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Dear Mike:

We haven't met personally, but I must say I enjoy your unconventional branding & unpretentious website and communications.

My name is Sean Kelly. I'm a 35-year veteran of the franchise industry, publisher of UnhappyFranchisee.com & the founder of the Franchise Truth initiative.

As you may know, I recently published multiple posts that used the lawsuit *Bigelow Corp., Sarah Bigelow v. Hounds Town USA* to challenge the widely held beliefs that there is strict oversight of franchise sellers and that making false representations in selling the franchise process will have negative consequences for franchise sellers.

It's my policy to extend an open invitation to individuals and companies discussed on the site to provide corrections, clarifications, rebuttals, explanations or statements of their points-of-view on the matters discussed. My goal would be to present both sides and let the readers draw their own conclusions.

I'll be happy to make corrections, additions and updates as appropriate.

Additionally, I'm not attorney and am always open to corrections or alternative points-of-view on my interpretations.

I have worked with many new and growing franchise firms in their early years. While your client may take my criticism as adversarial, I'm sure you'll agree that, as they grow, setting the right expectations and making sure the sales and marketing representations are consistent with the relationship defined in the FDD and franchise agreement is critical to their long-term success.

I invite your and your client's feedback on the content linked below, with special emphasis on these points:

1. Mike Gould appears to misrepresent franchise regulation in his early videos

Among other things, Mr. Gould states that franchisors must "license" their franchises in each state in which they operate. As you know, there is no blanket state "licensing" requirement for franchises.

Relentless, Inc. P.O. Box 10232 Lancaster, PA 17605

2. Mike Gould appears to make undisclosed Franchise Performance Representations (FPRs) in his early videos

Even though he refers to legal restrictions on sharing earnings representations, Mike Gould provides profitability and break-even representations for his company owned location and a new franchise location. Hounds Town USA did not disclose an FPR Item 19 at that time.

3. Mike Gould & Jackie Bondanza refer to handing new owners a franchise “on a silver platter.”

The Bigelow claimed Mike Gould made a similar promise, allegedly saying that if they paid their designated construction manager that on opening day he’d “hand them the keys to their brand new franchise.”

The Hounds Town USA website promises “Our dedicated franchise team is here to help you quickly and affordably open your dream doggy daycare business...”

Hounds Town USA even charges a \$20,000 “Launch Fee” in addition to the Franchise Fee:

The Launch Fee offsets our costs in supporting your efforts to open the Hounds Town USA Business, design approval and vetting of construction professionals...

Yet in the answer to the Bigelow’s complaint, Hounds Town USA stated “[Franchisees] are responsible for the buildout and because [the Bigelows] had the contract with the contractor, there was not much [Hounds Town USA] could do.”

If Hounds Town USA has no involvement nor control once a contractor is hired, should they be promising a “business on a silver platter?” Should they be charging a “launch fee” to provide support during the construction process?

4. Are Hounds Town USA’s Growth Projections Realistic? Sustainable?

Does the Hounds Town USA franchisor agree that its primary responsibility is to the current franchisees who have put their trust and family’s financial future in their hands?

Do they acknowledge that many now-defunct franchisors failed – and took their franchisees down with them - because they focused on rapid growth and harvesting fees rather than supporting franchisees and improving unit-level economics?

In the 2024 FDD, Hounds Town USA claims it has 59 franchise agreements sold but not open (SNO) and projects all 59 will open by the end of 2024.

Yet Hounds Town USA has never managed to successfully open more than 18 franchises in a given year. It took the Bigelows 2 years to get open and the long delay drained their finances.

Does HTU have the capacity to open 3X more locations than it ever has without neglecting its current franchisees? Does Raintree & Bill Wotochek have the green light to sell unlimited numbers of franchises, or is there a maximum threshold of agreements sold but not open?

5. Is Hounds Town USA Properly Vetting Its Franchise Sales Representatives?

As a franchise system grows it can be harder to control the franchise sales representations being made, especially when using outside sales brokers. For that reason, the track record of a

franchisor's sales team should reflect the outcome you wish to achieve for your franchise system.

While brokers aren't required to be disclosed in the FDD, the background of Bill Wotochek, the franchise seller disclosed with the HTU CA franchise registration, is well known to me. In fact, I personally interviewed a number of victims of the boiler-room hard sell vending scheme, Revive Energy Mints, who mentioned him by name. I filed complaints with franchise regulators in Washington and California when HUMAN Healthy Vending tried to hide his past.

Before Revive Energy Mints (Where he was President), and HUMAN Healthy Vending, Bill Wotochek was Director of Development of Dalbey Education Institute which was the subject of lawsuits and injunctions from the Colorado Attorney General and the Federal Trade Commission.

I could be wrong, but it does not appear that anyone who Bill Wotochek convinced to invest in Russ Dalbey's "Winning in the Cash Flow Business," the Revive Energy Mints distributorship/franchise, or HUMAN Healthy Vending franchise are still in business.

Many never were.

Perhaps Mr. Wotochek's turned over a new leaf and has many franchisee success stories to share in the past ten years. I'd love to hear from them!

Please share my invitation for an open, constructive dialogue with your client, *Hounds Town USA*.

I hope they'll accept my invitation in the positive, constructive spirit in which it's extended.

All the best,

Sean Kelly
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BLOG POSTS

June 21, 2024 [Is It Legal for Franchisors to LIE to Franchisee Investors? \(Mike Gould – Hounds Town USA Franchise\) Part 1](#)

<https://www.unhappyfranchisee.com/hounds-town-usa-franchise-lies/>

June 26, 2024 [Franchise Sellers Are Allowed to Lie \(Mike Gould – Hounds Town USA Franchise\) Part 2](#)

<https://www.unhappyfranchisee.com/franchise-sellers-are-allowed-to-lie/>

June 24, 2024 [Bill Wotochek, Hounds Town USA Franchise Seller, Has a Troubling History](#)

<https://www.unhappyfranchisee.com/bill-wotochek-hounds-town-usa-franchise/>

VIDEOS

Hounds Town USA Fact Check 1

<https://www.youtube.com/watch?v=M3b0ORB3IK8>

Hounds Town USA Franchise Warning

<https://www.youtube.com/watch?v=VAO9rXm2GSY&t=11s>