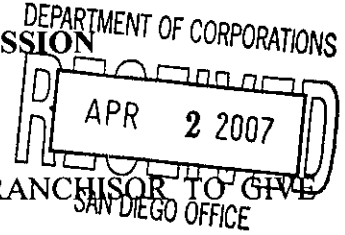


HAPPY & HEALTHY PRODUCTS, INC.

CALIFORNIA

**INFORMATION FOR PROSPECTIVE FRANCHISEES
REQUIRED BY THE FEDERAL TRADE COMMISSION**

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TO PROTECT YOU, WE'VE REQUIRED YOUR FRANCHISOR TO GIVE
YOU THIS INFORMATION. WE HAVE NOT CHECKED IT, AND DO NOT KNOW IF IT
IS CORRECT. IT SHOULD HELP YOU MAKE UP YOUR MIND. STUDY IT
CAREFULLY. WHILE IT INCLUDES SOME INFORMATION ABOUT YOUR
CONTRACT, DO NOT RELY ON IT ALONE TO UNDERSTAND YOUR CONTRACT.
READ ALL OF YOUR CONTRACT CAREFULLY. BUYING A FRANCHISE IS A
COMPLICATED INVESTMENT. TAKE YOUR TIME TO DECIDE. IF POSSIBLE, SHOW
YOUR CONTRACT AND THIS INFORMATION TO AN ADVISOR, LIKE A LAWYER OR
AN ACCOUNTANT. IF YOU FIND ANYTHING IMPORTANT THAT HAS BEEN LEFT
OUT, YOU SHOULD LET US KNOW ABOUT IT. IT MAY BE AGAINST THE LAW.

THERE MAY ALSO BE LAWS ON FRANCHISING IN YOUR STATE. ASK
YOUR STATE AGENCIES ABOUT THEM.

FEDERAL TRADE COMMISSION

WASHINGTON, D.C., 20508

FRANCHISE OFFERING CIRCULAR



Happy & Healthy Products, Inc.
A Florida Corporation
1600 South Dixie Highway
Suite 200
Boca Raton, Florida 33432
(561) 367-0739

The Company offers four franchise packages for the distribution and sale of FRUITFULL[®] frozen fruit bars, confection bars, confection items, frozen desserts and other H & H Products through dedicated freezers placed in retail outlets, through a retailer's own freezers and via freezers mounted in cart kits. A Retail Franchise involves purchase of at least one freezer, one cart kit and one pallet of frozen H & H Products. A Standard Wholesale Franchise involves purchase of at least 10 freezers and 2 pallets of frozen H & H Products. A Grand Wholesale Franchise involves purchase of at least 20 freezers and 2 pallets of frozen H & H Products. A Super Grand Wholesale Franchise involves purchase of at least 30 freezers and 3 pallets of frozen H & H Products.

The initial franchise fee is \$21,000 for a Retail Franchise, Standard Wholesale Franchise, Grand Wholesale Franchise and Super Grand Wholesale Franchise. The estimated initial investment required ranges from \$29,606 to \$31,406 for a Retail Franchise, \$41,469 to \$45,669 for a Standard Wholesale Franchise, \$51,719 to \$56,419 for a Grand Wholesale Franchise and \$62,029 to \$67,229 for a Super Grand Wholesale Franchise.

Risk Factors:

1. THE FRANCHISE AGREEMENT PERMITS YOU TO ARBITRATE WITH THE COMPANY ONLY IN FLORIDA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH THE COMPANY IN FLORIDA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information comparing franchisors is available. Call the state administrators listed on Exhibit A or your public library for sources of information.

Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this Offering Circular. If you learn that anything in this Offering Circular is untrue, contact the Federal Trade Commission or the appropriate state authorities listed on Exhibit A.

Effective Date: _____.