Franchimp
Document downloaded from Franchimp.com

FRANCHISE DISCLOSURE DOCUMENT



Trident Investment Partners, Inc.
d/b/a Handyman Connection
An Illinois Corporation
11115 Kenwood Rd.
Blue Ash, Ohio 45242
(513) 771-3003
www.handymanconnection.com

Trident Investment Partners, Inc. d/b/a Handyman Connection offers franchises for businesses providing small to medium home repairs and light remodeling using the trade name HANDYMAN CONNECTION®.

The total investment necessary to begin operation of a Handyman Connection franchised business is $99,710 to $152,300. This includes the total amount of $57,500 paid to us or our affiliate(s) comprised of the $52,500 initial franchise fee and the $5,000 proprietary software fee.

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 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 the Handyman Connection Franchise Development team at 11115 Kenwood Rd., Blue Ash, Ohio 45242 at 1-877-771-4040 or 1-800-466-5530.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your 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 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.

Issuance Date: January 31, 2014.

© 2014 Handyman Connection
Franchise Disclosure Document
This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

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 D 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 AND/OR MEDIATION ONLY IN OHIO. OUT-OF-STATE LITIGATION, ARBITRATION, AND/OR MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE, ARBITRATE, OR MEDIATE WITH US IN OHIO THAN IN YOUR OWN STATE.

2. WE MAY TERMINATE THE FRANCHISE AGREEMENT IF YOU FAIL TO MEET SYSTEM AND FINANCIAL PERFORMANCE STANDARDS THAT WE ESTABLISH.

3. YOUR SPOUSE AND OTHER IMMEDIATE FAMILY MEMBERS MUST ADHERE TO THE NON-COMPETITION PROVISIONS OF THE FRANCHISE AGREEMENT, BOTH DURING AND AFTER THE FRANCHISE TERM, WHETHER OR NOT THEY ARE INVOLVED IN THE OPERATION OF THE FRANCHISE.

4. THE FRANCHISE AGREEMENT STATES 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.

5. THE FRANCHISOR HAS MINIMUM SALES PERFORMANCE STANDARDS THAT YOU MUST MAINTAIN. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

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 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.
Some states require the registration of the Franchise Disclosure Document. A listing of such states can be found on the next page along with dates upon which this Franchise Disclosure Document became effective in the respective state.

EFFECTIVE DATES FOR REGISTRATION STATES ARE LISTED ON THE NEXT PAGE

© 2014 Handyman Connection
Franchise Disclosure Document
This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

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.

State	Effective Date
California	PENDING
Florida	PENDING
Hawaii	PENDING
Illinois	PENDING
Indiana	PENDING
Maryland	PENDING
Michigan	PENDING
Minnesota	PENDING
North Dakota	PENDING
New York	PENDING
Rhode Island	PENDING
South Dakota	PENDING
Utah	PENDING
Virginia	PENDING
Washington	PENDING
Wisconsin	PENDING

In all other states, the effective date of this Franchise Disclosure Document is its Issuance Date of January 31, 2014.

© 2014 Handyman Connection
Franchise Disclosure Document
This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

TABLE OF CONTENTS

ITEM PAGE

1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES.....6
2. BUSINESS EXPERIENCE.....8
3. LITIGATION.....9
4. BANKRUPTCY.....9
5. INITIAL FEES.....10
6. OTHER FEES.....10
7. ESTIMATED INITIAL INVESTMENT.....14
8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....18
9. FRANCHISEE'S OBLIGATIONS.....21
10. FINANCING.....22
11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....24
12. TERRITORY.....31
13. TRADEMARKS.....35
14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....37
15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....38
16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....39
17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....40
18. PUBLIC FIGURES.....47
19. FINANCIAL PERFORMANCE REPRESENTATIONS.....47
20. OUTLETS AND FRANCHISEE INFORMATION.....50
21. FINANCIAL STATEMENTS.....55
22. CONTRACTS.....56
23. RECEIPTS.....56

© 2014 Handyman Connection
Franchise Disclosure Document

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

Exhibits

A. Franchise Agreement and Attachments

B. List of Franchisees and Former Franchisees

C. Financial Statements

D. List of State Administrators and Agents for Service of Process

E. State Addenda

F. Compliance Certification

G. Summary of State Contractor Laws

H. Sample Release

I. Table of Contents of Operations Manual

J. Promissory Note and Security Agreement

K. Receipts

© 2014 Handyman Connection
Franchise Disclosure Document

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, "Handyman Connection," “we,” or “us,” means the franchisor of this offering, Trident Investment Partners, Inc. d/b/a Handyman Connection, which does business under the name “Handyman Connection.” "You" means the person who buys the franchise, and includes your owners if you are a corporation or other business entity.

