

FRANCHISE DISCLOSURE DOCUMENT

1 800 WATER DAMAGE International, LLC
A Delaware Limited Liability Company
731 Fairfield Court
Ann Arbor, Michigan 48108
1-734-864-9799



You will operate a business offering water damage restoration services, carpet cleaning services, mold remediation, odor removal and related cleaning and remediation products and services utilizing the 1-800 Water Damage business system.

The total investment necessary to begin operation of a Water Damage business in a single territory is \$79,000.00. This includes \$79,000.00 that must be paid to us or our affiliates.

This disclosure document summarizes certain provisions of your operator 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 franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 Andrew Mengason, Chief Operating Officer, at 731 Fairfield Court, Ann Arbor, MI 48108, 734-864-9799.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of the contract carefully. Show your contract and this disclosure document to an advisor, 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.

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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 in 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 Exhibit C 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. AT OUR OPTION, THE OPERATOR AGREEMENT REQUIRES YOU TO FIRST RESOLVE ALL DISPUTES WITH US BY MEDIATION ONLY IN ANN ARBOR, MICHIGAN. OUT OF STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN MICHIGAN THAN IN YOUR OWN STATE.
2. ANY DISPUTES WITH US THAT ARE NOT SUBJECT TO MEDIATION MUST BE RESOLVED BY LITIGATION IN MICHIGAN. IT MAY COST YOU MORE TO LITIGATE WITH US IN MICHIGAN THAN IN YOUR OWN STATE.
3. THE OPERATOR AGREEMENT STATES THAT MICHIGAN 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.
4. THE OPERATOR AGREEMENT REQUIRES YOU TO ATTAIN, THEN MAINTAIN, CERTAIN MINIMUM ANNUAL GROSS SALES. IF YOU FAIL TO DO SO, WE MAY TERMINATE THE OPERATOR AGREEMENT, OR ESTABLISH ANOTHER FRANCHISEE, OPERATOR OR COMPANY OWNED BUSINESS IN THE TERRITORY.
5. YOUR SPOUSE AND IMMEDIATE FAMILY MEMBERS MUST SIGN A CONFIDENTIALITY AND NON-COMPETITION AGREEMENT.
6. 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.

STATE ISSUANCE/EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This Franchise Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California: pending

Florida: pending

Hawaii: pending

Illinois: pending

Indiana: pending

Maryland: pending

Michigan: pending

Minnesota: pending

New York: pending

North Dakota: pending

Rhode Island: pending

South Dakota: pending

Utah: pending

Virginia: pending

Washington: pending

Wisconsin: pending

In all other states, the effective date of this Franchise Disclosure Document is the Issue Date of October 15, 2015.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/1-800-water-damage>