

## Franchise Disclosure Document [FDD]



### Fire • Water • Mold Masters of Disasters Restoring Your Dreams

MOD Franchising Corporation  
a Minnesota corporation  
18918 Helen Way  
Big Lake, Minnesota 55309  
[www.MastersofDisasters.guru](http://www.MastersofDisasters.guru)  
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Direct Line: (651) 302-7777

The franchise offered is for the operation of a disaster restoration business for both residential and commercial property owners. This is a service-oriented business that performs a variety of emergency services to dry, clean, decontaminate and provide remediation to save structures that have been damaged either by natural or man-made disasters, all under the name "Masters of Disasters." The Initial Franchise Fee is \$25,000 to either complement an existing business with a Masters of Disasters business ("Complementary Model") or to startup a new business ("Standard Model") with protected rights to operate in a specific area defined by us. Additional franchises may be available for those franchisees who have bought at least one franchise, at a reduced Initial Franchise Fee of \$12,500 per franchise. The total investment necessary to begin operation of a Masters of Disasters franchise ranges from \$48,200 to \$66,000 for a Complementary Model and from \$56,700 to \$114,250 for a Standard Model which will depend on a number of factors which are further discussed in Item 7. These figures include the Initial Franchise Fee of \$25,000 which is the same for either a Complementary Model or a Standard Model (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 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:

Scott Tetley, President  
MOD Franchising Corporation  
18918 Helen Way  
Big Lake, Minnesota 55309  
(651) 302-7777

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 contracts 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](http://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 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 OR ARBITRATE ONLY IN MINNESOTA. OUT OF STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH MOD FRANCHISING CORPORATION IN MINNESOTA THAN IN YOUR HOME STATE.
- 2) THE FRANCHISE AGREEMENT STATES THAT MINNESOTA 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) YOUR TERRITORY IS NOT AN EXCLUSIVE TERRITORY BUT A PROTECTED AREA 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) WE WERE FORMED ON JULY 13, 2016, AND HAVE A BRIEF OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
- 7) OUR TRADEMARKS ARE NOT FEDERALLY REGISTERED; THEREFORE THEY DO NOT HAVE AS MANY LEGAL BENEFITS AND RIGHTS AS FEDERALLY REGISTERED TRADEMARKS. IF OUR RIGHT TO USE AND LICENSE ANY OF OUR TRADEMARKS IS CHALLENGED, YOU MAY HAVE TO USE AN ALTERNATIVE TRADEMARK THAT IS LICENSED TO YOU BY US. THIS MAY INCREASE YOUR EXPENSES.

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