The Company and its Predecessor

We are an Illinois corporation formed on December 27, 2013, with a principal business address at 11115 Kenwood Road, Blue Ash, Ohio 45242. Since the Issue Date of this Disclosure Document, we have offered franchises under the name Handyman Connection® in the United States. Neither we, nor our predecessor, have offered franchises in any other line of business.

Our predecessor, Handyman Connection, Inc. (“HCI”), formerly known as Mamar, Inc., an Ohio corporation with a principal business address at 11115 Kenwood Road, Blue Ash, Ohio 45242, was the national franchisor of Handyman Connection franchises in the United States and Canada since its inception in January 1993. HCI’s parent, FS Brands, Inc. (“FSB”) owned 80% of the stock in HCI and our president and CEO, Jeffrey A. Wall (“Wall”), owned the remaining 20% of the HCI issued and outstanding shares of stock. Effective December 31, 2013, FSB sold all of its stock in HCI to JW, LLC, an Illinois limited liability company which is wholly-owned by Wall. Effective January 31, 2014, we merged with HCI leaving us as the surviving entity which acquired the rights to the Handyman Connection® trademark, Handyman Connection System, all other proprietary rights, and interest in the current Handyman Connection franchise agreements. We have no parents or affiliates.

In addition to our domestic franchising activities, HCI entered into a Master Franchise Agreement with Newbridge Management Group, Inc. in November of 1995, which now offers Handyman Connection® franchises in Canada. As of the end of our most recent fiscal year, we have 52 franchise outlets in the U.S., and 24 franchise outlets in Canada through our master franchisee Newbridge Management Group, Inc.

Our agents for service of process are listed in Exhibit “D”.

The Franchised Business

We offer franchises for the establishment and development of businesses providing (a) referral and other services to independent contractors; and (b) small to medium home repair services and light remodeling of a non-emergency nature, including plumbing, electrical, carpentry, dry wall, plastering, and painting services, among other services (“Franchised Business”). The light repair and remodeling services provided by Franchised Businesses do not require heavy machinery and are usually not performed beyond a two-story elevation (“Residential Services”). All services are performed by independent contractors or employees who are recruited by you and who are part of your Franchised Business’s network of service providers. In general, each customer is charged a flat fee per job, a portion of which is paid to

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

the service provider. Unless otherwise approved by Handyman Connection, until you complete the Second Calendar Year, jobs cannot exceed $15,000 per project, or $30,000 in the aggregate. Franchisees are only purchasing the rights to perform residential work in their specific territory for new residential leads coming into the System. Other franchisees may perform commercial work and residential work inside your Territory for customers who directly reach out to such other franchisees or franchisees to such customers, without any compensation to you. Subject to Sections 2.2, 2.3 and 2.4 of the Franchise Agreement, and subject to you being in full compliance of the Franchise Agreement, you may perform commercial work in your Territory. You agree and acknowledge that you do not own the exclusive rights to perform commercial work in the Territory. There are franchisees in the System that do maintain exclusivity in their market-place for both residential work and commercial work and for these specific franchisees, no work may be performed in their territory without their permission.

Franchised Businesses are operated under a system distinguished by uniform standards and specifications for recruiting and providing referral services to independent contractors; sales techniques; merchandising, marketing, advertising, and inventory management systems; as well as general procedures for operating and managing a Franchised Business (the "System"). We identify Franchised Businesses and the System using certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the mark "Handyman Connection®," distinctive trade dress, and any other trade names, trademarks, and service marks as we now or in the future may designate in writing for use in connection with the System (the "Proprietary Marks"). We continue to develop, use, and control the use of any Proprietary Marks to identify for the public the source of products and services marketed under the System, and to represent the System's high standards of quality, appearance, and service.

During the term of the Franchise Agreement, you must, at all times, develop and operate your Handyman Connection Franchised Business in compliance with all Handyman Connection System Standards and the Manuals, as we may modify in the future. You should note that we may obtain Handyman Connection Advisory Council (HCAC) input before making changes to the standards, requirements or procedures that represent an additional investment by most or all Franchisees in excess of $5,000 within the 12 months following the effective date of any changes.

