



FRANCHISE DISCLOSURE DOCUMENT

STOP Franchising, Inc. An Indiana Corporation 101 West Kirkwood Avenue, Ste 211 Bloomington, Indiana 47404 800-452-8326 www.stoprestoration.com brian@stoprestoration.com

You (the franchisee) will operate a business that provides residential and commercial restoration of buildings and contents (including cleaning, deodorizing and/or reconstruction) due to fire, smoke, water, mold, normal wear and/or other causes of damage. We will train you in all aspects of managing a Service Team of Professionals ("STOP") franchise and you do not need prior experience to qualify.

The total investment necessary to begin operation of a Team Of Professionals franchise business ranges from \$48,000 to (for an existing cleaning company not requiring a work vehicle, additional equipment nor certain training that we require each franchisee to have) or from \$78,600 to a high investment range of \$138,500 for both start-up and existing companies. These amounts include approximately \$73,000 that must be paid to us. We do not offer financing for your initial fee. We can refer you to some companies that specialize in franchise and small business financing.

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, parent or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

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 "<u>A Consumer's Guide to Buying a Franchise</u>," 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 <u>www.ftc.gov</u> 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 3/31/19



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 A 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 ONLY IN MISSOURI. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN MISSOURI THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT MISSOURI 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.
- 4. YOU MUST PURCHASE ALL OR NEARLY ALL INVENTORY & SUPPLIES NECESSARY TO OPERATE YOUR BUSINESS FROM FRANCHISOR, ITS' AFFILIATES, OR FROM SUPPLIERS THAT FRANCHISOR DESIGNATES AT PRICES THAT MAY BE HIGHER THAN YOU COULD OBTAIN ELSWHERE FROM SAME OR SIMILAR GOODS. THIS MAY REDUCE THE ANTICIPATED PROFIT OF YOUR FRANCHISED BUSINESS.
- 5. YOU MUST MAKE MINIMUM ROYALTY PAYMENTS AND ADVERTISING CONTRIBUTIONS REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THESE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
- 6. 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 SPOUSE'S MARITAL AND PERSONAL ASSETS (PERHAPS INCLUDING YOUR HOUSE) AT RISK IF YOUR FRANCHISE FAILS.

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.

Effective Date: _____



Blythe Paperless pc pa Certified Public Accountant 200 NE Missouri Road, Suite 200 Lee's Summit, Missouri 64086

We agree to the inclusion in the offering circular of STOP Franchising, Inc. of our report, dated March 31, 2019, on our audit of the financial statements of STOP Franchising, Inc. for the periods ended December 31, 2018 and 2017.

Don Blythe

Don Blythe Blythe Paperless Certified Public Accountant

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