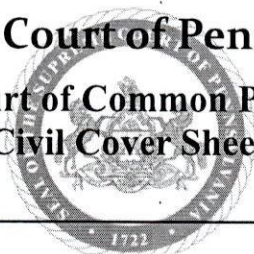


Supreme Court of Pennsylvania

Court of Common Pleas Civil Cover Sheet



County _____

Lancaster County Prothonotary E-Filed - 3 Feb 2025 02:36:43 PM

Case Number: CI 25-00737

For Prothonotary Use Only:

Docket No:

25-00737

TIME STAMP

The information collected on this form is used solely for court administration purposes. This form does not supplement or replace the filing and service of pleadings or other papers as required by law or rules of court.

SECTION A

Commencement of Action:

- ☒ Complaint
 ☐ Writ of Summons
 ☐ Petition
 ☐ Transfer from Another Jurisdiction
 ☐ Declaration of Taking

Lead Plaintiff's Name:
DonutNV Franchising, Inc.

Lead Defendant's Name:
Sean Kelly and Relentless Inc.

Are money damages requested? ☒ Yes ☐ No

Dollar Amount Requested: ☐ within arbitration limits
☒ outside arbitration limits
(check one)

Is this a Class Action Suit? ☐ Yes ☒ No

Is this an MDJ Appeal? ☐ Yes ☒ No

Name of Plaintiff/Appellant's Attorney: D. Joseph Ferris and William J. Clements, Esquires

☐ Check here if you have no attorney (are a Self-Represented [Pro Se] Litigant)

SECTION B

Nature of the Case: Place an "X" to the left of the ONE case category that most accurately describes your **PRIMARY CASE**. If you are making more than one type of claim, check the one that you consider most important.

TORT (do not include Mass Tort)

- ☐ Intentional
☐ Malicious Prosecution
☐ Motor Vehicle
☐ Nuisance
☐ Premises Liability
☐ Product Liability (does not include mass tort)
☒ Slander/Libel/ Defamation
☐ Other: _____

MASS TORT

- ☐ Asbestos
☐ Tobacco
☐ Toxic Tort - DES
☐ Toxic Tort - Implant
☐ Toxic Waste
☐ Other: _____

PROFESSIONAL LIABILITY

- ☐ Dental
☐ Legal
☐ Medical
☐ Other Professional: _____

CONTRACT (do not include judgments)

- ☐ Buyer Plaintiff
☐ Debt Collection: Credit Card
☐ Debt Collection: Other _____
☐ Employment Dispute: Discrimination
☐ Employment Dispute: Other _____
☐ Other: _____

REAL PROPERTY

- ☐ Ejectment
☐ Eminent Domain/Condemnation
☐ Ground Rent
☐ Landlord/Tenant Dispute
☐ Mortgage Foreclosure: Residential
☐ Mortgage Foreclosure: Commercial
☐ Partition
☐ Quiet Title
☐ Other: _____

CIVIL APPEALS

- Administrative Agencies
☐ Board of Assessment
☐ Board of Elections
☐ Dept. of Transportation
☐ Statutory Appeal: Other _____
☐ Zoning Board
☐ Other: _____

MISCELLANEOUS

- ☐ Common Law/Statutory Arbitration
☐ Declaratory Judgment
☐ Mandamus
☐ Non-Domestic Relations Restraining Order
☐ Quo Warranto
☐ Replevin
☐ Other: _____

IN THE COURT OF COMMON PLEAS OF LANCASTER COUNTY, PENNSYLVANIA

DONUTNV FRANCHISING, INC.,

25 - 00737

No. CI- _____

vs.

SEAN KELLY and RELENTLESS INC.,

t/d/b/a UNHAPPY FRANCHISEE

NOTICE

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

Lancaster Bar Association
Lawyer Referral Service
28 East Orange Street
Lancaster, PA 17602

Telephone: 717-393-0737

2/4/2025 \$180.50 Rmd 025602355 receipt 190456

KLEHR HARRISON HARVEY BRANZBURG LLP
D. Joseph Ferris (Pa. I.D. No. 314146)
William J. Clements (Pa. I.D. No. 86348)
1835 Market Street, 14th Floor
Philadelphia, PA 19103
Ph (215) 569-2700
Fax (215) 568-6603
jfferris@klehr.com
wclements@klehr.com

*Attorneys for Plaintiff,
DonutNV Franchising, Inc.*

IN THE COURT OF COMMON PLEAS OF LANCASTER COUNTY
SECOND JUDICIAL DISTRICT OF PENNSYLVANIA
CIVIL TRIAL DIVISION

DONUTNV FRANCHISING, INC.,
3745 South Highway 27
Suite A
Clermont, FL 34711,

Plaintiffs,

v.

SEAN KELLY and RELENTLESS INC.,
t/d/b/a UNHAPPY FRANCHISEE,
2221 New Holland Pike
Lancaster, PA 17601,

Defendants.

Docket No. **25 - 00737**

JURY TRIAL DEMANDED

COMPLAINT

Plaintiff DonutNV Franchising, Inc. ("DonutNV" or "Plaintiff") files this Complaint against defendants Sean Kelly ("Kelly") and Relentless Inc. ("Relentless"), t/d/b/a Unhappy Franchisee and collectively referred to herein as "Defendants," and in support thereof DonutNV avers as follows.

Introduction

1. Defendant Kelly is the owner of defendant Relentless.

2. Kelly and Relentless own and operate a website known as Unhappy Franchisee (the “Website”).

3. Through the Website, Kelly and Relentless extort money out of participants in the franchise industry by: (i) posting untrue, false and defamatory statements and information about these participants on the Website; (ii) publishing these untrue, false and defamatory statements through the Website or otherwise transmitting them to third parties for the purpose of interfering with and harming these participants’ existing and prospective business relationships; and (iii) then offering to remove the untrue, false and defamatory statements from the Website in exchange for the payment of money, sometimes disguised as a purported “consulting fee.”

