

Dept. of Corporations-
PSS UNIT-San Francisco Office

APR 20 2007

BUG REALTY USA, INC.

38 South Main Street
Buffalo, Wyoming 82834
(307) 684-8600
www.bugrealty.com

INFORMATION FOR PROSPECTIVE FRANCHISEES REQUIRED BY THE FEDERAL TRADE COMMISSION

TO PROTECT YOU, WE'VE REQUIRED YOUR FRANCHISOR TO GIVE YOU THIS INFORMATION. WE HAVEN'T CHECKED IT, AND DON'T KNOW IF IT'S CORRECT. IT SHOULD HELP YOU MAKE UP YOUR MIND. STUDY IT CAREFULLY. WHILE IT INCLUDES SOME INFORMATION ABOUT YOUR CONTRACT, DON'T RELY ON IT ALONE TO UNDERSTAND YOUR CONTRACT. READ YOUR ENTIRE CONTRACT CAREFULLY. BUYING A FRANCHISE IS A COMPLICATED INVESTMENT. TAKE YOUR TIME TO DECIDE. IF POSSIBLE, SHOW YOUR CONTRACT AND THIS INFORMATION TO AN ADVISOR, LIKE A LAWYER OR AN ACCOUNTANT.

IF YOU FIND ANYTHING YOU THINK MAY BE WRONG OR ANYTHING IMPORTANT THAT'S BEEN LEFT OUT, YOU SHOULD LET US KNOW ABOUT IT. IT MAY BE AGAINST THE LAW.

THERE MAY ALSO BE LAWS ON FRANCHISING IN YOUR STATE. ASK YOUR STATE AGENCIES ABOUT THEM.

FEDERAL TRADE COMMISSION
Washington, D.C. 20580

Date of Issuance: October 6, 2006

Revised Date of Issuance: April 16, 2007



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FRANCHISE OFFERING CIRCULAR

BUG REALTY USA, INC.

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As a franchisee, you will operate a real estate sales and brokerage business providing strong branding, operational efficiency, cost savings and innovative services for the consumer.

The initial franchise fee is \$18,500. The estimated initial investment for your franchised business, including the franchise fee, ranges from \$39,533 to \$78,217.

RISK FACTORS:

1. THE FRANCHISE AGREEMENT REQUIRES THAT MOST DISAGREEMENTS BE SUBMITTED TO ARBITRATION OR LITIGATION IN WYOMING. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN WYOMING THAN IN YOUR HOME STATE. SOME STATE FRANCHISE LAWS PROVIDE THAT JURISDICTION AND VENUE PROVISIONS ARE VOID OR SUPERSEDED. YOU MIGHT WANT TO INVESTIGATE WHETHER YOU ARE PROTECTED BY YOUR STATE'S FRANCHISE LAWS. YOU SHOULD REVIEW THE STATE-SPECIFIC ADDENDUM ATTACHED TO THIS OFFERING CIRCULAR AND THE FRANCHISE AGREEMENT FOR SPECIFIC PROVISIONS THAT MAY APPLY TO YOU.

2. THE FRANCHISE AGREEMENT STATES THAT WYOMING LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS. SOME STATE FRANCHISE LAWS PROVIDE THAT CHOICE OF LAW PROVISIONS ARE VOID OR SUPERSEDED. YOU MIGHT WANT TO INVESTIGATE WHETHER YOU ARE PROTECTED BY YOUR STATE'S FRANCHISE LAWS. YOU SHOULD REVIEW THE STATE SPECIFIC-ADDENDUM ATTACHED TO THIS OFFERING CIRCULAR AND THE FRANCHISE AGREEMENT FOR SPECIFIC PROVISIONS THAT MAY APPLY TO YOU.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information comparing Bug Realty Usa, Inc. with other franchisors is available. Call the state administrators listed in Exhibit A or your public library for sources of information.

Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this Offering Circular. If you learn that anything in this Offering Circular is untrue, contact the Federal Trade Commission and the state administrators listed in Exhibit A.

The Effective Date for this Offering Circular is _____ or as listed in Exhibit A to this Offering Circular.

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- A. LIST OF STATE ADMINISTRATORS; STATE OFFERING CIRCULAR EFFECTIVE DATES
- B. LIST OF STATE AGENTS FOR SERVICE OF PROCESS
- C. FRANCHISE AGREEMENT
- D. TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL
- E. FINANCIAL STATEMENTS
- F. LIST OF TERMINATED FRANCHISEES
- G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- H. MULTI-STATE ADDENDA

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