

RISK FACTORS

Risks Related to the Company's Business, Operating Results and Industry

We have a limited operating history on which to evaluate our potential and determine if we will be able to execute our business plan.

We were formed in September 2016 and acquired the world-wide intellectual property rights to the “Grilled Cheese Truck” brand and related trademarks on October 4, 2016. We plan to operate mobile food trucks throughout the United States and, eventually, internationally, and we plan to expand operations to include kiosks, physical restaurants, and other food delivery operations that are either company owned or franchised. Consequently, our historical results of operations do not provide an accurate indication of our future operations or prospects. Investment in our securities should be considered in light of the risks and difficulties we will encounter as we attempt to penetrate the food truck and fast casual restaurant industry.

In addition, we cannot guarantee that we will be able to achieve our expansion goals or that new food delivery operations will generate sufficient revenues or be operated profitably. Our ability to expand will depend on a number of factors, many of which are beyond our control. These risks may include, but are not limited to:

- locating suitable sites in new and existing markets;
- recruiting, training and retaining qualified corporate personnel and management;
- attracting and retaining qualified employees;
- cost effective and timely planning, design and delivery;
- obtaining and maintaining required local, state and federal governmental approvals and permits;
- creating customer awareness of our brands in new markets;
- competition in our markets; and
- general economic conditions.

If we are unable to expand our mobile food truck concept, our potential for growth and our results of operations could be harmed significantly.

A critical factor in our future viability will be our ability to expand our mobile food truck concept. Our growth plans contemplate acquiring a number of additional mobile food trucks in future months and years, as well as expansion to kiosks, physical restaurants, and other food delivery operations that are either company owned or franchised. If we do not open and operate new mobile food trucks and other food delivery operations, our growth and results of operations could be harmed significantly. Our ability to access and open new mobile food trucks and other food delivery operations in a timely manner and operate them profitably depends upon a number of factors, many of which are beyond our control, including the following:

- our ability to generate or raise the capital necessary to acquire and open new locations;
- the availability of suitable locations, our ability to compete effectively for those locations, and enter into agreements or obtain permits for such locations on acceptable terms;
- obtaining and maintaining required local, state and federal governmental approvals and permits;
- labor shortages or disputes; and
- unforeseen engineering or environmental problems with the premises.

Our future growth plans depend in large part on our ability to identify, attract and retain qualified franchisees and to manage our proposed franchise business.

We expect to grow our business through the franchising of our mobile food truck concept. As a result, our future growth will depend on our ability to attract and retain qualified franchisees, the franchisees' ability to execute our concept and capitalize upon our brand recognition and marketing, and the franchisees' ability to timely develop mobile food trucks and other food delivery operations. We may not be able to recruit franchisees that have the business abilities or financial resources necessary to open operations on schedule, or at all, or who will conduct operations in a manner consistent with our concept and standards. Also, our franchisees may not be able to operate mobile food trucks and other food delivery operations in a profitable manner.

In addition, Federal Trade Commission rules require us to furnish prospective franchisees with a franchise disclosure document containing prescribed information before entering into a binding agreement or accepting any payment for the franchise. Many other states also have state franchise sales or business opportunity laws which require us to add to the federal disclosure document additional state-specific disclosures and to register our offering with a state agency before we may offer our franchises for locations in the state or to state residents. We will have to file and receive approval of our franchise disclosure document before we can sell franchises. Applicable laws in states provide state examiners with discretion to disapprove registration applications based on a number of factors. There can be no assurance that we will be successful in obtaining registration in all states or be able to continue to comply with these regulations, which could have a material adverse effect on our business and results of operations.

Finally, our future franchise operations will be dependent upon our ability to:

- develop, maintain and enhance our "Grilled Cheese Truck" brand;
- maintain satisfactory relations with our franchisees who may, in certain instances, have interests adverse to our interests;
- monitor and audit the reports and payments received from franchisees; and
- comply with applicable franchising laws, rules and regulations.

The viability of our new business model is dependent on a number of factors that are not within our control.

