

RECEIVED  
FRANCHISE DISCLOSURE DOCUMENT  
DEPT OF CORPORATIONS  
SAN FRANCISCO

**THE MAIDS INTERNATIONAL, INC.**

9394 West Dodge Road, Suite 140

Omaha, NE 68114

(402) 558-5555

FAX: (402) 558-4112

[www.maids.com](http://www.maids.com)

'12\* JAN 10 AM 11:24  
**The Maids**  
Referred for a reason.

[FranchiseInfo@maids.com](mailto:FranchiseInfo@maids.com)

THE MAIDS® Businesses provide household maintenance and cleaning services.

The total investment necessary to begin operation of a THE MAIDS® franchise is \$93,545 to \$121,295. This includes \$57,495 to \$60,495 that must be paid to us.

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 Ronn Cordova, Franchise Development at 9394 West Dodge Road, Suite 140, Omaha, NE 68114, phone: (402) 558-5555, email: [rcordova@maids.com](mailto:rcordova@maids.com).

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'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](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.

Issuance Date: January 6, 2012

## 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 K** 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 LITIGATION ONLY IN NEBRASKA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE WITH US IN NEBRASKA THAN IN YOUR OWN STATE.
2. YOU MUST PAY TMI CERTAIN MINIMUM WEEKLY CONTINUING LICENSE FEES EVEN IF YOU HAVE NO REVENUE. FAILURE TO PAY SUCH FEES IS A MATERIAL BREACH OF THE FRANCHISE AGREEMENT AND GROUNDS FOR TERMINATION OF THE FRANCHISE AT THE OPTION OF THE FRANCHISOR.
3. THE SPOUSE OF THE FRANCHISE OWNER(S) MUST SIGN THE FRANCHISE AGREEMENT BECOMING JOINTLY AND SEVERALLY LIABLE FOR ALL DEBTS OF THE FRANCHISE WHETHER OR NOT SUCH SPOUSE(S) ARE INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THIS REQUIREMENT MAY PLACE THE PERSONAL ASSETS OF THE FRANCHISE OWNER AT RISK.
4. 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.**

Effective Date: See effective dates page

### STATE EFFECTIVE DATES

The following states require that the 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 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	State	Effective Date
California	Pending	New York	Pending
Hawaii	Pending	North Dakota	Pending
Illinois	Pending	Rhode Island	Pending
Indiana	January 10, 2012	South Dakota	January 10, 2012
Maryland	See separate FDD	Virginia	Pending
Michigan	January 9, 2011	Washington	Pending
Minnesota	Pending	Wisconsin	January 10, 2012

In the states listed below, the effective date of this disclosure document is the issuance date of January 6, 2012.

Alabama	Kentucky	North Carolina
Alaska	Louisiana	Ohio
Arizona	Maine	Oklahoma
Arkansas	Massachusetts	Oregon
Colorado	Mississippi	Pennsylvania
Connecticut	Missouri	South Carolina
Delaware	Montana	Tennessee
District of Columbia	Nebraska	Texas
Florida	Nevada	Utah
Georgia	New Hampshire	Vermont
Idaho	New Jersey	West Virginia
Iowa	New Mexico	Wyoming
Kansas		

**NOTICE REQUIRED  
BY  
STATE OF MICHIGAN**

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

**THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE  
RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisee. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

**The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.**

**Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Law Building, Lansing, Michigan 48913, telephone (517) 373-7117.**

**THE MAIDS INTERNATIONAL, INC.**  
**FRANCHISE DISCLOSURE DOCUMENT**

**INDEX**

ITEM	DESCRIPTION	PAGE
1.	THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES .....	2
2.	BUSINESS EXPERIENCE .....	3
3.	LITIGATION.....	5
4.	BANKRUPTCY .....	5
5.	INITIAL FEES .....	5
6.	OTHER FEES.....	7
7.	ESTIMATED INITIAL INVESTMENT.....	12
8.	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....	14
9.	FRANCHISEE'S OBLIGATIONS .....	16
10.	FINANCING .....	17
11.	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING .....	18
12.	TERRITORY .....	27
13.	TRADEMARKS .....	28
14.	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION .....	30
15.	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS .....	30
16.	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....	31
17.	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	31
18.	PUBLIC FIGURES.....	34
19.	FINANCIAL PERFORMANCE REPRESENTATIONS .....	34
20.	OUTLETS AND FRANCHISEE INFORMATION.....	42
21.	FINANCIAL STATEMENTS .....	48
22.	CONTRACTS.....	48
23.	RECEIPTS .....	48

**EXHIBITS**

- A. FINANCIAL STATEMENTS
- B. FRANCHISEE LIST
- C. FRANCHISEES THAT HAVE LEFT THE SYSTEM
- D. FRANCHISE AGREEMENT
- E. SOFTWARE LICENSE AGREEMENT
- F. PROMISSORY NOTE AND SECURITY AGREEMENT
- G. AGREEMENTS TO BE SIGNED BY THE FRANCHISEE, ITS MANAGER AND/OR TEAM LEADER
- H. INITIAL EQUIPMENT/SUPPLY PACKAGE
- I. THE MAIDS® CONFIDENTIAL SYSTEM
- J. ONLINE OPERATIONS MANUAL TABLE OF CONTENTS
- K. STATE AGENCY EXHIBIT
- L. STATE ADDENDA (INCLUDING SAMPLE GENERAL RELEASE)
- M. RECEIPTS

## Item 1

### THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

#### Franchisor

To simplify the language in this Disclosure Document, "we" or "us" and "TMI" mean The Maids International, Inc., the franchisor. "You" means the person, persons or entity who buys a franchise, including the entity's owners. On October 9, 1979, we were incorporated in the State of Nebraska. We do business under the name "The Maids®." As of the date of this Disclosure Document, our offices are at 9394 West Dodge Road, Suite 140, Omaha, NE 68114. Our website is [www.maids.com](http://www.maids.com). We have no parents, predecessors or affiliates required to be disclosed in this Item. We are engaged in no business activities other than franchising the right to own and operate The Maids® household maintenance and home services businesses and operating company owned The Maids® stores.

Our agents for service of process are disclosed on Exhibit K to this Disclosure Document.

#### Franchised Business

We grant the personal right and license to establish and operate a The Maids® household maintenance and home services business ("The Maids Business"). Under the terms of the Franchise Agreement (which is attached as Exhibit D), you will operate your The Maids® Business within a prescribed territory. We also grant conversion franchises to qualified persons or entities who have been engaged in a household maintenance and service business ("Conversion Franchisee"). Conversion Franchisees must sign both the Franchise Agreement and the "Conversion Rider to the Franchise Agreement" (which is attached to the Franchise Agreement). The Maids® Businesses provide efficient household cleaning services for people who lack the time or desire to clean their home on a regular basis.

We have been franchising The Maids® Businesses since November 1980. As of September 30, 2011, there were a total of 1,098 franchised and company-owned Territories. A total of 150 franchisees licensed and operated 1,072 of the 1,098 Territories. We operated the remaining 26 Territories. Except as described below, we have not offered franchises in any other line of business.