4. Plaintiff DonutNV recently became a victim of Defendants’ extortionate scheme but refused to give in to this blackmail, despite defendant Kelly’s attempted intimidation of the company in promising certain unspecified dire consequences if DonutNV tried to sue him instead of giving in to his demands without a fight.

5. On account of Defendants’ wrongful scheme, Plaintiff brings claims for tortious interference and defamation *per se*.

6. The chief wrongful actor, Kelly, is personally liable for all tortious acts of his company, Relentless, pursuant to Pennsylvania’s participation theory.

The Parties

7. Plaintiff DonutNV is a Florida company registered to do business in Pennsylvania, with its principal place of business located at 3745 South Highway 27, Suite A, Clermont, FL 34711.

8. Defendant Kelly is an adult individual whose last known address was 2221 New Holland Pike, Lancaster, PA 17601.

9. Defendant Relentless is a Pennsylvania corporation whose last known address was 2221 New Holland Pike, Lancaster, PA 17601.

10. The Website is owned and operated by Kelly and Relentless from 2221 New Holland Pike, Lancaster, PA 17601.

Jurisdiction And Venue

11. Jurisdiction and venue are proper in this Court because: (i) defendant Kelly resides within Lancaster County, Pennsylvania; (ii) Relentless has its principal place of business located within Lancaster County, Pennsylvania; and (iii) the Website is operated by Kelly and Relentless from Lancaster County, Pennsylvania.

12. Further, DonutNV's causes of action arose in Lancaster County, and/or transactions or occurrences out of which DonutNV's causes of action arose took place in Lancaster County.

Background

13. DonutNV is a franchisor with franchisees operating at over 100 locations in the United States.

14. A DonutNV franchise essentially consists of a customized food truck which can be driven to various locations and events within the franchisee's sales territory, from which fresh donuts are made and sold along with beverages.

15. DonutNV has valuable business relationships with its current and prospective franchisees and various franchise promoters who match prospective franchisees with suitable franchises.

16. Kelly and Relentless own and operate the Website, which is known as Unhappy Franchisee.

17. Through the Website, Kelly and Relentless publish articles and/or blogs relating to the franchise industry.

18. More specifically, Kelly and Relentless purport to post materials supposedly to alert individuals and businesses who may be interested in owning a franchise about franchises that Kelly and Relentless allege have engaged in misconduct or unethical business practices.

19. However, the purpose of Kelly's and Relentless' business is not to inform and/or protect prospective franchisees but, rather, to target franchisors by posting scandalous, defamatory and otherwise untrue statements and information about them, and when contacted by the targeted franchisors, to demand payment (sometimes in the form of "consulting fees") as a *quid pro quo* to remove the posts.

20. This smacks of bribery, extortion and blackmail.

21. DonutNV has recently been victimized by Defendants' scheme.

22. For example, a recent post on the Website:

- A. Contained an untrue statement that a franchisee was struggling to purchase Christmas gifts for his or her children while the owners of DonutNV were flying to the Bahamas in a private jet. The owners did not fly by "private jet."
- B. Contained untrue statements accusing DonutNV and its owners of "destroying people's lives" and of "hurting people."
- C. Contained an untrue statement that one-half of the DonutNV franchisees were failing.
- D. Contained another untrue statement that DonutNV's owners flew by private jet to the Bahamas. Again, this never occurred.

- E. Falsely claimed that DonutNV's owners are the "victims of bad advisors."
- F. Falsely accused DonutNV of partnering with unscrupulous franchise promoters.
- G. Contained yet another untrue statement accusing DonutNV's owners of "flying private to the Bahamas all the time."
- H. Defendant Kelly also represented that he had "spent the better part of 3 decades growing start-up franchises into true franchise success stories" and—from that seat of supposed industry knowledge—proceeded to criticize DonutNV and its owners, including an accusation that DonutNV was a "money grab" and a "Ponzi scheme." This is clearly defamation *per se*.

See Exhibit 1.

23. Other of Defendants' posts are in the same false vein, including false accusations that DonutNV is somehow filing deceptive documents with the Federal Trade Commission. See Exhibit 2.

24. When requested to remove the false and misleading statements and information from the Website, Defendants began demanding payment to do so and otherwise refused.

25. DonutNV has been forced to defend itself against the false and misleading statements and information that continue to be published on the Website by Defendants.

26. DonutNV has been contacted by current and potential franchisees, and franchise brokers, regarding the false and misleading statements and information that continue to be published on the Website by Defendants.

27. On account of the false and misleading statements and information that continue to be published on the Website, DonutNV is at severe risk of losing current franchisees and potential franchisees, as well as losing its valuable relationships with franchise brokers and advertisers/marketers.

28. The false and misleading statements and information on the Website are causing severe harm to DonutNV's reputation in the industry and also causing a concomitant loss of goodwill that the business and its owners had carefully built up over the years.

29. Defendants' actions and inactions are the direct and proximate cause of DonutNV's humiliation, reputational damage and economic loss.

30. Defendants' failure to remove and otherwise retract the false and misleading statements and information on the Website has only exacerbated DonutNV's injuries, which are continuing so long as the false and misleading statements and information continue to be published by Defendants.

Count I—Tortious Interference

31. DonutNV incorporates the averments of Paragraph 1-30, above, as if set forth at length herein.

32. DonutNV has contractual or prospective contractual relationships with third parties, including current and potential franchisees; current and potential franchise brokers; and persons or entities that DonutNV uses (or will use) to market the franchise opportunities it provides.

33. At all times relevant hereto, Defendants were aware of these contractual or prospective contractual relationships, by virtue of Kelly's self-professed and touted experience in the franchise industry.