Applicable Laws and Regulations

Franchised Businesses are subject to various federal, state, and local laws and regulations relating to the operation of home repair and remodeling businesses, including contractors' licensing laws and related requirements. Before you begin operations, you must obtain all required licenses and approvals to operate the Franchised Business, including compliance with state, local and other contractor's licensing and related requirements. State, local and other laws and regulations vary widely, can change over time, and can materially affect your ability to do business. On April 22, 2010, the EPA's Renovation, Repair and Maintenance Program's Rule went into effect. This Rule details both information regarding lead paint that must be given to certain homeowners, as well as processes and procedures that must be followed in homes and other structures built before 1978. see http://www.epa.gov/opptintr/lead/index.html. In addition, state and federal laws regarding the classification of workers as employees versus independent contractors vary from state to state

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

and can impact the operation of your Franchised Business. We strongly recommend that you examine applicable laws and regulations before purchasing a Franchised Business, and periodically reexamine these laws during the term of your Franchise Agreement. We have included Exhibit G, Summary of State Contractor Laws, to assist you in researching your particular state's requirements.

Your Franchised Business will also be subject to laws and regulations that are not specific to the home repair industry, but applicable to businesses in general such as zoning laws, labor laws, the Fair Labor Standards Act, workers' compensation laws, business licensing laws and tax regulations, and the Americans with Disabilities Act.

Market and Competition

Franchised Businesses market their products and services to independent contractors who use their referral services, as well as the owners and lessors of residential properties. Your Franchised Business will compete with local, regional, and national home repair and remodeling businesses.

Purchasing and operating a Handyman Connection® Franchised Business involves substantial risks, which cannot be eliminated. Any volume, profit and possible success are primarily dependent on your ability and efforts as an independent business operator, as well as the degree to which you follow the Handyman Connection® System. Among other things, you'll be responsible for aggressive, proactive local marketing efforts using the techniques of the Handyman Connection® System. Finally, entry into any business venture unavoidably involves some risk of loss or failure. The purchase of a Handyman Connection Franchise Business (or any other) franchise is a speculative investment. We cannot guarantee your success.

ITEM 2
BUSINESS EXPERIENCE

Jeffrey A. Wall - Chief Executive Officer & President; Director

Mr. Wall has served as our President and CEO since our inception in Blue Ash, Ohio. Mr. Wall also served as HCI's CEO since January 2012, and has served as HCI's President since January 1, 2010 in Blue Ash, Ohio. Mr. Wall served as HCI's Chief Operating Officer from January 2010 to December 2011 in Blue Ash, Ohio. Previously, Mr. Wall served as Regional Vice President for Certa ProPainters, Ltd. (U.S.) from December 2007 through December 2010.

Daniel Sage - Chief Information Officer

Mr. Sage has been our Chief Information Officer since our inception. Mr. Sage has served as HCI's Chief Information Officer since January of 2008 and was formerly Chief Operating Officer from March 2006 to January 2008. Mr. Sage joined HCI in April 2002 as the Director of Concept Development and became Director of Operations in July 2002. All of the HCI positions were located in Blue Ash, Ohio

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

Marci Kleinsasser – Director of Marketing

Mrs. Kleinsasser has been our Director of Marketing since our inception. Mrs. Kleinsasser has been HCI's Director of Marketing since September of 2012. Prior to joining HCI, Marci was the Director of Marketing and Client Services at Road America, a MAPFRE company, located in Miami, Florida from August 2011 until September 2012. Prior to joining Road America, Marci was a Vice President of Marketing at PuroSystems, Inc., the Franchisor of PuroClean, located in Tamarac, from February of 2008 to August 2011.

Chris Igou – General Manager

Mr. Igou has been our General Manager since our inception. Mr. Igou has served as HCI's General Manager since January of 2013. Prior to joining HCI, Mr. Igou was a Regional Vice President at LaCosta Facility Support Services from December 2008 through December 2012 located in Wauconda, IL where he oversaw the western half of the U.S and managed over 1,300 employees. Prior to joining LaCosta, Mr. Igou was a Vice President with College Pro Painters located in Woburn, MA from 2006 – 2008.

ITEM 3
LITIGATION

COMPANY SETTLED LITIGATION

LaBelle Enterprises, Inc. v. Mamar, Inc. (17th Judicial Circuit Court, Grand Rapids, MI, Case No. 05-06134 - CK). On June 17, 2005, La Belle Enterprises, Inc. ("LaBelle"), a former Handyman Connection franchisee with offices in Middleville, MI, whose franchise agreement expired and with whom we could not reach an agreement on the terms of renewal, filed suit against us. The complaint alleged that we breached LaBelle's franchise agreement by failing to adhere to the renewal provisions of the agreement and by offering franchise renewal terms less favorable than the provisions in the franchise agreement. Additional allegations included an assertion by LaBelle that we violated the Michigan Franchise Law with an intent to defraud regarding renewal practices at the time of the contract formation and tortiously interfered with La Belle's advantageous business relations and the franchise agreement between the parties. LaBelle sought lost profits and attorney's fees in an unspecified amount larger than $25,000. Without admitting any wrongdoing and to avoid continuing litigation costs, we settled the case and paid plaintiffs $415,000 pursuant to a settlement agreement dated November 5, 2007.

