

FRANCHISE DISCLOSURE DOCUMENT

AMERICAN LEAK DETECTION, INC.,
A California Corporation
888 E. Research Drive, Suite 100
Palm Springs, California 92262
(760) 320-9991
www.americanleakdetection.com

The franchisee will operate an American Leak Detection business, a business which offers leak detection services, together with related repair and other services under the name “American Leak Detection.”

The initial investment of an American Leak Detection franchise is from \$29,500 to \$120,000. The total investment necessary to begin operation of an American Leak Detection franchise is from \$76,755 to \$259,550. This includes \$58,000 to \$178,000 that must be paid to the franchisor and affiliate.

This Disclosure Document summarizes certain provisions of your franchise license agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least fourteen (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 Judy Howard Sofia Mimendi at 888 Research Drive, Suite 100, Palm Springs, California 92262 or 760-320-9991.

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 an advisor, like a lawyer or 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, N.W., 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.

Issuance Date: March 31, ~~2014~~2015

American Leak Detection – 2014 Franchise Disclosure Document

~~2015~~ Disclosure Document ~~Redline-New 2015~~ Disclosure Document ~~Redline-New 2014~~ Disclosure Document

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 B for information about the franchisor, or about franchising in your state.

MANY FRANCHISE LICENSE 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 LICENSE AGREEMENT PROVIDES FOR BINDING ARBITRATION. THE ARBITRATION WILL BE CONDUCTED AT THE OFFICE OF THE ARBITRATING ORGANIZATION THAT IS CLOSEST TO CLAIMANT. IN CERTAIN LIMITED CIRCUMSTANCES, THE PARTIES MAY LITIGATE DISPUTES. THE FRANCHISE LICENSE AGREEMENT PERMITS THE PLAINTIFF TO BRING SUIT IN ITS HOME JURISDICTION. IF WE ARE THE CLAIMANT OR PLAINTIFF, YOU MAY BE REQUIRED TO ARBITRATE OR LITIGATE OUTSIDE OF YOUR HOME STATE. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US, IF WE ARE THE CLAIMANT OR PLAINTIFF, THAN IN YOUR HOME STATE.
2. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

The effective dates of this Disclosure Document in the states with franchise registration laws are listed below:

California	Effective: April 20, 2014
Hawaii	Effective:
Illinois	Effective: March 31, 2014
Indiana	Effective: April 1, 2014
Maryland	Effective: June 12, 2014
Michigan	Effective: February 3, 2014 <u>February 3, 2015</u>
Minnesota	Effective: April 1, 2014
New York	Effective: April 22, 2014
North Dakota	Effective: April 10, 2014
Rhode Island	Effective: March 31, 2014
South Dakota	Effective: April 30, 2014
Utah	Effective: March 31, 2014
Virginia	Effective: April 7, 2014
Washington	Effective: April 16, 2014
Wisconsin	Effective: March 28, 2014

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