In addition to the 1,098 Franchise Territories, 7 Regional Owner Franchises exist. The Owner Franchises are businesses that market and service, on our behalf, The Maids® Businesses located, or to be located, within a geographical area specified by the applicable regional or master agreement. If your franchise is or will be located in one of these geographic areas, the applicable Regional Owner Franchisee will provide some of the services due from us. We began offering Regional Owner Franchises in 1982, but then ceased offering those franchises in 1994. We began offering Regional Owner Franchises again in 2011.

#### Competition and Government Regulations

You will compete with national and local businesses offering the same or similar cleaning services. The market for residential cleaning services is developed in some major cities, but remains undeveloped in many areas. Even in developed markets, we believe our concept is different from the standard cleaning service in terms of the services and products offered.

We know of no governmental regulations which specifically govern the household maintenance and cleaning service industry, but you are subject to laws and regulations that apply to businesses generally, including immigration and employment laws. We are not aware of any environmental regulations

applicable to the household cleaning supplies used in your The Maids® Business. We strongly encourage you to investigate the laws and regulations that may apply to your business.

## Item 2

### BUSINESS EXPERIENCE

Chairman of the Board and Director: Daniel J. Bishop

Mr. Bishop founded The Maids International, Inc., on October 9, 1979. Mr. Bishop became Chairman of the Board in September 2010 and has been our Director since our founding. Mr. Bishop was our President and Chief Executive Officer since our founding until September 2010. In 1959, Mr. Bishop founded Bishop Building Services, Inc. located in Omaha, Nebraska, and he continued to serve as a Director of that organization until its sale in 2005. In 1970, he founded American Security Services, Inc., in Omaha, Nebraska, and he continued to serve as its President and Chief Executive Officer for its regional operations until its sale in 2007. Mr. Bishop became a Director of the World Federation of Building Service Contractors representing the United States Building Services Contractors Association International in 1996 and Vice President of the Federation in 2004 and is a Certified Building Service Executive.

President and Chief Executive Officer and Director: Colin M. Bishop

Mr. Bishop joined us as Managing Director of Franchise Development on January 1, 2003. Mr. Bishop was promoted to President and Chief Executive Officer in September 2010. Mr. Bishop has been President of Bishop Group, Inc., a Regional Franchisee as described in Item 1, since March 1991. Mr. Bishop has been a member of our Board of Directors since January, 1995. He was involved with the start up, development and testing of the first The Maids® franchise, and owned a The Maids® franchise in Omaha, Nebraska from 1983 until 2006.

Chief Operating Officer and Director: Daniel F. Kirwan

Mr. Kirwan joined us as Vice President and Chief Financial Officer in January 2001. He was promoted to Executive Vice President-Operations, Treasurer on January 1, 2003. In September 2010, he was promoted to his current position. Mr. Kirwan has been a member of our Board of Directors since November 2002.

Chief Accounting Officer, Treasurer: Judy Trout

Ms. Trout joined us as Secretary and Comptroller in January 1990. In March 2008, Ms. Trout was promoted to Chief Accounting Officer and Treasurer.

Chief Financial Officer: Paul Andersen

Mr. Andersen joined us in February 2008 as Chief Financial Officer. In this role, Mr. Andersen oversees all aspects of finance, accounting and information technologies. From 2001 to 2008, Mr. Andersen was with AAA Nebraska, last serving as the Vice President of Finance/Treasurer.



Director of Customer Experience: Julie Evans

Ms. Evans served as Chief Marketing Officer from February 2011 through April 2011. Ms. Evans rejoined us as Director of Customer Satisfaction in September 2011. From May 1999 through February 2011, Ms. Evans was Director Consumer Direct Sales and Marketing of Omaha Steaks in Omaha, Nebraska.

Vice-President Franchise Development: Ronn Cordova

Mr. Cordova joined us in April 2011 as Vice President Franchise Development. From January 2008 through April 2011, Mr. Cordova was President of DovaCo, Inc. in Washington, Utah. From April 2007 through December 2007, Mr. Cordova was Franchise Sales Director of Zgurus in Carlsbad, California. From November 2004 through March 2007, Mr. Cordova was Vice President of Franchise Development for Eatza Pizza, Inc. in Scottsdale, Arizona.

Director of Training and Product Development: Erin Murray

Ms. Murray joined us in 1999 as a Technical Trainer, teaching The Maids® cleaning system to new franchisees and their staff. Ms. Murray served in this capacity until 2001 when she was promoted to Product Development Manager, maintaining vendor relations and managing research & development for the product line. In September 2010, Ms. Murray was promoted to Director of Training and Product Development, overseeing Foundation, Corporate Training, Power Training, system development and Research and Development.

Vice President of Operations: Troy Florance

Mr. Florance joined us in January 2006, as a Business Coach working with franchisees in the Southeast. In February of 2008, Mr. Florance took over responsibility for our National Sales Center, providing inbound sales service to franchisees. In June 2009, Mr. Florance was promoted to National Director of Franchise Operations, responsible for our business coaching program and franchise operational support. He was promoted to his current position in September 2010. Mr. Florance has had leading roles in the Employee Retention Task Force, Sales Task Force and development of our Foundation Program for new franchisees. From June 1998 until December 2005, Mr. Florance was a Marketing Manager for the Oriental Trading Company in Omaha, Nebraska.

Director of Marketing: Amy Olson

Ms. Olson joined us in 2004 as the Advertising and Public Relations Assistant, designing an array of advertising materials, producing corporate newsletters and contributing to the public relations efforts of the company. In 2005, Ms. Olson was promoted to Public Relations and Corporate Communications Manager where she coordinated corporate communications, represented the company as chief corporate spokesperson, fielded media-related inquiries, planned communications and public relations strategies and managed Internet advertising on behalf of franchisees and the corporate office. In June 2009, Ms. Olson was promoted to Director of Marketing, overseeing marketing, advertising creative, interactive and digital media, communications and public relations on behalf of the franchise system.

Director of Business Intelligence: Randy Nieland

Mr. Nieland joined us in May, 2007 as Network Manager, leading the implementation and maintenance of telecommunications and data networking systems. In June 2009, Mr. Nieland was promoted to Director of Business Intelligence, expanding his role to include improvements in the coordination of technology and

information throughout the system. From September 2000 to April 2007, Mr. Nieland was self-employed as a freelance technology writer and consultant in Waterloo, Iowa.

### Item 3

#### LITIGATION

1. Worthy Corporation of Collier County, Inc., and Worthy Corporation of Lee County, Inc. (collectively "Worthy") v. The Maids International, Inc., American Arbitration Association (the "AAA"), Omaha, Nebraska, Case No. 77 114 0321 00, filed October 18<sup>th</sup>, 2000. On September 17, 2000, Worthy, former franchisees, filed this proceeding by asserting claims of fraudulent and/or negligent misrepresentation in the franchise sales process and violation of the Florida Deceptive and Unfair Trade Practices Act and the Florida Franchise Act [sic]. Worthy sought compensatory damages in an unspecified amount and reimbursement of their costs and attorneys' fees. We denied the allegations and filed a Counterclaim against Worthy for fraud and misrepresentation (submitting false financial information in a claim for a franchise) and Breach of Contract (failing to pay recurring fees, terminating the agreement prematurely, and violating post term covenants not to compete). In July of 2001, the Arbitrator issued a Final Award of Arbitrator awarding Worthy \$362,710 and us \$34,839.32 (the "Award"). We then requested that the AAA clarify and correct the Award. Following this, Worthy requested that the AAA award it its attorneys' fees, costs, and expenses in addition to the Award. On September 27, 2001, the AAA denied both parties' requested relief. On October 19, 2001, we filed a Motion to Vacate the Award in the United States District Court of Nebraska in a case entitled The Maids International, Inc. v. Worthy Corporation of Collier County, Inc. and Worthy Corporation of Lee County, Inc., Case No. 8:01 CV548. Worthy filed a motion seeking an additional award of its attorneys' fees incurred in the arbitration. By order dated July 29, 2002, the court denied both parties' motions. The parties settled these matters on August 23, 2002, for 85.4% of the original net award.

