

FRANCHISE DISCLOSURE DOCUMENT

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SEP 17 2013

Hula Dog Franchise, Inc
a Hawaii corporation
2301 Kuhio Avenue, Suite 334
Honolulu, Hawaii 96815
www.huladoghawaii.com (808) 923-4510 franchise@huladoghawaii.com



We offer franchises for the operation of restaurant under the name of Hula Dog Hawaiian Style Hot Dogs® We also use the name Hula Dog™ for these restaurants Your business would consist of a retail outlet operated from a fixed location that sells Hawaiian style hot dogs, lemonade, and related products to the general public We also offer Master Franchises

The total investment necessary to begin operation of a Hula Dog franchised business is between \$163,900 and \$271,800 This includes between \$53,000 and \$62,000 that must be paid to us or our affiliate(s) The total investment necessary to begin operation of a Hula Dog master franchise is between \$170,000 and \$484,500 This includes between \$150,000 and \$450,000 that must be paid to us or our affiliate(s)

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 Scott March, at Hula Dog Franchise, Inc., 2301 Kuhio Avenue, Suite 334, Honolulu, Hawaii 96815 Telephone (808) 923-4510

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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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 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN HAWAII. IF YOU ARE NOT A RESIDENT OF HAWAII, 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 HAWAII THAN IN YOUR HOME STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT HAWAII LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
- 3. THE FRANCHISEES AND THEIR SPOUSES MUST SIGN A GUARANTY AND ASSUMPTION OF OBLIGATIONS MAKING THE FRANCHISEES AND THEIR SPOUSES JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISEES AND THEIR SPOUSES AT RISK.**
- 4. WE ARE A NEW FRANCHISE SYSTEM AND HAVE NOT OFFERED FRANCHISES PRIOR TO 2013.**
- 5. WE HAVE LIMITED CAPITAL RESOURCES. YOU SHOULD REVIEW OUR FINANCIAL STATEMENTS FOR DETAILS.**

6. WE RESERVE THE RIGHT TO USE THE SERVICES OF ONE OR MORE FRANCHISE BROKERS OR REFERRAL SOURCES TO ASSIST US IN SELLING OUR FRANCHISES. A FRANCHISE BROKER OR REFERRAL SOURCE IS OUR AGENT AND REPRESENTS US, NOT YOU. WE PAY THIS PERSON A FEE FOR SELLING OUR FRANCHISES OR REFERRING YOU TO US. YOU SHOULD BE SURE TO DO YOUR OWN INVESTIGATION OF THE FRANCHISE.

7. WE RESERVE THE RIGHT TO USE MASTER FRANCHISEES TO CARRY OUT SOME OF OUR OBLIGATIONS TO YOU.

8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

9/1/13

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