

## FRANCHISE DISCLOSURE DOCUMENT

### Monster Franchise LLC

A Pennsylvania limited liability company

419 Madison Avenue

Fort Washington, PA 19034

215-672-5296

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www.whymonster.com



The franchisee will operate a tree care business under the name and mark “Monster Tree Service®”, which features tree and shrub care that utilizes state-of-the-art equipment which provides the ability to safely and proficiently prune or remove any tree, regardless of size, location, or condition.

The total investment necessary to begin operation of a Monster Tree Service franchise ranges from \$121,395 to \$243,495. This includes \$41,495 that must be paid to the franchisor.

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 to you. To discuss the availability of disclosures in different formats, contact Mark Elson at 419 Madison Avenue, Fort Washington, PA 19034, mark@whymonster.com or 215-353-9040.

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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, DC 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.

Issuance Date: March 11, 2014

## 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 A 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 YOU TO LITIGATE WITH US ONLY IN MONTGOMERY COUNTY, PENNSYLVANIA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST MORE TO LITIGATE WITH US IN PENNSYLVANIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES PENNSYLVANIA 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. THE FRANCHISE AGREEMENT REQUIRES YOU TO PAY LIQUIDATED DAMAGES IF YOU FAIL TO OPEN YOUR BUSINESS WITHIN THE SPECIFIED TIMEFRAME OR IF YOUR FRANCHISE AGREEMENT IS TERMINATED FOR CAUSE.
4. FRANCHISOR AND FRANCHISEE AGREE TO WAIVE THE RIGHT TO A JURY TRIAL AND WAIVE THE RIGHT TO BE AWARDED EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES.
5. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$121,395 to \$243,495. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2013, WHICH IS 58,690.
6. THE FRANCHISE AGREEMENT REQUIRES YOU TO MAKE MINIMUM ANNUAL SALES AND PAY MINIMUM ROYALTIES ASSOCIATED WITH THOSE SALES. THE MINIMUM ANNUAL SALES FOR YEAR 1 ARE \$175,000, WHICH IS \$11,375 IN ROYALTIES; YEAR 2 ARE \$350,000, WHICH IS \$21,125 IN ROYALTIES; AND YEAR 3 AND BEYOND ARE \$500,000, WHICH IS \$32,500 IN ROYALTIES. FAILURE TO MAKE PAYMENT OF ROYALTIES IS A DEFAULT AND MAY RESULT IN TERMINATION OF THE FRANCHISE AGREEMENT.
7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We currently use the services of 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 dates for this Franchise Disclosure Document in the registration states are listed on the following page.]***

## Monster Franchise LLC

### STATE EFFECTIVE DATES – 2014

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Utah, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registrations in the following states having franchise disclosure laws, with the following effective dates:

<u>STATE</u>	<u>EFFECTIVE DATE</u>
California	Pending
Illinois	Pending
Indiana	3/17/14
Maryland	Pending
Michigan	Pending
Minnesota	3/19/14
New York	Pending
Rhode Island	3/18/14
South Dakota	3/19/14
Utah	2/15/14
Virginia	Pending
Washington	Pending
Wisconsin	3/13/14

In all other states that do not require registration, the effective date of this Disclosure Document is the issuance date of March 11, 2014.

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