

Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The Franchise Agreement and Development Rights Agreement require you to resolve disputes with the franchisor by arbitration and/or litigation only in its then-current home state (currently Nevada). Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in its then-current home state (currently Nevada) than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Financial Condition.** The Franchisor's 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.
4. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
5. **Supplier control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
6. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

**Item 13
Trademarks**

Upon execution of the Franchise Agreement, we will grant you the non-exclusive right and privilege to use the Marks in your Fantasy Claw Arcade. You may not use any of our Marks as part of your firm or corporate name. You may not use the Marks for the sale of unauthorized products or services or in any manner not authorized in writing by us. Any right or privilege you may have to use our Marks will terminate in full when you are no longer in good standing or upon the expiration or termination of your Franchise Agreement. The Development Rights Agreement does not grant you the right to use the Marks. These rights arise only under Franchise Agreements you sign with us. All rights in and goodwill from the use of the Marks accrue to us.

(a) Registrations and Applications

We are the owner of the following Mark(s). The Franchise Agreement will license to you the right to operate your Franchised Business under the Fantasy Claw Arcade service marks, as described below (“Principal Marks”), which have been registered on the Principal Register of the United States Patent & Trademark Office (“USPTO”):

Trademark	Serial Number	Registration Number	Registration Date
FANTASY CLAW ARCADE	98418280	7853343	July 1, 2025

We are also the owner of the following Mark(s). The Franchise Agreement will license to you the right to operate your Franchised Business under the Fantasy Claw Arcade service marks, as described below (“Principal Marks”). We do not have a federal registration for ~~the following our principal~~ trademark(s). Therefore, ~~these our~~ trademark(s) ~~do~~ does not have many legal benefits and rights as a federally-registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.:

Trademark	Serial Number	Registration Number	Registration Date
FANTASY CLAW ARCADE	98418335	Pending	Pending

(b) Renewals and Affidavits

We have filed all required affidavits and renewals for the registered Marks that have become due and intend to file all required affidavits and renewals when due for the Marks that remain important to our system.

(c) Determinations

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the Marks that significantly limit our rights to use or license the use of the Marks listed in this section in a manner material to you.

under the Franchise Agreement or Development Rights Agreement during our most recently completed fiscal year or who has not communicated with us within ten (10) weeks of the issuance date of this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the system.

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses restricting them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with our System.

Item 21

Financial Statements

We began offering franchises as of the date of this disclosure document. Because we have not been in business for three years, we are not able to include the three prior years of audited financial statements normally required by this Item 21. Attached as Exhibit D are our audited financial statements for the period ending December 31, 2024. Also included is our unaudited balance sheet for the period ending July 31, 2025. We were established on February 21, 2024, and our fiscal year ends on December 31.

Item 22

Contracts

The contracts following this Item 22 are listed in the order in which they appear. These are the only contracts which we will enter into with you in this state.

- Exhibit B: The Franchise Agreement
- Exhibit C: Development Rights Agreement
- Exhibit H: Franchise Disclosure Questionnaire

Item 23

Receipts

You will find two (2) copies of a detachable receipt as the final pages of this Franchise Disclosure Document. Please sign both acknowledging receipt of this Franchise Disclosure Document and return one (1) copy to us for our files.