535	n/a	2	66 6%

*The Centennial location opened March 28, 2011 and therefore was not open a full year during 2011

The financial performance representations figure does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit You should conduct an independent investigation of the costs and expenses you will incur in operating your Unit Franchisees or former franchisees, listed in the franchise disclosure document, may be one source of this information

The information provided in the following chart consists of the actual performance of our Maryland Affiliate-owned location (the "Affiliate Location") for January 1, 2012 to December 31, 2012 The size, physical layout, and operations of this Unit are generally similar to the Units that our franchisees will own and operate While the representations relate to the performance of an Affiliate Location, franchised outlets will share some of the same characteristics, including, degree of competition and similar goods sold The Affiliate Location does not pay a royalty but does contribute marketing fees We have included certain expenses for the Affiliate Location Franchise locations may or may not have similar expenses and they may have additional expenses than the ones listed below Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request

9845 S. Maryland Parkway, Ste. C, Las Vegas, Nevada 89183

January 1, 2012 through December 31, 2012

Total Income	\$952,722
Less Cost of Goods Sold	(\$298,314)

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2011	4	1	0	0	0	0	5
	2012	5	0	0	0	0	0	5

Table No. 4
Status of Company-Owned Outlets
For Years 2010 to 2012

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Nevada	2010	1	1	0	0	0	2
	2011	2	0	0	0	0	2
	2012	2	0	0	0	0	2
Total*	2010	1	1	0	0	0	2
	2011	2	0	0	0	0	2
	2012	2	0	0	0	0	2

* The outlets reflected in the chart above are owned and operated by our affiliate, TMI

Table No. 5
Projected Openings as of December 31, 2012

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
<u>Colorado</u>	0	30	1
<u>California</u>	0	1	0
<u>Nevada</u>	0	1	0
<u>Texas</u>	0	1	0
Total	0	3	1

A list of the names of all franchisees and the addresses and telephone numbers of their businesses will be provided in Exhibit G to this Disclosure Document when applicable

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the

California Corporations Code section 31125 requires the Franchisor to give the Franchisee a disclosure document, approved by the department of corporations, prior to a solicitation of a proposed material modification of an existing franchise

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the franchise. Such provisions may not be enforceable under California law.

Under California civil code section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration. The arbitration will occur at Franchisor's Choice of Law State and the costs will be borne by the filing party and the prevailing party will be entitled to reimbursement of its expenses from the other party. Prospective Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as business and professions code section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The Franchise Agreement and Supplemental Agreements require application of the laws of Franchisor's Choice of Law State. This provision may not be enforceable under California law.

Our website has not been reviewed or approved by the California Department of Corporations. Any complaints concerning the content of this website may be directed to the California Department of Corporations at www.corp.ca.gov.

ESCROW

Due to our financial condition, the Department of Corporations has required us to establish an impound account for all initial franchise fees that we charge, including the Initial Franchise Fee, Real Estate Fee and, if applicable, the Multi-Unit Operator Fee. Within 48 hours of our receipt of any type of initial fees from you, we will deposit those fees into an escrow account that we have established with Wells Fargo in California.

When you pay any initial fees to us, we will deliver to you a purchase receipt that lists, among other things, the amount you paid to us, the date of payment, and the complete name and address of the depository (Wells Fargo). We will give you the original copy of the receipt, retain one copy for ourselves, and provide one copy to the depository.

When we complete all of our training and other initial obligations to you (listed in Item 11 of this Disclosure Document), we will request that you affirm, in writing, that we have completed those obligations and that you assent to release of the funds held in escrow. After receipt of an Order from the Department of

Corporations, the funds will be released to us. The cover page, Item 5, Item 7, the Franchise Agreement and Multi-Unit Operator Agreement are amended accordingly.

HAWAII

The following is added to the Cover Page

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

Registered agent in the state authorized to receive service of process

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

The following list reflects the status of the franchise registrations of the Franchisor in the states which require registration

- 1 This proposed registration is effective in the following states NA
- 2 This proposed registration is or will shortly be on file in the following states NA
- 3 States which have refused, by order or otherwise, to register these franchises are
None
- 4 States which have revoked or suspended the right to offer the franchises are
None

MAY 16 2013

FRANCHISE DISCLOSURE DOCUMENT



Teriyaki Madness
Franchising, LLC
5445 DTC Parkway, Suite 1050
Greenwood Village
Colorado 80111
Phone: 1-888-978-3160
www.teriyakimadness.com

Teriyaki Madness businesses operate fast casual restaurants that make and sell Japanese-style teriyaki dishes and other specialty food items, beverage items, and other items ("Teriyaki Madness Franchise").