34. Defendants engaged in purposeful action, including publishing false and untrue statements and information on the Website, specifically intended to harm DonutNV's existing contractual relationships, or to prevent prospective contractual relationships from occurring.

35. Defendants' actions are not subject to or protected by any privilege or justification.

36. All prospective contractual relationships were reasonably likely to occur and be entered into by DonutNV but for Defendants' interference.

37. DonutNV has suffered harm and damage as a direct and proximate result of Defendants' wrongful actions.

38. Defendants' wrongful actions were malicious, undertaken with reckless disregard for DonutNV's rights, outrageous and otherwise well beyond the bounds of commercial conduct under the totality of the circumstances present and, consequently, the imposition of punitive damages is warranted.

WHEREFORE, Plaintiff seeks judgment against Defendants, jointly and severally, on Count I of the Complaint, along with an award of compensatory, consequential and punitive damages in an amount in excess of \$50,000 and to be proven at trial, and injunctive and such other relief as the Court deems appropriate, including pre-judgment interest, costs and attorney's fees as may be allowed by law.

Count II—Defamation *Per Se*

39. DonutNV incorporates the averments of Paragraph 1-38, above, as if set forth at length herein.

40. As set forth above, Defendants published knowingly false statements and information about DonutNV to third parties.

41. Thus, the element of publication is met here.

42. The subject false statements and information were defamatory in nature.

43. The subject false statements and information were specifically directed at, and thus applied, to DonutNV.

44. The defamatory meaning of the subject false statements and information is clear and would be so understood by the recipient, reader or listener as both being defamatory and as applying to DonutNV.

45. DonutNV suffered special harm from Defendants' publication of the false statements and information.

46. Defendants' publication of the false statements and information was not privileged, or any privilege (conditional or otherwise) was abused by Defendants.

47. Regardless and/or in addition to the foregoing, Defendants have knowingly published false statements and information about DonutNV that has (and will continue to) adversely affect DonutNV in its lawful business and trade.

48. This constitutes defamation *per se*, because Defendants' publications impute to DonutNV conduct, characteristics or conditions that would adversely affect DonutNV in its lawful business or trade.

49. This includes, but is not limited to, Defendants' accusing DonutNV of being a "Ponzi scheme."

50. Defendants failed to properly confirm the truthfulness of the statements and information they published about DonutNV.

51. Defendants' actions have (and will) result in irreparable harm to DonutNV and its reputation.

52. DonutNV has suffered harm and damage as a direct and proximate result of Defendants' wrongful actions.

53. Defendants' wrongful actions were malicious, undertaken with reckless disregard for DonutNV's rights, outrageous and otherwise well beyond the bounds of commercial conduct under the totality of the circumstances present and, consequently, the imposition of punitive damages is warranted.

WHEREFORE, Plaintiff seeks judgment against Defendants, jointly and severally, on Count II of the Complaint, along with an award of compensatory, consequential and punitive damages in an amount in excess of \$50,000 and to be proven at trial, and injunctive and such other relief as the Court deems appropriate, including pre-judgement interest, costs and attorney's fees as may be allowed by law.

KLEHR HARRISON
HARVEY BRANZBURG LLP

Dated: January 31, 2025

By: /s/ William J. Clements
D. Joseph Ferris
William J. Clements
1835 Market Street, 14th Floor
Philadelphia, PA 19102
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Fax (215) 568-6603
jfferris@klehr.com
wclements@klehr.com

*Attorneys for Plaintiff,
DonutNV Franchising, Inc.*

VERIFICATION

I, Alex Gingold, state that I am authorized to make this Verification on behalf of the Plaintiff, and that the statements made in the foregoing Complaint are true and correct to the best of my knowledge or information and belief. I understand that false statements herein are made subject to the penalties of 18 Pa.C.S. § 4904, relating to unsworn falsification to authorities.