The viability of our company-owned and potential franchised food delivery operations is, and will continue to be, subject to a number of factors that are not within our control, including:

- changes in consumer tastes;
- national, regional and local economic conditions;
- traffic patterns in the venues in which we and our franchisees will operate;
- discretionary spending priorities;
- demographic trends;
- consumer confidence in food quality, handling and safety;
- consumer confidence in the venues in which we and our franchisees will operate;
- weather conditions; and
- the type, number and location of competing mobile food trucks or restaurants.

Our inability to manage our growth could impede our ability to generate revenues and profits and to otherwise implement our business plan and growth strategies, which would have a negative impact on our revenues and results of operation.

Our business plan is to grow rapidly by opening new mobile food trucks, expanding upon the locations that our food trucks service, opening kiosks, physical restaurants, and other food delivery operations and beginning franchising operations. Our planned growth will require us to:

- significantly improve or replace our existing managerial, operational and financial systems, procedures and controls;
- begin compliance with complex rules and regulations relating to franchising;
- manage the coordination between our various corporate functions, including accounting, legal, accounts payable and receivable, and marketing and development;
- manage, train, motivate and maintain a growing employee base; and
- manage our relationships with franchisees.

In addition, our expansion plans will likely require us to:

- make significant capital investments;
- devote significant management time and effort;
- develop budgets for, and monitor, food, beverage, labor, occupancy and other costs at levels that will produce profitable operations; and
- as applicable, budget and monitor the cost of future capital investments.

The time and costs to effectuate these steps may place a significant strain on our management personnel, systems and resources, particularly given the limited amount of financial resources and skilled employees that may be available at the time. As a result, it may become more difficult to both implement more sophisticated managerial, operational and financial systems, procedures and controls and to train and manage the personnel necessary to implement these functions. We cannot assure you that we will institute, in a timely manner or at all, the improvements to our managerial, operational and financial systems, procedures and controls necessary to support our anticipated increased levels of operations and to coordinate our various corporate functions.

Our expansion into new markets may present increased risks due to our unfamiliarity with the geographic area.

As a part of our expansion strategy, we expect that we will be operating in markets in which we have no prior operating experience. These new markets may have different competitive conditions, consumer tastes and discretionary spending patterns. In addition, any new food delivery operations may take several months to reach budgeted operating levels due to problems associated with new operations, including lack of market awareness, inability to hire sufficient staff and other factors. Although we will attempt to mitigate these factors by thoroughly researching potential markets and paying careful attention to training and staffing needs, there can be no assurance that we will be able to operate new food delivery operations in new geographic areas on a profitable basis.

Fluctuations in the cost, availability and quality of our raw ingredients may affect our business, reputation and financial results.

The cost, availability and quality of the ingredients that we use to prepare our food are subject to a range of factors, many of which are beyond our control. Fluctuations in economic and political conditions, weather and demand could adversely affect the cost of our ingredients. We have limited control over changes in the price and quality of commodities since we typically do not enter into long-term pricing agreements for our ingredients. We may not be able to pass through any future cost increases by increasing menu prices. We are, and our potential franchisees will be, dependent on frequent deliveries of fresh ingredients, thereby subjecting us to the risk of shortages or interruptions in supply. This could dramatically increase the price of certain menu items which could decrease sales of those items or could force us to eliminate those items from our menus entirely. All of these factors could adversely affect our business, reputation and financial results.

Our ability to maintain local, state and national licenses and permits could adversely affect our financial results and restrict our ability to grow.

We must obtain a food service license from local health authorities as well as other related permits from local and national authorities in order to operate our food delivery operations. Obtaining and maintaining these permits and licenses is an imperative component of our operations and there can be no assurance that we will remain in compliance with applicable laws or licenses that we have or will obtain. The failure to obtain or maintain our food

service licenses and other required licenses, permits and approvals could result in our loss of licenses and would adversely affect our financial results and could impact our growth strategy.

Government regulations affecting franchising could restrict our ability to grow.

We will be subject to federal regulation and state laws that regulate the offer and sale of franchises and substantive aspects of a franchisor-franchisee relationship. We are also subject to various other federal, state and local laws, rules and regulations affecting our business, and our future franchisees will be subject to these laws, rules and regulations as well. Each of our food delivery operations and those owned by our future franchisees will be subject to a variety of licensing and governmental regulatory provisions relating to wholesomeness of food, sanitation, health and safety. Difficulties in obtaining, or the failure to obtain, required licenses or approvals by our franchisees can delay or prevent the opening of new food delivery operations in any particular area. Furthermore, there can be no assurance that our franchisees will remain in compliance with applicable laws or licenses that such franchisees will obtain, the failure of which could result in the loss of licenses which would adversely affect our growth strategy.