The total investment necessary to begin operation of a single Teriyaki Madness Franchise is between \$234,048 and \$372,213. This includes \$50,000 that must be paid to the franchisor or its affiliates.

The total investment necessary to begin operation of a Multi-Unit Operator franchise will depend on the number of Teriyaki Madness Franchises to be opened. Multi-Unit Operators must commit to open five (5) or more Teriyaki Madness Franchises at reduced initial franchise fees.

The Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least fourteen (14) calendar days before you sign a binding agreement with, or make any payment in connection with the franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Rodney Arreola at 5445 DTC Parkway, Suite 1050, Greenwood Village, Colorado 80111 and 1-888-978-3160.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 19, 2013

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit A for information about the franchisor or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this franchise:

- 1 THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION/LITIGATION ONLY IN THE CITY WHERE WE HAVE OUR PRINCIPAL PLACE OF BUSINESS (CURRENTLY DENVER, COLORADO) OUT-OF-STATE ARBITRATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE/LITIGATE WITH US IN COLORADO THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT STATES THAT COLORADO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS
- 3 WE WERE FORMED ON JUNE 6, 2012 AND HAVE A BRIEF OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY
- 4 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$234,048 TO \$372,213. THIS AMOUNT EXCEEDS THE FRANCHIOR'S STOCKHOLDERS EQUITY AS OF MARCH 31, 2013, WHICH IS \$-25,726 68
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source is our agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

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initial and ongoing support to our franchisees. Neither TMI, TMM, nor TM International has ever offered franchises in this or any other line of business.

The Franchised Business

We award franchises for the use of our "TERIYAKI MADNESS" trademarks, trade names, service marks and logos ("Marks") for the operation of Teriyaki Madness Franchises. The franchise is operated under a business format per a unique system, including our valuable know-how, information, trade secrets, training methods, operations manual, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of Teriyaki Madness Franchises ("System"). We reserve the right to change or otherwise modify the System at any time at our sole discretion. Each Teriyaki Madness Franchise operates a fast casual restaurant that makes and sells Japanese-style teriyaki dishes, and other specialty food items, beverage items, and other items ("Franchised Business" or "Unit"). Teriyaki Madness Units feature grilled high-quality meats marinated and served with our proprietary signature teriyaki sauces. Units offer generous portion sizes at reasonable prices. All meats are grilled to order and served promptly.

You must operate your Teriyaki Madness Franchise per our standard business operating practices and sign our standard franchise agreement attached to this Disclosure Document as Exhibit C ("Franchise Agreement") Your Teriyaki Madness Franchise must offer only those services and products that we have authorized. We reserve the right to add, modify, or delete any services or products that you must offer or sell at your Teriyaki Madness Franchise at any time at our sole discretion. You must also obtain all necessary permits, licenses and approvals to operate your Teriyaki Madness Franchise.

We offer a standard franchise which is available to those persons who we deem qualified, at our sole discretion, to operate a Teriyaki Madness Franchise. You may operate one Unit for each Franchise Agreement you sign with us. We retain the right, in our sole discretion, to choose to award or not to award a Teriyaki Madness Franchise to any prospective franchisee, and to cease discussions regarding the awarding of a franchise at any time, regardless of the stage of the franchise award process or the time and money spent by you or any other prospective franchisee.

