

FRANCHISE DISCLOSURE DOCUMENT 911 RESTORATION FRANCHISE INC.

A California corporation
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911 Restoration Franchise Inc., a California corporation, offers franchises for 911 Restoration emergency response service businesses which provide emergency clean-up from fire damage, water damage, mold damage and mold inspections, carpet cleaning, duct cleaning and crawl space cleaning. We offer the rights for 3 different franchises in this Disclosure Document:

<u>Traditional Franchise Program</u>. Under the Traditional Franchise Program, you will sign a Franchise Agreement to operate a new 911 Restoration business in a geographic territory with a population of approximately 250,000 to 350,000 people. The total investment necessary to begin operation of a Traditional Franchise is \$79,600 to \$226,900. This includes \$60,000 to \$75,000 that must be paid to the franchisor.

<u>Conversion Franchise Program</u>. Under the Conversion Franchise Program, you will sign a Franchise Agreement to obtain the right to convert an existing emergency response service business or a related business to a 911 Restoration business in a geographic territory with a population of approximately 250,000 to 350,000 people. The total investment necessary to begin operation of a conversion franchise is \$79,600 to \$226,900. This includes \$60,000 to \$75,000 that must be paid to the franchisor.

Micro-Market Franchise Program. Under the Micro-Market Franchise Program, you will sign a Franchise Agreement to operate a new 911 Restoration business in a geographic territory with a population of approximately 100,000 to 249,999 people. The total investment necessary to begin operation of a Micro-Market Franchise is \$70,100 to \$207,400. This includes \$38,000 to \$53,000 that must be paid to the franchisor.

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 the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor 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 Idan Shpizear in our Franchise Department at 7721 Densmore Avenue, Van Nuys, California 91406; telephone: (818) 373-4880 Ext. 6226; idan@911restoration.com.

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 your 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, DC 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.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS APRIL 19, 2017



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 <u>Exhibit A</u> 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 OR LITIGATION IN CALIFORNIA. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE OR LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA 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. SPOUSE(S) OF FRANCHISE OWNERS MUST EXECUTE A PERSONAL GUARANTY MAKING SUCH SPOUSE(S) JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT SUCH SPOUSE(S) ARE INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNER(S) AND SPOUSE(S) AT RISK.
- 4. YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. IF YOU FAIL TO DO SO, THE FRANCHISOR COULD TERMINATE YOUR AGREEMENT AND YOU COULD LOSE YOUR INVESTMENT.
- THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may 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.

See the Next Page for State Effective Dates

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: https://franchisepanda.com/franchises/911-restoration