

## FRANCHISE DISCLOSURE DOCUMENT



THE MATTRESS VENTURE, LLC a Texas limited liability company 5815 Gulf Freeway Houston, Texas 77023 (713) 923-1090 www.mattressfirm.com

The franchise is to sell mattresses and other bedding products under the name Mattress Firm.

The total investment necessary to begin operation of a Mattress Firm franchise ranges from \$202,348 to \$378,048 per store (excluding rent or store space). This includes between \$99,148 and \$109,148 that must be paid to us or an affiliate (for the initial franchise fee, computer systems, and your initial inventory). The total investment necessary to begin operation of a Satellite Store franchise ranges from \$150,236 to \$305,936 per store (excluding rent or store space). This includes approximately \$52,036 that must be paid to us or an affiliate (for the initial franchise fee, computer systems and your initial inventory).

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 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 The Mattress Venture, LLC at 5815 Gulf Freeway, Houston, Texas 77023 and (713) 651-2000 or by e-mail at franchising@mattressfirm.com.

The terms of your contract will govern your franchise relationship. Do not 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 <a href="www.ftc.gov">www.ftc.gov</a> 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.

Date of Issuance: October 11, 2013



## 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 F for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALY AFTER THE INTIAL 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 YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION IN HOUSTON, TEXAS. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN TEXAS THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT TEXAS 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. THERE IS A MINIMUM SALES QUOTA. WE MAY CANCEL THE FRANCHISE IF YOUR AVERAGE GROSS SALES PER STORE IS LESS THAN THE MINIMUM REQUIRED UNDER THE FRANCHISE AGREEMENT FOR 2 CONSECUTIVE YEARS.
- 4. YOU MUST PAY US LIQUIDATED DAMAGES IF THE FRANCHISE AGREEMENT IS TERMINATED BY US WITH CAUSE.
- 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.

See the following State Registrations page for state registration effective dates.



## THE MATTRESS VENTURE, LLC STATE REGISTRATIONS

This Disclosure Document is registered, on file or exempt from registration in the following states with franchise registration and disclosure laws:

| State        | Effective Date |
|--------------|----------------|
| Illinois     |                |
| Indiana      |                |
| South Dakota |                |
| Utah         |                |
| Virginia     |                |
| Washington   |                |
| Wisconsin    |                |

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