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

### Item 4

#### BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

### Item 5

#### INITIAL FEES

• <i>Initial License Fee</i>	\$10,000
• <i>Initial Territory Fee</i>	\$.95 Per Potential Customer
• <i>Initial Equipment/ Supply Package Fee</i>	\$16,100-\$17,100
• <i>Initial Software Licensing Fee</i>	\$2,895 Plus \$1,000 for each concurrent user

### **Initial Franchise Fee**

The Initial Franchise Fee includes an Initial License Fee of \$10,000 and an Initial Territory Fee of \$.95 for each potential customer in your Designated Market Area. A potential customer is described below and in Item 12 of this Disclosure Document, and meets our current demographic standards.

Potential customers are defined by using demographic data. Every household in your market area that has an annual income of over \$75,000 is a potential customer. Other criteria may apply.

For example, if there are 30,000 potential customers in your Designated Market Area, you would pay to us an initial License Fee of \$10,000 plus a Territory Fee of \$28,500 (\$.95 multiplied by 30,000) for a total of \$38,500. You must pay these amounts when you sign the Franchise Agreement.

If you qualify and elect to purchase additional Franchise Territories after you sign the Franchise Agreement and pay the Initial License Fee you will not have to pay the Initial License Fee portion of the Initial Franchise Fee. You will, however, have to pay an Initial Territory Fee of \$.95 per potential customer in your newly acquired territories. To be eligible to purchase additional territories, you must not be in breach or default of any agreement with us, and you must meet our then-current criteria for expansion. Any additional Franchise Territories to be purchased are subject to final approval by us.

As described in Item 12 of this Disclosure Document, your Designated Market Area will consist of one or more Franchise Territories. Designated Market Areas range in size from approximately 30,000 to 200,000 households. Your Designated Market Area will be defined by one or more of the following: (i) zip codes; (ii) political boundaries; or (iii) hard boundaries, such as streets, highways, rivers, or other identifiable physical boundaries.

### **Conversion Franchisee Initial Franchise Fee**

If you are a Conversion Franchisee, you will become a The Maids® franchisee in accordance with the terms and conditions of our current conversion program, which contains reduced initial or Continuing License Fees. We reserve the right to amend or terminate our conversion program at any time.

Currently, our conversion program provides for a discounted Initial Franchise Fee. If you own an existing residential cleaning business with annual Gross Revenues (as defined in Item 6 below) of at least \$100,000 but less than \$500,000, and you agree to merge that business with the franchise ("Regular Conversion"), we will discount the Initial Franchise Fee calculated above by 50%. If you own an existing residential cleaning business with annual Gross Revenues of \$500,000 or more and you agree to merge that business with the franchise ("Large Conversion"), we will discount the Initial Franchise Fee calculated above by 75%.

### **Initial Franchise Fee Terms**

We may reject you as a new franchisee and terminate your Franchise Agreement if you provide us with any inaccurate financial, personal or other information, or if you or your manager fails to successfully complete our training program within 60 days of signing the Franchise Agreement. If your manager fails to successfully complete training, you will have 30 days to hire a new manager and schedule that person for training.

If your Franchise Agreement is terminated because we rejected you as a franchisee as described above, we will refund your Initial Franchise Fee after deducting all of our reasonable administrative and out-of-pocket expenses. These expenses will include our executives' and employees' salaries, training costs,

salespersons' commissions, attorneys' fees, accountants' fees, travel expenses and long distance telephone call costs. Otherwise, the Initial Franchise Fee is nonrefundable. You will not be charged an amount for these expenses which exceeds the amount of the Initial Franchise Fee.

We are a member of the VetFran program. If you are a veteran of the United States armed services, your Initial Franchise Fee will be discounted by \$4,000.

**Initial Equipment/Supply Package and Software Licensing Fee**

When you sign the Franchise Agreement, you must pay to us \$ \$16,100 to \$17,100 for the initial equipment/supply package necessary to commence operation of your The Maids® Business. You will receive an itemized total of the contents of your initial equipment/supply package before signing a Franchise Agreement. You must also pay to us an Initial Software Licensing Fee of \$2,895, plus \$1,000 for each concurrent user, for the license for the required software. These payments are nonrefundable unless you are rejected as a franchisee as described above.

If, after signing the Franchise Agreement for your first The Maids® Business, you purchase an additional territory, then you will not be required to purchase an additional initial equipment/supply package or pay an additional initial software licensing fee, however additional user fees may be applicable.

If your Franchise Agreement is terminated because we have rejected you as a franchisee, we will refund your payment for the initial equipment and supply package and software licensing fee after (1) we receive, freight prepaid, the returned equipment and supply package and deduct the costs of any items not returned to us in a new and salable condition and (2) you deliver to us all copies of the required software provided by us.

**Item 6**

**OTHER FEES**

Type Of Fee (see Note 1)	Amount	Date Due	Remarks
Continuing License Fees	3.9 to 6.9% of Gross Revenues. In addition, minimum Continuing License Fees apply. (see Notes 2, 3, 5 and 7)	Wednesday of each week for the preceding week	Gross Revenues is defined in Note 8
Conversion Franchisee Continuing License Fees	2.4% to 6.9% of Gross Revenues. In addition, minimum Continuing License Fees apply. (see Notes 2, 4, 5 and 7)	Wednesday of each week for the preceding week	Gross Revenues is defined in Note 8
Advertising Fee	2% of Gross Revenues (see Notes 2, 7, 9)	Wednesday of each week for the preceding week	The Advertising Fee you pay to us is deposited in The Maids® National Advertising Fund

Type Of Fee (see Note 1)	Amount	Date Due	Remarks
Conversion Franchisee Advertising Fee	½% to 2% of Gross Revenues (see Notes 2, 6 and 7)	Wednesday of each week for the preceding week	The Advertising Fee you pay to us is deposited in The Maids® National Advertising Fund
Local Advertising Expenditures	\$1.20 minimum per potential customer, per year until revenue for the previous 12 months exceeds \$800,000. If the previous 12 months revenue exceeds \$800,000, local advertising expenditures must be a minimum of 6% of that revenue level or revenues must grow at a minimum of 8%.	As negotiated	Payable to local advertising suppliers or local advertising co-op; you must provide us with monthly reports of your local advertising expenditures
Co-op Advertising Fees	Amount will vary	As negotiated	Paid to the cooperative (see Item 11)
Audit Fees	Amount incurred by TMI to audit your THE MAIDS® Business	Within 10 days of receipt of an invoice	Payable only if our audit reveals that you understated your Gross Revenues by more than 2% or underpaid your Continuing License Fees by more than \$500 during any 12 month period
Transfer Fee	\$10,000	Before the date you transfer the Franchise Agreement or a controlling interest in a corporation or partnership that is the franchisee	We must approve the transfer. The Transfer Fee is \$5,000 if an existing franchisee is the transferee
Collection Costs for Unpaid Fees	Amount we incur to collect fees	On demand	Includes the amount of actual attorneys' fees, deposition costs, expert witness fees, investigation costs, accounting fees, filing fees and travel expenses
Service Charge	\$75 for each payment not paid within 10 days after due date	On demand	Applies to all delinquent fee payments due to us