We also offer to select qualified persons ("Multi-Unit Operators") the opportunity to sign our Multi-Unit Operator agreement ("Multi-Unit Operator Agreement") and acquire the right to develop multiple Teriyaki Madness Franchises in a designated development area according to a development schedule. When you sign a Multi-Unit Operator Agreement, you are granted the right to build a mutually agreed upon number of Teriyaki Madness Franchises (a minimum of 5 Units) in a specified territory ("Development Territory") in accordance with a specified development schedule ("Development Schedule"). The Development Territory will be established based on the consumer demographics of the Development Territory, geographical area, city, county and other boundaries. Multi-Unit Operators will be required to pay the non-refundable initial franchise fees for all Units to be developed under the Multi-Unit Operator Agreement at the time they sign the Multi-Unit Operator Agreement. If you enter into a Multi-Unit Operator Agreement, you must sign a Franchise Agreement in the form attached to this Disclosure Document for your first Teriyaki Madness Franchise ("Initial Franchise Agreement") at the same time that you sign the Multi-Unit Operator Agreement. We will require you to sign our then-current form of Franchise Agreement after that for each Teriyaki Madness Franchise that you develop under the Multi-Unit Operator Agreement except that any additional Franchise Agreements signed pursuant to the Development Schedule will have the same royalty rate as the Initial Franchise Agreement. Unless otherwise stated, any reference in this Disclosure Document to "you" or "Franchisee" includes you both as a Multi-Unit Operator under a Multi-Unit Operator Agreement and as Franchisee under a Franchise Agreement.

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid (1)
	Low	High			
Miscellaneous Opening Expenses (14)	\$1,000	\$1,500	As incurred	As agreed	Third Parties, Approved Suppliers
Additional Funds – 3 Months (15)	\$13,749	\$19,749	As incurred	As agreed	Third Parties
TOTAL (16)	\$234,048	\$372,213			
Multi-Unit Operator	If you purchase multiple Teriyaki Madness Businesses under the Multi-Unit Operator Agreement, you will incur all costs listed above for each Teriyaki Madness Business that you open except that you will not be required to pay an Initial Franchise Fee				

Notes.

1. All expenditures paid to us or our 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 your arrangements with them.
2. This estimate covers the first three months of rental payments, an initial security deposit and a utility deposit. We estimate that a typical Unit will need between 1,500 and 2,000 square feet of space and we estimate lease rates to range between \$2.25 and \$4.00 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, some 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.
3. The estimate shown does not reflect any landlord contribution or tenant improvement allowance you may negotiate. The estimate involves expenses associated with the design and build-out of the Unit, such as plumbing, electrical and remodeling work and are based on our experience with existing franchisees. These costs may vary depending on the size, condition and location of the leased premises, supply and demand for materials and labor in your local area, local building and fire code requirements and requirements of the lease regarding such matters as construction, signage and inflation. You may also be able to negotiate with your 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 your lease payments. The costs vary with factors such as Unit size and type, configuration, remodeling needs, and location.
4. This estimate involves the furniture, fixtures, equipment you will need to open a Unit, such as chairs, tables, refrigerators, freezers, charbroil grills, a 6-burner range, deep fryer and other items. Some of these expenses will depend on Unit size, shipping distances, supplier chosen and your credit history.

5. You must have an opening inventory and supply items on hand when you begin the operation of your Franchised Business
6. You must obtain and maintain certain types and amounts of insurance (See ITEM 8)
7. You must obtain all necessary permits and licenses required by applicable law before you begin operation of the Franchised Business
8. We strongly recommend that you hire a lawyer, accountant or other professional to advise you on this franchise offering. Rates for professionals can vary significantly based on area and experience.
9. The estimate is the cost of the interior and exterior signs you will need for your Unit.
10. You must purchase a point-of-sale system, a computer, a fax machine, business stationery, and certain other related items necessary to operate and manage the Unit in a professional manner according to our System Standards. See ITEMS 6 and 11 for additional information.
11. You must spend at least \$2,500 on a grand opening advertising campaign that meets our standards and specifications.
12. You are required to have at least one (1) clean apron per employee per shift. You are also required to have one (1) hat per employee, two (2) shirts for each part-time employee and four (4) shirts for each full-time employee.
13. This estimates the expense you will incur in sending two (2) individuals to our initial training program, including travel expenses. We do not charge a fee for training. These estimates do not include any salary or wages you may pay to any of your trainees for the time they spend in training. This fee includes ServSafe training. (See ITEM 11).
14. This estimate covers miscellaneous expenses that you may incur before your Unit first opens for business
15. This estimates your initial startup expenses (other than the items identified separately in the above table). These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs depend on how closely you follow our methods and procedures; your management skill, experience, and business acumen, local economic conditions, the local market for your 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 (3) months
16. We have relied on the experience of our affiliate, predecessor, TMI, and officers to arrive at these estimates. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do 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, your creditworthiness and collateral and lending policies of financial institutions from which you request a loan