Other than this action, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

ITEM 5
INITIAL FEES

Franchise Agreement

You pay an initial franchise fee of $52,500 which is due in full upon signing of the Franchise Agreement. We may finance a portion of the initial franchise fee for approved applicants (See Item 10 – Financing for details).

We offer qualified veterans of the U.S. Armed Forces who otherwise meet all applicable requirements, a reduction in the Initial Franchise Fee by $7,500 for a total initial franchise fee of $45,000.

At the start of the initial training session, you will pay Handyman Connection a software license fee of $5,000, which is non-refundable.

We may choose to offer a modified initial fee and/or royalty structure if warranted by the circumstances of a particular transaction. We may also offer promotional offers to candidates.

Refunds

The initial franchise fee is fully refundable if we, in our sole discretion, rescind the Franchise Agreement prior to the completion of your Initial Training. Additionally, we can terminate the Franchise Agreement with written notice to you and a 20 day opportunity to cure if you do not meet your pre-opening obligations, including training and obtaining permits necessary to operate the business, within 120 days of signing a Franchise Agreement. If we do, we agree to refund $10,000 of the initial franchise fee, provided you sign a general release. There are no refunds under any other circumstances.

Except as stated in this Item 5, all initial fees are deemed fully earned and non-refundable upon payment.

ITEM 6
OTHER FEES

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
Royalty	5% of Gross Sales[2]	Payable monthly on the 10th of each month for the preceding month.	Begins upon operation of your Franchised Business.
Minimum Royalty Fee	For Calendar Years 3 through 5, the amount of Minimum Royalty is $11,250 per SFDU Group[3] in your Territory less the amount of actual	January 15th of the Calendar Year immediately following the Calendar Year for which the Minimum Royalty Fee became due.	If the amount of Royalty Fee you pay in a Calendar Year is less than that year's Minimum Royalty Fee, you pay the difference. If a franchisee does not achieve the

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
	Royalty due in a given year; for Calendar Years 6 through 10, the amount of Minimum Royalty is $17,500 per SFDU Group in your Territory less the amount of actual Royalty due in a given year[4].		Minimum Performance Criteria, we have the right to take appropriate corrective action, including establishing a remedial business plan, assigning Franchisee into a franchise resale program, registering you in our initial, on-site, or Supplemental Training programs at Franchisee's cost and expense, or terminating the Franchise Agreement. We are entitled to debit your account as of January 15th of the Calendar Year immediately following the Calendar Year for which the Minimum Royalty Fee became due for the corresponding unpaid amount of the Minimum Royalty Fee.
Software Support, and Maintenance Fee	$5 - $100 per user	Monthly, after opening of the business.	Required Software support and maintenance fee payable to Handyman Connection. The software platform will need to be accessed by all users of the IT system (Franchisee, service advisors, CSR, craftsman, etc.) Depending on the level of access required, different monthly charges will be established between $5 to $100 a month (with Franchisee fees expected to be $100 a month, service advisors and CSRs at $70 a month and craftsman at $5 a month). These charges will be billed to the

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
			franchisee monthly.
Software Upgrade Fees	Varies, up to 0.25% of Gross Sales	Periodically.	You are responsible for purchasing all upgrades to the software.
Software License Fee	$150 to $250	Annually.	Charged on a per computer/user basis.
National Marketing Fund	3% of Gross Sales	Payable monthly on the 10th of each month for the preceding month.	Due to different forms of Franchise Agreement, some franchisees may have a different obligation.
Telephone Answering Services Fee	$275 per week	Payable monthly on the 10th of each month for the preceding month.	Answering inbound calls and assistance in scheduling appointments.
Local Marketing (Including Local Cooperative Fees, if Applicable)	12% of Gross Sales During 1st Year, 10% of Gross Sales for subsequent years	As Incurred.	All advertising content must be approved by us prior to use.
Interest and Late Fees on Late Payments and/or Reports	Due on all amounts owed, not to exceed 1.5% per month. Also $100 per late report &/or payment	When late reports and/or payments submitted.	No amounts collected will exceed or violate any applicable legal restrictions.
Additional Training/Meeting Attendance	Varies, has ranged from $850 to $1,250	Payable as incurred.	You are responsible for all travel, living, incidental and other expenses for you and your personnel attending additional training/meeting attendance, which we may require.
Transfer/Sale	The greater of $5,000 or 10% of the sale price of the franchised business, not to exceed $5,000 per Franchise Territory.	Upon transfer.	Payable when you sell your franchised business. Waived for the first transfer to your controlled business entity.
Renewal Fee	10% of our then-current initial franchise fee	Upon renewal.	You must pay our attorney's fees when you renew your franchise.
Indemnification	Amount of Claim or Judgment	When incurred.	You must indemnify us and our affiliates from

