

FRANCHISE DISCLOSURE DOCUMENT



Happy & Healthy Products, Inc.
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The Company offers four franchise packages for the distribution and sale of FRUITFULL® frozen fruit bars, confection bars, confection items, frozen desserts and other H&H Products through dedicated freezers placed in retail outlets, through a retailer's own freezers and via freezers mounted in carts. A Standard Frozen Wholesale Franchise or Standard Premium All Products Wholesale Franchise involves purchase of at least 10 freezers and 2 pallets of frozen H&H Products. A Grand Frozen Wholesale Franchise or Grand Premium All Products Wholesale Franchise involves purchase of at least 20 freezers and 2 pallets of frozen H&H Products.

The total investment necessary to begin operation of a Happy & Healthy Products franchise is \$50,140 to \$74,690 for a Standard Frozen Wholesale Franchise, \$55,066 to \$79,616 for a Standard Premium All Products Wholesale Franchise, \$62,630 to \$87,680 for a Grand Frozen Wholesale Franchise and \$67,556 to \$92,606 for a Grand Premium All Products Wholesale Franchise. This includes \$47,490 to \$61,115 for a Standard Frozen Wholesale Franchise, \$52,416 to \$66,041 for a Standard Premium All Products Wholesale Franchise, \$59,980 to \$74,105 for a Grand Frozen Wholesale Franchise and \$64,906 to \$79,031 for a Grand Premium All Products Wholesale Franchise that must be paid to the franchisor or affiliate.

This 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 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

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, D.C. 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.

Date of Issuance: February 1, 2017

See Exhibit I for particular state effective dates.



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, about other franchisors, 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 REQUIRES THE FRANCHISEE TO ARBITRATE WITH THE COMPANY ONLY IN FLORIDA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH THE COMPANY IN FLORIDA THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. IF YOU FAIL TO PURCHASE AT LEAST 4 PALLETS OF FROZEN H&H PRODUCTS (27,648 BARS) DURING ANY CALENDAR YEAR, THEN WE MAY TERMINATE YOUR FRANCHISE.
- 4. 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.

Effective Date: See Exhibit I for state effective dates.



TABLE OF CONTENTS

	<u>Pa</u>	<u>age</u>
Item 1	The Franchisor and any Parents, Predecessors, and Affiliates	1
Item 2	Business Experience	3
Item 3	Litigation	3
Item 4	Bankruptcy	3
Item 5	Initial Fees	3
Item 6	Other Fees	6
Item 7	Estimated Initial Investment	7
Item 8	Restrictions on Sources of Products and Services	10
	Franchisee's Obligations	
	0 Financing	
	1 Franchisor's Assistance, Advertising, Computer Systems And Training	
	2 Territory	
	3 Trademarks	
Item 1	4 Patents, Copyrights and Proprietary Information	26
	5 Obligation to Participate in the Actual Operation of the Franchised Business	
	6 Restrictions on What the Franchisee May Sell	
	7 Renewal, Termination, Transfer and Dispute Resolution	
	8 Public Figures	
	9 Financial Performance Representations	
	0 Outlets and Franchisee Information	
	1 Financial Statements	
	2 Contracts	
	3 Receipts	
		10
EXHIE		
A B	List of State Administrators Franchise Agreement and Addenda	
C	Financial Statements of Happy & Healthy Guaranty, LLC	
	Guarantee of Performance of Happy & Healthy Guaranty, LLC	
D	List of Franchisees	
Е	List of Former Franchisees	
F	Freezer Contract	
G	Operations Manual - Table of Contents	
H	Security Agreement State Effective Dates and State Addends to Franchica Disclosure Decument	
I J	State Effective Dates and State Addenda to Franchise Disclosure Document Receipts	
J	110001pto	

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