Our future success is dependent, in part, on the performance and continued services of David Danhi and Algie Hodges, our Chief Creative Officer and Chief Executive Officer, respectively.

We will be dependent to a great extent upon the experience, abilities and continued services of David Danhi and Algie Hodges. Mr. Danhi became our Chief Creative Officer and Mr. Hodges became our Chief Executive Officer effective January 1, 2017. The loss of either of their services could have a material adverse effect on our business, financial condition and results of operation.

Our success will rely on consumers purchasing our products. Changes in consumer preferences and market conditions may affect our ability to be profitable.

Our operating results may fluctuate significantly from period to period as a result of a variety of factors, including purchasing patterns of customers, competitive pricing, debt service relating to any indebtedness that we may incur in the future and principal reduction payments relating to any such indebtedness, and general economic conditions. There is no assurance that we will be successful in marketing any of our products, or that the revenues from the sale of such products will be significant. Consequently, our revenues may vary by quarter, and our operating results may experience fluctuations.

Our success will depend on our ability to compete with our major competitors, many of which have greater resources than us.

The mobile food truck and fast casual restaurant industry is intensely competitive and we expect to compete in the United States with many well-established food service companies on the basis of product choice, quality, affordability, service and location. Our competitors include a variety of independent local operators, in addition to well-capitalized regional, national and international restaurant chains and franchises. We will compete for consumer dining dollars with national, regional and local (1) quick service restaurants that offer alternative menus, (2) casual and “fast casual” restaurant chains, and (3) convenience stores and grocery stores. Furthermore, the mobile food truck and restaurant industry has few barriers to entry, and therefore new competitors may emerge at any time.

Our ability to compete will depend on the success of our plans to improve existing products, to develop and roll-out new products and product line extensions, to expand the number of trucks/franchises, to effectively respond to consumer preferences and to manage the complexity of our restaurant operations as well as the impact of our competitors’ actions. Some of our competitors have substantially greater financial resources, higher revenues and greater economies of scale than we do. These advantages may allow them to (1) react to changes in pricing and marketing more quickly and more effectively than we can, (2) rapidly expand new product introductions, and (3) spend significantly more on advertising, marketing and other promotional activities than we do, all of which may give them a competitive advantage. Such competition may further adversely affect our revenues and profits by reducing our revenues and royalty payments from franchise restaurants.

Our business plan depends on our ability to successfully integrate and manage our future franchise operations.

Our business plan relies on the substantial expansion of our business through the franchising of mobile food trucks, kiosks, physical restaurants, and other food delivery operations. However, we lack prior experience with establishing and managing franchise operations. The success of our franchises depends upon, among other things, the skills and business acumen of our franchisees, the identification of suitable locations, the effective management of those franchises’ locations, and our managerial and administrative resources. Our future success will depend on our ability to operate and oversee a significant number of franchise locations.

We will not be able to exercise control over the day-to-day operations of our franchised locations. While we will try to ensure that franchised locations meet the same operating standards that we demand of Company operated locations, one or more franchised locations may not do so. Any operational shortcomings of our franchised locations are likely to be attributed to our system-wide operations and could adversely affect our reputation and have a direct negative impact on the franchised royalty revenues we receive from those locations.

Economic conditions may adversely affect consumer discretionary spending which could negatively impact our business and operating results.

We believe that our sales, customer traffic and profitability are strongly correlated to consumer discretionary spending, which is influenced by general economic conditions, unemployment levels, the availability of discretionary income and, ultimately, consumer confidence. A protracted economic slowdown, increased unemployment and underemployment of our customer base, decreased salaries and wage rates, increased energy prices, inflation, foreclosures, rising interest rates or other cost pressures adversely affect consumer behavior by weakening consumer confidence and decreasing consumer spending for dining occasions.

Our franchise business model presents a number of disadvantages and risks.

