

JUN 25 2013

**FRANCHISE DISCLOSURE DOCUMENT**

**HOODZ International, LLC**  
**A Delaware Limited Liability Company**  
**731 Fairfield Court**  
**Ann Arbor, MI 48108**  
**888-HOODZ-USA**  
**info@HOODZ.com**  
**www.HOODZ.us.com**



The franchise owner will provide commercial premises cleaning businesses and particularly commercial kitchen equipment cleaning, utilizing the HOODZ business system, which is sometimes referred to below as the “Franchise”, Franchised Business” or “HOODZ Franchise ”

The total investment necessary to begin operation of a HOODZ franchise is from \$103,836 to \$169,005 This includes a minimum from \$61,300 and a maximum of \$81,300 that must be paid to the franchisor or affiliate

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 Ms Janet Hughes, Director of Legal Administration, at 731 Fairfield Court, Ann Arbor, MI 48108, 734-864-9774

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 the 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 April 1, 2013, as amended June 17, 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 C 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. **AT OUR OPTION, THE FRANCHISE AGREEMENT REQUIRES YOU TO FIRST RESOLVE ALL DISPUTES WITH US BY MEDIATION ONLY IN ANN ARBOR, MICHIGAN. OUT OF STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN MICHIGAN THAN IN YOUR OWN STATE.**
2. **ANY DISPUTES WITH US THAT ARE NOT SUBJECT TO MEDIATION MUST BE RESOLVED BY LITIGATION IN MICHIGAN. IT MAY COST YOU MORE TO LITIGATE WITH US IN MICHIGAN THAN IN YOUR OWN STATE.**
3. **THE FRANCHISE AGREEMENT STATES THAT MICHIGAN 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.**
4. **VENDORS OF PRODUCTS AND EQUIPMENT MAY CHOOSE NOT TO SELL OR LEASE RECOMMENDED OR REQUIRED EQUIPMENT, PRODUCTS OR SERVICES TO YOU, DEPENDING ON SUCH FACTORS AS YOUR CREDIT AND ARRANGEMENTS WITH OTHER SELLERS IN YOUR AREA.**
5. **THE FRANCHISE AGREEMENT REQUIRES YOU TO ATTAIN, THEN MAINTAIN, CERTAIN MINIMUM MONTHLY GROSS SALES. IF AFTER ONE YEAR OF OPERATION YOU DO NOT ACHIEVE THE REQUIRED MINIMUM GROSS SALES OF A PERIOD OF 2 OR MORE CONSECUTIVE MONTHS OR ANY THREE OUT OF SIX MONTHS, THE FRANCHISOR MAY COLLECT FROM YOU A ROYALTY EQUAL TO WHAT YOU WOULD HAVE BEEN ASSESSED HAD YOU ACHIEVED THE MINIMUM GROSS SALES. THE FRANCHISOR MAY ALSO ESTABLISH ANOTHER FRANCHISEE OR COMPANY STORE IN THE TERRITORY IF YOU DO NOT ACHIEVE THE REQUIRED MINIMUM GROSS SALES FOR A PERIOD OF 2 OR MORE CONSECUTIVE MONTHS OR ANY THREE OUT OF SIX MONTHS, AFTER 12 MONTHS IN OPERATION.**
6. **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.**

## STATE ISSUANCE/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

This 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

California April 26, 2013, as amended \_\_\_\_\_, 2013

Florida April 30, 2013

Hawaii pending

Illinois April 1, 2013 , as amended June 18, 2013

Indiana April 1, 2013

Maryland May 9, 2013, as amended \_\_\_\_\_, 2013

Michigan April 1, 2013

Minnesota April 2, 2013, as amended \_\_\_\_\_, 2013

New York April 9, 2013, as amended \_\_\_\_\_, 2013

North Dakota April 18, 2013, as amended \_\_\_\_\_, 2013

Rhode Island April 3, 2013, as amended \_\_\_\_\_, 2013

South Dakota March 29, 2013

Virginia April 10, 2013, as amended \_\_\_\_\_, 2013

Washington April 27, 2013, as amended \_\_\_\_\_, 2013

Wisconsin March 29, 2013, as amended \_\_\_\_\_, 2013

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