

Mr. Electric™

a **neighborly**® company

FRANCHISE DISCLOSURE DOCUMENT

MR. ELECTRIC – 2019 FDD

FRANCHISE DISCLOSURE DOCUMENT



MR. ELECTRIC LLC

a Texas limited liability company
1010-1020 North University Parks Drive
Waco, Texas 76707
254-745-2466 or 800-805-0575
254-745-2501 (fax)
mrelectric@nbly.com (email)
www.mrelectric.com (website)
www.neighborlyelectric.com (website)

As a franchisee, you will sell service and repair electrical systems, equipment, components and supplies, including installation, upgrades and remodeling for residential and commercial customers.

The total investment necessary to begin operation of a Mr. Electric® franchise ranges from \$98,600 to \$234,750. This includes \$36,250 that must be paid to the franchisor and our affiliate. It does not include fees for additional territory (beyond the minimum 100,000), for which we charge \$350 per 1,000 population.

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 to you. To discuss the availability of disclosures in different formats, contact Bradley Stevenson, 1010-1020 North University Parks Drive, Waco, Texas 76707, (254) 745-2400.

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.

Issuance Date: April 1, 2019, as amended October 1, 2019.

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STATE COVER PAGE

Your state may have a franchise law that requires the 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 YOU TO RESOLVE DISPUTES WITH US BY LITIGATION, MEDIATION OR ARBITRATION ONLY IN THE COUNTY ENCOMPASSING OUR HEADQUARTERS (CURRENTLY, MCLENNAN COUNTY, TEXAS). OUT-OF-STATE DISPUTE RESOLUTION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE, MEDIATE OR ARBITRATE WITH US IN TEXAS THAN IN YOUR OWN STATE.**

2. **THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE FRANCHISE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**

3. **ALL BUSINESSES OR INDIVIDUALS WHO CONSTRUCT OR ALTER ANY BUILDINGS, HIGHWAYS, ROAD, PARKING FACILITY, RAILROAD, EXCAVATION, OR OTHER STRUCTURES IN CALIFORNIA MUST BE LICENSED BY THE CALIFORNIA CONTRACTORS STATE LICENSING BOARD IF THE TOTAL COST (LABOR AND MATERIALS) OF ONE OR MORE CONTRACTS ON THE PROJECT IS \$500 OR MORE. CONTRACTORS MUST BE LICENSED BEFORE SUBMITTING BIDS.**

4. **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.

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