

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own state.
2. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
3. **Inventory Control.** You must make inventory and supply purchases of at least \$1000 each year, even if you do not need that much. Your inability to make these purchases or to maintain inventory levels at all times may result in termination of your franchise and loss of your investment.
4. **Turnover Rate.** During the last 3 years, 174269 outlets were terminated, not renewed, reacquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, the term “we” or “us” means Sign Gypsies Franchising, LLC, the franchisor. The term “you” means the person buying the franchise, the “franchisee.” If the franchisee is a corporation, partnership, or other business entity, the term “you” does not include the owners of the business entity unless otherwise stated.

The Franchisor, and any Parents, Predecessors and Affiliates

We are a Texas limited liability company, formed on December 23, 2019. We maintain our principal business address at 601 S. Ohio Drive, Celina, Texas 75009, and do business only under our corporate name. We began offering franchises of the type described in this disclosure document in February, 2020, and have never offered franchises in any other line of business. Except for franchising and providing support to our franchisees, we do not engage in any other business activities. Our agents for service of process are listed on Exhibit B to this disclosure document.

We have no parent or predecessor company. Our affiliate, Sign Gypsies, LLC (“Sign Gypsies”) licensed the operation of a similar business from January 2016 through December 2019 and no longer does so. As those license terms end, we offer the licensees the SIGN GYPSIES or, SG YARD SIGNS franchise opportunity. As of December 31, ~~2023~~2025, Sign Gypsies had 0 licensees. Sign Gypsies shares our principal business address at 601 S. Ohio Drive, Celina, Texas 75009.

We have never operated a business of the type described in this disclosure document, but Sign Gypsies operated a similar business in the North Texas area since January 2016.

The Franchise Offered

We franchise the right to provide custom yard greeting services within a defined area under the name “SIGN GYPSIES” or, at your election, “SG YARD SIGNS.” As a franchisee, you will meet with prospective clients, create the yard greeting design, and then oversee and manage the installation process to ensure quality, design, and customer satisfaction. We call this the “Franchised Business.”

You will operate the Franchised Business according to the terms of our franchise agreement (see Exhibit C) and our standards, specifications, policies and procedures (collectively, our “Standards”), which we will communicate to you in our confidential operations manual and other written directives (collectively, our “Manuals”). You will operate the Franchised Business using our proprietary business format and system (our “System”) and do business under our trademarks and service marks (our “Marks”).

Our System includes the use of our Marks, the proprietary components of our custom yard greetings (our “Sign Pieces”), our business model, marketing methods and procedures, customer service standards and procedures, and business policies, practices, and procedures, all of which we may change, improve, and further develop. Our Marks include our principal service marks “SIGN GYPSIES”, “SG”, and other service marks, trademarks, logos, and slogans that we periodically authorize for use in connection with the Franchised Business.

Market and Competition

The market for custom yard greetings is well developed and very competitive. Your business will compete with other custom yard greeting companies and, to a lesser extent, custom sign and printing businesses, and party stores and big box retailers that offer celebratory yard signs.

Industry Specific Regulations

We are not aware of any licenses or permits necessary to operate the Franchised Business in any jurisdiction. We strongly recommend that you investigate sign and yard greeting installation licensing laws of the jurisdiction in which you will offer services before you purchase a franchise.

Provision	Section in Franchise Agreement	Summary
p. Death or disability of franchisee	No provision	If an owner of the franchisee dies or becomes incapacitated, the franchise agreement may be terminated by the franchisee so long as all fees and obligations are satisfied.
q. Non-competition covenants during the term of the franchise	Article 8	During the term, neither you nor any Owner may be involved in any business that provides custom yard greeting services. <u>Subject to applicable to state law.</u>
r. Non-competition covenants after the franchise is terminated or expires	Article 8	For a two year period following termination or expiration of the franchise, neither you nor any Owner may be involved in any business that provides custom yard greeting services (a) within the APR, (b) within 20 miles of the perimeter of the APR (c) within the primary area of responsibility of any other SIGN GYPSIES or SG YARD SIGN franchise, or (d) within a 20-mile radius surrounding our headquarters or an office maintained by us, or our affiliates, or another SIGN GYPSIES franchisee existing on the date of termination, expiration or transfer. <u>Subject to applicable to state law.</u>
s. Modification of the agreement	Section 13.2.	The Franchise Agreement may be modified only by a written document signed by both parties.
t. Integration/merger clause	Section 13.2.	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 14.2. and 14.3.	Except for certain types of claims relating to our intellectual property, disputes must be resolved through mediation or arbitration.
v. Choice of forum	Sections 14.2. and 14.3.	Mediation and arbitration at the AAA offices located in the city where our principal business office is located, currently Celina, Texas (subject to applicable state law).
w. Choice of law	Section 14.1.	Texas law applies (subject to applicable state law).

**ITEM 18
PUBLIC FIGURES**

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

You must sign a general release 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 contains a covenant not to compete that extends beyond expiration or termination of the agreement. This provision may not be enforceable under California law.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).

The Franchise Agreement provides for mediation and/or arbitration for certain disputes. The mediation and/or arbitration will occur at a location within 10 miles of our then current address (currently Celina, Texas). This provision may not be enforceable under California law.

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 restricting venue to a forum outside the State of California.

The indemnification provision in the Franchise Agreement may not be fully enforceable as to punitive damages under California law.

Turnover Rate. During the last 3 years, ~~174269~~ outlets were terminated, not renewed, reacquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

FOR THE STATE OF HAWAII

Questionnaire / Acknowledgment: No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES 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 THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FOR THE STATE OF MINNESOTA

Item 13 of the disclosure document is supplemented by the following:

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols ("Marks") or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred that you incur in the defense of your right to use the Marks, so long as you were using the Marks in the manner that we authorized, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

Item 17 of the disclosure document is supplemented by the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that (1) a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

To the extent that any condition, stipulation, or provision contained in the Franchise Agreement (including any choice of law provision) purports to require any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota, to waive compliance with the Minnesota Franchises Law, such condition, stipulation, or provision may be void and unenforceable under the non-waiver provision of the Minnesota Franchises Law.

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

[Minnesota Rule 2860.4400\(K\) prohibits a franchisor from requiring a security deposit except for the purpose of securing against damage to property, equipment, inventory, or leaseholds.](#)

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

FOR THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

any of franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISOR:

SIGN GYPSIES FRANCHISING, LLC, a
Texas limited liability company

By: _____
Title: _____

FRANCHISEE

**(IF CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP):**

[Name]

By: _____
Title: _____

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]