

FRANCHISE DISCLOSURE DOCUMENT



Hounds Town, Inc.
a New York corporation
12 Garrity Avenue
Ronkonkoma, New York 11779-5805
Phone: (631) 467-1643
Fax: (631) 467-0226
franchise@houndstownusa.com
www.houndstownusa.com

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 single Hounds Town USA franchised businesses and 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 \$339,300 and \$628,500. This includes \$91,000 that must be paid to the franchisor or its affiliates. The total initial investment necessary to necessary to begin operation of up to three Hounds Town USA Businesses under an Area Development Franchise is between \$950,900 and \$1,818,500. This includes \$206,000 that must be paid to the franchisor or its affiliate(s). The total initial investment necessary to begin operation of up to five Hounds Town USA Businesses under an Area Development Franchise is between \$1,551,500 and \$2,997,500. This includes \$310,000 that must be paid to the franchisor or its affiliates. The total initial investment to begin operation of up to six Hounds Town USA Businesses under an Area Development Franchise is between \$1,851,800 and \$3,587,000. This includes \$362,000 that must be paid to the franchisor or to its affiliates. The total initial investment necessary to begin operation of up to 10 Hounds Town USA Businesses under an Area Development Franchise is between \$3,083,000 and \$5,975,000. This includes \$600,000 that must be paid to the franchisor or its affiliates.

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 1000, Port Jefferson Station, New York 11776; 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 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.

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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 can I earn?	Item 19 may give you information about outlet 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 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Hounds Town USA business in my area?	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 Hounds Town USA franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.



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