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS
			liability for any claim based on or arising from your operation of the Franchised Business.
Supplier Approval/Testing Costs	Costs of Testing	When incurred.	If we incur any costs in connection with testing a particular product or evaluating a supplier at your request, you must reimburse us our reasonable testing costs, regardless of whether we subsequently approve the product or supplier.
Annual Conference	$300 - $400 Attendance Fee	Upon conference registration.	Annual Conference attendance is required. If you do not attend, you will be charged $750.

1. Except as otherwise stated above, all fees are uniform, collected by and payable to us and are non-refundable. You are required to pay amounts by electronic funds transfer. We can apply any payments owed by you to any debt of yours that we choose (except for National Marketing Fund contributions), set off any amounts owed to you against any amount owed by you to us and/or specified third parties, and retain amounts received on your account for debts owed.

2. Gross Sales include all charges and/or revenues that are, or could be, received or earned by you (and/or any affiliate):

A) by, at or in connection with your Handyman Connection® Business;
B) relating to the kinds of goods or services available now or in the future through a Handyman Connection® Business and/or distributed in association with the Marks or the Handyman Connection® System;
C) relating to the operation of any similar business;
D) with respect to any co-branding activities; and/or
E) all amounts, including the cost of materials, paid by your customers directly to your independent contractors.

Although we have maintained the right to collect the Royalty Fee and National Marketing Fee with respect to Gross Sales derived from all purchases of materials from your Handyman Connection® Business under our form of franchise agreement for a number of years, we had not historically enforced this right. However, we are enforcing this right with respect to all franchisees who purchased their Handyman Connection® Business after January 1st, 2012, and for all re-sales of franchises of those existing franchises who purchased their initial business prior to January 1st, 2012, and are selling all or part of their business after January 1st, 2014. Therefore, if you purchase a new franchise, you should understand that your Royalty Fee and

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

National Marketing Fee will be based on Gross Sales amounts that include the materials purchased from your Handyman Connection® Business, which will therefore be calculated differently than the Gross Sales of franchisees who purchased their franchise prior to January 1st, 2012. If you are purchasing a re-sale, you should also understand, and account for your Royalty Fee and National Marketing Fee being based off of the Gross Sales of the Franchised Business you are purchasing. Additionally, this payment is different than the Royalty and National Marketing Fee that a franchisee who purchased their initial business prior to January 1st, 2012, currently is paying.

Gross Sales include any actual customer refunds, adjustments and credits, but exclude sales tax collected and paid when due to the appropriate taxing authority.

3. A Territory is comprised of single family dwelling units ("SFDUs"), and each 60,000 SFDUs is deemed to be an SFDU Group. For the purpose of calculating Minimum Royalty Fees, if a Territory contains more than 60,000 SFDUs, but the total number of SFDUs is less than a multiple of 60,000, then the number of SFDU Groups in such Territory will be rounded down to the nearest whole number of SFDU Groups

4. If the Final Calendar Year is less than 12 months, then the amount of the Minimum Royalty Fee will be based on the number of months or portion of a month of operation in the Final Calendar Year, divided by 12.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of Payment	When due	To whom payment is to be made
Initial Franchise Fee[(1)]	$52,500	Lump Sum	On Signing Franchise Agreement	Handyman Connection
Travel and Living Expenses while Training[(2)]	$2,400 to $4,350	As Incurred	As Arranged	Airline, Hotels, Restaurants and Auto Rental
Real Estate (Leased)[(3)]	$2,000 to $4,500	As Arranged	Per Lease Terms	Lessor
Office Equipment[(4)]	$2,750 to $7,400	As Incurred	As Arranged	Various Vendors
Lease & Utility Deposits[(5)]	$1,000 to $1,700	Lump Sum	Upon Signing Lease	Landlord, Utility Company
Insurance[(6)]	$2,850 to $7,000	As Incurred	Prior to and During Operation	Insurance Company or Agency