01/30/2025
Date

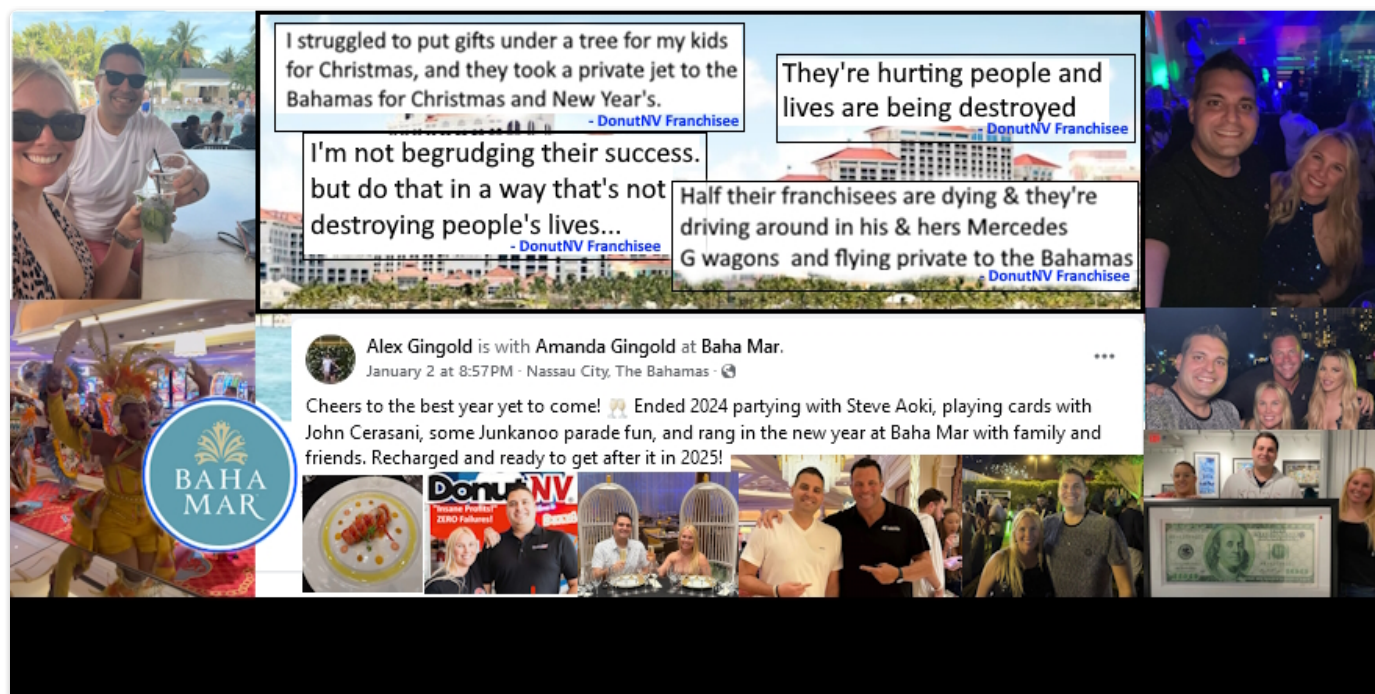
Alex Gingold
Alex Gingold

Exhibit 1



Unhappy Franchisee

No-Nonsense Hype-Free Franchise Issues & Discussion Site



[ALEX GINGOLD](#) [ALL POSTS](#) [AMANDA GINGOLD](#) [DONUTNV FRANCHISE](#) [FRANCHISE FASTLANE](#) [IFPG](#)

SPOTLIGHT 1

DonutNV is NOT a Franchise Success Story... And May Never Be

January 14, 2025 unhappyzee

DonutNV franchise founders Alex Gingold & Amanda Gingold are, I suspect, victims of bad advisors. The would-be mini-donut moguls flaunt monthly trips to luxury resorts as if they've earned the jet-setting lifestyle of the rich & famous. Alex Gingold posts entrepreneurial & motivational messages with the authority of one who's already built a successful franchise organization. Except... he hasn't. A well-intentioned intervention by Sean Kelly.

([UnhappyFranchisee.Com](https://www.unhappyfranchisee.com)) If any of the many DonutNV franchise advisors, attorneys, fee-hungry sales and finance brokers, butt-kissers and clingers-on like, care about or have any real faith in Alex & Amanda Gingold, they will join me in impressing upon them this simple truth:

DonutNV is not a franchise success story.

Not yet.

Not by a longshot.

And, unless they take a serious reality check very soon, it never will be.

Please share your candid & confidential opinions and information with an anonymous comment below, or by emailing the author at [UnhappyFranchisee\[at\]Gmail\[dot\]com](mailto:UnhappyFranchisee[at]Gmail[dot]com).

DonutNV is Not a Franchise Success Story. At Best, It's a Franchise SALES Success Story.



After nearly a decade since starting their business, Alex & Amanda Gingold were only able to grow DonutNV to 13 franchises... and most of those had been open for less than a year.

In very late 2022 or early 2023, the Gingolds turned over their

franchisee recruitment and sales functions to the controversial franchise sales organization (FSO) Franchise Fastlane.

Franchise Fastlane deployed its customary, aggressive *blitzkrieg* consisting of commission-hungry franchise brokers and lenders outfitted with questionable sales claims (*semi-absentee model, alleged overstatements of revenue & profit*) and their playbook of hard-sell closing techniques.



The 2024 DonutNV FDD discloses that Fastlane had boosted the company's franchise count from 13 to 98 operational franchises by the end of 2023.

IFPG reports, through its FranchiseWire promotional site, that as of November 2024 DonutNV had 130 franchisees managing mobile mini-doughnut franchises in about 150 territories in 31 states.

The Franchise Fastlane website boasts that they've sold 280+ franchise territories in the last year and a half or so vs. the 13+ the Gingolds managed to get open in 8 years.

“ So, it appears to me that the only documented DonutNV success story, thus far, is Franchise Fastlane's success at using questionable earnings claims and an established syndicate of hypesters to convince otherwise rational people to bet their life savings on mobile mini-donuts.

Alex & Amanda Gingold's Reputation Will be Determined by the Success – Or Failure – of DonutNV Franchisees



Some DonutNV franchisees fear that Alex & Amanda Gingold have forgotten that having sold a franchise is just the beginning of a ten-year commitment.

One struggling DonutNV franchisee laments:

“ I struggled to put gifts under a tree for my kids for Christmas, and they took a private jet to the Bahamas for Christmas and New Year’s.

Another DonutNV franchisee, on the verge of losing \$300,000, summarized his/her feelings like this:

“ When Alex & Amanda [Gingold] started DonutNV, I don’t think they were out to like, pardon my French, f- over everybody.

“ But I think they started seeing how much money they were making, and now I don’t think they care.

“ They’re driving around in his and hers G wagons and flying private to the Bahamas all the time and posting about it on LinkedIn and Facebook

Yet another DonutNV franchise owner predicted:

“ If they keep handling things as they have been, I have no doubt they’re going to

be gone within a couple of years.

Another franchisee stated:

“ They must realize, at this point in time, they’re hurting people, and lives are being destroyed.

