

MAR 27 2019

Department of
Business Oversight

Franchise Disclosure Document [FDD]



ENVIRONMENTAL LABORATORIES

IRIS Alliance, LLC

a New Jersey limited liability company

2333 Route 22 West

Union, New Jersey 07083

www.IrisLaboratories.com

Rodrigo@IrisLaboratories.com

Direct Line: (908) 206-0073

The franchise is a mobile business that offers mold and asbestos inspection, testing and clearance certification services for residential and commercial structures. This is a service-oriented business that performs different types of inspections onsite to identify the presence of mold or asbestos and also collect a variety of samples that are tested by our laboratory, all under the name "IRIS Environmental[®] Laboratories." The Initial Franchise Fee is \$15,000 with protected rights to operate in a specific area as defined by us. Additional franchises may be available for those franchisees who have bought at least one franchise, at a reduced fee of \$7,500 per Franchise. The total estimated initial investment necessary to begin operation of a IRIS Environmental[®] Laboratories franchise ranges from \$26,300 to \$57,510 which will depend on a number of factors which are further discussed in Item 7. These figures include the Initial Franchise Fee of \$15,000 (as discussed in Item 5) that must be paid to the Franchisor or its affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read the 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 any affiliate in connection with the proposed franchise sale. **Note, however, 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:

Rodrigo Eustaquio, President
IRIS Alliance, LLC
2333 Route 22 West
Union, New Jersey 07083
(908) 206-0073

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. 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

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 B 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 THE FRANCHISEE TO MEDIATE, ARBITRATE OR LITIGATE ONLY IN NEW JERSEY. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH IRIS ALLIANCE, LLC IN NEW JERSEY THAN IN YOUR HOME STATE.
- 2) THE FRANCHISE AGREEMENT STATES THAT NEW JERSEY LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAWS. YOU MAY WANT TO COMPARE THESE LAWS.
- 3) THE DISCLOSURE DOCUMENT IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT.
- 4) YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS OWNED BY US OR OUR AFFILIATES OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS AS FURTHER DESCRIBED UNDER ITEM 12 TITLED TERRITORY.
- 5) THE FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT WHICH ALSO PLACES THE SPOUSE'S PERSONAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
- 6) THIS NEW FRANCHISOR HAS BEEN IN BUSINESS FOR A SHORT PERIOD OF TIME THEREFORE, ITS FRANCHISEES ARE A HIGHER RISK INVESTMENT THAN FRANCHISORS WITH A LONGER OPERATING HISTORY.
- 7) THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE OPPORTUNITY.

Effective Date: see next page for state effective dates

IMPORTANT NOTE: Upon receipt of this Franchise Disclosure Document [FDD] and Franchise Agreement, you are required to sign and return the “Receipt Form” which is Exhibit J of the FDD and return it to IRIS Alliance, LLC by mail if this document has (i) been sent to you rather than personally delivered by a corporate representative or (ii) sent to you by email.

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