

2016

FRANCHISE
DISCLOSURE DOCUMENT

FOR

mastercare[®]
Homecare & Healthcare



FRANCHISE DISCLOSURE DOCUMENT

MASTERCARE FRANCHISING, LLC

a Texas Limited Liability Company

1314 South King Street, Suite 410

Honolulu, Hawaii 96814

Phone: (855) 840-CARE

Fax: (800)-509-8633

Website: www.goMASTERCARE.com

Contact us at: info@gomastercare.com

MASTERCARE FRANCHISING, LLC (“Mastercare”) offers franchises to operate a business that provides non-medical home care and companionship services in the client’s home or residence. The franchise is not a home based business and must be operated from a commercial office location. This unique system of services has been designed by Mastercare under the trade name “Mastercare”.

The total investment necessary to begin operation of a Mastercare franchised business is \$87,480 to \$192,730. This includes \$37,000 that must be paid to the franchisor or its affiliate(s). We offer a \$10,000 discount or a Franchise Fee of \$27,000 per franchise if you purchase additional franchises. You must sign a separate Franchise Agreement for each Franchise you purchase.

We may also, at our discretion, offer franchises in isolated or less populated areas. The total investment necessary to begin operation of a Mastercare franchised business in isolated or less populated areas is \$88,300 to \$183,550. This includes \$28,000 that must be paid to the franchisor or its affiliate(s).

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 the 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 Anwar Kazi, at 1314 South King Street, Suite 410, Honolulu, Hawaii 96814; and (855) 840-CARE.

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.

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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 D 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 RISKS FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY FACE TO FACE MEDIATION, NON-BINDING MEDIATION, LITIGATION AND ARBITRATION ONLY IN HAWAII. OUT-OF-STATE FACE TO FACE MEDIATION, NON-BINDING MEDIATION, LITIGATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, LITIGATE OR ARBITRATE WITH US IN HAWAII THAN IN YOUR OWN STATE
2. THE FRANCHISE AGREEMENT STATES THAT HAWAII 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. YOU MUST COMPLY WITH MAXIMUM PRICES THE FRANCHISOR MAY SET FOR THE SERVICES YOU SELL WITH MULTI-AREA MARKETING AND SPECIAL PRICE PROMOTIONS. THIS REQUIREMENT MAY REDUCE YOUR ANTICIPATED REVENUE AND NET INCOME.
4. THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND THE FRANCHISOR'S PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.
5. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$88,300 TO \$192,550. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2015, WHICH IS \$5,237.

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