

FRANCHISE DISCLOSURE DOCUMENT

AmeriCop Franchising, Inc.

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The franchise is for a business that provides to private and public sector businesses, institutions and organizations off-duty police and law enforcement officers for standard, everyday, special event and emergency security services.

The total investment necessary to begin operation of an AmeriCop franchise ranges from \$44,000 to \$58,750. This includes the minimum initial franchise fee of \$30,000 that must be paid to us. (See Items 5 and 7.)

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 franchisor or an 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 Brett Rowley at 1908 Avenue D, A100, Katy, Texas 77493 or (281) 346-2188 or srowley@americop.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 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.

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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 G 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 MEDIATION ONLY AT THE AAA OFFICE NEAREST OUR PRINCIPAL PLACE OF BUSINESS IN KATY, TEXAS AND SUE US ONLY IN THE STATE OR FEDERAL JUDICIAL DISTRICT IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED. OUT OF STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND LITIGATE 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. WE ARE A DEVELOPMENT STAGE COMPANY FORMED ON SEPTEMBER 26, 2012. OUR DECEMBER 31, ~~2013~~2014 AUDITED FINANCIAL STATEMENTS SHOW THAT WE HAD AN ACCUMULATED LOSS FROM OPERATIONS AND RETAINED EARNINGS DEFICIT OF \$309,586,394,501.
4. THE FRANCHISOR HAS PERFORMANCE STANDARDS THAT YOU MUST MAINTAIN. FAILURE TO ACHIEVE THESE PERFORMANCE STANDARDS TWICE DURING THE TERM OF THE FRANCHISE AGREEMENT MAY LEAD TO THE TERMINATION OF THE FRANCHISE AGREEMENT. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

5. THE FRANCHISEE'S SPOUSE AND THE SPOUSES OF FRANCHISEES' OWNERS MUST SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE(S) JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, WHETHER OR NOT SUCH SPOUSE(S) IS/ARE INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISEE, ITS OWNERS, AND SPOUSE(S) AT RISK.
6. WE BILL YOUR CLIENTS FOR YOUR SERVICES AND COLLECT ALL PAYMENTS FROM THEM. AFTER WE DEDUCT OUR FEES, WE WILL PAY YOU YOUR SHARE ON A MONTHLY BASIS, WHICH MAY HAVE A NEGATIVE EFFECT ON YOUR CASH FLOW.
7. IF YOU FAIL TO MEET THE MINIMUM BILLABLE HOURS QUOTA, WE HAVE THE RIGHT TO REDUCE THE SIZE OF YOUR TERRITORY OR TERMINATE YOUR FRANCHISE AGREEMENT, AND YOU WILL LOSE YOUR INITIAL INVESTMENT.
8. 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.

See the following state effective date summary 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/amicop>