

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 www.maidright.com scott.thompson@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 \$188,000 to \$351,000. This includes \$84,000 to \$154,000 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 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 Brittany McLennan at 2520 Northwinds Parkway, Suite 375, Alpharetta, Georgia 30009, 1-866-355-1064 or 1-678-336-1780, Brittany.McLennan@premiumfranchisebrands.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. 1. 1. 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. OUR SEPTEMBER 30. 2014 AUDITED FINANCIAL STATEMENTS SHOW THAT WE HAD A WORKING CAPITAL DEFICIENCY OF (\$114.835) AND A LOSS FROM OPERATIONS OF (\$200.997). THE INDEPENDENT AUDITORS REPORT CONTAINS AN EMPHASIS OF MATTER PARAGRAPH DISCLOSING THAT WE HAVE SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES AND ARE DEPENDENT UPON CERTAIN RELATED PARTIES TO HELP FUND OPERATING EXPENSES.
- **32.** WE WERE FORMED IN JANUARY 2013. MAID RIGHT FRANCHISING, LLC IS A START-UP COMPANY 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 CLASSIFICATION OF UNIT FRANCHISEES AS INDEPENDENT CONTRACTORS AS OPPOSED TO EMPLOYEES IS IN A STATE OF UNCERTAINTY.
- 4. IF YOU FAIL TO MEET THE PERFORMANCE STANDARD, WE MAY TERMINATE THE FRANCHISE AGREEMENT OR TERMINATE OR REDUCE YOUR PROTECTED RIGHTS IN THE TERRITORY.

5. 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.

Maid Right Master FDD-01312015-v2



You will have to comply with laws and regulations that are applicable to businesses generally (such as workers' compensation, OSHA, and Americans with Disabilities Act requirements). Federal, state and local governmental laws, ordinances and regulations periodically change. You are responsible for ascertaining and complying with all federal, state and local governmental requirements. We do not assume any responsibility for advising you on these regulatory matters. You should consult with your attorney about laws and regulations that may affect your Franchise.

General Market and Competition

The market for residential cleaning service franchises is well developed. You will compete with brokers, franchisors, sub-franchisors, independent businesses and other individuals, corporations or entities offering and selling franchises or other business opportunities in similar businesses with similar capital investment requirements. Unit Franchisees also must compete with national and local businesses offering the services that are the same as or similar to the Services. Regional master franchisees and unit franchisees will not have to compete against us, or our affiliates.

At the present time, a few states have attempted to re-classify unit franchisees to be the employees of the franchisor, and thereby hold the franchisor liable for unemployment insurance contributions and/or workers compensation premiums. You should be aware that your state and/or the federal government may decide to pursue this type of claim against your business.

ITEM 2 BUSINESS EXPERIENCE

Our Executives

Vice President: Danessa Itaya

Danessa has been our Vice President since February 2013. Danessa worked for Molly Maid from January 2003 to January 2013. During this time, Danessa was the Senior Director of Operations, Director of Training, and then Vice President of Operations. In addition, Danessa was the President and Co-Chair of the Ms. Molly Foundation from January 2009 to January 2013. Danessa held these positions in Ann Arbor, Michigan. Danessa is based in Alpharetta, Georgia.

Director of Training: T.J. Kissane

T.J. has been our Director of Training since August 2013. From August 2010 to August 2013, T.J. was a Senior Account Manager for our affiliate, JPE. From May 2009 to August 2010, T.J. was an Operations Manager for JPI's Regional Master Franchisee in Atlanta, based in Smyrna, Georgia. T.J. is based in Alpharetta, Georgia.

Executives of Premium Franchise Brands. LLC ("PFB")

President and Chief Executive Officer: Eddie CurryRichard Kissane

<u>EddieRich</u> has been <u>PFB'sthe</u> President and Chief Executive Officer of <u>PFB</u>-since <u>October 2015</u>. <u>Eddie</u> <u>was PFB's Vice President and Chief Financial Officer from</u> August 2005 <u>through September 2015</u>. He is based in Alpharetta, Georgia.

Vice President and Chief Financial Officer: Eddie Curry

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