

FRANCHISE DISCLOSURE DOCUMENT



WELCOMEMAT FRANCHISING, LLC A North Carolina Limited Liability Company Tower Place 200, Suite 1095 3348 Peachtree Road Atlanta, Georgia 30326 Tele: 770-698-9000 Email: info@welcomematfranchising.com URL: www.welcomematfranchising.com

We offer qualified sales professionals the right to offer local businesses the ability to participate in our personalized monthly direct mail marketing campaigns directed to new movers in a defined area under our "Welcomemat Services[®]" mark. Welcomemat franchisees use our proprietary barcode tracking technology to offer local businesses the ability to track and monitor the success of their Welcomemat mailing campaigns.

The total investment necessary to begin operation of a home-based Welcomemat Services[®] business ranges from \$56,000 to \$83,850. This includes the \$41,800 to \$43,300 in fees that must be paid to us or our affiliates prior to opening. The total investment necessary to begin operation of a Welcomemat Services[®] business from a retail office space ranges from \$53,500 to \$82,950. This includes the \$41,800 to \$43,300 in fees that must be paid to us or our affiliates prior to opening.

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, us or an affiliate of ours in connection with the proposed franchise sale. Note, however, that 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 to you. To discuss the availability of disclosures in different formats, contact our Franchise Department c/o Welcomemat Franchising, LLC at Tower Place 200, Suite 1095, 3348 Peachtree Road, Atlanta, Georgia 30326. 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.

The Issuance Date of this disclosure document is April 29, 2014.

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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 administration 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 administrators listed in Exhibit A for information about the franchisor, about other franchisors, 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 A 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 WHATEVER TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

- 1. AT OUR OPTION, THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION ONLY IN ATLANTA, GEORGIA. OUT-OF-STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN GEORGIA THAN IN YOUR OWN STATE.
- 2. CERTAIN DISPUTES WITH US NOT SUBJECT TO MEDIATION MUST BE RESOLVED BY LITIGATION IN ATLANTA, GEORGIA. IT MAY COST YOU MORE TO LITIGATE WITH US IN GEORGIA THAN IN YOUR OWN STATE.
- 3. THE FRANCHISE AGREEMENT STATES THAT GEORGIA LAW GOVERNS. GEORGIA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 4. WE MAY REQUIRE THE FRANCHISEE AND THEIR SPOUSE TO EXECUTE A PERSONAL GUARANTEE MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISEE UNDER THE FRANCHISE AGREEMENT, WHETHER OR NOT SUCH SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THIS PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER AND THEIR SPOUSE AT RISK.
- 5. THE FRANCHISE AGREEMENT DOES NOT GRANT YOU A COMPLETELY EXCLUSIVE TERRITORY DUE TO OUR RIGHT TO SERVICE NATIONAL ACCOUNTS IN YOUR TERRITORY.
- 6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We 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 <u>our</u> 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.



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 if an effective date is noted below for the state:

| State | Effective Date |
|------------------------|-----------------------------|
| California | Pending |
| Florida (exemption) | October 15, 2013 |
| Hawaii | Not Registered |
| Illinois | Pending |
| Indiana | Pending |
| Kentucky | Effective (one-time filing) |
| Maryland | Pending |
| Michigan (notice only) | January 21, 2014 |
| Minnesota | Pending |
| Nebraska | Effective (one-time filing) |
| New York | Pending |
| North Dakota | Not Registered |
| Rhode Island | Not Registered |
| South Dakota | Not Registered |
| Texas (exemption) | Effective (one-time filing) |
| Utah (exemption) | October 18, 2013 |
| Virginia | Pending |
| Washington | Pending |
| Wisconsin | Pending |

In all other states, the effective date of this Franchise Disclosure Document is the Issue Date of: April 29, 2014.

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