<b>Type Of Fee (see Note 1)</b>	<b>Amount</b>	<b>Date Due</b>	<b>Remarks</b>
Interest Charges for Unpaid Fees	18% per annum or the maximum legal rate allowable in the state in which your The Maids® Business is located	On demand	Applies to all delinquent fee payments due to us
Additional Training and Consulting Services Provided by TMI	Currently \$500 per day plus travel expenses	Before delivery of additional training or consulting services	You must also pay all applicable travel, lodging and other expenses
TMI National Convention	Currently \$350 for Registration Fee (see Note 10)	Before attending the National Convention	You must also pay your travel and lodging expenses
On-Site Emergency Response Service Provided by us	Currently \$250 to \$500 per day plus travel expenses	After services have been rendered	You must pay our representative's travel and lodging expenses
Renewal Fee	10% of the then-current franchise fee	Upon signing the then-current Franchise Agreement	
Annual Software Membership Fee (see Notes 1, 2)	\$350 per year per user. Subject to change with 30 days' notice. (see Note 11)	Annually	Your first year membership is free. (see Note 11)
Corporate Training Fees for New Manager	\$600 per person plus travel expenses	Before your new manager attends training	All new managers must attend training to participate in the management of your The Maids® Business

Notes:

1. You must pay each fee to us unless otherwise noted. All fees are nonrefundable and, unless otherwise noted, are uniformly imposed based on Franchise Agreement.
2. You must authorize your bank to accept automatic withdrawals of this amount from your bank into our bank account on a weekly basis. You must provide us with all documents necessary to direct your bank to honor these pre-authorized bank debits.
3. We have designed the Continuing License Fee structure to reward you for expanding your The Maids® Business. Each week, you must pay to us a nonrefundable Continuing License Fee equal to a specified percentage of the weekly Gross Revenues of your The Maids® Business as follows:

Weekly Gross Revenues	Continuing License Fee Percentage
\$ 0 - 6,730	6.9%
\$ 6,731 - 13,460	6.5%
\$ 13,461 - 28,840	6.0%
\$ 28,841 - 48,070	5.5%
\$ 48,071 - 76,920	5.0%
\$ 76,921 - 134,615	4.5%
\$134,616 and up	3.9%

- The Continuing License Fee percentage is based on the lowest rate for one week of Gross Revenues.
- If you license or control multiple The Maids® Businesses, you may combine weekly Gross Revenues to reach the lowest possible Continuing License Fee percentage provided that you submit weekly Gross Revenues reports for all The Maids® Businesses on the same day.
- Example: If your Gross Revenues during week 1 are \$7,000, you will pay 6.5% of \$7,000 as the weekly Continuing License Fee for week 1. If your weekly Gross Revenues are \$14,000 in week 2, you will pay 6.0% of \$14,000 as the Continuing License Fee for week 2. If in week 3, you had weekly Gross Revenues of \$15,000 in your first The Maids® Business, and you opened a second The Maids® Business that had Gross Revenues of \$15,000 in the same week, you would pay 5.5% of the combined Gross Revenues of \$30,000 as the Continuing License Fee for that week.
- If you fail to pay your weekly Continuing License Fee within 30 days of the date it is due, your Continuing License Fee for that weekly remittance will be 6.9% regardless of the amount of your Gross Revenues.
- If you fail to cure a default under your Franchise Agreement or any other agreement with us within 30 days of receiving written notice from us that you are in default, your Continuing License Fee will be 6.9% regardless of the amount of your Gross Revenues.
- If you operate your The Maids® Business outside your Designated Market Area, in addition to our right to terminate the Franchise Agreement, we reserve the right to require you to pay us a weekly Continuing License Fee of 14% of all Gross Revenues received from customers outside your Designated Market Area, even if you are a Conversion Franchisee. You are never allowed

to operate your The Maids® Business in the Designated Market Area of another Franchisee. In addition to our right to terminate the Franchise Agreement for your operation in the Designated Market Area of another franchisee, we reserve the right to require you to pay us a weekly Continuing License Fee of 14% of all Gross Revenues received from customers inside the other Franchisees Designated Market Area, even if you are a Conversion Franchisee. You will also owe compensation (up to 100% of the Revenue Earned) to the Franchisee whose Designated Market Area you infringed upon.

4. If you are a Conversion Franchisee, currently we offer discounted Continuing License Fees based on the annual Gross Revenue of your existing business. Subject to the minimum Continuing License Fees described in Note 6 below, if you qualify for a Regular Conversion for two years from the effective date of the franchise agreement, you will pay us a reduced Continuing License Fee of 2.9%. If you qualify as a Large Conversion for three years from the effective date of the franchise agreement, you will pay us a reduced Continuing License Fee of 2.4%. After the time period for the reduced Continuing Fee expires, you will pay the standard Continuing License Fee, described in Note 3 above.
5. You must pay to us a minimum weekly Continuing License Fees under your Franchise Agreement according to the following table per territory: Your market may consist of multiple territories. See Item 12, Territory for more information about your Designated Market Area.

<b>Period From Date of Franchise Agreement</b>	<b>Minimum Weekly Continuing License Fees Per Market</b>
Months 1-12	No minimum
Months 13-24	\$90
Months 25-48	\$150
Months 49-thereafter	\$220

6. If you are a Conversion Franchisee, currently we offer a reduced Advertising Fee. If you qualify for a Regular Conversion, you will pay us a reduced Advertising Fee of 1% for two years from the effective date of the Franchise Agreement. If you qualify for a Large Conversion, you will pay us a reduced Advertising Fee of ½% for three years after the effective date of the Franchise Agreement. After the reduced Advertising Fee period expires, you will pay us the standard Advertising Fee described in the chart above.
7. We allow existing franchisees to pay Continuing License Fees and Advertising Fees at the lowest rate in any of their existing Franchise Agreements until the Agreement expires. For example, if you signed a Franchise Agreement in year one and expanded in year two, under this program you would be allowed to pay Continuing License Fees and Advertising Fees at the rates in your first Franchise Agreement for the area you expanded into in year two until the first Franchise Agreement expires. After the first Franchise Agreement expires, you would pay Continuing License Fees and Advertising Fees in accordance with the second Franchise Agreement. We, in our sole and absolute discretion, may offer, modify, withdraw, and reinstate this program in the future without notice. In addition, we have the sole and absolute discretion to determine whether to offer this program to new franchisees.
8. Gross Revenues are the total dollar income to you resulting from all sales made to customers or clients of your The Maids® Business and any other cleaning, maintenance or service business which is either inside or outside for all products and home services, whether made for cash, credit or barter. Gross Revenues do not include any sales, use or gross receipts tax imposed by any



federal, state, municipal or governmental authority directly upon sales, if: (A) the amount of the tax is added to the selling price and is expressly charged to the customer; (B) a specific record is made at the time of each sale of the amount of such tax; and (C) you pay the amount of the tax to the appropriate taxing authority.

