

FRANCHISE DISCOSURE DOCUMENT

STAR HOOKAH, INC.

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STAR HOOKAH

Department of Business Oversight

MAY - 5 2016

Sacrarento Office

The franchise offered is a fixed location retail business focused on providing hookah products and services from a lounge setting Retail locations are 1,200 to 6,000 square feet in size

The total investment necessary to begin operations is Star Hookah franchise is \$233,500 to \$2,143,500 This includes \$35,000 franchise fee that must be paid to the franchisor or affiliate

This disclosure document summarizes certain provisions of the 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.

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-FTCHELP 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 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

This Disclosure Document was issued on 03/24/2016



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STATE OF CALIFORNIA COVER PAGE

Franchisee's state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in Franchisee's 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 Franchisee's state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW FRANCHISEE TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES FRANCHISEE MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE FRANCHISEE'S BUSINESS BEFORE FRANCHISEE BUY, CONSIDER WHAT RIGHTS FRANCHISEE HAVE TO RENEW FRANCHISEE'S FRANCHISE, IF ANY, AND WHAT TERMS FRANCHISEE MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before Franchisee buy this franchise

- 1 THE FRANCHISE AGREEMENT REQUIRES FRANCHISEE TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN CALIFORNIA OUT-OF-STATE ARBITRATION MAY FORCE FRANCHISEE TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST FRANCHISEE MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN FRANCHISEE'S OWN STATE
- 2 THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW FRANCHISEE MAY WANT TO COMPARE THESE LAWS

3 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist in selling the franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring franchisees to us You should be sure to do your own investigation of us



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The following chart lists states that require this disclosure document be registered or filed with the state or be exempt from registration. In these states, the effective date of this disclosure document is as follows

State	Effective Date
California	10/23/15
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

In the following states, we have filed a notice of exemption from the registration or filing requirements of the state's business opportunity laws with respect to the offering described in this disclosure document

State	Effective Date
Connecticut	
Florida	
Kentucky	
Maine	
Nebraska	
North Carolina	
Texas	
Utah	

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