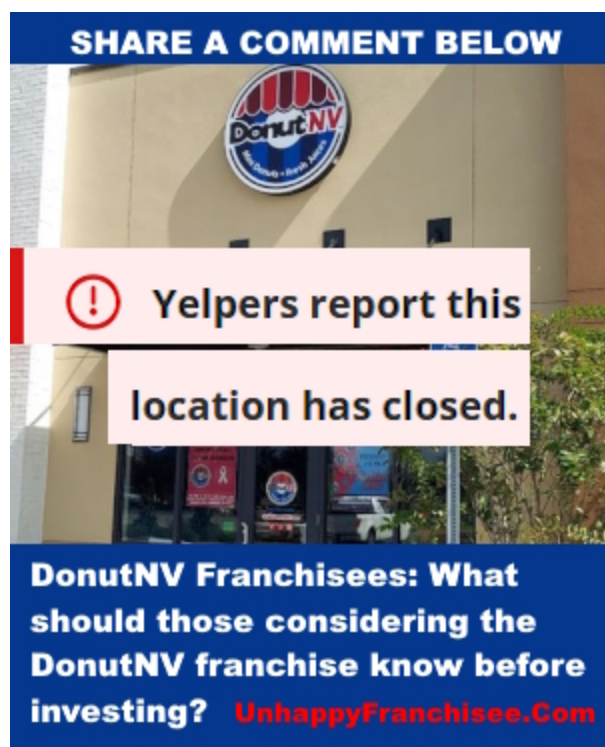
I Predict: 2025 Will be a Defining Year for the DonutNV Franchise

Whether the Gingolds can transform the DonutNV sales success story into the start of an genuine franchise success story will likely become clear, in my opinion, by the end of 2025... or even sooner.

I hope they do... for their sake and the well-being of their hard-working franchisees.

As one who’s spent the better part of 3 decades growing start-up franchises into true franchise success stories, I’ll off this advice – free of charge – to Alex & Amanda Gingold:

- “ Dear Alex & Amanda:
- “ Don’t make the deadly mistake to believe the hype your franchise sales brokers have created for you.
- “ You may have a successful concept, but you do not yet have a successful franchise.
- “ Franchise Fastlane convinced more than 100 franchisee investors that you two are willing, able and dedicated to help them create successful businesses.



- “ These franchisees have trusted that you understand and will honor your responsibility to be the franchisor you claim to be.
- “ Some are now privately characterizing the DonutNV franchise opportunity as a “Money Grab” and a Ponzi scheme.
- “ Your social media posts boasting of expensive dinners and drinks, and frequent, extravagant resort vacations seem to be validation of their worse fears.
- “ Those pictures, posts and messages communicate that either you’re not aware of their struggles... or that you don’t care.
- “ You haven’t responded to any of my questions or been willing to acknowledge the important issues raised.
- “ It’s not too late to make DonutNV a franchise success, but it won’t happen by hiding from challenges.
- “ Whether DonutNV becomes a franchise success story or just another cautionary tale won’t be determined by how many franchises Franchise Fastlane sold. It’ll be determined by what happened during the ten-year franchise agreements AFTER they signed.
- “ Feel free to give me a call for suggestions on correcting your course... or to explain how I’m mistaken.
- “ I’ll be happy to share any rebuttals, clarifications or corrections you provide.
- “ All the best,
- “ Sean Kelly
- “ Publisher, [UnhappyFranchisee.Com](https://www.unhappyfranchisee.com)
- “ President, Relentless, Inc.

Also Read:

Is the DonutV Franchise Too Good to be True?

[Is the DonutNV Franchise Too Good to be True?](#)

[DonutNV Franchise Earnings Claims: Accurate? Or Intentionally Deceptive?](#)

[Franchise Brokers: Have ZERO DonutNV Franchise Owners Failed?](#)

[Do DonutNV Franchise Sellers Support Free Speech & Full Disclosure?](#)

NEW:

[Has IFPG Stopped Promoting the DonutNV Franchise?](#)

DonutNV References/Documentation:

[DonutNV 2024 Franchise Disclosure Document \(FDD\)](#)

Are you familiar with the DonutNV franchise opportunity? With Alex & Amanda Gingold?

Are you familiar with Franchise Fastlane?

Please leave a comment below or email us, in confidence, at
UnhappyFranchisee[at]Gmail[dot]com.

Franchisors: The franchisor, its employees and agents are invited to submit correction, clarifications, rebuttals or other opinions for immediate consideration.

[UnhappyFranchisee.com](#) is not associated with this or other franchise company or seller.

Tags: DonutNV, DonutNV franchise, DonutNV franchise earnings, DonutNV franchise opportunity, Donut franchise, Franchise Fastlane, Alex Gingold, Amanda Gingold, Jake Hamburger, Franchise Sidekick, Franchoice, IFPG, Franserve, Franchise Brokers Association,

← [Has IFPG Stopped Promoting the DonutNV Franchise?](#)

 You May Also Like



Open Letter to Rick Elfman and Sterling Partners

📅 June 9, 2017

OVERVIEW

📅 April 12, 2008

DICKEY'S BARBECUE PIT Franchise Warning

📅 August 6, 2014

8 thoughts on “DonutNV is NOT a Franchise Success Story... And May Never Be”

**With great power comes great responsibility**

January 14, 2025 at 1:38 pm [Permalink](#)

It's hard to lead a company and guide over 100 new (because at donut nv almost all the franchisees are less than 2 years into it) franchisees from the seat of a private jet or a beach resort in the Bahamas. It doesn't appear that Mr. and Mrs. Gingold have the slightest motivation to help their floundering franchise family members who bought into the fools gold projections and false promises offered by their franchise sellers. What a shame as the concept seems cool, if a bit gimmicky. It seems the only lives being made sweeter one donut at a time are the lives of the founders...

**unhappyzee**

January 14, 2025 at 5:45 pm [Permalink](#)

You make good points. This likely could be a good/fun business for the right person in the right market with the right expectations.

Why the big rush to sell hundreds of franchises all at once? Well, at \$30K per referral fee I can see why the brokers and Franchise Fastlane wanted to make this a Gold Rush (or Fools Gold Rush, as you said).

But the Gingolds made a 10-year commitment that they still have to fulfill even after the commission-seekers are down the road.