9. We reserve the right to increase the amount of the weekly Advertising Fee. We will review any proposed increase with the Executive Advisory Council. In addition, we will give you 90 days written notice before assessing increased Advertising Fees. Any increase will not be more than 1/2 of 1% in a two-year period.
10. If you are a start up franchisee, we will pay the registration fee for two persons and hotel accommodations (one room) for three nights to your first National Convention. We may require you to pre-pay the Registration Fee and the lodging for additional participants as well as future conventions.
11. You must pay to us a nonrefundable annual software membership fee equal to \$350, per year per user, after the first year free membership. We reserve the right to increase this price with 30 days prior notice.
12. You will be provided support through Insight Direct as part of the nonrefundable annual software membership fee referred to in 11. We reserve the right to modify this support program and pricing with 30 days prior notice.

#### Item 7

### ESTIMATED INITIAL INVESTMENT

#### YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment <sup>(1)</sup>	When Due	To Whom Payment is to be Made
<b>Initial Fees</b>				
Initial License Fee <sup>(2)</sup>	\$ 10,000	Lump Sum	When you sign the Franchise Agreements	Us
Initial Territory Fee <sup>(3)</sup>	\$ 28,500 - \$ 28,500	Lump Sum	When you sign the Franchise Agreements	Us
Initial Equipment and Supply Package	\$ 16,100- \$17,100	Lump Sum	When you sign the Franchise Agreements	Us
Initial Software License	\$ 2,895 - \$ 4,895	Lump Sum	When you sign the Franchise Agreements	Us
<b>SUBTOTAL</b>	<b>\$ 57,495 - \$ 60,495</b>			
<b>Start Up Costs Due Others</b>				
Office Security Deposit	\$ 700 - \$ 1,000	Lump Sum	Before Opening	Landlord
Computer Hardware <sup>(4)</sup>	\$ 3,000 - \$ 5,000	Lump Sum	Before Opening	Supplier
Office Fixtures, Decorating & Furniture	\$ 2,500 - \$ 3,500	Lump Sum	Before Opening	Supplier
Auto Painting	\$ 750 - \$ 1,500	Lump Sum	Before Opening	Supplier
Telephone Deposit	\$ 100 - \$ 200	Lump Sum	Before Opening	Supplier
Insurance Deposit <sup>(5)</sup>	\$ 1,500 - \$ 2,500	Lump Sum	Before Opening	Supplier

Type of Expenditure	Amount	Method of Payment <sup>(1)</sup>	When Due	To Whom Payment is to be Made
Signs	\$ 500 - \$ 1,000	Lump Sum	Before Opening	Supplier
Washer and Dryer	\$ 800 - \$ 1,000	Lump Sum	Before Opening	Supplier
Start Up Professional Services	\$ 500 - \$ 1,500	Lump Sum	Before Opening	Supplier
Wages, Travel and Living Expenses During Corporate Training <sup>(6)</sup>	\$ 4,900 - \$ 8,050	As Incurred	During Training	Manager, Airlines, Hotels, and Restaurants
<b>SUBTOTAL</b>	<b>\$ 15,250 - \$ 25,250</b>			
<b>Operating Expenses (First 3 months)</b>				
Additional Funds - 3 Months <sup>(7)</sup>	\$ 20,800 - \$ 35,550	As Incurred	Monthly	Supplier/Us
<b>SUBTOTAL</b>	<b>\$ 20,800 - \$ 35,550</b>			
<b>GRAND TOTAL<sup>(8)(9)(10)</sup></b>	<b>\$93,545- \$121,295</b>			

Notes:

1. Payments are non-refundable unless otherwise noted.
2. The Initial License Fee for your first The Maid® Business is \$10,000. See Item 5.
3. The price for each potential customer located in the Designated Market Area you purchase will be \$.95 per potential customer. Potential customers are defined by using demographic data. Every household in your market area that has an annual income of over \$75,000 is a potential customer; see Item 5, Initial Fees, for additional details. This estimate assumes that there are approximately 30,000 potential customers. The range of size of a Designated Market Area encompasses approximately 30,000 to 200,000 households. As described in Item 12 of this Disclosure Document, your Designated Market Area will consist of three or more Franchise Territories. Your Designated Market Area will be defined by one or more of the following: (i) zip codes; (ii) political boundaries; or (iii) hard boundaries, such as streets, highways, rivers, or other identifiable physical boundaries.
4. See Item 11 of this Disclosure Document for more complete information regarding the computer hardware necessary to operate your The Maids® Business.
5. See Item 8 of this Disclosure Document and Article 12 of the Franchise Agreement for more complete information regarding the insurance coverage necessary for your The Maids® Business.
6. You must pay for the salaries, fringe benefits, travel costs, lodging, food, automobile rental and other expenses incurred for all persons attending our corporate training program. You must employ three people (two of which may be the franchisee(s) or its owners) prior to beginning our Corporate Training Program which is described in Item 11 of this disclosure document. Prior to opening your The Maids® Business, you must employ six people (two of which may be the franchisee(s) or its owners), consisting of four team members, one field manager and one general manager.
7. This additional funds estimate does not include the Continuing License Fees or the Advertising Fees you must pay to us. **This additional funds estimate does not include any franchisee compensation or payroll costs.** These figures are estimates only, and it is possible that you may

have additional or greater expenses during this initial three month period. Your costs will vary depending on the size of your The Maids® Business, economic and market conditions, competition, wage rates, sales levels attained, and other factors.

8. Your estimated initial investment and other estimates in this Disclosure Document do not take into account any debt service, ongoing working capital financing, accounts receivable financing or other related costs. Also, no provision has been made for capital or other reserve funds necessary for you to reach "breakeven", "positive cash flow" or any other financial position and we do not furnish, nor do we authorize salespersons or anyone else to furnish, estimates or otherwise as to those amounts. The figures presented do not estimate ongoing operating costs, and the actual minimum initial cost necessary to commence operations may vary considerably from the estimates provided. The numbers are estimates only and there is no assurance that additional funds might not be needed by you before or after opening your The Maids® Business. These estimates are based on our years of experience in franchising and operating The Maids® Business, and are derived primarily from information which franchisees provide to us. These estimates make no provisions for personal living expenses needed by you and your family.
9. Since costs to begin operating a The Maids® Business can vary with each franchise (particularly if you are purchasing an existing The Maids® Business), we strongly recommend that you (1) obtain, before purchasing a The Maids® franchise or making other commitments, independent estimates from third-party vendors and your accountant of the costs which would apply to the establishment and operation of a The Maids® Business, (2) discuss with current and past The Maids® franchisees their economic experiences (including initial investment and appropriate reserve funds) in opening and operating a The Maids® Business, and (3) evaluate carefully the adequacy of your total financial reserves with an accountant or other professional financial advisor.
10. Conversion Franchisees may incur a lower initial investment. In particular, Conversion Franchisees may pay a reduced Initial Franchise Fee and may not incur all the start-up costs other franchisees incur.

