

FRANCHISE DISCLOSURE DOCUMENT



THE DOG STOP FRANCHISING, LLC

a Pennsylvania Limited liability company

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Pittsburgh, Pennsylvania 15222

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TDS Businesses operate all-inclusive indoor/outdoor dog care facilities offering daycare, boarding, grooming, obedience training, in-home services, dog walking, and retail products (“TDS Business(es)”).

The total investment necessary to begin operation of a TDS Business ranges from \$254,650 to \$488,600, including \$48,150 to \$48,450 which must be paid to the franchisor or its affiliates. The Dog Stop area developers acquire the right to develop multiple TDS Businesses in a designated development area. The total investment necessary to begin operation of a The Dog Stop area developer business will depend on the number of TDS Businesses to be opened. The total investment necessary to begin operation of a The Dog Stop area developer business operating two TDS Businesses is from \$515,300 to \$983,200, including \$102,300 to \$102,900 which must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a The Dog Stop area developer business operating three TDS Businesses is from \$722,950 to \$1,424,800, including \$103,450 to \$104,350 which must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a The Dog Stop area developer business operating four TDS Businesses is from \$980,600 to \$1,916,400, including \$154,600 to \$155,800 which must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a The Dog Stop area developer business operating five franchises ranges from \$1,188,250 to \$2,358,000, including \$155,750 to \$157,250 which must be paid to the franchisor or its affiliates.

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 Jesse Coslov at 80 26th Street, Suite 200, Pittsburgh, Pennsylvania 15222 and 1-855-635-3935.

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



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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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND ARBITRATION ONLY IN PENNSYLVANIA. 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 PENNSYLVANIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT PENNSYLVANIA 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. YOUR SPOUSE MUST SIGN A DOCUMENT, SUCH AS A GUARANTEE, THAT MAKES YOUR SPOUSE LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN IF YOUR SPOUSE DOES NOT OWN ANY PART OF THE FRANCHISE BUSINESS. IF YOU LIVE IN A COMMUNITY PROPERTY STATE, YOUR SPOUSE MAY BE LIABLE FOR YOUR FINANCIAL OBLIGATIONS EVEN IF HE OR SHE HASN'T SIGNED ANYTHING. IN EITHER CASE, BOTH YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, INCLUDING YOUR HOUSE, COULD BE LOST IF YOUR FRANCHISE FAILS.
4. THE FRANCHISORS FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU. THE FRANCHISEE OR AREA DEVELOPER WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$254,350 TO \$2,356,500. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2017, WHICH IS \$105,648.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.



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