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

Type of expenditure	Amount	Method of Payment	When due	To whom payment is to be made
Licenses and Permits[7]	$600 to $3,000	As Arranged	Prior to Opening	Government Agencies
Grand Opening Marketing, Advertising and Promotion[8]	$20,450 to $41,050	As Arranged	Prior to Opening and During Operations	Various Vendors, including Handyman Connection for answering services
Computer Hardware and Software[9]	$10,910 to $15,800	As Arranged	Prior to Opening and During Operations	Various Vendors and Franchisor
Additional Funds - Working Capital (estimated for 3 mos.)[10]	$4,250 to $15,000	As Arranged	As Incurred During Operation	Various Vendors and Staff
Total[11]	$99,710 to $152,300			

NOTE: Amounts are not refundable unless otherwise noted.

(1) The Initial Franchise Fee is $52,500 for a Territory. Financing of a portion of the Initial Franchise Fee may be available under a financing program offered in our sole discretion. See Item 5 for more details regarding the Initial Franchise Fee. Any additional Territories purchased after signing the Franchise Agreement must be purchased at the then-current Initial Franchise Fee and through additional Franchise Agreements.

(2) This estimate is for lodging, meals, hotel and airfare for one person only. Transportation costs and airfare will vary depending on which state you will be traveling from.

(3) When possible, we recommend leasing rather than purchasing a space. It is difficult to estimate with any degree of accuracy the initial investment for real estate, leased or purchased, by any franchisee due to the many variables of location, size, quality of structures, and other factors. The maximum recommended size is 500 square feet. The cost per square foot will vary by market, and if the lease includes other services such as cleaning, utilities, etc. The amount stated in Item 7 represents an estimate of rent expenses for the first month's rent, last month's rent, and a security deposit equal to one month's rent. You may not operate out of your home.

(4) This estimate covers the cost of a acquiring and installing a telephone system, fax machine, conference tables and chairs, work stations, filing cabinets, a copier, and other miscellaneous office items and suppliers.

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

(5) Depending upon lease provisions and local regulations and requirements, deposits for leases and utilities vary. Lease deposits are normally a factor of annual or monthly rent.

(6) See Item 8 for more information regarding our insurance coverage requirements.

(7) Licensing laws and permit requirements, including fees, may vary from state to state and city to city, depending on state and local laws. You must comply with these laws. See Item 1.

(8) The Grand Opening Marketing, Advertising and Promotion costs include items such as the purchase of one vehicle wrap, the estimated initial investment for a listing in the prominent yellow pages, pay-per click advertising, home-shows, signs, mailings, etc. to help launch your initial marketing. Marketing costs may vary depending on your specific location.

(9) This amount is an estimate of the cost for the hardware and auxiliary software that includes the initial $5,000 proprietary software fee, monthly software support, and maintenance fees (after opening of the business). Please note that Handyman Connection is in the process of developing a new IT system and began implementation in 2013. The new IT platform will require some level of access for users, including the franchisee, CSRs, service advisors and Craftsmen. Depending on the level of access required, monthly fees will be assessed to the franchisee for the franchisee's employees and subcontractors. These fees are expected to range from $5 - $100 a user per month, with franchisees and other licensed users being charged $100 a month for their access, Portal users being charged around $70 a month for their access, and Craftsmen being charged around $5 a month for their access. The new IT system is not fully developed yet, and as further enhancements and functionality are created, it is important to be aware that these changes may cause disruptions to your Franchised Business. Additionally, you will be required to adopt any of these changes, enhancements and functionality to your Franchised Business at the timeline of Handyman Connection's choosing.

Breakdown of Estimated Computer Needs:

Equipment	Low	High	Comments
PC – workstation 1-2 computers	$3,000	$4,500	At least 1 tablet laptop and either 1 Desktop or a second tablet laptop
Printer	$150	$300	1 Portable printer
Firewall hardware/software	$500	$1,500	High speed broadband router
ISP connectivity	$300	$1,000	Internet Service – 3 months
Business Software	$1,200	$2,000	Software licensing. QuickBooks Microsoft Office & Estimating software are required.
Proprietary Software	$5,000	$5,000	Office cabling/network wiring not included.
System set-up and configuration	$250	$500	
Software Support and Maintenance	$360	$700	Monthly Software Support and Maintenance – 3 months
Annual License Fee	$150	$300	Annual License Fee
Total	$10,910	$15,800	

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

(10) Additional Funds is an estimate of certain funds needed to cover your business (not personal) expenses during the first three months of operation of the Franchised Business. You will need capital to support on-going costs of your business, such as payroll, utilities, taxes, loan payments and other expenses, to the extent that revenues do not cover business costs. New businesses (franchised or not) often have larger expenses than revenues. You may need additional funds during the first three months of initial operation or afterwards.

