

## FRANCHISE DISCLOSURE DOCUMENT



Pappy's Franchising, LLC  
a Texas limited liability company  
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Phone: (972) 235-5753  
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You will operate one or more pet care facilities offering pet boarding/lodging services, doggy daycare services, pet training, behavior evaluation, grooming services, pet sitting, pet transportation, pet first aid and CPR training, pet food, toys, accessories and related merchandise and services under the service mark PAPPY'S PET LODGE®.

The total investment necessary to begin operation of a PAPPY'S PET LODGE® business ranges from \$280,100 to \$823,250, which includes the Initial Franchise Fee generally ranging from \$25,000 to \$45,000, which must be paid to us or our affiliate.

If we grant you multi-unit development rights, you also must pay us a development fee equal to \$45,000 for the first Franchised Business to be developed, plus \$17,500 multiplied by each additional Franchised Business to be developed. For example, if you commit to open three locations your Development Fee is calculated as  $\$45,000 + 2X \$17,500 = \$80,000$ .

If you currently operate an independent pet day care and lodging facility, and wish to convert to a PAPPY'S PET LODGE® Franchise Business, we also offer you the opportunity to purchase a Conversion Franchise.

This Franchise Disclosure Document summarizes certain provisions of the franchise agreements and other information in plain English. Read this Franchise Disclosure Document and all accompanying agreements carefully. You must receive this Franchise 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 Franchise Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact William Kinder, 2662 Daffodil Drive, Richardson, Texas 75082, (972) 235-5753.

The terms of your contract will govern your franchise relationship. Don't rely on the Franchise Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Franchise Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise 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.

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PAPPY'S PET LODGE®

Franchise Disclosure Document | 2016

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## **ITEM 1**

### **THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language in this disclosure document, we refer to Pappy's Franchising, LLC, the franchisor, as "we," "us," or "our," and to the person buying the franchise, the franchisee, as "you" or "your." If the franchisee is a corporation, limited liability company, partnership, or other legal entity, the term "you" does not include the entity's owners, unless otherwise stated.

#### The Franchisor any Parents, Predecessors, and Affiliates

We are a Texas limited liability company formed on December 20, 2008. We do business only under our corporate name and the name "Pappy's Pet Lodge." We maintain our principal business address at 2662 Daffodil Drive, Richardson, Texas 75082. Our agents for service of process are identified in [Exhibit C](#). We have no predecessor or parent company, and none of our affiliates currently offer franchises or provide products or services to our franchisees.

We have been offering franchises of the type described in this disclosure document since July 2016. We have never offered franchises in any other line of business. We have never operated a business of the type described in this disclosure document. In April 2011, however, our affiliate, Pappy's Pet Lodge Group, LLC, ("PPLG") acquired from Pappy's Pet Lodge, LLC, all of the assets related to the PAPPY'S PET LODGE concept, including three PAPPY'S PET LODGE facilities located in the Dallas-Fort Worth area, which it continues to operate. Since the date of acquisition, PPLG opened three additional locations. The first additional location in Rockwall opened on September 26, 2011, the second in Roanoke on March 1, 2013, and the third in Addison on March 23, 2014. As such, PPLG now operates six PAPPY'S PET LODGE locations. PPLG maintains its principal business address at 2662 Daffodil Drive, Richardson, Texas 75082. PPLG has never offered franchises in any line of business.

#### Description of Franchise

We grant qualified candidates the right to and operate a facility ("Pet Lodge") offering pet boarding/lodging services, doggy daycare services, pet training, behavior evaluation, grooming services, pet sitting, pet transportation, pet first aid, and CPR training, pet food, toys and related merchandise. We have developed a proprietary business format and system ("System") including distinctive interior layout and design, décor, color scheme, kennels, furnishings and fixtures; animal care and handling procedures and techniques; employee selection practices; standards, specifications and procedures for operations; quality and uniformity of products and services offered; procedures, management and financial controls; training and assistance; advertising and promotional programs; all of which we may change, improve, and further develop from time to time and at any time at our discretion. Pet Lodges operating under the System are identified by the trade name and service mark PAPPY'S PET LODGE® and/or other proprietary trade names, service marks, trademarks, trade dress, logos, emblems and indicia of origin that we choose to identify the products and services that we offer (collectively, our "Marks").

We grant qualified candidates the right to offer and provide various pet services using our System and Marks. We call this the "Franchised Business."

You will operate the Pet Lodge at an approved physical location according to the terms and conditions of our Franchise Agreement (See [Exhibit D](#)), and our standards, specifications, policies, and procedures, which we will disclose to you in our confidential operations manual, emails, memos, training sessions, and online content (collectively referred to as our "Manual"). See Item 11. If you are converting an existing pet care services business to a PAPPY'S PET LODGE® Franchised Business, the Franchise Agreement will be modified by a Conversion Addendum (see [Attachment H](#) to the Franchise Agreement) which will specify the modifications necessary to convert your facility to a PAPPY'S PET LODGE® Franchised Business.

If we award you area development rights, you will sign our Development Agreement (see [Exhibit E](#)), which will give you the right to develop multiple Franchised Businesses in a mutually agreed on development

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