

FRANCHISE DISCLOSURE DOCUMENT



OFFICE FURNITURE USA,
a division of **CHORDUS, INC.,**
a Tennessee Subchapter S Corporation
273 Cahaba Valley Parkway
Pelham, AL 35124
(205) 988-5919
mgilleland@chordus.net
www.ofusa.com

The franchise offered is an Office Furniture USA dealership providing the sale of office furniture under the Office Furniture USA concept in a defined sales territory.

The total investment necessary to begin operation of an Office Furniture USA franchise should approximate \$27,050 to \$94,250. This includes the initial license fee of \$1,500 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 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 its affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

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 Consumers 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: March 31, 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 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 MAY REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN BIRMINGHAM, ALABAMA. 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 ALABAMA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT REQUIRES THAT ALABAMA 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. AS OF DECEMBER 31, 2012 THE FRANCHISOR HAD ONLY \$1,292,881 IN CURRENT ASSET AND HAD \$1,594,477 IN CURRENT LIABILITIES. THIS MEANS THAT FOR EVERY DOLLAR OF LIABILITIES DUE WITHIN ONE YEAR, THE FRANCHISOR HAD ONLY \$.81 IN CURRENT ASSETS. SINCE ITS INCEPTION, THE FRANCHISOR HAS LOST \$7,710,440 CAUSING IT TO HAVE A DEFICIT NET WORTH OF \$(7,192,732). FRANCHISOR'S NET LOSS IS \$(1,327,950) AND ITS WORKING CAPITAL IS \$(301,596).
4. RELATIVE TO THE APPLICANT'S FINACIAL CONDITION, THE SUPPLEMENTAL INFORMATION AS PER THE INSTRUCTIONS FOR INTITIAL AND RENEWAL APPLICATIONS MUST SPECIFICALLY DEMONSTRATE AN ABILITY TO MEET ALL FINANCIAL OBLIGATIONS TO THE PROSPECTIVE FRACHISEES WITHOUT RELYING ON PROSPECTIVE FRANCHISEES' INTITIAL FRANCHISE FEES. THE FRANCHISE FEE AND ALL OTHER INITIAL FEES WILL BE DEFERRED UNTIL THE FRANCHISOR HAS COMPLETED ALL OF ITS INTITIAL OBLIGATIONS.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

NOTE: THE AGREEMENT PROVISIONS REFERRED TO IN THE RISK FACTOR SECTION OF THIS DOCUMENT MAY BE VOID UNDER SOME STATE FRANCHISE LAWS. SEE **EXHIBIT B**.



STATE EFFECTIVE DATES

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, Virginia, Washington, and Wisconsin.

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

California: April 25, 2012

Michigan: August 20, 2013

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