#### **Item 8**

#### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

When you sign the Franchise Agreement, you must also sign the Software License Agreement to license the required software and pay to us an Initial Software Licensing Fee of \$2,895, plus \$1,000 for each concurrent user. You will not have to pay an additional Initial Software Licensing Fee if you purchase additional Franchise Territories. The Software Licensing Fee and Software Membership amount to approximately 3% of your total expenses to establish your The Maids® Business and an insignificant percentage of your annual expenses to operate your Business. In the fiscal year ended September 30, 2011, our revenue from software maintenance and related fees was \$142,617 or 1.21% of our total revenue of \$11,741,874 based on our audited financial statements. We used this money to defray our administrative and overhead costs and expenses.

Specifications and approved suppliers are necessary to insure high quality and service throughout the country and to promote uniformity throughout all the franchised The Maids® Businesses. There are no goods or services required in the operation of a The Maids® franchise for which we or persons affiliated with us are the only approved suppliers, with the exception of the required software and the initial equipment/supply package.

The materials contained in the initial equipment and supply package are described in Exhibit H. The purchase of the initial equipment and supply package will constitute approximately 17% of the expenditures to establish your The Maids® Business. In the fiscal year ended September 30, 2011, our revenue from initial equipment and supply package purchases was \$46,095 or 0.39% of our total revenue of \$11,741,874 based on our audited financial statements.

You must operate your The Maids® Business and use the Marks in full compliance with the Business System and the Online Operations Manuals. In particular, you must use and offer each of the systems, services, equipment and products we designate. You are not allowed to use or offer any systems, services and/or products not approved by us. You will use only suppliers approved by us.

Certain approved suppliers pay us a percentage of their sales of approved supplies to our franchisees. In the fiscal year ended September 30, 2011 these cash payments ranged from 5% to 15% of purchases by The Maids® Businesses from the suppliers, depending on the product purchased. For the fiscal year ended September 30, 2011, these suppliers paid us a total of \$119,428 or 1.02% of our total revenue of \$11,741,874 based on our audited financial statements. We used this money to defray our administrative and overhead costs and expenses.

You must use only items that we specify and approve and you must purchase those items from approved suppliers only. We will notify you in our Online Operations Manual or other communications of our standards and specifications, and we will give you a list of approved items and approved suppliers. We, an affiliate or a third-party vendor or supplier periodically may be the only approved supplier for certain products. If you wish to use any supplier or item not specifically approved by us, you must submit sufficient specifications, photographs, and other information or samples to us for examination to determine whether the item and/or supplier meet our standards. We will make our determination and communicate our decision to you within 60 days. Upon request, you or the supplier must pay to us the cost of the investigation, including a reasonable amount for the time spent by our employees.

Before opening your The Maids® Business, you must purchase or lease at least one four-door small to mid size wagon (or other similar vehicle specifically approved by us) painted to the body color specified by us and suitably identified with The Maids® decals and/or commercial symbols. You must purchase or lease one vehicle for each maid team used in your Business. If you are a Conversion Franchisee, an existing vehicle may be converted for use in the franchise or you may choose to acquire a vehicle which meets our specifications.

In addition, you **must** subscribe to an electronic mail service provider and install connection to the Internet using the fastest high speed service provider reasonably available (excluding dial up). We use electronic mail and The Maids® Intranet to transmit messages, mailings and other data to our franchisees. You are required to submit weekly reporting data to us electronically. An Internet based learning management system, LearnShare is provided to train your team members. You can also use The Maids® Intranet to access important information from the online resource library.

You must carry general liability with coverage of at least \$500,000, vehicle insurance with coverage of at least \$500,000, all risks property insurance coverage, which must include fire and extended coverage, third-party fidelity insurance coverage with coverage of at least \$25,000, and all insurance required by law. Your insurance policies must name us as an additional insured. Item 7 of this Disclosure Document describes the estimated cost of the required insurance coverage.

Except as disclosed above, we do not receive revenue or any other material consideration as a result of required purchases or leases, nor do we provide material benefits to you based on your use of designated or approved sources. We currently are the only approved supplier for the required software, the initial

equipment/supply package and certain cleaning supplies. Some of our officers own an interest in us. Our officers do not own a material interest in any other supplier.

For the benefit of franchisees, we negotiate with certain suppliers to obtain the best prices on cleaning chemicals, insurance, equipment, advertising and uniforms. We are not aware of any distribution cooperatives.

### Item 9

#### FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise or other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

	Obligation	Section in Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Not applicable	
b.	Pre-opening purchases/leases	Articles 5 and 11 of Franchise Agreement	Items 5 and 8
c.	Site development and other pre-opening requirements	Not applicable	
d.	Initial and ongoing training	Article 9 of Franchise Agreement	Items 6 and 11
e.	Opening	Article 16.1(A) of Franchise Agreement	Item 11
f.	Fees	Articles 5, 6 and 7 of Franchise Agreement	Items 5 and 6
g.	Compliance with standards and policies/Operations Manuals	Articles 8, 11 and 13 of Franchise Agreement	Item 11
h.	Trademarks and proprietary information	Articles 4 and 8 of Franchise Agreement	Items 13 and 14
i.	Restrictions on products/services offered	Articles 11.10 and 11.11 of Franchise Agreement	Item 16
j.	Warranty and customer service requirements	Article 11 of Franchise Agreement	Item 11
k.	Territorial development and sales quotas	Article 6.2 of Franchise Agreement	Item 12
l.	Ongoing product/service purchases	Article 11.13 of Franchise Agreement	Item 8
m.	Maintenance, appearance and remodeling requirements	Articles 11.5 and 11.9 of Franchise Agreement	Item 11
n.	Insurance	Article 12 of Franchise Agreement	Items 7 and 8
o.	Advertising	Articles 6.4, 6.5, 7 and 11.7 of Franchise Agreement	Items 5, 6 and 11
p.	Indemnification	Article 21 of Franchise Agreement	
q.	Franchisee's participation/management/staffing	Article 11.27 of Franchise Agreement	Items 11 and 15
r.	Records/reports	Article 13 of Franchise Agreement	Item 6
s.	Inspections/audits	Articles 11.22 and 13.6 of Franchise Agreement	Items 6 and 11

	<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
t.	Transfer	Article 15 of Franchise Agreement	Item 17
u.	Renewal	Article 3 of Franchise Agreement	Item 17
v.	Post-termination obligations	Article 18 of Franchise Agreement	Item 17
w.	Non-competition covenants	Article 19 of Franchise Agreement	Item 17
x.	Dispute resolution	Article 24 of Franchise Agreement	Item 17
y.	Personal Guaranty	Article 19 of Franchise Agreement	Item 15

### Item 10

### FINANCING

Except as stated below, we, our agents, and our affiliates offer no financing arrangements, and we, our agents, and our affiliates do not receive payment or other consideration for the placing of financing, or do not guaranty any note, lease or obligation you enter into for your The Maids® Business.

We may offer financing to qualified existing franchisees that have been in business for a minimum of 18 months, of up to 100% of the Initial Franchise Fee for the purchase of expansion Territories. Financing is not offered for any other purpose either in connection with the establishment or the operation of a The Maids® franchise.