We intend to have a high percentage of franchise operations, and we expect the number of franchises to increase as we continue to implement our growth plans. Our franchised business model presents a number of drawbacks, such as our limited influence over franchisees and reliance on franchisees to implement major initiatives, limited ability to facilitate changes in restaurant ownership, limitations on enforcement of franchise obligations due to bankruptcy or insolvency proceedings and inability or unwillingness of franchisees to participate in our strategic initiatives.

Our principal competitors may have greater influence over their respective systems than we do because of their significantly higher number of restaurants and, as a result, they may have a greater ability to implement operational initiatives and business strategies, including their marketing and advertising programs.

Franchisee support of our marketing and advertising programs will be critical for our success.

The support of our franchisees will be critical for the success of our marketing programs and any new capital intensive or other strategic initiatives we seek to undertake, and the successful execution of these initiatives will depend on our ability to maintain alignment with our franchisees. While we can mandate certain strategic initiatives through enforcement of franchise agreements, we need the active support of our franchisees if the implementation of these initiatives is to be successful. In addition, our efforts to build alignment with franchisees may result in a delay in the implementation of our marketing and advertising programs and other key initiatives. Our franchisees may not continue to support our marketing programs and strategic initiatives. The failure of our franchisees to support our marketing programs and strategic initiatives could adversely affect our ability to implement our business strategy and could materially harm our business, results of operations and financial condition.

Increases in the cost of food, paper products and energy could harm our profitability and operating results.

Our profitability will depend in part on our ability to anticipate and react to changes in food and supply costs. Any increase in food prices could adversely affect our operating results. Increases in commodity prices could result in higher operating costs, and the highly competitive nature of our industry may limit our ability to pass increased costs on to our customers.

Increases in energy costs, principally fuel, could adversely affect our operating margins and our financial results if we choose not to pass, or cannot pass, these increased costs to our customers. In addition, our distributors purchase gasoline needed to transport food and other supplies to us. Any significant increases in energy costs could result in the imposition of fuel surcharges by our distributors that could adversely affect our operating margins and financial results if we chose not to pass, or cannot pass, these increased costs to our customers.

Increases in labor costs could slow our growth or harm our business.

We will operate a labor-intensive business. Consequently, our success will depend in part upon our ability to manage our labor costs and its impact on our margins. We will seek to minimize the long-term trend toward higher wages in both mature and developing markets through increases in labor efficiencies. However, we may not be successful in this regard.

Furthermore, we must attract, motivate and retain employees with the qualifications to succeed in our industry and the motivation to apply our core service philosophy. If we are unable to recruit and retain sufficiently qualified

managers or to motivate our employees to sustain our service levels, our business and our growth could be adversely affected. Despite current economic conditions, attracting and retaining qualified managers and employees remains challenging and our inability to meet these challenges could require us to pay higher wages and/or additional costs associated with high turnover. In addition, increases in the minimum wage or labor regulations and the potential impact of union organizing efforts in the different states within the United States in which we operate could increase our labor costs. Additional labor costs could adversely affect our margins.

Our operating results depend on the effectiveness of our marketing and advertising programs.

We expect that our revenues will be heavily influenced by brand marketing and advertising utilizing social media. Our marketing and advertising programs may not be successful, which may lead us to fail to attract new customers and retain existing customers. If our marketing and advertising programs are unsuccessful, our results of operations could be materially and adversely affected. Moreover, because we expect that franchisees and restaurants will contribute to our advertising fund based on a percentage of our gross sales, our advertising fund expenditures will be dependent upon sales volumes system-wide. If system-wide sales decline, there will be a reduced amount available for our marketing and advertising programs.

Our inability to protect our trademarks may prevent us from successfully marketing our business and competing effectively.

Failure to protect our intellectual property could harm our brands and our reputation, and adversely affect our ability to compete effectively. Further, enforcing or defending our intellectual property rights, including our trademarks, could result in the expenditure of significant financial and managerial resources. We regard our intellectual property, particularly our trademarks, to be of considerable value and importance to our business and our success. We will rely on a combination of trademark, trade secrecy laws, and contractual provisions to protect our intellectual property rights. There can be no assurance that these steps to protect these proprietary rights will be adequate or that third parties will not infringe or misappropriate our trademark, trade secrets or similar proprietary rights. In addition, there can be no assurance that other parties will not assert infringement claims against us, and we may have to pursue litigation against other parties to assert our rights. Any such claim or litigation could be costly and we may lack the resources required to defend against such claims. In addition, any event that would jeopardize our proprietary rights or any claims of infringement by third parties could have a material adverse effect on our ability to market or sell our brands.