**Curious kitten**

January 15, 2025 at 9:05 pm [Permalink](#)

Just a curiosity question as I'm not familiar with this type of business. They are on entrepreneurs magazine top 500 franchises. Does that not mean anything success wise? They are on that list with a lot of big names, yes very much lower. But still on none the least. Just general curiosity as it seems still very mixed comments of franchisees being happy and not happy.

**unhappyzee**

January 16, 2025 at 2:04 pm [Permalink](#)

Curious Kitten:

Thanks for an excellent question.

Let me get the snarky answer out of the way first.

If DonutNV is ranked #278 in the Franchise 500, doesn't that mean there are 277 better franchises to look at first?

Actually, the rankings mean little to nothing. The Entrepreneur Franchise 500 provides good though superficial information about franchise brands, but they will tell you that that's all they do.

Entrepreneur states: "The Franchise 500 is not intended to endorse, advertise, or recommend any particular franchise. It is solely a tool to compare franchise operations. You should always conduct your own careful research before investing in a franchise. Read the FDD and related materials, get help from a franchise attorney and an accountant to review legal and financial documents, talk to as many existing and former franchisees as possible, and visit their outlets. Protect yourself by doing your homework to find the opportunity that's best for you."

They advise doing what we're doing here: asking franchisees and verifying what we hear.

Entrepreneur takes their information from the company FDD. Their data for DonutNV starts in 2023 and 2024. The Franchise 500 does not take into account franchisee satisfaction or litigation & accepts the franchisor's numbers without independent verification.

When reading articles, interviews and accounts of awards, always check to see if the writer, interviewer or publisher has a vested (undisclosed) interest.

They usually do.

Entrepreneur relies on franchisor advertising and gets paid to generate leads for those who sell franchises.

1851 Magazine is one of several pay-for-praise paid publications masquerading as a legitimate, unbiased publication.

FranchiseWire & Franchise Dictionary are owned by commissioned and paid franchise broker groups.

There are no legitimate franchise “awards” with any substance. That’s why the hyped award winners are usually some hot new concept with little to no track record.

Otherwise brands like McDonald’s and Chik-fil-A would be sweeping them every year.

Look for brands that are open and transparent – and don’t shy away from discussing the challenges facing franchisees.

We continue to invite DonutNV Corp. to join the discussion.



DonutFairyTale

📅 January 16, 2025 at 4:32 pm 🔗 Permalink

Once upon a time, there was a farmer and his wife who wanted to be break out of their class and join the rich and the elite.

Naturally, they knew the quickest way to achieve this, would be to sell their souls to the devil and go after older people who were looking for a nice nest egg to retire with and would be willing to pour their life savings into it or others that were very motivated to get into the owning their business, but didn’t quite know how and could easily be lured by unrealistic margins and earning potential; they would even openly LIE to people and tell them that this business is easy to do as a semi-absentee, even though there were little to no examples for semi-absentees who were doing anywhere near the numbers the farmer and his wife said were possible.

With help of the Devil, they knew they could reach far more people than if they were to grow organically, first perfecting their craft and working hard to ensure a water tight business model with a proven track record and bullet proof product.

They would focus their time on selling as many crappy Horse and wagons as possible, selling them at a price 6x their worth on the market, as well as selling “bespoke products” like a candy apple making machine that would cost 800-1000 shillings on the open market, but they would go on to sell these machines at a 600%

mark up and claim these amazing machines were only made for them.

They would also FORCE the buyers to buy products ONLY from them, when all they would do is buy products that you can get literally anywhere, put their lovely farmers stamp on it and charge 5x the amount to the people they so adored.

They would go on to set up a community forum for their victims... I mean buyers. This forum would appear to be a place where people could ask for help/advice, however, the farmer and his wife would NEVER allow anyone to say anything bad about their precious company, as it was PERFECT and all of the MANY issues were simply false and not true.

After all, they knew it was better to try and put a band aid over a crack in the damn rather than fixing the damn and would instead go on to just gaslight the workers.

The farmer and his wife would continue to ignore the countless cries for help, the begging for change and a better product and the honest feedback when the same things went very wrong, over and over and over again.

They ignored the fact that so many were forced to close their door within the first 6-12 months of owning their Horse and Wagon, this would be 10s of people, with 10s more already looking to get out.

The farmer and his wife claimed to care, however whilst their "colleagues" scraped together the pennies they had left to stay alive and feed their families, they bought themselves gold chariots and went to paradise, toasting to the misery of the buyers that they suckered in...



All that glitters is not gold.

📅 January 18, 2025 at 6:59 pm 🔗 Permalink

Thank you for highlighting these critical issues, Sean.

It's clear that DonutNV in its current state, while boasting a decade of existence, is only still a budding brand who did not become established until franchising began.

Their focus seems to be on maintaining an image of success and "skipping ahead" rather than on humble, slow and steady growth that truly benefits everyone

involved.

Tragically, it appears that the egos of the executive leadership have negatively impacted and devastated many lives.

Notably, favoritism seems to exist towards franchise owners who don't question the status quo and obediently "stay in line", while proactive ones who notice discrepancies, ask questions or request aid too often are treated as adversaries.

It's not surprising that many of the favored have commented positively about the company and the Gingolds themselves. However, they appear to be fortunate enough to overlook the main point of your articles. While it's true that DonutNV can certainly be successful, success only occurs under very specific circumstances, including but not limited to location, age/energy of the owners, whether the owner has other successful franchises, etc.

The crux of the matter is that DonutNV is being marketed and sold using false promises and exaggerated numbers which is negatively impacting good-hearted, hard working people.

I believe an investigation into Scott Gingold's business practices is also necessary (particularly after his sudden removal from the presidency, which was quietly swept under the rug) as his leadership and ethics appear to have played a significant role in many of DonutNV's failures.