If you qualify and accept financing from us, you must sign the Promissory Note and the Security Agreement attached as Exhibit F to this Disclosure Document. The Promissory Note will provide for an interest rate of 5.5% above the current national prime rate. As of September 30, 2011, the current national prime rate was 3.25% and consequently we charged an annual percentage rate of 8.75%. If you are a qualified existing franchisee and are purchasing an additional Territory, the Promissory Note may provide for an interest rate lower than the rate stated in the previous sentence. The interest rate is 2.75% above the current national prime rate. Consequently, we would charge an annual percentage rate of 6.00%. In no event will we charge an interest rate that exceeds the maximum allowed by law. The Promissory Note must be paid by electronic funds transfer in scheduled monthly installments of not more than 24 months. The Promissory Note may be prepaid at any time without penalty. You and your spouse must personally guaranty the Promissory Note. We will retain a security interest in your Business or other assets.

Under the Promissory Note, you waive: (1) the right to claim or enforce any right of offset, counterclaim, recoupment or breach in any action brought to enforce your obligations under the Note (Section 7); (2) demand, presentment for payment, notices of nonperformance or nonpayment, protest and notice of protest, notice of dishonor, diligence in bringing suit and notice of acceleration and nonpayment may be extended or Note renewed (Section 8); (3) questions of governing law, personal jurisdiction and convenience of forum and venue (Sections 14 and 16); (4) trial by jury (Section 15); and (5) all claims that you may have against us and any persons and entities related to us, other than our obligations under the Franchise Agreement accruing on and after the date of the Promissory Note. If any of the events of default described in Section 5 of the Note occur, the entire unpaid principal and accrued interest of the Note will become immediately due and payable without further notice. Under Section 9 of the Note, you agree to pay all of our expenses and costs of collection, including attorneys' fees and expenses, court costs, costs of sale and costs of maintenance and repair we incur in connection with the enforcement of the Note, collection of amounts due and sale or other disposition of any collateral.

Under the Security Agreement, you waive: (1) questions of governing law, personal jurisdiction and

convenience of forum and venue (Sections 7.3 and 7.5); and (2) trial by jury (Section 7.4).

A default under the Franchise Agreement or any other agreement with us constitutes a default under the Promissory Note (Section 5) and the Security Agreement (Section 5). A default under the Promissory Note or the Security Agreement constitutes a default under the Franchise Agreement, which gives us the right, among other remedies, to terminate the Franchise Agreement. We require you to sign a Personal Guaranty to the Franchise Agreement.

We may assign or discount any Promissory Note you sign.

#### **Item 11**

#### **FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

**Except as listed below, we are not required to provide you with any assistance.**

#### **Assistance Before Opening**

Before you open your business, we will:

1. Define your Designated Market Area. (Franchise Agreement-Article 1).
2. Provide "Business Set-Up" to introduce you to our Business System and familiarize you with operating a The Maids® Business. The Business Set-Up is described more fully below (Franchise Agreement-Article 9.1).
3. Provide "Corporate Training" to educate you about the methods and procedures of operating a The Maids® Business (Franchise Agreement-Article 9.2). The Corporate Training is described more fully below.
4. Provide on-site "Power Training" to support you and your first team on the job. Power Training is described more fully below.
5. Provide the initial equipment and supply package necessary to begin operating your The Maids® Business (Franchise Agreement-Article 5.5).
6. License you the required software that is needed to manage your The Maids® Business (Franchise Agreement-Article 5.5).
7. Provide a list of suppliers and sources we have approved (Franchise Agreement-Article 10.1).
8. Provide you with access to our Online Operations Manuals. The Table of Contents of the Online Operations Manuals is attached as Exhibit J to this Disclosure Document. A complete list of all Online Operations Manuals and required online training programs is attached as Exhibit I to this Disclosure Document.
9. Make advertising and marketing recommendations for your The Maids® Business (Franchise Agreement-Article 10.1).

10. Establish the standards and specifications for your employees' standard attire (Franchise Agreement-Article 11.19).
11. Establish standards and specifications for your telephone equipment (Franchise Agreement-Article 11.25).

### **Assistance During the Operation of The Maids® Business**

During the operation of your The Maids® Business, we will:

1. Review your The Maids® Business periodically and may provide you written reports (Franchise Agreement-Article 10.1).
2. Protect the Marks and Business System legally (Franchise Agreement-Article 4.5).
3. Provide you with access to updates to the Online Operations Manuals (Franchise Agreement-Article 8.3).
4. Provide a list of the names and addresses of approved suppliers (Franchise Agreement-Article 11.13).
5. Make available to you business and accounting procedures (Franchise Agreement-Article 10.1).
6. Provide assistance in obtaining required insurance (Franchise Agreement-Article 10.1).
7. Conduct a National Convention for all franchisees (Franchise Agreement-Article 10.1).
8. Publish and distribute a periodic newsletter to franchisees (Franchise Agreement-Article 10.1).
9. Provide, for a reasonable charge, emergency response services at your business location (Item 6 of the Disclosure Document; Franchise Agreement-Article 10.1).
10. Provide advisory services by telephone or in writing (Franchise Agreement-Article 10.1).
11. Provide consulting services in your Designated Market Area (Item 6 of the Disclosure Document; Franchise Agreement-Article 10.2).

### **Training**

We provide the following training programs to you:

**Business Set-Up.** We will provide a pre-opening program ("Business Set-Up") to teach you about The Maids® Business System and the operation of a The Maids® Business (See Article 9.1 of the Franchise Agreement) and coach you through the set up of your business. This is a coaching and mentoring program which our staff provides you over the telephone and Internet. Our Business Set-Up will include tasks such as the purchase of insurance, automobiles, office equipment and computer equipment. Other topics covered include: setting up your computer, hiring and training your employees, introduction to our cleaning system, initial advertising, Smart Selling and Human Resource planning. You will need to invest a minimum of 25 hours a week for seven weeks prior to opening your Business to complete the Business Set-Up agenda. You must complete the Business Set-Up program within 60 days of signing



your Franchise Agreement and before you open your The Maids® Business. Our Business Set-Up program is described below:

**BUSINESS SET-UP <sup>(1)(2)</sup>**

**PRE-OPENING  
TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Managerial	0 - See Note 4	0- See Note 4	Via Telephone and Internet
Sales	0- See Note 4	0- See Note 4	Via Telephone and Internet
Operations	0- See Note 4	0- See Note 4	Via Telephone and Internet
Software	0- See Note 4	0- See Note 4	Via Telephone and Internet

**Notes:**

1. Time and content are subject to change without notice.
2. Heidi Confer, our E-learning Manager supports all aspects of our training program, managing and delivering online training content via Webinar and eLearning lessons in addition to live classroom training. In addition, Paul Andersen, Troy Florance, Lisa Gilmore, Lindsey Henderson, Erin Murray, Amy Olson, Susan Sheehy, Julie Evans and Dawn Shere will also be involved with training.

Mr. Andersen has been our Chief Financial Officer since February 2008. Mr. Andersen has over 21 years of experience in finance and accounting. Mr. Florance has been with us since January 2006 and is currently our Vice President of Operations. Mr. Florance also has several years of business and operations experience. Ms. Henderson has been with us for six years, most recently as Senior Designer. Her experience includes design and layout for training, as well as design for consumer creative materials. Ms. Gilmore joined the company in September 2010 bringing many years of training, software design and systems management and coaching experience. Ms. Gilmore currently serves as the liaison between franchisees and our technology vendors. Ms. Murray has been with us since 1999 in various roles from training to supply, product quality to research and development. She is currently serving as Director of Training and Product Development. Ms. Olson has been with us since 2004 and is currently of Director of Marketing. Ms. Olson oversees marketing, advertising creative, interactive and digital media, communications and public relations on behalf of the franchise system. Ms. Sheehy, Senior Accounting/HR Manager, serves two roles, one in finance and another in human resources as part of the finance department. She has been with us since 2008. Ms. Shere has been with us since 1997. Most recently she manages our Support Service Center, she also has managed The Maids' proprietary business software. Her experience includes managing software upgrades, reporting, support and training.