The three-month period from beginning business covers the time by which most Handyman Connection® franchisees are fully in operation but does not necessarily mean that you will have reached "break-even," "positive cash flow," or any other financial position by that time. In addition, the estimates presented relate only to costs associated with the Franchised Business, reflect minimal employee wages, and do not cover any personal, "living" unrelated business or other expenses you may have such as royalty payments, National Marketing Fund contributions, debt service on any loans, state sales and/or use taxes on goods and services, and a variety of other amounts not described above.

Miscellaneous costs to begin operations and other financial requirements may be more or less than the figures specified above, as a function of the size of business (number of staff, anticipated volume of business, etc.) and the area in which you intend to operate and other factors, as mentioned above. Many of these factors are primarily under your control in your independent operation of the business. We have made no provision for capital or other reserve funds necessary for you to reach "break-even" or any other financial position nor do any of these estimates include any finance charges, interest or debt service obligations. You should not assume that revenues from your customers will necessarily cover your initial (or other) expenses. You should review these figures carefully with a business advisor (such as an accountant) before making any decision to purchase the franchise

Since costs can vary with each franchisee, we strongly recommend that you (1) obtain, before you buy a franchise or make any commitments, independent estimates from third-party vendors and your accountant of the costs that would be needed to establish and operate a Handyman Connection® Franchised Business, (2) discuss with current Handyman Connection® franchisees their economic experiences (including initial costs) in opening and operating a Handyman Connection® Franchise and (3) carefully evaluate the adequacy of your total financial reserves.

(11) Total Estimated Initial Investment: All of the figures are estimates of certain initial startup expenses. The chart is not all inclusive as noted in note 9, above, and we cannot guarantee you will not have additional expenses in starting your Handyman Connection® business. Your costs will vary depending on such factors as: how much you follow the Systems and procedures; your management, technical and marketing skill, experience and general business ability; the size and location of your business; local and general economic conditions; the local market for Handyman Connection® services; levels of competition; prevailing wage rates and the sales levels reached by you during the initial period. The estimate does not include any finance charge, interest or debt service obligation.

The factors, basis and experience that we considered in formulating our estimates for your initial start-up are based on 20 years of experience in franchising, and the assistance given to our franchisees in establishing and operating their Handyman Connection franchises.

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

See Item 10 for information regarding financing.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Franchised Business in strict conformity with our methods, standards, and specifications, which we prescribe in our confidential Handyman Connection Operations and Training Manuals, Standard Operating Procedures ("SOP") and various other confidential manuals and writings prepared by us for your use in operating a Franchised Business (collectively the "Operations Manual"). We may periodically change our standards and specifications at our sole discretion.

Approved Products, Services, and Suppliers

You may only offer approved services and products ("Approved Services and Products") through your Handyman Connection® Franchised Business. We will provide you with a list of the Approved Services and Products when you sign the Franchise Agreement. All Approved Services and Products must meet our standards and specifications, which we will provide to you or directly to our designated or approved vendors. In order to: (i) better assure the quality of the Approved Services and Products; (ii) assure the supply or quality of the Approved Services and Products; and/or (iii) enable us, in our sole discretion to take advantage of marketplace efficiencies, we have the right to require you to purchase certain products and services, including any proprietary products and services we or our Affiliates may now or in the future create, from us, our Affiliates, or other suppliers or distributors approved or designated by us. Currently, we have designated suppliers for customized software and specific marketing literature. We may change these categories at any time. You are required to purchase our proprietary software, directly from us. Other than the proprietary software, which is provided by Handyman Connection, neither we nor our officers have an ownership interest in any approved or designated suppliers.

Specification of a supplier may be conditioned on requirements relating to product or service availability, customer service (including prompt attention to complaints), as well as payments, contributions or other consideration to us or other parties designated by us, and may be temporary, in each case in our absolute discretion. Nothing shall be construed to require us to approve any particular supplier. We have the right to receive payments from suppliers on account of their dealings with you and other franchisees and to use all amounts we receive without restriction for any purposes we deem appropriate. We shall not approve an unreasonable number of suppliers for a given item, which approval might, in our reasonable judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers. We may withhold, condition, and/or revoke our approval of particular products or suppliers when we determine, in our sole discretion, that the products or suppliers no longer meet our standards. Upon receipt of written notice of revocation, you must cease purchasing the disapproved products or services from suppliers.