Additionally, the abrupt departures of many dedicated corporate team members last year raise concerns.

Multiple dismissive comments from Amanda regarding the above served as a transparent attempt to undermine their contributions and besmirch their character while again, sweeping it all under the rug.

All of the above, coupled with the Gingold's boastful portrayal of a lavish lifestyle while their own franchisees and employees struggle, certainly seem to validate distrust and the investigations happening now.

It's my genuine, yet cautiously optimistic hope that these articles and comments will prompt them to reflect on their actions, take responsibility, seek genuine solutions,

and stop deflecting blame for the fallout from their lack of integrity and greed.



unhappyzee

January 19, 2025 at 1:39 pm [Permalink](#)

Thank you for sharing, All that Glitters...



unhappyzee

January 19, 2025 at 1:48 pm [Permalink](#)

Thank you for sharing, DonutFairyTale.

Your story contains a lot of lessons that can be gleaned from this unfortunate situation.

Franchisors who set up meaningful (internal) community forums where free speech and sharing is encouraged and challenges are acknowledged and addressed with a team approach do not, generally, prompt participation on this site.

If franchisors object to having internal issues discussed publicly, they should create a system whereby franchisees can express their needs and challenges internally without fear of repercussion.

I have contacted the DonutNV to offer ideas and support on how to do this but have not yet heard back.

I don't think it's too late to correct course and mitigate mistakes, but the window for doing so is not indefinite.

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Exhibit 2



Unhappy Franchisee

No-Nonsense Hype-Free Franchise Issues & Discussion Site

A collage of three images related to DonutNV Franchise. The left image shows a man and a woman smiling, surrounded by falling money, with the text "FRANCHISE FASTLANE" and "IFPG International Franchise Professionals Group" and "Too Good to be True??". The middle image is a "Franchise Disclosure Document" for DonutNV, highlighting "ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS". The right image shows a DonutNV storefront with the text "84% NET PROFIT MARGIN!", "ADJUSTED NET PROFIT \$169,799", and "17 TO 276+ TERRITORIES AWARDED".

ALEX GINGOLD AMANDA GINGOLD DONUTNV FRANCHISE FRANCHISE FASTLANE FRANCHISE SIDEKICK

FRANCHICE FRANNET FRANSERVE IFPG JAKE HAMBURGER PETE DOSIK SPOTLIGHT 1

THE PERFECT FRANCHISE

DonutNV Franchise Earnings Claims:

Accurate? Or Intentionally Deceptive?

December 27, 2024 unhappyzee

DonutNV Franchisees: Here are the earnings representations that DonutNV, Franchise Fastlane, Franchise Sidekick, and franchise consultants / brokers across the country are providing to prospective franchise investors. What do you think? Do these numbers seem accurate and reasonable based on your own experience? What do you think prospective franchisees (and their franchise advisors) should know before making this life-changing investment? by Sean Kelly

Also Read:

Is the DonutNV Franchise Too Good to be True?

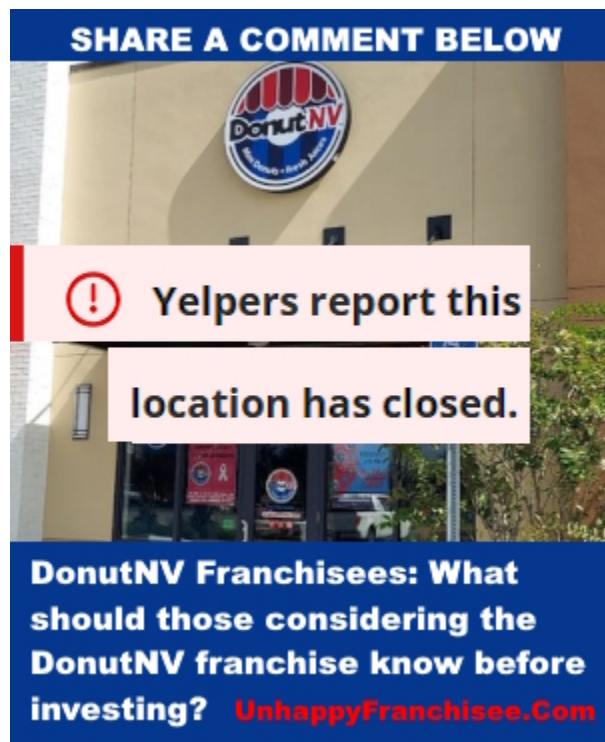
Franchise Brokers: Have ZERO DonutNV Franchise Owners Failed?

Prospective DonutNV franchise investors are making significant and life-changing decisions that could affect not only their futures, but the future of their family members, children and spouses for years to come.

Current & former DonutNV franchise owners and employees are invited to confirm whether the information they are being provided is consistent with their experience... or may be setting unrealistic expectations.

When it comes to hundreds of thousands of dollars and a ten-year contract, unrealistic expectations can result in devastating outcomes.

Please share your candid & confidential opinions and information with an anonymous comment below, or by emailing the author at [UnhappyFranchisee\[at\]Gmail\[dot\]com](mailto:UnhappyFranchisee[at]Gmail[dot]com).



DonutNV Franchisees: Are You Averaging 78.5% Net Profit (or Higher) on your

Events?

The first two tables in Item 19 FINANCIAL PERFORMANCE REPRESENTATIONS included in the [2024 DonutNV Franchise Disclosure Document \(FDD\)](#) include sales and profitability numbers reported for *a single trailer operated by an affiliate since 2018 and includes no labor costs*.