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Franchised Business according to our System and specifications. We may regulate the types of products and services offered; inventory levels and conditions; minimum requirements for days and hours of operations; participation in market research and testing and product and service development programs. We may also regulate any other aspects of operating and maintaining the Franchised Business that we determine to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Teriyaki Madness Franchises. You must operate the Teriyaki Madness Franchise according to our System Standards (defined in ITEM 11 below). System Standards may regulate the types, models, and brands of supplies, equipment (including the Computer System), furnishings, and interior and exterior signs (collectively, the "Operating Assets"). System Standards may also regulate services, products, and supplies the Teriyaki Madness Franchise must offer; unauthorized and prohibited services and products, inventory requirements; designated and approved suppliers, and any other aspects of operating and maintaining the Franchised Business.

You are required to obtain services and products from (1) designated suppliers, (2) approved suppliers and/or (3) according to our specifications. Collectively, the purchases and leases you obtain according to our specifications or from approved or designated suppliers represent approximately eighty-five percent (85%) to ninety percent (90%) of your total purchases and leases to establish your Teriyaki Madness Franchise and approximately seventy percent (70%) to seventy-five percent (75%) of your total purchases and leases to operate your Teriyaki Madness Franchise. We describe below the purchases and leases that you must make according to our specifications and from designated or approved suppliers (which may include us or our affiliates).

To ensure that the highest degree of quality and service is maintained, you must operate the Franchised Business in strict conformity with the methods, standards, and specifications that we list in our proprietary and confidential operating manual ("Manual"), which may exist in various parts, locations, and formats and may include a combination of audio, video, written material, electronic media, website content, and/or software components. You must not (i) deviate from these methods, standards, and specifications without our prior written consent, or (ii) otherwise operate in any manner which reflects adversely on our Marks or the System. Our Manual states our specifications, standards, and guidelines for all goods and services that we require you to obtain in establishing and operating your Franchised Business.

We will notify you of new or modified specifications, standards, and guidelines through periodic amendments or supplements to the Manual or through written communication (including electronic communication). We will issue copies of our standards and specifications to you and approved and proposed suppliers, unless these standards and specifications contain our confidential information.

You must purchase all food items, beverage items, marketing materials, uniforms, logo apparel, credit card merchant services, apparel and other items and services that we designate only from suppliers that we have designated and approved in writing. Our approved suppliers have demonstrated to our satisfaction that they have the ability to meet our standards and specifications for the relevant items and services, they possess adequate quality controls, and they have the capacity to supply your needs promptly and reliably. We have the right to change the list of approved suppliers, and you must promptly change suppliers if we require. We will provide you with written notice of any changes to our approved suppliers.

If you want to use or sell a product or service that we have not yet evaluated and approved, or if you want to purchase or lease a product or service from a supplier or provider that we have not yet

located outside of your Protected Territory, unless the customer is located in an area where there is not another Teriyaki Madness Unit in operation. You may not sell our proprietary products or any other products to any business or other customer at wholesale or for resale.

Continuation of the Protected Territory is not dependent upon your achievement of a certain sales volume, market penetration, or quota. We do not pay compensation for soliciting or accepting orders inside your territory

Multi-Unit Operator Agreement

Under the Multi-Unit Operator Agreement, you are assigned a Development Territory in which you must develop five (5) or more Teriyaki Madness Franchises. The Development Territory will be an exclusive territory for the development of Teriyaki Madness Franchises during the term of the Multi-Unit Operator Agreement so long as you are in compliance with the agreement. The rights granted under the Multi-Unit Operator Agreement relate only to the development of the Teriyaki Madness Franchises identified in the Multi-Unit Operator Agreement. Except as provided in the Multi-Unit Operator Agreement, and subject to your full compliance with the Multi-Unit Operator Agreement and any other agreement among you or any of your affiliates and us or any of our affiliates, neither we nor our affiliates will establish or authorize any other person or entity, other than you, to establish a Teriyaki Madness Franchise in your Development Territory during the term of the Multi-Unit Operator Agreement. However, we, our affiliates, and any other authorized person or entity (including any other Teriyaki Madness Franchise) may, at any time conduct any other type of activities within your Development Territory that we are permitted to conduct under the Franchise Agreement. The Development Territory will terminate upon the completion of the Development Schedule or the termination of the Multi-Unit Operator Agreement, whichever occurs first, and the only territorial protections that you will receive upon termination will be those under each individual Franchise Agreement

