

## FRANCHISE DISCLOSURE DOCUMENT



**Hounds Town, Inc.**  
a New York corporation  
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Hounds Town USA businesses operate interactive dog care facilities offering daycare services, dog boarding services, grooming, and other related services and products (“Hounds Town USA Business(es)”). We offer area development franchises (“Area Developer Franchise(s)”) for the right to open multiple Hounds Town USA Businesses in a designated development area. Area developers sign individual franchise agreements for each Hounds Town USA Business.

The total investment necessary to begin operation of a single Hounds Town USA Business (“Single Franchise”) is between \$263,800 and \$422,500. This includes \$65,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of up to three Hounds Town USA Businesses (“Multi-3 Franchise”) is between \$726,400 and \$1,202,500. This includes \$130,000 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of up to five Hounds Town USA Businesses (“Multi-5 Franchise”) is between \$1,174,000 and \$1,967,500. This includes \$180,000 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of a Hounds Town USA Area Developer Franchise ranges from \$1,397,800 and \$3,932,500. This includes \$205,000 to \$357,500 that must be paid to the franchisor or its affiliate(s). The total investment necessary for an Area Developer Franchise includes the investment necessary to begin operation of one Hounds Town USA Business, plus a development fee of \$22,500 multiplied by the number of Hounds Town USA Businesses which you must open. The low estimate includes the development fee if you elect to open six Hounds Town USA Businesses and the high estimate includes the development fee if you elect to open ten Hounds Town USA Businesses.

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 Jackie Bondanza at P.O. Box 1,000, Port Jefferson Station, New York 11776; [jackie@houndstownusa.com](mailto:jackie@houndstownusa.com); or 631-873-9486.

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, DC 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. In addition, there may be laws on franchising in your state. Ask your state agencies about them.

**Issuance Date: April 29, 2019**



## 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 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION/LITIGATION/MEDIATION ONLY IN NEW YORK. OUT-OF-STATE ARBITRATION/LITIGATION/MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE/LITIGATE/MEDIATE WITH US IN NEW YORK THAN IN YOUR OWN STATE.
2. YOUR SPOUSE MUST SIGN A DOCUMENT, SUCH AS A GUARANTEE, THAT MAKES YOUR SPOUSE LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN IF YOUR SPOUSE DOES NOT OWN ANY PART OF THE FRANCHISE BUSINESS. BOTH YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, INCLUDING YOUR HOUSE, COULD BE LOST IF YOUR FRANCHISE FAILS.
3. THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

**We may 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 Dates: See next page for state effective dates.**



## STATE EFFECTIVE DATES

The following states require the disclosure document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This disclosure document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

### Effective Dates for States Requiring Registration and Notice Filings:

STATE	EFFECTIVE DATE
CALIFORNIA	NOT REGISTERED
HAWAII	NOT REGISTERED
ILLINOIS	PENDING
INDIANA	PENDING
MARYLAND	PENDING
MICHIGAN	PENDING
MINNESOTA	PENDING
NEW YORK	PENDING
NORTH DAKOTA	NOT REGISTERED
RHODE ISLAND	NOT REGISTERED
SOUTH DAKOTA	NOT REGISTERED
VIRGINIA	PENDING
WASHINGTON	PENDING
WISCONSIN	NOT REGISTERED



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