In the event you wish to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, you must provide us the name, address, and telephone number of the proposed supplier, a description of the item you wish to purchase,

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

and purchase price of the item, if known. At our request, you must provide us, for testing purposes, with a sample of the item you wish to purchase. If we incur any costs in connection with testing a particular product or evaluating an unapproved supplier at your request, you or the supplier must reimburse our reasonable testing costs, regardless of whether we subsequently approve the item or supplier. We'll notify you within a reasonable time whether or not you're authorized to purchase or use the proposed item or to deal with the proposed supplier. This time period would be within 72 hours if no credit check is required as a standard practice in that particular product or services industry; otherwise, the time period is 7 days.

We may obtain Handyman Connection Advisory Council input before making changes to designated equipment, products, and/or services representing an additional investment by most or all Franchisees in excess of $5,000 within the 12 months following the effective date of any changes. We will provide you with a commercially reasonable period of time in which to implement any the changes (not less than 90 days).

We have entered into purchasing arrangements with suppliers for a variety of goods and services. We may derive revenue from your purchase of certain core products and services from approved and designated suppliers, including computer hardware and software, and Approved Services and Products. We may receive a rebate in the form of a fixed amount or percentage of sales. Our approved supplier of certain core products pays a rebate of 5%, provided that we meet certain volume requirements. In 2013, we received the amount of $12,070 from Tele-Link Services. Other than the amounts in the preceding sentence, we did not derive any revenue as a result of required franchisee purchases and leases during 2013.

You must purchase Handyman Connection's proprietary software, as well as periodic upgrades to the software from Handyman Connection; you must use Handyman Connection's designated telephone answering service, Tele-Link Services.

Advertising

We must approve all advertising before first publication or use.

Leases and Leasehold Improvements

You must purchase or lease a retail space for your Franchised Business which meets our standards and specifications. We must approve your location and lease terms before you sign a lease for a location. We will condition our approval of your lease upon, among other conditions, you and your landlord's signing of a collateral assignment of lease, whereby your landlord grants us the right, but not the obligation, to assume your rights and obligations under the lease in the event that you breach your lease agreement, or your Franchise Agreement is terminated or expires.

Computer Hardware and Software Components

You must purchase the required computer hardware and software itemized in detail in Note 8 to the Item 7 Chart.

Proportions of Required Purchases

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Franchimp
Document downloaded from Franchimp.com

We estimate that your required purchases will account for approximately 10% to 20% of all purchases and leases necessary to open your Franchised Business, and 5% to 10% of your ongoing cost to operate a Franchised Business. We don't condition providing benefits (such as the award of a renewal term or additional franchise) on use of designated or approved sources. However, failure to use approved items and suppliers might, like other matters, be a default under the Franchise Agreement and, in general, a franchisee in default would not be awarded a successor or additional franchise and might even be subject to termination.

Purchasing or Distribution Cooperatives

We may require that you join and make required purchases/leases through the Handyman Connection® purchasing cooperative or other entity we designate. The cooperative may adopt its own bylaws, rules, regulations and procedures, subject to our consent in our discretion. We can require each cooperative to submit monthly and annual financial statements, and can require that the annual financial statements be audited, all at the expense of the cooperative. Presently, we have not established a purchasing or distribution cooperative. Accordingly, you are not presently required to make purchases or leases through any purchasing cooperative or any other entity.

Insurance

You must procure and maintain the types and amounts of insurance that we specify, as issued by the insurance carriers we approve, including:

a. Employer's liability and workers' compensation insurance as prescribed by law; At a minimum, worker's compensation shall be maintained with limits of at least $500,000 per accident. In "Monopolistic States" (e.g., Ohio, North Dakota, Washington and Wyoming), "Stop Gap" coverage must be purchased separately or added to the General Liability Insurance.

b. Commercial general liability insurance ($2,000,000 in the aggregate; $1,000,000 per occurrence) covering the operation of the franchised business;

c. Liability coverage shall include blanket contractual liability; and broad form property damage insurance;

d. Business interruption insurance;

e. Contents coverage insuring the place of the Franchised Business;

f. Non-owned automobiles coverage ($300,000); and

g. Excess liability coverage of at least $1,000,000.

h. Employee Dishonesty Insurance with a minimum limit of $10,000 per loss, including coverage for theft against third parties;

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.

Preview ends here

You are viewing the first 20 of 205 pages.
Log in or create a free account on franchimp.com to read the full document.

This document was downloaded from franchimp.com. All the information on this website is published in good faith and for general information purpose only. FranChimp.com does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information you find on this website (FranChimp.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website.