

FRANCHISE DISCLOSURE DOCUMENT



FIRE STOP AMERICA®
LEADERS IN
FIRE STOP TECHNOLOGIES

BURMAN ENTERPRISES, LLC
6280 Knox Industrial Drive
St. Louis, MO 63139
Phone: 314-644-5323
Fax: 314-644-5320
Website: www.firestopamerica.com

As a franchisee, you will operate a FIRE STOP AMERICA® business as a specialty contractor that performs fire stopping of penetrations and construction joints at fire rated assemblies. A fire stop is a passive fire protection system of various components used to seal openings in fire rated wall and/or floor assemblies based on fire industry standards.

The total investment necessary to begin operation of a regular FIRE STOP AMERICA® franchised business is from \$192,000 to \$272,000 for each unit purchased. This includes \$45,000 that must be paid to the franchisor. If you are a franchisee in good standing and buy a second or additional franchise, the initial franchise fee currently is \$43,000 for the second and \$41,000 for each additional franchise area.

The total investment necessary to begin operation of a Conversion FIRE STOP AMERICA® franchised business is \$ 118,000 to \$181,000 which includes a \$40,000 initial franchise fee that must be paid to the franchisor. If you are a franchisee in good standing and buy a second or additional franchise for conversion franchises, the initial franchise fee currently is \$40,000 for the second and \$40,000 for each additional unit.

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 format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department at 6280 Knox Industrial Drive, St. Louis, MO 63139 phone: 314-644-5323, or email jbt@thornburg-stl.com.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. We advise that you show your contract and this disclosure document to an advisor, such as 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 on franchising. 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: April 1, 2013

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 PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THIS IS A DEVELOPMENT STAGE COMPANY WHICH ENTAILS ADDITIONAL RISK OF FINANCIAL LOSS. THE FRANCHISOR WAS FORMED IN MAY, 2008 AND HAS LITTLE OPERATING HISTORY OR RECORD OF PERFORMANCE. A PROSPECTIVE FRANCHISEE SHOULD TAKE THESE FACTORS INTO CONSIDERATION WHEN DECIDING WHETHER TO PURCHASE A FRANCHISE.
4. THERE MAY BE OTHER RISKS IN BUYING AND OWNING A FIRE STOP AMERICA® FRANCHISE.

State laws may supersede certain provisions of the Franchise Agreement. Certain states require the superseding provisions to appear in the State Addenda (Exhibit F) of the Disclosure Document and the Franchise Agreement. You may want to investigate whether you are protected by state law.

The effective dates of State registration of this Disclosure Document are listed below:

| State | Effective Date |
|--------------|-----------------------|
| California | April 22, 2012 |
| Hawaii | November 15, 2012 |
| Florida | June 18, 2012 |
| Illinois | Pending |
| Indiana | July 27, 2012 |
| Kentucky | August 9, 2012 |
| Maryland | Pending |
| Michigan | June 18, 2012 |
| Minnesota | January 9, 2013 |
| Nebraska | June 18, 2012 |
| New York | November 28, 2012 |
| North Dakota | December 31, 2012 |
| Rhode Island | August 6, 2012 |
| South Dakota | July 30, 2012 |
| Texas | June 15, 2012 |
| Utah | June 19, 2012 |
| Virginia | January 10, 2013 |
| Washington | January 4, 2013 |
| Wisconsin | August 1, 2012 |

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