

FRANCHISE DISCLOSURE DOCUMENT



NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.

(a Washington corporation)
Suite 300 – 1788 West 5th Avenue
Vancouver, BC V6J 1P2
604-228-4357
www.nursenextdoor.com

You will operate a business that provides comprehensive care and medical services to home care clients within their home and as supplemental healthcare staff to institutional clients, such as hospitals, retirement facilities and clinics, using the Nurse Next Door® business system.

The total investment necessary to begin operation of a Nurse Next Door® franchise is \$106,000 to \$158,700. This includes \$55,000 that you must pay to us or our affiliate.

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, us 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 disclosure in different formats, contact our Chief Financial Officer by phone at 604-228-4357 or at our street address of Suite 300 – 1788 West 5th Avenue, Vancouver, BC V6J 1P2.

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: December 9, 2015



STATE COVER PAGE

Your state may have a franchise law that requires us 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 Attachment E for information about us 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 MEDIATION ONLY IN VANCOUVER, BRITISH COLUMBIA, CANADA AND ARBITRATION ONLY IN SEATTLE, WASHINGTON. OUT-OF-STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE WITH US IN CANADA OR WASHINGTON THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT WASHINGTON LAW GOVERNS THE CONSTRUCTION AND INTERPRETATION OF THIS AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 4. WE MAY TERMINATE THE FRANCHISE AGREEMENT IF YOU DO NOT MEET ANNUAL GROSS SALE MINIMUMS IN THE FOLLOWING AMOUNTS: YEAR 1: \$125,000; YEAR 2: \$225,000; YEAR 3: \$325,000; YEAR 4: \$425,000; YEAR 5: 525,000; YEAR 6+: \$525,000 PLUS 10% EACH SUCCESSIVE YEAR.
- 5. WE MAY TERMINATE THE FRANCHISE AGREEMENT, WITHOUT REFUND, IF YOU DO NOT COMPLETE THE INITIAL TRAINING PROGRAM TO OUR SATISFACTION.



- 6. YOU WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$106,000 to \$158,700. THIS AMOUNT MAY EXCEED OUR STOCKHOLDERS EQUITY AS OF SEPTEMBER 30, 2015, WHICH IS \$111,822.
- 7. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY.
- 8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

WE MAY 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.

Effective Date: See the next page for state effective dates.

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