

## FRANCHISE DISCLOSURE DOCUMENT



**USA Insulation Franchise Corporation**  
An Ohio Corporation  
17700 Saint Clair Avenue  
Cleveland, Ohio 44110  
Phone: (440) 951-6800; Fax: (440) 951-6804  
[www.usainsulation.net](http://www.usainsulation.net)

The franchisee will operate a USA Insulation business offering residential insulation services for existing homes.

The total investment necessary to begin operation of a USA Insulation franchise ranges from \$185,250 to \$229,000. This includes approximately \$85,000 to \$90,000 in fees that must be paid to the franchisor or its affiliates prior to opening.

We may, in our discretion, also offer qualified individuals the right to open and operate multiple USA Insulation franchises within a designated development area and in accordance with a development schedule. The total investment necessary to commence operations will vary based on the number of USA Insulation franchises we grant you the right to open and operate. The total initial investment necessary to operate three (3) franchises ranges from \$255,250 to \$299,000. This includes a development fee amounting to \$120,000 that must be paid to the franchisor prior to opening, as well as the total initial investment to open and commence operations of your initial USA Insulation franchise within your development area.

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 disclosure document, the franchise agreement or any other related 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 our corporate office at 17700 Saint Clair Avenue, Cleveland, Ohio 44110, or via telephone at (440) 951-6800.

The terms of your franchise agreement will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contracts. Read all of your contracts carefully. Show your contracts 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 (the "FTC"). 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](http://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.

The issue date of this Franchise Disclosure Document ("FDD") is: March 14, 2016

## 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 E 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 AND DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND/OR LITIGATION ONLY IN OHIO. OUT-OF-STATE MEDIATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE OR MEDIATE IN OHIO THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT OHIO 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. AFTER YOUR FRANCHISED BUSINESS HAS BEEN OPEN FOR A PERIOD OF SIX (6) MONTHS, YOU MUST MEET CERTAIN MINIMUM PRODUCTIVITY LEVELS IF YOU WISH TO MAINTAIN YOUR PROTECTED TERRITORY.
4. IF THE FRANCHISEE IS A BUSINESS ENTITY, EACH INDIVIDUAL OWNING AN INTEREST IN THE FRANCHISEE ENTITY MUST EXECUTE A PERSONAL GUARANTY. THIS PLACES THE PERSONAL ASSETS OF EACH FRANCHISE OWNER AT RISK.
5. YOU MUST MAINTAIN CERTAIN MINIMUM PRODUCTIVITY LEVELS IN ORDER TO MAINTAIN YOUR PROTECTED TERRITORY. YOU MAY LOSE YOUR PROTECTED TERRITORY IF THESE MINIMUM PRODUCTIVITY LEVELS ARE NOT MET.
6. 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 is our agent and 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 Dates for this Franchise Disclosure Document in the Registration States  
are Listed on the Following Page.]

## 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, Florida, Hawaii, Indiana, Illinois, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, 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 if an effective date is noted below for the state:

State	Effective Date
California	Not Registered
Florida (exemption)	Effective
Hawaii	Not Registered
Illinois	Pending Registration
Indiana	Prior Version of FDD Effective
Kentucky (one-time exemption)	Effective
Maryland	Pending Registration
Michigan	Effective
Minnesota	Pending Registration
Nebraska (one-time exemption)	Effective
New York	Pending Registration
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Texas (one-time exemption)	Effective
Utah (exemption)	Not Registered
Virginia	Prior Version of FDD Effective
Washington	Pending Registration
Wisconsin	Pending Registration

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