

**UNIFORM FRANCHISE REGISTRATION APPLICATION****RECEIVED**

JUN 26 2013

File No 993-6418 **DEPARTMENT OF CORPORATIONS**  
**SECURITIES REGULATION DIVISION-LA**  
(Insert file number of immediately preceding filing of Applicant)  
State California Fee N/A

APPLICATION FOR (Check only one)

 INITIAL REGISTRATION OF AN OFFER AND SALE OF FRANCHISES RENEWAL APPLICATION OR ANNUAL REPORT PRE-EFFECTIVE AMENDMENT POST-EFFECTIVE MATERIAL AMENDMENT1 Full legal name of Franchisor Bahama Buck's Franchise Corporation2 Name of the franchise offering Bahama Buck's

3 Franchisor's principal business address

5123 69<sup>TH</sup> Street  
Lubbock, TX 76424

4 Name and address of Franchisor's agent in this State authorized to receive service of process

California Corporations Commissioner  
320 W 4<sup>th</sup> Street, Suite 750  
Los Angeles, California 90013

5 The states in which this application is or will be shortly on file

California, Florida (exempt), Texas (exempt) and Utah (exempt).

6 Name, address, telephone and facsimile numbers, and e-mail address of person to whom communications regarding this application should be directed

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**FRANCHISOR'S CERTIFICATION**

I certify under penalty of law that I have read this application and the exhibits attached hereto and incorporated herein by reference, and know the contents thereof and that the statements therein are true and correct.

Executed at Lubbock, Texas on 7/21, 2013.

**BAHAMA BUCK'S FRANCHISE CORPORATION**

By   
Ryan Blake Buchanan  
Chief Executive Officer

STATE OF TEXAS                    )  
  ) ss  
County of LUBBOCK                    )

Personally appeared before me this 2<sup>ND</sup> day of JULY, 2013, the above-named Ryan Blake Buchanan known to me to be the person who executed the foregoing application as Chief Executive Officer of the above named applicant and, being first duly sworn, stated upon oath that said application, and all exhibits submitted therewith, are true and correct



  
Notary Public

My commission expires 10/05/15

(SEAL)

**Bahama Buck's Franchise Corporation**  
**Notes to Combined Financial Statements**  
**For the Years Ended December 31, 2012 and 2011**

**Note 1: Nature of Organization**

Bahama Buck's Franchise Corporation (the "Corporation" or the "Franchiser") was incorporated in the State of Arizona on June 8, 1992 as a franchiser company, to franchise and operate Bahama Buck's Original Shaved Ice Company units. In 1992 the Corporation's inventory sales division also began producing, distributing and selling specialized shaved ice products to franchisees and other retailers.

As of December 31, 2012, 30 franchises had been sold in Texas, 5 had been sold in Arizona, 3 franchises had been sold in New Mexico and 1 had been sold in Nevada. In addition, the Corporation owns and operates three stores, two of which are located in Lubbock, Texas, with the other located in Waco, Texas.

On July 31, 2008, the Corporation reorganized (the "Reorganization") and spun off their inventory sales division to a newly formed entity, Trade Winds Distributions, LLC, a related party. Subsequent to the Reorganization Bahama Buck's Franchise Corporation consists of the following divisions: Bahama Buck's Franchise Operations, Bahama Buck's 82nd Street, Bahama Buck's Slide Road and Bahama Buck's Waco. The combined financial statements of the Corporation include the accounts of these four divisions. The Franchiser's principal activities include selling new franchises, collecting franchise fees (including monthly royalty and advertising fees), training new franchisees, corporate marketing, executive management, and facilitating the corporate vision and strategy.

**Note 2: Summary of Significant Accounting Policies**

The Corporation's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

*Use of Estimates* The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

*Cash and Equivalents* The Corporation considers all certificates of deposit and highly liquid debt instruments (original maturity dates generally less than 120 days) purchased as part of its cash management activities to be cash equivalents. The Corporation's cash and equivalents at times exceed FDIC insured amounts.

*Accounts Receivable* The Corporation records as receivables all applicable monthly franchise fees, including royalties and advertising fees. The Corporation has elected to record bad debts using the direct write-off method. GAAP requires that the allowance method be used to recognize bad debts, however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. The Corporation does not require collateral to support its receivables.

*Property and Equipment* Property and equipment is recorded at cost. Maintenance and repairs are expensed as incurred, significant acquisitions and improvements with a cost greater than \$500 and a useful life of more than one year are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years.

*Income Tax* The Franchiser has elected S-Corporation status, accordingly, all income (losses) flow through to the stockholders for inclusion in their personal income tax returns. GAAP requires the Corporation's management to evaluate tax positions taken by the Corporation and recognize a tax liability (or asset) if the Corporation has taken an uncertain tax position that more likely than not would be sustained upon examination by the applicable authorities. There are currently no audits in progress for any tax periods, and the Corporation believes it is no longer subject to income tax examinations for years prior to 2009.

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