

## FRANCHISE DISCLOSURE DOCUMENT



Ace Handyman Franchising, Inc. a Colorado corporation 12567 West Cedar Drive Lakewood, Colorado 80228 303-984-0177 or 1-866-808-8401 www.handymanmatters.com www.handymanmatters.com

Ace Handyman Franchising, Inc. ("we") offers the opportunity to connect your communities by operating a business providing small to medium sized residential and commercial repairs, maintenance and remodeling, including design and build projects (a "Handyman Matters Franchise") in an industry that desperately needs high level customer service, leveraging technology and fostering culture where the craftsman are treated with dignity and respect. This business operates during normal business hours using the trade name HANDYMAN MATTERS<sup>®</sup>, however in the future franchisees will offer their handyman services to the public under service marks established by Ace Hardware Corporation, our ultimate parent company.

The total investment necessary to begin operation of a Handyman Matters Franchise is estimated at \$91,777 to \$136,569. This includes \$56,497 to \$62,094 that must be paid to the franchisor or an affiliate. Larger territories can be acquired in Paks of three or five franchises with the additional territories being acquired for additional, discounted fees.

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 our corporate headquarters at 12567 West Cedar Drive, Lakewood, Colorado 80228 and (303) 984-0177.

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 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, D.C. 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 29, 2019, as amended September 25, 2019

For use in: AL, AK, AZ, AR, CA, CO, CT, DE, DC, GA, FL, HI, ID, IL, IA, IN, KS, KY, LA, ME, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WV, WA, WI, WY, and U.S. TERRITORIES (see following pages for varying effective dates in certain states.)

Not for use in: HI, MD, or ND



## **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 <u>Attachment K</u> 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 OR LITIGATION ONLY IN COLORADO. 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 IN COLORADO THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT COLORADO 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. FAILURE TO MAINTAIN MINIMUM ANNUAL GROSS REVENUES IS A DEFAULT UNDER THE FRANCHISE AGREEMENT AND GROUNDS FOR TERMINATION OF THE FRANCHISE.

4. YOUR OFFICERS, DIRECTORS, PARTNERS, SHAREHOLDERS, FRANCHISE MANAGERS OR OTHER AUTHORIZED REPRESENTATIVES, AS WELL MEMBERS OF YOUR OR THEIR IMMEDIATE FAMILIES, MAY BE REQUIRED TO SIGN OUR NONDISCLOSURE AND NONCOMPETITION AGREEMENT AND AGREE TO BE BOUND BY THE CONFIDENTIALITY PROVISIONS AND COVENANTS NOT TO COMPETE EVEN IF SUCH PERSONS ARE NOT INVOLVED IN THE OPERATION OF THE FRANCHISE.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE. (SEE THE STATE ADDENDUM TO DISCLOSURE DOCUMENT ATTACHED AS ATTACHMENT  $\underline{L}$ .)

NOTE: THE AGREEMENT PROVISIONS REFERRED TO IN THE RISK FACTORS MAY BE VOID UNDER SOME STATE FRANCHISE LAWS. <u>SEE</u> THE STATE ADDENDUM TO DISCLOSURE DOCUMENT, WHICH IS ATTACHED TO THIS DISCLOSURE DOCUMENT AS <u>ATTACHMENT L</u>.

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: See the next page for state effective dates.



The Effective Dates of this Disclosure Document for the following states are:

- CA: April 16, 2019, as amended \_\_\_\_\_
- HI: Not Effective
- IL: March 29, 2019, as amended \_\_\_\_\_
- IN: April 12, 2019, as amended September 25, 2019
- MD: Not Effective
- MN: April 10, 2019, as amended \_\_\_\_\_
- NY: April 10, 2019, as amended \_\_\_\_\_
- ND: Not Effective
- RI: April 1, 2019, as amended \_
- SD: March 29, 2019, as amended September 25, 2019
- VA: April 17, 2019, as amended \_\_\_\_\_\_
- WA: April 10, 2019, as amended \_\_\_\_\_\_
- WI: March 29, 2019, as amended \_\_\_\_\_\_

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