Upon your first failure to adhere to the Development Schedule, you will lose the exclusivity granted for the Development Territory. Any second or additional failures to adhere to the Development Schedule (including any extensions approved by us in writing) will constitute a material event of default under the Multi-Unit Operator Agreement, for which we may, among other things, (i) terminate the Multi-Unit Operator Agreement; (ii) reduce the area of any territorial rights; (iii) permit you to extend the Development Schedule, or (iv) pursue any other remedy we may have at law or in equity, including but not limited to a suit for non-performance

The size of the Development Territory may be a single or multi-city area, single county area or some other area, and will be described in Attachment A of your Multi-Unit Operator Agreement. We will determine the Development Territory before you sign the Multi-Unit Operator Agreement based on various market and economic factors

ITEM 13 TRADEMARKS

The Marks and the System are owned by TM and are licensed exclusively to us. TM has granted us an exclusive license ("Trademark License") to use the Marks for purposes of franchising the System around the world. The Trademark License extends until December 31, 2025, but it will automatically renew for subsequent ten (10) year periods provided we are not in default or do not materially breach the Trademark License by engaging in any activity which damages the Marks or the goodwill of the System. In the event the Trademark License is terminated, TM has agreed to license the use of the Marks directly to our franchisees until such time as each Franchise Agreement expires or is otherwise terminated. Otherwise, the license agreement may be terminated by TM for cause upon any affirmative act of

Provision	Section in Franchise Agreement	Summary
(p) Death or disability of franchisee	15 05	Your personal representative must submit to us a proposal meeting the requirements of transfer within 6 months of your death or mental incompetence
(q) Non-competition covenants during the term of the franchise	5.21	Prohibitions on diverting business to competitors, involvement in any similar business, soliciting employees
(r) Non-competition covenants after the franchise is terminated or expires	17 10	Prohibitions on diverting business to competitors, involvement in any competing business for 2 years and within 25 miles of any Unit, soliciting employees
(s) Modification of the agreement	19 02	We may modify the System and Manual -- no modification of agreements unless in writing and signed (with exceptions)
(t) Integration / merger clause	19 06	Only the terms of the franchise agreement are binding (subject to state, FTC or federal law) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable
(u) Dispute resolution by arbitration or mediation	18 02	Binding arbitration for most disputes
(v) Choice of forum	18.05	City where our principal place of business is located -- currently Denver, Colorado (subject to state law)
(w) Choice of law	19 04	Colorado (subject to state law)

This table lists certain important provisions of the Multi-Unit Operator purchase agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document

THE MULTI-UNIT OPERATOR RELATIONSHIP

Provision	Section in Agreement	Summary
a. Length of the term	Section 2 of Multi-Unit Operator Agreement	Term continues until the earlier of a) the years from the Effective Date listed in your Multi-Unit Operator Agreement which varies depending on the number of Teriyaki Madness Franchises you wish to open or b) you have completed your development obligations in accordance with the Development Schedule
b. Renewal or extension of the term	Sections 2 and 4 2 of Multi-Unit Operator Agreement	We may extend the term of the Multi-Unit Operator Agreement to allow you to develop replacement Teriyaki Madness Franchises.

Provision	Section in Agreement	Summary
t. Integration /merger clause	Section 12 of Multi-Unit Operator Agreement	Only the terms of the Franchise Agreement and the Multi-Unit Operator Agreement are binding (subject to state, FTC and federal law) Any representations or promises outside the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration	Section 16 of Multi-Unit Operator Agreement	Except for actions brought by us for injunctive or any temporary or permanent equitable relief or actions involving our Marks or property, all disputes must be arbitrated in Denver, Colorado
v Choice of forum	Section 18 of Multi-Unit Operator Agreement	The venue for all proceedings related to or arising out of the Agreement is state or federal court located in Denver, Colorado, unless otherwise brought by us (See State Disclosure Document Addendum including State Amendments to the Multi-Unit Operator Agreement)
w Choice of law	Section 18 of Multi-Unit Operator Agreement	The Agreement is to be governed and enforced under Colorado law (See State Disclosure Document Addendum including State Amendments to the Multi-Unit Operator Agreement)

ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote our franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances

