

## FRANCHISE DISCLOSURE DOCUMENT



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ORION FOOD SYSTEMS, L.L.C.  
a South Dakota limited liability company  
2930 West Maple Street  
Sioux Falls, South Dakota 57107  
Tel: (605) 336-6961  
Fax: (605) 336-0141  
Email: [InfoRequest@hsfl.com](mailto:InfoRequest@hsfl.com)  
Internet: [www.hotstufffoods.com](http://www.hotstufffoods.com)

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The "Hot Stuff Foods" franchise allows the franchisee to use ORION FOOD SYSTEMS' ("ORION's") products, recipes and trademarks to operate a "Hot Stuff Foods" Franchise, and produce and sell "Hot Stuff Foods" pizza, submarine-style sandwiches and/or other products, in retail food service facilities, featuring required menus, and proprietary foodstuffs distributed by ORION, and located ordinarily within an existing business such as a convenience store, grocery store or institution.

The total investment necessary to begin operation of a Hot Stuff Foods franchise ranges from \$58,500 to \$133,000. This includes \$5,500 to \$65,000 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 Contract Administration Department, Orion Food Systems, L.L.C., 2930 West Maple Street, P.O. Box 85210, Sioux Falls, SD 57118-5210, 1-877-648-6227.

The terms of your contract will govern your franchise relationship. Do not 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](http://www.ftc.gov) for additional information. Call your state agency (listed in Exhibit E) 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. See Exhibit E.

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### EXHIBITS

- A. Franchise Agreement
- B. Equipment Agreement
- C. Financial Statements
- D. List of Franchisees and Former Franchisees
- E. List of State Administrators
- F. ORION Education Staff Information
- G. ORION Development Representatives Information
- H. HSF Holdco, Inc. Guarantee
- I. Agents for Service of Process
- J. Hot Stuff Foods/Hot Stuff Pizza Brand Operations Manual
- K. Smash Hit Subs/Smash Hits Deli/Hot Stuff Subs Brand Operations Manual
- L. Eddie Peppers and Game Time Sports Grill Brands Supplemental Materials

## 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The franchisor is ORION FOOD SYSTEMS, L.L.C. ("ORION"), a South Dakota limited liability company located at 2930 West Maple Street, Sioux Falls, South Dakota 57107; (605) 336-6961; [InfoRequest@hsfl.com](mailto:InfoRequest@hsfl.com); [www.hotstufffoods.com](http://www.hotstufffoods.com); formerly known as Hot Stuff Foods, L.L.C. ("HSF"), a South Dakota limited liability company also located at 2930 West Maple Street, Sioux Falls, South Dakota 57107. Orion Food Systems, L.L.C. changed its name to Hot Stuff Foods, L.L.C. on January 18, 2005. Hot Stuff Foods, L.L.C. changed its name back to Orion Food Systems, L.L.C. on January 3, 2011. ORION's Federal Tax ID Number has remained unchanged with these corporate name changes. ORION conducts business under its corporate name.

ORION's predecessor is Orion Food Systems, Inc. ("OFSI"), 2930 West Maple Street, Sioux Falls, South Dakota 57107, which was incorporated in South Dakota on October 20, 1993. As part of a corporate reorganization and change in ultimate ownership in February 2002, OFSI merged into a newly formed limited liability company named Orion Food Systems South Dakota, L.L.C., and that company's name then was changed to Orion Food Systems, L.L.C. On February 1, 2006, ORION's management completed a management buyout with financial backing from Allied Capital Corporation, a business development company, which was an investor in ORION. On October 30, 2006, ORION acquired Lettieri's Inc. On January 1, 2007, Lettieri's Inc. was merged with ORION, and was an operating division of ORION. Effective as of January 1, 2012, ORION formed a new, wholly-owned subsidiary, Lettieri's, LLC, a Delaware limited liability company. ORION contributed all of its assets related to the Lettieri's operating division of ORION to Lettieri's, LLC. Lettieri's produces branded and private label food products for convenience store customers. Lettieri's products are typically sold through third party distribution networks or through private label relationships and are shipped frozen and ready-made and require only microwave, oven cooking or radiant heat to serve. Lettieri's has not franchised in the past and has no plans to do so in the future. On April 1, 2010, Allied Capital Corporation was acquired by Ares Capital Corporation, another business development company. Ares is an investor in ORION, and invests in other franchisor companies from time to time.

ORION's parent is HSF Holdco, Inc., a Delaware corporation with its principal business address of 2930 West Maple Street, Sioux Falls, SD 57107.

ORION and its predecessors offered non-franchise licenses for "Hot Stuff Pizza" and various other food service businesses from 1986, and have offered franchises for "Hot Stuff Pizza" and various other food service businesses since 1994. ORION's predecessor and former affiliates Hot Stuff Food Systems, 2930 West Maple Street, Sioux Falls, South Dakota 57107, and Moose Bros. Food Systems ("Moose Bros."), 2404 Marrietta Place, Sioux Falls, South Dakota 57107 (both unincorporated divisions of Orion Enterprises, Inc., OFSI's predecessor, 2930 West Maple Street, Sioux Falls, South Dakota 57107), have owned and operated food service businesses under the "Hot Stuff Pizza," "Moose Bros." and other names since 1994.

Before late 1995, licenses and franchises for the ORION Hot Stuff Pizza and Smash Hit Subs Brands were granted by OFSI under its then-current name of Hot Stuff Food Systems, Inc. and licenses for Moose Bros., Cinnamon Street Bakery, Eddie Peppers, and Chix Chicken Brands were granted by Moose Bros. Food Systems. ORION currently franchises the "Hot Stuff Foods" Brand in various formats most typically under the "Hot Stuff Foods" Brand name, and/or Brand names such as "Hot Stuff Pizza," "Hot Stuff Subs," "Smash Hit Subs," "SmashHits Deli," "Cinnamon Street Bakery," "C-Street Café," "C-Street Bakery," "C-Street Grille," "Eddie Peppers" and "Game Time Sports Grill." All of these Brand names are described within this Disclosure Document (along with from time to time other Brands listed below). ORION formerly offered non-franchise licenses and franchises under the Smash Hit Subs, SmashHits Deli, Cinnamon Street Bakery, C-Street Café, C-Street Bakery, C-Street Grille, Eddie

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