

FRANCHISE DISCLOSURE DOCUMENT

TRUFOODS, LLC

a New Jersey limited liability company

666 Fifth Avenue, Suite 27B

New York, NY 10103

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<http://www.trufoods.com>



WHY PEOPLE CROSS THE ROAD

We offer franchises for the operation of quick service restaurants under the name “Pudgie’s Naked Chicken Co.” offering a menu specializing in the preparation and sale of skinless fried chicken and other menu items for dine-in, take-out and delivery service in takeout locations, strip malls, malls, retail centers and other commercial locations. We also offer co-branding opportunities. Prior to the date of this Franchise Disclosure Document, we offered franchises under the name “Pudgie’s Famous Chicken”.

The estimated initial investment for a Pudgie’s franchise ranges from \$201,500 to \$624,000. This includes \$35,000 that must be paid to the franchisor or its affiliate. The estimated initial investment for a co-branded Pudgie’s franchise ranges from \$37,500 to \$242,500. This includes between \$1,000 and \$17,500 that must be paid to the franchisor or its affiliate.

If you are a multi-unit developer, you will pay a development fee equal to 100% of the initial franchise fee for the first restaurant to be developed plus 50% of the reduced initial franchise fee for each additional restaurant to be developed under the Multi-Unit Development Agreement. The development fee is applied pro rata to the initial franchise fees due for each restaurant to be developed after the first. Your estimated initial investment will vary based on the number of restaurants to be developed.

We may also offer to certain qualified people the right to become a Development Agent. A Development Agent will pay a Development Agent Rights fee equal to \$3,000 for each Restaurant to be developed in the Development Area. A Development Agent must open and operate at least one Pudgie’s Naked Chicken Co. Restaurant, and a Development Agent will share in some of the fees paid to us.

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 the 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 government 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 Gary Occhiogrosso, 666 Fifth Avenue, Suite 27B, New York, NY 10103, (212) 359-3600.

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 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, MULTI-UNIT DEVELOPMENT AGREEMENT AND DEVELOPMENT AGENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN NEW YORK. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH US IN NEW YORK THAN IN YOUR OWN STATE.**
2. **THE FRANCHISE AGREEMENT, MULTI-UNIT DEVELOPMENT AGREEMENT AND DEVELOPMENT AGENT AGREEMENT STATE THAT NEW YORK 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. **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 a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

FOR USE ONLY IN THE STATE OF MARYLAND

Effective date: _____

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