

Which brands' auditors raised going-concern doubts? Please limit the response to fdds from 2025 and 2026. Write the...

QUESTION

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Answered September 28, 2026 · 14 source FDDs cited

Going-concern audit findings across 2025-2026 FDDs — credit risk screening

Basis: Across all FDDs issued in 2025-2026, 80 filings carried a "going concern" audit opinion; consolidating to the newest FDD per brand, that resolves to **68 distinct franchisor brands** [corpus: n=68 of 2,995 FDDs issued 2025-2026 with a disclosed audit opinion]. This is a meaningful share of the population and should be treated as a starting screen, not a final verdict — going-concern language reflects the auditor's assessment of the *franchisor entity's* liquidity/capital position, not necessarily unit-level economics, but it is highly material to any credit decision involving that franchisor (development guarantees, landlord improvements tied to corporate health, rebate/royalty stream stability, etc.).

Highest-exposure names — established networks with meaningful unit counts, still going-concern flagged (the ones a bank should scrutinize hardest, since scale does not appear to have resolved the auditor's doubt):

- Edible Arrangements — 599 outlets, auditor CBIZ CPAs P.C. [[Edible Arrangements, 2026](#), Item 20/Financials]
- Snap Fitness — 468 outlets, parent Lift Brands, Inc. [[Snap Fitness, 2026](#)]
- Fantastic Sams — 484 outlets, auditor Malesys & Trost CPA PLLC [[Fantastic Sams, 2026](#)]
- United Country Real Estate — 378 outlets, auditor Forvis Mazars LLP [[United Country Real Estate, 2026](#)]
- ProSource Wholesale — 151 outlets, auditor Armanino LLP, parent CCA Global Partners [[ProSource Wholesale, 2026](#)]
- GradePower Learning — 153 outlets, auditor KPMG LLP, parent Oxford Learning Centres [[GradePower Learning, 2026](#) [\[buy\]](#)]

- Oasis Senior Advisors — 141 outlets, auditor Forvis Mazars LLP [[Oasis Senior Advisors, 2025](#)]
- Duck Donuts — 146 outlets, auditor Martin M. Sacks & Associates [[Duck Donuts, 2026 \[buy\]](#)]
- Network In Action — 111 outlets, auditor PWR CPA LLP [[Network In Action, 2026](#)]
- International Food Creations — 106 outlets, auditor Windes [[International Food Creations, 2026 \[buy\]](#)]
- GoliathTech — 108 outlets, auditor Raymond Chabot Grant Thornton LLP [[GoliathTech, 2026 \[buy\]](#)]
- iFoam — 96 outlets, auditor Forvis Mazars LLP [[iFoam, 2026 \[buy\]](#)]
- Perspire Sauna Studio — 95 outlets, auditor Windes [[Perspire Sauna Studio, 2026 \[buy\]](#)]
- Dekalash — 124 outlets, auditor MG CPA [[Dekalash, 2025](#)]

Mid-size, still notable (20-70 units):

New Creations (64 outlets, Sabey CPA) [2025]; Just Love Coffee & Café (53 outlets) [2025]; iCode (51 outlets, Alexander & Williams PLLC) [2025]; Young Rembrandts (47 outlets) [2025]; Bad Ass Coffee of Hawaii (43 outlets) [2026]; JETSET Pilates (40 outlets, McKenzie Forensic Group) [2026]; Verlo Mattress (36 outlets, CliftonLarsonAllen LLP) [2026]; CoCo/Doka (36 outlets) [2026]; Perfect Skating (27 outlets, BDO Canada LLP) [2025]; Border Magic (26 outlets) [2026]; Dill Dinkers (23 outlets) [2025]; Neighborhood Barre (22 outlets, Muhammad Zubairy CPA) [2025]; Twinkle Toes Nanny Agency (20 outlets) [2025]; The Covery (18 outlets) [2025]; OHM Fitness (17 outlets, Assurance Dimensions LLC) [2025]; Bin Blasters (16 outlets, Naper CPA Group) [2026]; ValorBuilt Fence (16 outlets, Artesian CPA) [2026]; Sea Love (15 outlets, Naper CPA Group) [2026].

