

## FRANCHISE DISCLOSURE DOCUMENT

ABM Franchising Group, LLC a Delaware limited liability company 501 Technology Drive, Suite 3000 Canonsburg, Pennsylvania 15317 (724) 873-2940 melissa.santillo@abm.com

www.tegg.com



The franchisee will operate a TEGG® Service franchise business engaging in the maintenance, repair, replacement, diagnostics, enhancements and maintenance of electrical systems, telecommunication systems, data communication systems, indoor and outdoor lighting, electrical power conditioning systems, electrical power monitoring systems, electrical motors, motor starters, capacitors (power factor correction systems), uninterruptible power supplies, electrical power conditioning systems, surge protection devices, harmonic filters, electrical power monitoring systems, emergency lighting systems, security systems, fire alarm systems, electric generation systems, power substations, oil analysis of transformers and oil circuit breakers, battery single and multi-strap intercell resistance measurements, development of single line diagrams, panel schedules and circuit identification, energy conservation systems, building automation systems, and related activities.

The total investment necessary to begin operation of a TEGG® Service franchise is \$96,280 – \$208,473. This includes \$65,000 – \$75,000 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 this Disclosure Document at least fourteen (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 January 27, 2017 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 ABM Franchising Group, LLC at 501 Technology Drive, Suite 3000, Canonsburg, Pennsylvania 15317, Attention: TEGG® Service or call (724) 873-2940.

The terms of your contract will govern your franchise relationship. Do not 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, such as 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 <a href="www.ftc.gov">www.ftc.gov</a> 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: January 27, 2017



## 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 F 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 ARBITRATION ONLY IN PITTSBURGH, PENNSYLVANIA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT OF DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN PENNSYLVANIA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT 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 US A MINIMUM ROYALTY FEE OF \$34,800 IN THE FIRST YEAR, WITH ANNUAL INCREASES EACH YEAR THEREAFTER, WHETHER OR NOT YOU HAVE ANY REVENUE.
- 4. THE FRANCHISE AGREEMENT REQUIRES YOU TO PAY US LIQUIDATED DAMAGES IF THE FRANCHISE AGREEMENT IS TERMINATED PRIOR TO THE END OF THE TERM FOR ANY REASON, OTHER THAN BY YOU PURSUANT TO SECTION 33(a), 33(b) OR 33(c) OF THE FRANCHISE AGREEMENT, IN THE AMOUNT OF \$65,000.00 AS A REASONABLE ESTIMATE OF THE ACTUAL DAMAGES WE WILL SUSTAIN DUE TO YOUR TERMINATION.
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

TO THE EXTENT LOCAL LAW REQUIRES, YOU MAY HAVE CERTAIN RIGHTS UNDER THIS LAW. PLEASE SEE EXHIBIT L FOR AN EXPLANATION OF ANY APPLICABLE LOCAL LAW.

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



## 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: December 6, 2016

Hawaii:

Illinois: January 27, 2017 Indiana: January 27, 2017

Maryland:

Michigan: January 27, 2017

Minnesota:

New York: January 27, 2017

North Dakota: Rhode Island: South Dakota: Virginia:

Virginia:
Washington:
Wisconsin:

In all other states, the effective date of this disclosure document is the Issuance Date of January 27, 2017.

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