

Franchise Disclosure Document [FDD]



Legg SMS, Inc.
an Alabama corporation
4601 Old Highway 31 South, Decatur, Alabama 35603
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Direct Line: (256) 773-0517

The Franchise offered is for the operation of an outdoor insect control service business that offers services to control undesirable outdoor insects such as mosquitos, ticks and fleas at regular intervals or on an as needed basis. This is a seasonal business that is service oriented providing specialized services to residential and commercial customers who need to manage outdoor insects utilizing safe and organic methods, under the name “Superior Mosquito Defense®”.

The total estimated initial investment required to begin operation of a Superior Mosquito Defense® Franchise ranges from \$9,900 to \$16,950 for a Conversion Model and from \$16,300 to \$27,700 for a Standard Model which will depend on a number of factors that are fully discussed in Item 7. These figures include the Initial Franchise Fee of \$2,500 for a Conversion Model or \$5,000 for a Standard Model, as well as between \$100 to \$250 in apparel purchase payments, and between \$500 and \$1,000 in products, marketing materials, and yard signs (as discussed in Item 5) that must be paid to the Franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read the 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 any affiliate in connection with the proposed franchise sale. **Note, however, 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 disclosures in different formats, contact:

Heath Legg, President
Legg SMS, Inc.
4601 Old Highway 31 South
Decatur, Alabama 35603
(256) 773-0517

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 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.

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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 PERMITS THE FRANCHISEE TO ARBITRATE ONLY IN ALABAMA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH LEGG SMS, INC. IN ALABAMA THAN IN YOUR HOME STATE.
- 2) THE FRANCHISE AGREEMENT STATES THAT ALABAMA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAWS. YOU MAY WANT TO COMPARE THESE LAWS.
- 3) SPOUSES OF FRANCHISE OWNERS MUST SIGN AND GUARANTEE ALL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT THEREBY PLACING PERSONAL & MARITAL ASSETS AT RISK SHOULD THE FRANCHISE FAIL.
- 4) THIS FRANCHISOR IS IN THE EARLY STAGES OF DEVELOPMENT AND HAS LIMITED EXPERIENCE WITH FRANCHISING. THEREFORE, THIS FRANCHISE OPPORTUNITY PRESENTS MORE RISK THAN THAT OF A COMPANY WITH A LONGER OPERATING HISTORY.
- 5) THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (ITEM 21) CALLS INTO QUESTION THE FRANCHISOR'S ABILITY TO PROVIDE SERVICES & SUPPORT TO YOU.
- 6) YOU WILL BE REQUIRED TO PURCHASE DESIGNATED AMOUNTS OF INVENTORY & SUPPLIES FROM THE FRANCHISOR, EVEN IF YOU DO NOT NEED THEM. YOUR FAILURE TO BUY THE MINIMUM AMOUNTS OF INVENTORY FROM THE FRANCHISOR WILL RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
- 7) THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE OPPORTUNITY.

Effective Date: see next page for state effective dates

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