

FRANCHISE DISCLOSURE DOCUMENT



Better Together, LLC
A Delaware limited liability company
6245 North 24th Parkway, Suite 210
Phoenix, Arizona 85016
Phone: (602) 730-6000
E-Mail: bettertogether@dogtopia.com
Website: www.dogtopia.com

Better Together, LLC offers franchises for the operation of a business that provides certain services for dogs (including boarding, daycare, training and spa services) and sells dog-related products.

The total investment necessary to begin operation of a Dogtopia franchise ranges from ~~\$608,765 to~~ \$607,765 to \$1,268,841. This includes \$75,045 to \$124,750 that must be paid to us and our affiliates.

Area developers must commit to open a minimum of 2 Dogtopia Centers, but most area developers commit to open between 3 and 5 Dogtopia Centers. The total investment necessary to begin operation of a Dogtopia area development franchise ranges from \$706,270 to \$1,447,041 for the development of 3 Dogtopia Centers (low amount) or 5 Dogtopia Centers (high amount). This includes \$173,550 to \$302,950 that must be paid to us and our affiliates.

This Disclosure Document summarizes certain provisions of your franchise agreement, area development 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 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 the franchisor at 6245 North 24th Parkway, Suite 210, Phoenix, Arizona 85016 or by phone at (602) 730-6000.

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 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 (the "FTC"). 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.

Issuance Date: April 15, 2024

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 area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Arizona. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Arizona than in your own state.
2. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
3. **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 your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **Unopened Franchises:** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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.

Notes:

1. In 2022, one of the franchised outlets listed in Table 3 for Arizona was reacquired by the franchisor and subsequently resold to a new franchisee before the end of the year. The outlet was temporarily closed during the transition but reopened before the end of the year.
2. In 2023, the franchisee of one of the franchised outlets listed in Table 3 for Louisiana ceased operations of the outlet and the outlet was subsequently resold to a new franchisee before the end of the year. The outlet was temporarily closed during the transition but reopened before the end of the year.
3. In 2022, one franchise agreement for Colorado was terminated prior to opening. No franchise agreements were terminated prior to opening in 2021 or 2023.
4. We reclassified outlets opened by Red Barn (Chris Kempner), who was a franchisee and area developer prior to acquiring a controlling interest in the franchisor in 2020. Because Mr. Kempner is now listed in Item 2 of this Disclosure Document, we reclassified his franchised outlets (referred to in this Disclosure Document as “Affiliated Stores”) as company-owned outlets. Despite the change in classification, Red Barn continues to operate all Affiliated Stores under Franchise Agreements in the same manner as other franchisees.
5. All 5 of the projected company-owned openings listed in Table 5 are Affiliated Stores owned by Chris Kempner.

A list of all current Dogtopia franchisees and company-owned outlets is attached to this Disclosure Document as EXHIBIT "G" (Tables 1, 2 and 3), including their names and the addresses and telephone numbers of their outlets as of December 31, 2023. In addition, EXHIBIT "G" (Table 4) lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

In the last 3 fiscal years, some franchisees have signed confidentiality agreements with us. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no (a) trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed or (b) independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Audited financial statements of Better Together, LLC for the fiscal years ending December 25, 2021, December 31, 2022 and December 30, 2023 are attached to this Disclosure Document as EXHIBIT "H". In addition, an unaudited balance sheet as of March 30, 2024 and an unaudited statement of operations from December 31, 2023 through March 30, 2024 are attached to this Disclosure Document as EXHIBIT "H". Our fiscal year coincides with a retail calendar and ends on the last Saturday closest to December 31.

ITEM 22 CONTRACTS

Attached to this Disclosure Document (or the Franchise Agreement attached to this Disclosure Document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

Exhibits to Disclosure Document

EXHIBIT "C"	Franchise Agreement
EXHIBIT "D"	Area Development Agreement
EXHIBIT "E"-1	Real Estate Client Services Agreement
EXHIBIT "E"-2	Conversion Addendum
EXHIBIT "E"-3	Franchisee Disclosure Questionnaire (Questionnaire may not be signed or used if the franchisee

Franchise Disclosure Document (2024 Multi-State)

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

BETTER TOGETHER, LLC
BALANCE SHEET
MARCH 30, 2024

CURRENT ASSETS

Cash and Cash Equivalents	\$ 589,873
Restricted Cash - Marketing Fund	59,338
Due from Parent - Funds Held in Trust	8,743,444
Accounts Receivable, Net	2,013,289
Deferred Commissions, Current Portion	570,784
Prepaid Expenses	32,725
Total Current Assets	12,009,453

CAPITALIZED SOFTWARE DEVELOPMENT, NET 4,051,441

NOTE RECEIVABLE FROM PARENT 36,062,045

OTHER ASSETS

Other Assets, Net	275,405
Deferred Commissions, Net of Current Portion	2,901,463
Total Other Assets	3,176,868

Total Assets \$ 55,299,807

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 217,178
Due to Affiliates	41,847
Deferred Other Fees	52,375
Restricted Funds Payable - Marketing Fund	59,338
Total Current Liabilities	370,737

DEFERRED DEVELOPMENT FEES 2,356,550

DEFERRED FRANCHISE FEES 12,044,430

Total Liabilities 14,771,717

MEMBER'S EQUITY 40,528,090

Total Liabilities and Member's Equity \$ 55,299,807

BETTER TOGETHER, LLC
STATEMENT OF OPERATIONS
THREE MONTHS ENDED MARCH 30, 2024

DEFERRED FRANCHISE FEES

Royalty Fees	\$ 3,220,987
Franchise Fees	433,620
Development Fees	193,500
Marketing Fund Fees	895,075
Other Operating Income	493,409
Total Revenue	<u>5,236,591</u>

OPERATING EXPENSE	<u>2,135,173</u>
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INCOME FROM OPERATIONS	3,101,418
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INTEREST INCOME	<u>137,701</u>
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NET INCOME	<u><u>\$ 3,239,119</u></u>
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