“

Table 1: Adjusted Net Profit Statement for 2023 – One Company Unit

The following table shows certain sales and expense information for the one DonutNV

trailer operated by our affiliate in 2023

	2023	% of Sales
Sales		
Event Revenue	\$159,639	
Travel Fees	\$8,275	
Gratuities	\$1,895	
Gross Sales	\$169,809	
Select Expenses		
Food Cost - Supplies	\$18,031	10.6%
Fuel	\$2,827	1.7%
Merchant Processing	\$2,392	1.4%
Total Select Expenses	\$23,250	13.7%
Adjusted Net Profit	\$146,559	86.3%
Franchise Fees		
Royalty	\$7,800	4.6%
Brand Fund	\$2,400	1.4%
Tech Fee	\$3,000	1.8%
Total Franchise Fees	\$13,200	7.8%
Adjusted Net Profit after Franchise Fees	\$133,359	78.5%

DonutNV Franchisees: Do You Generate Average Per-Event Sales of \$1,930 – Or Higher?

“

Table 2: Events Conducted in 2023 – One Company Unit

The following table shows the number of events conducted by the affiliate-operated trailer in 2023, and sales per event.

Number of Events	88
Average Sales Per Event	\$1,930
# (%) Above Average	41 (47%)
Median Sales Per Event	\$1,581
Lowest Sales Event	\$268
Highest Sales Event	\$5,280

DonutNV Franchisees: How Do Your Yearly Revenues Compare?

Despite claiming to have 300 franchises sold, [DonutNV Franchise Disclosure Document \(FDD\)](#) dated April 29, 2024 and amended November 16, 2024 includes sales data for only 15 trailers operated in 2023:

“

Table 3: Sales By Franchisees in 2023

This table shows certain sales information by DonutNV franchisees in 2023.

Franchisee/Unit	2023
#1	\$230,260
#2	\$36,776
#3	\$61,347
#4	\$77,300
#5	\$81,118
#6	\$83,836
#7	\$91,857
#8	\$113,700
#9*	\$142,251
#10**	\$85,996
#11**	\$85,996
#12	\$193,000
#13	\$80,250
#14	\$31,339
#15***	\$200,871
Average Sales	\$106,393
# (%) Above Avg	5 (33%)
Median	\$85,995
Lowest	\$31,339
Highest	\$230,260

“

* This franchisee began operating a second trailer on November 1, 2023.

** This franchise operated two trailers for all of 2023. They did not report separate sales data for the trailers, so for Table 3 we divided sales equally between their two trailers.

*** This franchisee began operating a second trailer on October 20, 2023.

66

Franchisor's Notes to Tables 1 and 2:

1. There was one DonutNV trailer operated by our affiliate during 2023.
2. The following material financial and operational characteristics of the business described in Table 1 may reasonably be anticipated to differ materially from future franchise outlets: The trailer operates in Pennsylvania. It began operating under the "DonutNV" brand name in 2018. The trailer is primarily operated by a manager (rather than being owner-operated). It does not have a specific territorial boundary. It does not have any expense associated with a commissary (whereas your state or local laws may require you to have access to a commercial kitchen commissary).
3. In Table 1 and Table 2, "Sales" means total of all revenue in a period, not including discounts, taxes, voids, or refunds. It includes travel fees and gratuities (other than gratuities paid in cash).
4. "Select Expenses" means only the specific expenses listed. Table 1 does not include all costs you would incur to operate a DonutNV business, such as costs of marketing, maintenance, insurance, or professional fees (such as legal or bookkeeping). Labor cost is omitted from expenses because our affiliate's trailer was primarily operated by a person who was paid a percentage of operating profits.
5. "Food Cost – Supplies" is the cost of all food inventory and related supplies, including donut mix and bags. Our affiliate orders from the same vendors and pays the same prices as franchisees, except that for some events it used supplies from the DonutNV retail store in Pottstown, Pennsylvania. For those events, we estimated the cost of those supplies as if the trailer business had purchased them according to the normal procedure.
6. "Adjusted Net Profit" is Gross Sales less the Select Expenses. It also does not include interest, taxes, depreciation, or amortization.
7. "Franchise Fees" are the Royalty Fee, Brand Fund Contribution, and Technology

Fee that the business would have paid if it had signed the form of franchise agreement attached to this disclosure document and was in its first year of operation (reflecting a Royalty Fee of \$150 per week).

8. "Adjusted Net Profit after Franchise Fees" is Adjusted Net Profit minus Total Franchise Fees.

“ Franchisor's Notes to Table 3:

DonutNV FDD 2024

1. In 2023, there were 16 DonutNV trailers operated by franchisees. One franchisee temporarily closed their trailer during 2023 and therefore was not included in Table 3.

“ 2. "Sales" means total of all sales in a period as reported to us by the franchisees.

“ Some outlets have sold and earned these amounts. Your individual results may differ. There is no assurance that you'll sell or earn as much.

Written substantiation of the information contained in this Item 19 will be made available to prospective franchisees upon reasonable request

Do You Believe the DonutNV Earnings Claims are Accurate & Honestly Presented?

Are you familiar with the DonutNV franchise opportunity? With Alex & Amanda Gingold?

Are you familiar with Franchise Fastlane? With Jake Hamburger? Jennifer Cain? With Mike Flowers?

Which franchise consultant / broker introduced you to this exciting opportunity?

Please leave a comment below or email us, in confidence, at
UnhappyFranchisee[at]Gmail[dot]com.

Franchisors: The franchisor, its employees and agents are invited to submit correction, clarifications, rebuttals or other opinions for immediate consideration.

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Tags: DonutNV, DonutNV FDD, DonutNV Franchise Disclosure Document, DonutNV profitability? DonutNV franchise earnings, donutNV franchise opportunity, Franchise Fastlane, Alex Gingold, Amanda Gingold, Jake Hamburger, Jennifer Cain, Mike Flowers, Franchise Sidekick, Franchoice, IFPG, Kim Daly, Justin D. Csik, Klehr Harrison Harvey Branzburg LLP

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