

FRANCHISE DISCLOSURE DOCUMENT



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
Internet: www.hotstufffoods.com

The franchise offered allows the franchisee to use ORION FOOD SYSTEMS, L.L.C.'s ("ORION's") products, recipes and trademarks to operate an Orion-brand franchise, and produce and sell pizza, submarine-style sandwiches and/or other ORION 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 an ORION franchise ranges from \$58,500 to \$134,000. This includes \$5,500 to \$66,000 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 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.

Date Issued: June 22, 2015

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 E 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 YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN SOUTH DAKOTA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN SOUTH DAKOTA THAN IN YOUR OWN STATE.**
2. **THE FRANCHISE AGREEMENT STATES THAT SOUTH DAKOTA 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. **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 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: _____, 2015

TABLE OF CONTENTS

	Page
1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES.....	1
2. BUSINESS EXPERIENCE	3
3. LITIGATION.....	5
4. BANKRUPTCY.....	6
5. INITIAL FEES.....	6
6. OTHER FEES.....	6
7. ESTIMATED INITIAL INVESTMENT.....	9
8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	11
9. FRANCHISEE'S OBLIGATIONS	13
10. FINANCING.....	14
11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	15
12. TERRITORY	18
13. TRADEMARKS	20
14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	21
15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	22
16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	22
17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	23
18. PUBLIC FIGURES.....	26
19. FINANCIAL PERFORMANCE REPRESENTATIONS.....	26
20. OUTLETS AND FRANCHISEE INFORMATION.....	40
21. FINANCIAL STATEMENTS	48
22. CONTRACTS.....	48
23. RECEIPTS	49

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. Agents for Service of Process
- I. System Manual
- J. State Addendum

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/hot-stuff-pizza>