
FRANCHISE DISCLOSURE DOCUMENT

HOT FRIES FRANCHISING, LLC**HOT FRIES****A Limited Liability Company****2800 N. Main St. Suite 9210****Santa Ana, CA 92705****949-954-0411****www.HotFriesUSA.com**Department of
Business Oversight

MAR 28 2016

Sacramento Office



The Hot Fries franchise offers a new twist on the old fashioned French fries. Starting with the finest potatoes, sliced for maximum crispiness, the potatoes are flash-fried to a perfect golden brown, then hand-seasoned while they are hot. In addition to a wide selection of seasoned fries, the franchise offers chicken wings, nuggets, tenders, “build your own” baked potato & mashed potatoes, hot dogs, fish strips, bottled water/ beverages, milkshakes/ frozen desserts, lemonades fresh/ frozen, fountain beverages and other incidental hot and cold beverages.

(1) The total investment necessary to begin operation of a Hot Fries franchise is \$166,997 to \$374,900. This includes the \$30,000 franchise fee that must be paid to the franchisor or affiliate.

(2) 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.**

(3) The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

(4) 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-FTCHELP 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.

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(5) There may also be laws on franchising in your state. Ask your state agencies about them.

(6) This Disclosure Document was issued on 1/05/2016.

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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 CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE DEPARTMENT OF LAW OR THAT IT HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit H 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:

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN CALIFORNIA 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 CALIFORNIA THAN IN YOUR OWN STATE

THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA 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

THE FRANCHISOR'S FINANCIAL STATEMENTS DATED 1/22/2015, SHOW ONLY \$500 IN ASSETS WHICH IS LESS THAN THE AMOUNT OF YOUR INITIAL INVESTMENT THIS MAY MEAN THAT THE FRANCHISOR WILL NEED TO USE THE MONEY YOU INVEST FOR ITS OWN PURPOSES AND MAY NOT HAVE THE MONEY TO DELIVER PROMISED SERVICES AND ASSISTANCE TO YOU

THE FRANCHISOR HAS NOT OFFERED FRANCHISES PRIOR TO THE ISSUANCE DATE OF THIS FRANCHISE DISCLOSURE DOCUMENT THEREFORE, THERE IS NO OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

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