

#### FRANCHISE DISCLOSURE DOCUMENT

MAID RIGHT FRANCHISING, LLC (A Delaware limited liability company) 2520 Northwinds Parkway, Suite 375 Alpharetta, Georgia 30009 1-866-355-1064 or 1-678-336-1780 <u>www.maidright.com</u> scott.thompson@maidright.combrad.smith@maidright.com



A regional master franchisee will offer, sell and service unit franchises that will operate residential cleaning service businesses under the name "**maid right**".

The total investment necessary to begin operation of a maid right regional master franchise is  $\frac{208179,000}{100,000}$  to  $\frac{601597,000}{100,000}$ . This includes the initial franchise fee ranging from  $\frac{10075}{100,000}$  to  $\frac{400,000}{100,000}$  that must be paid to us.

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 Kathryn Rookes at 2520 Northwinds Parkway, Suite 375, Alpharetta, Georgia 30009, 1-866-355-1064 or 1-678-336-1780, kathryn.rookes@premiumfranchisebrands.com.fdd@maidright.com.

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 "<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 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.

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## **STATE COVER PAGE**

Your state may have a franchise law that requires us 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>Exhibit A</u>** for information about us 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 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 TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

- 1. THE FRANCHISE AGREEMENT REQUIRES THAT CERTAIN DISPUTES BE RESOLVED BY ARBITRATION IN THE COUNTY AND STATE OF OUR PRINCIPAL PLACE OF BUSINESS (CURRENTLY, FULTON COUNTY, GEORGIA). OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST MORE TO ARBITRATE IN GEORGIA THAN IN YOUR HOME STATE.
- 2. WE WERE FORMED IN JANUARY 2013. WE HAVE NEVER OPERATED A BUSINESS SIMILAR TO THE FRANCHISE AND HAVE NO EXPERIENCE OPERATING A FRANCHISE SYSTEM. THE ONLY FINANCIAL STATEMENT INCLUDED IN THIS DISCLOSURE DOCUMENT IS OUR UNAUDITED JANUARY 31, 2013 BALANCE SHEET THAT SHOWS WE HAD NO ASSETS AND NO-CONTRIBUTIONS FROM MEMBERS. WE HAD A DEFICIT IN EQUITY OF \$65,281 REPRESENTING OUR LOSS FROM OPERATIONS.
- 3. THE CLASSIFICATION OF UNIT FRANCHISEES AS INDEPENDENT CONTRACTORS AS OPPOSED TO EMPLOYEES IS IN A STATE OF UNCERTAINTY.
- 4. UNDER A REQUIREMENT BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS, WE WILL DEFER THE INITIAL FRANCHISE FEE THAT YOU MUST PAY TO US UNTIL YOU OPEN FOR BUSINESS. PLEASE SEE THE CALIFORNIA ADDENDA TO THE FRANCHISE AGREEMENT AND DISCLOSURE DOCUMENT FOR DETAILS.
- 5. MAID RIGHT FRANCHISING, LLC IS A START-UP COMPANY (JANUARY 2013) THAT HAS ONLY JUST BEGUN TO OFFER FRANCHISES. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER TO MAKE THIS INVESTMENT. WE HAVE LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND OUR PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND TO PAY OPERATING EXPENSES. WE HAVE NEVER OPERATED A BUSINESS SIMILAR TO THE FRANCHISE AND HAVE NO EXPERIENCE OPERATING A FRANCHISE SYSTEM.
- 3. THE AUDITED FINANCIAL STATEMENTS FOR MAID RIGHT FRANCHISING, LLC, AS OF MARCH 31, 2013, DISCLOSE THAT THERE IS NO CASH, WHICH IS NEEDED TO MEET SHORT TERM OBLIGATIONS. YOU MAY WANT TO CONDIDER THIS FACT BEFORE INVESTING IN THIS FRANCHISE OPPORTUNITY.

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# 4. THE CLASSIFICATION OF UNIT FRANCHISEES AS INDEPENDENT CONTRACTORS AS OPPOSED TO EMPLOYEES IS IN A STATE OF UNCERTAINTY.

## 5. IF YOU FAIL TO MEET THE PERFORMANCE STANDARD, WE MAY TERMINATE THE FRANCHISE AGREEMENT OR TERMINATE OR REDUCE YOUR PROTECTED RIGHTS IN THE TERRITORY.

### 6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Certain states require superseding provisions to appear in an addendum to this disclosure document (see Exhibit I).

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 below for state effective dates.

## STATE EFFECTIVE DATES

The following states require that this disclosure document be registered or filed with the state or be exempt from registration:

State	Effective Date
California	February 28, 2014Pending
Connecticut	Pending
Florida	March 1, <u>2014<del>2013</del></u>
Hawaii	January 28, 2014March 18, 2013
Illinois	August 13, 2013Pending
Indiana	March 12, <u>2014<del>2013</del></u>
Kentucky	Perpetual exemption effective March 15, 2013
Maryland	April <u>3, 2014</u> 24 <del>, 2013</del>
Michigan	March 1, <u>2014</u> 2013
Minnesota	May 6, 2013Pending
Nebraska	Perpetual exemption effective March 1, 2013
New York	July 19, 2013Pending
North Dakota	April 11, 2013
Rhode Island	<u>February 24, 2014March 13,</u> <del>2013</del>

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