Small/early-stage brands (single-digit to low-teens units) — going-concern here is common for young franchisors, but they carry the added risk of unproven unit economics on top of corporate solvency doubts:

La Cabra (12), Conquer Ninja (12), German Doner Kebab (9), Zen Massage (9), Waterloo Turf (5), Old Ferry Donut (5), Sparkle (5), Dos Toros Taqueria (5), Molly Tea (4), Chopt (4), Decimal (4), Kyochon (3), Konala (3), LARKS (3), Structural Elements (3), Cupcake Heaven (3), Gordo's Bubble Waffles (2), Radiant Results (2), Spiked Rich (2), Little Kitchen Academy (2), Owl Be There (6), Harlem Shake (2), Taffer's Tavern (1), JunkStart (1), Mobius (1), Maple Bear (1), Forever Friends (1), Pastanito (1), ReCoat Revolution (1), The Flying Pickle (1), Hechalou Tea (1), Ganso Aburado (0 open units), Boat Sitters (0), D Spot Dessert Café (0), TruGolf Links (0).

Lending implications:

1. Nearly a third of this list are large or established regional/national chains (100+ units) — Edible Arrangements, Snap Fitness, Fantastic Sams, United Country Real Estate, ProSource Wholesale, GradePower Learning, Oasis Senior Advisors, Duck Donuts among them — where scale has not offset the auditor's substantial-doubt conclusion at the franchisor entity level. Any facility tied to franchisee performance guarantees, franchisor rebate flow-through, or franchisor-backed development funds in these systems warrants direct review of the going-concern note (liquidity plan, related-party support, covenant waivers) before underwriting.

2. Roughly half the list are very small or pre-scale brands (fewer than 10 open units, several with zero units reported), consistent with early-stage capital strain rather than a mature-system failure — still a red flag for any loan tied to franchisee build-out, but a different risk profile than the established names above.

3. A number of entries have an auditor name the FDD text did not clearly disclose (marked "not stated"/"unknown" in several filings, e.g. Boat Sitters, Forever Friends, Harlem Shake, Owl Be There, Border Magic, Old Ferry Donut) — for those, the underlying audit report itself should be pulled directly rather than relying on the FDD summary field.

Recommend obtaining the full audited financial statements (Item 21 exhibits) for any of the above brands before extending credit tied to franchisee or franchisor performance, since the going-concern paragraph by itself does not disclose the specific conditions (e.g., liquidity shortfall, covenant breach, litigation) driving the opinion — that detail sits in the notes to the financial statements, not in this summary field.

SOURCES

1. [Edible Arrangements — 2026 Franchise Disclosure Document](#)
2. [Snap Fitness — 2026 Franchise Disclosure Document](#)
3. [Fantastic Sams — 2026 Franchise Disclosure Document](#)
4. [United Country Real Estate — 2026 Franchise Disclosure Document](#)
5. [ProSource Wholesale — 2026 Franchise Disclosure Document](#)
6. [GradePower Learning — 2026 Franchise Disclosure Document](#) · [buy the full FDD](#)
7. [Oasis Senior Advisors — 2025 Franchise Disclosure Document](#)

8. [Duck Donuts — 2026 Franchise Disclosure Document](#) · [buy the full FDD](#)
9. [Network In Action — 2026 Franchise Disclosure Document](#)
10. [International Food Creations — 2026 Franchise Disclosure Document](#) · [buy the full FDD](#)
11. [GoliathTech — 2026 Franchise Disclosure Document](#) · [buy the full FDD](#)
12. [iFoam — 2026 Franchise Disclosure Document](#) · [buy the full FDD](#)
13. [Perspire Sauna Studio — 2026 Franchise Disclosure Document](#) · [buy the full FDD](#)
14. [Deka Lash — 2025 Franchise Disclosure Document](#)

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