

# Department of Business Oversight

### FRANCHISE DISCLOSURE DOCUMENT



THE BROTHERS FRANCHISING, CORP.
A New York Corporation
2419 Route 82, LaGrangeville, NY 12540
Tel: (844) 464-3672
franchiseinfo@brothersgutters.com
www.brothersgutters.com

The franchise that we offer is for a The Brothers that just do Gutters business that provides gutter cleaning, maintenance, installation, replacement and repair services and products under the The Brothers that just do Gutters name and marks (each, a "<u>Franchised Business</u>" or "<u>The Brothers that just do Gutters Business</u>").

The total investment necessary to begin operation of a The Brothers that just do Gutters Franchise ranges from \$100,250 to \$166,000. This includes \$40,000 to \$60,000 that must be paid to the Franchisor or Franchisor's affiliate for the initial franchise fee.

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 government agency has verified the information contained in this document.

You may wish to receive your disclosure document in another form that is more convenient for you. To discuss the availability of disclosures in different forms, contact Ken Parsons, The Brothers Franchising, Corp., 2419 Route 82, LaGrangeville, NY 12540.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire 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 <a href="https://www.ftc.gov">www.ftc.gov</a> 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 administration 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> to this Franchise Disclosure Document for information about the franchisor, about other franchisors, 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 EXCLUSIVELY IN FEDERAL AND STATE COURTS OF NEW YORK AND IRRECOVABLY SUBMIT TO THE JURISDICTION OF ANY SUCH COURT, AND TO WAIVE ANY OBJECTION TO THESE JURISDICTION AND VENUE REQUIREMENTS.
- 2. THE FRANCHISE AGREEMENT STATES THAT NEW YORK LAW GOVERNS EACH AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU SHOULD COMPARE THESE LAWS.
- 3. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM 109,300 to \$166,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2017 WHICH IS \$65,829.
- 4. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSES' MARITAL AND PERSONAL ASSETS (PERHAPS INCLUDING YOUR HOUSE)) AT RISK IF YOUR FRANCHISE FAILS.
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.



## State 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.

The 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:

#### **Effective Dates**

California

Connecticut

Florida

Hawaii

Illinois

Indiana

Kentucky

Maine

Maryland.

Michigan

Minnesota

Nebraska

New York

North Carolina

North Dakota

Rhode Island

South Carolina

South Dakota

Texas----

Utah

Virginia

Washington

Wisconsin

In all other states the effective date of this Franchise Disclosure Document is the issuance date of: February 12, 2018

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