As of December 31, 2012 we had five (5) franchised Teriyaki Madness franchises and two (2) affiliate owned Teriyaki Madness locations ("Affiliate Locations"). All of these locations are located in Nevada. The information in the table below is a historical financial performance representation for the 4 Teriyaki Madness franchised restaurants in operation that were larger than 1,300 square feet. One Teriyaki Madness restaurant did not meet this requirement and therefore was not included in the table below

We have provided the following information: the high and low annual gross revenue information for each year that the franchised locations were open; the average same store sales percentage increases for each year, the average unit volume of the group for each year, and the number and percentages of

franchisees that met or exceeded the average unit volume for each year. For 2012, five (5) Teriyaki Madness restaurants were in operation for the entire year. For 2011, four (4) Teriyaki Madness restaurants were in operation for the entire year and for the years 2008 to 2010 only three (3) Teriyaki Madness restaurants were open for the entire year

Your individual results may differ. There is no assurance you will earn as much.

Year	High	Low	Average Unit Volume ("AUV")	AUV Same Store Sales increases by %	Number of Franchisees at or above the AUV	Percentage of Franchisees at or above the AUV
2012	\$1,050,642	\$716,845	\$855,624	+23%	1	25%
2011	\$796,730*	\$512,931	\$694,582	+12 1	3	75%
2010	\$775,807	\$379,407	\$619,417	+ 01%	2	66 6%
2009	\$761,552	\$380,145	\$614,656	+14 6%	2	66.6%
2008	\$655,601	\$312,861	\$536,535	n/a	2	66 6%

*The Centennial location opened March 28, 2011 and therefore was not open a full year during 2011.

The financial performance representations figure does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Unit. Franchisees or former franchisees, listed in the franchise disclosure document, may be one source of this information.

The information provided in the following chart consists of the actual performance of our Maryland Affiliate-owned location (the "Affiliate Location") for January 1, 2012 to December 31, 2012. The size, physical layout, and operations of this Unit are generally similar to the Units that our franchisees will own and operate. While the representations relate to the performance of an Affiliate Location, franchised outlets will share some of the same characteristics, including, degree of competition and similar goods sold. The Affiliate Location does not pay a royalty but does contribute marketing fees. We have included certain expenses for the Affiliate Location. Franchise locations may or may not have similar expenses and they may have additional expenses than the ones listed below. Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request.

9845 S. Maryland Parkway, Ste. C, Las Vegas, Nevada 89183

January 1, 2012 through December 31, 2012

Total Income	\$952,722
Less Cost of Goods Sold	(\$298,314)
Less Wages, Salaries, Benefits	(\$265,606)
Gross Profit	\$388,802

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2011	4	1	0	0	0	0	5
	2012	5	0	0	0	0	0	5

Table No. 4
Status of Company-Owned Outlets
For Years 2010 to 2012

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Nevada	2010	1	1	0	0	0	2
	2011	2	0	0	0	0	2
	2012	2	0	0	0	0	2
Total*	2010	1	1	0	0	0	2
	2011	2	0	0	0	0	2
	2012	2	0	0	0	0	2

* The outlets reflected in the chart above are owned and operated by our affiliate, TMI

Table No. 5
Projected Openings as of December 31, 2012

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Colorado	0	0	1
California	0	1	0
Nevada	0	1	0
Texas	0	1	0
Total	0	3	1

A list of the names of all franchisees and the addresses and telephone numbers of their businesses will be provided in Exhibit G to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the

California Corporations Code section 31125 requires the Franchisor to give the Franchisee a disclosure document, approved by the department of corporations, prior to a solicitation of a proposed material modification of an existing franchise.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the franchise. Such provisions may not be enforceable under California law

Under California civil code section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration. The arbitration will occur at Franchisor's Choice of Law State and the costs will be borne by the filing party and the prevailing party will be entitled to reimbursement of its expenses from the other party. Prospective Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as business and professions code section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement or Supplemental Agreements restricting venue to a form outside the State Of California

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043)

The Franchise Agreement and Supplemental Agreements require application of the laws of Franchisor's Choice of Law State. This provision may not be enforceable under California law.

