

## FRANCHISE DISCLOSURE DOCUMENT



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

The franchisee will operate a franchised business that (i) offers and sells an array of insulation products, including without limitation, proprietary injection foam, polyurethane spray foam insulation, blown fiberglass insulation, rolled/batten fiberglass insulation and other energy efficient products and items that we authorize now or at any time in the future, and (ii) evaluates a customer's insulation needs and subsequently installs one (1) or more of the foregoing Approved Products at that customer's home, utilizing certain proprietary marks (including our current primary mark USA INSULATION) and a proprietary operating system that we and our affiliates/principals have developed.

The total investment necessary to begin operation of a USA Insulation franchise ranges from \$170,500 to \$346,000. This includes approximately \$94,000 to \$106,000 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 \$240,500 to \$416,000. This includes a development fee amounting to \$120,000 that must be paid to the franchisor when signing our form of development agreement, 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.

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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” or “Disclosure Document”) is March 25, 2020.

## How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only USA Insulation business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchise have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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