Food safety and food-borne illness concerns may have an adverse effect on our business.

Food safety will be a top priority, and we will dedicate substantial resources to ensure that our customers enjoy safe, quality food products. However, food-borne illnesses, such as pathogenic E. coli, bovine spongiform encephalopathy or “mad cow disease,” hepatitis A, salmonella, and other food safety issues have occurred in the food industry in the past, and could occur in the future. Furthermore, our reliance on third-party food suppliers and distributors will increase the risk that food-borne illness incidents could be caused by factors outside of our control and that multiple locations would be affected rather than a single location. New illnesses resistant to any precautions may develop in the future, or diseases with long incubation periods could arise, such as mad cow disease, which could give rise to claims or allegations on a retroactive basis. Any report or publicity linking us or one of our franchisees to instances of food-borne illness or other food safety issues, including food tampering or contamination, could adversely affect our brands and reputation as well as our revenues and profits. Outbreaks of disease, as well as influenza, could reduce traffic. If our customers become ill from food-borne illnesses, we could also be forced to temporarily suspend truck stops. In addition, instances of food-borne illness, food tampering or food contamination occurring solely at restaurants of competitors could adversely affect our sales as a result of negative publicity about the foodservice industry generally.

The occurrence of food-borne illnesses or food safety issues could also adversely affect the price and availability of affected ingredients, which could result in disruptions in our supply chain, significantly increase our costs and/or lower margins for us and our franchisees. In addition, our industry has long been subject to the threat of food tampering by suppliers, employees or customers, such as the addition of foreign objects in the food that we sell. Reports, whether or not true, of injuries caused by food tampering have in the past severely injured the reputations of restaurant chains in the quick service restaurant segment and could affect us in the future as well.

Our sales and reputation may be affected by product liability claims, litigation or adverse publicity.

The sale of products for human consumption involves an inherent risk of injury to consumers. We will face risks associated with product liability claims or litigation if our products cause injury. Our products will be subject to

product tampering, and to contamination risks, such as mold, bacteria, insects, and other pests, and off-flavor contamination. If any of our products were to be tampered with, or become tainted in any of these respects and we were unable to detect this, our products could be subject to product liability claims. We cannot predict what impact such product liability claims or resulting negative publicity would have on our business or on our brand image. The successful assertion of product liability claims against us could result in potentially significant monetary damages, diversion of management resources and require us to make significant payments and incur substantial legal expenses. We do not have product liability insurance and have not made provisions for potential product liability claims. Therefore, we may not have adequate resources to satisfy a judgment if a successful claim is brought against us. Even if a product liability claim is not successfully pursued to judgment by a claimant, we may still incur substantial legal expenses defending against such a claim. Finally, serious product quality concerns could result in governmental action against us, which, among other things, could result in the loss of certain licenses or other governmental penalties. In addition, product liability claims could have a material adverse effect on the demand for our products and on our business goodwill and reputation. Adverse publicity could result in a loss of consumer confidence in our products.

Our results can be adversely affected by unforeseen events, such as adverse weather conditions, natural disasters or catastrophic events.

Unforeseen events, such as adverse weather conditions, natural disasters or catastrophic events, can adversely impact our sales. Natural disasters such as earthquakes, hurricanes, and severe adverse weather conditions, can keep customers in the affected area from dining out and result in adversely affecting our sales. Because a significant portion of our operating costs will be fixed or semi-fixed in nature, the loss of sales during these periods would hurt our operating margins and could result in operating losses.

Shortages or interruptions in the availability and delivery of food, beverages and other supplies may increase costs or reduce revenues.

We will be dependent upon third parties to make frequent deliveries of perishable food products that meet our specifications. Shortages or interruptions in the supply of food items and other supplies could adversely affect the availability, quality and cost of items we buy and our operations. Such shortages or disruptions could be caused by inclement weather, natural disasters such as floods, drought and hurricanes, increased demand, problems in production or distribution, the inability of our vendors to obtain credit, food safety warnings or advisories or the prospect of such pronouncements, or other conditions beyond our control. A shortage or interruption in the availability of certain food products or supplies could increase costs and limit the availability of products critical to our operations.