Our website has not been reviewed or approved by the California Department Of Corporations. Any complaints concerning the content of this website may be directed to the California Department of Corporations at www.corp.ca.gov

ESCROW

Due to our financial condition, the Department of Corporations has required us to establish an impound account for all initial franchise fees that we charge, including the Initial Franchise Fee, Real Estate Fee and, if applicable, the Multi-Unit Operator Fee. Within 48 hours of our receipt of any type of initial fees from you, we will deposit those fees into an escrow account that we have established with Wells Fargo in California

When you pay any initial fees to us, we will deliver to you a purchase receipt that lists, among other things, the amount you paid to us, the date of payment, and the complete name and address of the depository Wells Fargo). We will give you the original copy of the receipt, retain one copy for ourselves, and provide one copy to the depository.

When we complete all of our training and other initial obligations to you (listed in Item 11 of this Disclosure Document), we will request that you affirm, in writing, that we have completed those obligations and that you assent to release of the funds held in escrow. After receipt of an Order from the Department of Corporations, the funds will be released to us

Aram, Shohreh@CORP

From: Aram, Shohreh@CORP
Sent: Monday, April 29, 2013 1 13 PM
To: Mike Drumm (mike@drummlaw.com)
Subject: teriyaki madness
Attachments: 1SAMPLE PURCHASE RECEIPT.doc

COMMENTS: I have reviewed the above-named application filed under section 31121 of the Franchise Investment Law ("FIL") on April 22, 2013 and have the following comments. The rules referred to in this letter are under Title 10 of the California Code of Regulations. References to "Item" or "Instruction" mean those matters in the Disclosure Document ("FDD Guidelines")

1. Please reinsert Risk Factor #4, regarding the franchisor's financial condition. Please amend to include updated information.
2. Please submit the auditor's consent regarding the franchisor's 2012 audited financial statements.

Item 12

3. Please describe any exclusive area or territory granted to the multi-unit franchisee.
4. You have stated that the territory is not exclusive under the unit franchise agreement. Under the multi-unit agreement you have however disclosed that exclusivity of the territory will be lost under certain circumstances. Please amend accordingly.
5. If no exclusive territory is granted to the multi-unit franchisee, please include the following statement.
"You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from"

Item 19

6. Please delete "some units have earned this amount" because (1) you would need to disclose specific numbers and (2) You have disclosed on the table the number and percentage of the units that have surpassed the average.
7. Please state your reasonable basis for disclosing only the results of 9845 S. Maryland Parkway's outlet.

Item 20

8. Table 5-Please disclose the State in which the projected opening is based, on column 1

Financial Assurance

9. Franchisor's audited financial statements as of December 31, 2012 indicate that it has working capital of \$218. It does not appear that the franchisor has satisfied the requirements of Rule 310.113 for adequate financial

arrangement to fulfill obligations in the offering. An impoundment of the franchise fees will be imposed. See Rule 310.113 through 310.113 4

A depositary and purchase receipt must be approved by order prior to applicant's effectiveness. The depositary must conform to Rule 310.113 3 The agreement with the depositary should state that it would not release any funds, under any circumstances to anyone (including the investor), until it receives a written order from the Department of Corporations. (See Rule 310 113 4 for release of impounds) The purchase receipt must conform to Rule 310.113.2. I have enclosed a sample purchase receipt, which has been approved in the past. You must place language in the cover page, and Item 5 that indicates an impound of the franchise fees and other funds paid by the franchisee or sub-franchisor is imposed.

Another alternative is a guaranty of performance by a guarantor, which has audited financial statements, which show an ability to perform. The guaranty should be an exhibit to the disclosure document and should be mentioned in Item 21

The last possibility is postponement/deferral of payment of all initial franchise fees and costs until after the franchisor's initial obligations are complete. Under this alternative, the following language would be required to be disclosed on the disclosure document cover page, on Item 5 or the CA Addendum, and on the Franchise Agreement or as an addendum to the Franchise Agreement:

"Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business "

Please be advised that this comment letter tolls the automatic effectiveness of the registration, if any. The application will be abandoned in accordance with Rule 250.16 if the requested information is not submitted within reasonable time from the date of this letter There can be no refund of filing fees paid upon abandonment or withdrawal of the application

Additional comments may be forthcoming. All material changes to your application must be submitted by pre-effective amendment, in accordance with Rules 310 123 and 310.112, which require a completed facing page on the form used for the original application and an originally signed certification page and corporate acknowledgment, if applicable. Amended materials should be marked to show all changes, in accordance with Rule 310 122 1

No hard copy to follow.

Shohreh Aram
Senior Corporations Counsel
Department of Corporations
Securities Regulation Division-LA
(213) 576-7584