

## FRANCHISE DISCLOSURE DOCUMENT



**K-9 Franchising, LLC**  
a New Jersey limited liability company  
43 South Avenue  
Fanwood, New Jersey 07023  
(908) 889-PETS  
www.k9resorts.com  
info@k9resorts.com

As a franchisee, you will operate a K-9 Resorts franchise offering dog daycare and boarding services in a luxury pet care facility.

The total investment necessary to begin the operation of a K-9 Resorts franchise ranges from \$915,655-\$1,292,859. This includes \$49,500 that must be paid to the franchisor or its affiliate.

We may also offer to certain qualified people the right to develop multiple K-9 Resorts franchises under a Multi-Unit Operator Agreement. The total investment for the first location under a Multi-Unit Operator Agreement for the development of three K-9 Resorts franchises is between \$1,044,655-\$1,421,859. This includes \$129,000 that must be paid to the franchisor and/or its 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 Jason D. Parker at 43 South Avenue, Fanwood, New Jersey 07023 or at (908) 889-PETS.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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 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.

ISSUANCE DATE: April 13, 2017

## 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 MULTI-UNIT OPERATOR AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND ARBITRATION ONLY IN NEW JERSEY. OUT OF STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST MORE TO MEDIATE AND ARBITRATE WITH US IN NEW JERSEY THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT STATE THAT NEW JERSEY LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. EACH PRINCIPAL OWNER ENTERING INTO THE FRANCHISE AGREEMENT ATTACHED TO THIS FRANCHISE DISCLOSURE DOCUMENT MUST GUARANTEE ALL OBLIGATIONS OF THE FRANCHISEE UNDER THE FRANCHISE AGREEMENT, THEREBY PLACING HIS/HER PERSONAL ASSETS AT RISK.
4. IF YOU ARE A BUSINESS ENTITY, YOUR OWNERS WILL HAVE TO GUARANTY YOUR OBLIGATIONS AND BE BOUND BY THE PROVISION OF OUR FRANCHISE AGREEMENT.
5. THE FRANCHISEE OR AREA DEVELOPER WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$915,655 TO \$1,421,859. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER'S EQUITY AS OF DECEMBER 31, 2016 WHICH IS \$43,374.
6. THE FRANCHISOR'S AUDITED FINANCIAL STATEMENTS REFLECT THAT CURRENT LIABILITIES SUBSTANTIALLY EXCEED CURRENT ASSETS. AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2016, THE FRANCHISOR HAD A WORKING CAPITAL DEFICIENCY OF \$103,873.
7. 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 or entity a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

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