

## FRANCHISE DISCLOSURE DOCUMENT

## HOT BOX PIZZA FRANCHISING, LLC

An Indiana Limited Liability Company 6551 Carrollton Avenue Indianapolis, Indiana 46220 (317) 252-2775 www.gethotboxpizza.com



The franchise offered is for the establishment and operation of a pizza store offering dine-in, takeout and delivery of specialty pizzas, customized pizzas, and breadstix and dipping sauces in a distinctive and youthful décor setting.

The total investment necessary to begin operations of a Hot Box Pizza franchise is \$222,725 to \$394,725. This includes \$35,000 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.** 

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mr. Gabe Connell, 6551 Carrollton Avenue, Indianapolis, Indiana, 46220, (317) 252-2775.

The terms of your contract will govern your franchise relationship. Don't rely on this 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 19, 2020



## 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 THE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, 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 THAT MOST DISPUTES BE SUBMITTED TO ARBITRATION IN MARION COUNTY, INDIANA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN INDIANA THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT INDIANA LAW GOVERNS THE AGREEMENT, AND INDIANA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.



## **How to Use This Franchise Disclosure Document**

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much will I earn?	ITEM 19 may give you information about unit sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in ITEM 20 and Exhibit F.
How much will I need to invest?	ITEMS 5 and 6 list fees you will be paying to the franchisor and at the franchisor's direction; ITEM 7 lists the initial investment to open, and ITEM 8 describes the suppliers you must use.
Does the franchisor have the financial ability to support my business?	ITEM 21 and Exhibit E include financial statements. Review these statements carefully.
Is the franchise system stable and growing or shrinking?	ITEM 10 summarizes the 3-year history of the number of Company-Owned and Franchised Units.
Will my business be the only HotBox Pizza Business in my market?	ITEM 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	ITEMS 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings
What's it like to be a HotBox Pizza Franchisee?	ITEM 20 and Exhibit F list current and former franchisees. You can contact them to ask about their experiences.

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