Our distributors will operate in a competitive and low-margin business environment. If one of our principal distributors is in financial distress and therefore unable to continue to supply us and our franchisees with needed products, we may need to take steps to ensure the continued supply of products in the affected markets, which could result in increased costs to distribute needed products. If a principal distributor or our franchisees fails to meet its service requirements for any reason, it could lead to a disruption of service or supply until a new distributor is engaged, which could have an adverse effect on our business.

Risks Related to the Securities

The initial Purchasers will bear a substantial risk that we will not raise sufficient funds.

We intend to accept additional subscriptions for the Shares once we have raised the target amount of \$400,000, although we cannot assure you that we will receive additional subscriptions over and above the target amount. Thus, Purchasers who purchase Shares prior to the Offering being subscribed in full will bear the risk that there may not be additional Purchasers to complete the Offering up to the maximum amount or that we would be able to raise funds in another manner. You should be aware that your investment may be lost if we raise the target offering amount but are not able to raise sufficient additional funds to execute our business plan.

There are no limitations on our ability to make compensatory or other payments to our directors and officers (or their affiliates) or to make distributions to our stockholders.

The Securities contain no limitations on our ability to compensate our directors or officers or to make distributions to our stockholders. Compensation and distribution payments will reduce our funds available to execute our business plan.

Neither the Offering nor the Securities have been registered under federal or state securities laws, leading to an absence of certain regulation applicable to the Company.

No governmental agency has reviewed or passed upon this Offering, the Company or any Securities of the Company. The Company also has relied on exemptions from securities registration requirements under applicable state securities laws. Investors in the Company, therefore, will not receive any of the benefits that such registration would otherwise provide. Prospective investors must therefore assess the adequacy of disclosure and the fairness of the terms of this offering on their own or in conjunction with their personal advisors.

The Company is owned by a small number of owners.

Prior to the Offering, the Company's current owners of 20% or more beneficially own up to 84.9% of the Company. Subject to any fiduciary duties owed to our other owners or investors under Delaware law, these owners may be able to exercise significant influence over matters requiring owner approval, including the election of directors or managers and approval of significant Company transactions, and will have significant control over the Company's management and policies. Some of these persons may have interests that are different from yours. For example, these owners may support proposals and actions with which you may disagree. The concentration of ownership could delay or prevent a change in control of the Company or otherwise discourage a potential acquirer from attempting to obtain control of the Company, which in turn could reduce the price potential investors are willing to pay for the Company. In addition, these owners could use their voting influence to maintain the Company's existing management, delay or prevent changes in control of the Company, or support or reject other management and board proposals that are subject to owner approval.

Purchasers will not be entitled to any inspection or information rights other than those required by Regulation CF.

Purchasers will not have the right to inspect the books and records of the Company or to receive financial or other information from the Company, other than as required by Regulation CF. Other security holders may have such rights. Regulation CF requires only the provision of an annual report on Form C-AR and no additional information. This lack of information could put Purchasers at a disadvantage in general and with respect to other security holders.

In addition to the risks listed above, businesses are often subject to risks not foreseen or fully appreciated by the management. It is not possible to foresee all risks that may affect us. Moreover, the Company cannot predict whether the Company will successfully effectuate the Company's current business plan. Each prospective Purchaser is encouraged to carefully analyze the risks and merits of an investment in the Securities and should take into consideration when making such analysis, among other, the Risk Factors discussed above.

THE SECURITIES OFFERED INVOLVE A HIGH DEGREE OF RISK AND MAY RESULT IN THE LOSS OF YOUR ENTIRE INVESTMENT. ANY PERSON CONSIDERING THE PURCHASE OF THESE SECURITIES SHOULD BE AWARE OF THESE AND OTHER FACTORS SET FORTH IN THIS FORM C AND SHOULD CONSULT WITH HIS OR HER LEGAL, TAX AND FINANCIAL ADVISORS PRIOR TO MAKING AN INVESTMENT IN THE SECURITIES. THE SECURITIES SHOULD ONLY BE PURCHASED BY PERSONS WHO CAN AFFORD TO LOSE ALL OF THEIR INVESTMENT.