

MAY 08 2019

FRANCHISE DISCLOSURE DOCUMENT

1-800-PLUMBER®

THE NUMBER YOU CAN TRUST™Department of
Business Oversight

1-800-Services, LLC

3905 Halik Street

Pearland, Texas 77581

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www.1800plumber.comwww.1800plumberfranchising.com

1-800-Services, LLC is offering franchises for the establishment of businesses specializing in providing plumbing products and services, and heating, ventilation, and air conditioning (HVAC) products and services to residential and commercial customers under the name and mark 1-800-Plumber.

The total investment necessary to begin operation of a 1-800-Plumber franchise ranges from \$75,410 to \$242,475. This includes between \$22,500 to \$56,250 that must be paid to the franchisor or affiliate.

This Disclosure Document summarizes certain provisions of your franchise 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 franchise or any affiliate in connection with the proposed franchise sale. **Note, however, that no governmental 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 our franchise administration department at 3905 Halik St., Pearland, Texas 77581 and 281-412-4284.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to adviser, like a lawyer or an 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. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 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.

Date of Issuance: April 30, 2019**FOR USE IN: AL, AK, AZ, AR, CA, CO, CT, DE, DC, GA, FL, ID, IA, KS, KY, LA, ME, MA, MS, MO, MT, NE, NV, NH, NJ, NM, NC, OH, OK, OR, PA, SC, TN, TX, VT, WV, WY, and U.S. TERRITORIES.****NOT FOR USE IN: HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, UT, VA, WA, and WI.**

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Attachment I for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN TEXAS. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN TEXAS THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT TEXAS 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. OUR FINANCIAL CONDITION, AS REFLECTED IN OUR FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION OUR FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.

4. YOU WILL BE REQUIRED TO MAINTAIN MINIMUM MONTHLY GROSS REVENUES FOR YOUR 1-800-PLUMBER BUSINESS. IF YOU FAIL TO ACHIEVE THE MINIMUM MONTHLY GROSS REVENUES IN ANY CALENDAR MONTH, YOU MUST PAY US A ROYALTY FEE AND BRAND DEVELOPMENT FEE AND CALCULATE THE REQUIRED MINIMUM LOCAL AD EXPENDITURE BASED ON THE MINIMUM MONTHLY GROSS REVENUES INSTEAD OF YOUR ACTUAL GROSS REVENUES. FURTHER, IF YOUR TOTAL GROSS REVENUES OF ANY 12-MONTH PERIOD DOES NOT EQUAL OR EXCEED THE TOTAL OF THE MINIMUM MONTHLY GROSS REVENUES FOR THE SAME 12-MONTH PERIOD, WE WILL HAVE THE RIGHT TO TERMINATE YOUR FRANCHISE AGREEMENT.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

The Effective Date of this Disclosure Document for the State of California is _____

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- E Operations Manual Table of Contents
- F List of Franchisees
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