3. Instructional Materials include the Online Operations Manuals, training workbooks, job aids, e-learning programs, webinars and other resource documents.

4. To complete the Business Set-Up agenda, you will need to invest at least 25 hours a week for a minimum of six weeks. This training takes place in the 7 weeks prior to The Maids® Corporate Training in Omaha, NE.

**Corporate Training.** Once you have completed the Business Set-up, we will provide up to 9 days, over 2 consecutive weeks of training in Omaha, Nebraska for you and a minimum of two additional people (one will attend administrative and the other will attend technical break-out sessions during training), to teach and familiarize you with the methods and procedures of operating a The Maids® Business (Franchise Agreement-Article 9.2). The same training staff as described in Note 2 above will participate in corporate training. Our training program (“Corporate Training”) is described below. You must employ three people (which can include the franchisee(s) or its owner(s) prior to the time you start our Corporate Training.

We generally hold Corporate Training sessions every 8 to 12 weeks, or approximately 4 to 6 times a year, although dates may change and sessions may be added or rescheduled depending on the number of people enrolled.

**Week 1:** The week 1 classes cover the topics described in the following chart. Topics covered during these classes include key success indicators, sales, advertising, employee and customer recruiting and retention, pricing, software, Human Resources planning, safety, and our cleaning system:

**CORPORATE TRAINING PROGRAM WEEK ONE<sup>(1)(2)(3)</sup>**

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Managerial	18	0	Omaha, Nebraska
Advertising and Public Relations	2	0	Omaha, Nebraska
Sales	4	0	Omaha, Nebraska
Operations	7	12	Omaha, Nebraska
Human Resources	2	0	Omaha, Nebraska
<b>TOTAL HOURS</b>	Up to 46 hours	12 hours	

**Note:**

1. Time and content are subject to change without notice.
2. See Note 2 under Pre-Opening Training Program
3. Instructional Materials include the Online Operations Manuals, training workbooks, job aids, e-learning programs, PowerPoint handouts and other resource documents

**Week 2:** The second half-week administrative classes cover the topics described in the following chart. Topics covered during these classes include: train the trainer, staff roles, sales and software.

**CORPORATE TRAINING PROGRAM WEEK TWO<sup>(1)(2)(3)</sup>**

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Managerial	8	0	Omaha, Nebraska
Operations	8	0	Omaha, Nebraska
<b>TOTAL HOURS</b>	Up to 16 hours <sup>(1)</sup>	0	

**Note:**

1. Time and content are subject to change without notice.
2. See Note 2 under Pre-Opening Training Program
3. Instructional Materials include the Online Operations Manuals, training workbooks, job aids, e-learning programs, PowerPoint, and other resource documents.

We provide this training to you and, depending on the size of your Designated Market Area, two to six persons you select at no additional cost. However, you must pay the salaries, fringe benefits, payroll taxes, unemployment compensation, workers' compensation insurance, travel expenses, lodging, food, automobile rental costs and all other expenses for all persons attending this training. At least two persons you select (one of which must be your manager and the second a potential field manager) **must** complete the Corporate Training program before you open your The Maids® Business. One of your managers must participate in the operational breakouts topics which focus on cleaning system, cleaning chemicals and team leader duties. The other manager must complete administrative topics which focuses on: managing and growing the Franchised Business through advertising, sales, and human resources. The third participant is encouraged to attend operational breakout topics depending on assigned job duties within the franchise.

We require that your manager(s) attend and successfully complete our Corporate Training program every five years during the term of the Franchise Agreement. You must have at least two individuals, at all times, working in the Business who have successfully completed our Corporate Training program, one of which must have successfully completed the program within the last five years.

Before opening your The Maids® Business, you must employ at least six people who have been trained and certified on our cleaning system, consisting of four team members, one field manager and owner/general manager. Two of these six employees may be the franchisee(s) or its owners. Team members perform in-home cleaning duties. The field manager is responsible for employee training and retention, customer retention, control of labor costs and quality control. The general manager, which is typically only hired if the franchisee does not plan to be involved in the day to day operations, is responsible for the day to day operations and manages all facets of the business, including business planning, customer retention, employee retention and adherence to all laws and policies.

**Power Training.** Once you begin operating your The Maids® Business, we will provide a training program ("Power Training") that consists of an onsite visit by a technical trainer to provide on the job

training of your first team of 4 team members. Prior to Power Training your team members are required to complete team member training functions and certifications online.

**On-Site Visit.** We may also provide additional training for your employees during the term of the Franchise Agreement (Franchise Agreement-Article 9.4). We reserve the right to impose a charge of \$500 per day plus trainer expenses for additional training depending upon the type, location and duration of the training provided. You pay the salaries, fringe benefits, transportation expenses, living expenses, workers' compensation, and federal and state unemployment compensation for all persons who attend the optional additional training courses we offer.

If you hire a manager who has not attended our Corporate Training program, that person must attend and successfully complete our Corporate Training program during the next available training session we schedule, and we may require you to pay training fees of \$600 per person.

**Web-Based Training.** At our discretion, online training may be provided for management staff via webinar at no charge. Optional fee-based courses may also be provided. In addition, numerous self-paced pay-per-use courses are available via the online catalog on our Learning Management System (LMS) at a substantial discount off vendor list prices.

**Business Coaching.** After you begin operating your The Maids® Business, our staff will provide counseling by telephone (Franchise Agreement-Article 9.3). During this phase of the Business Start-Up Program, our staff will work closely with you to monitor the operation of your The Maids® Business and to assist in your understanding of The Maids® Business System.

**National Convention.** You must attend each of The Maids® National Conventions which we hold periodically but not more than once a year. If you are a start up franchisee, we will pay the registration fee for the first National Convention following your purchase of a The Maids® franchise for two people and hotel accommodations (one room) for three nights. We may require you to pre-pay the National Convention registration fee and hotel accommodations for additional participants as well as for future conventions.

#### **Computer System(s)**

We will provide you standards and specifications for the computer software and hardware (desktops or laptops) as well as all modifications, upgrades and updates to these standards and specifications (Franchise Agreement-Article 11.26). Computer hardware standards and specifications are set to ensure the computer systems can run the required software programs utilized in The Maids Business. Since you will run not only the required software, and other business software such as accounting, contact management and word processing, we suggest you purchase computer hardware that meets or exceeds the minimum standards/specifications listed. These standards and specifications are subject to change at any time. When you are ready to purchase your computer, we will provide you with a number to call for the latest information on the current system requirements. We estimate that the cost of the computer hardware will be \$3,000 to \$5,000.

As of the effective date of this Disclosure Document, the industry hardware and software standard is as follows:

## Required Minimum Standards:

### Hardware & Software:

	For 1 to 7 users with Dedicated Desktop/Client	For 8+ users with Dedicated Database Server
Processor	Intel Core i5 2.5 GHz or higher	Intel Quad-Core Xeon 2.51 GHz or higher
Ram (memory)	4GB+	4GB+
Hard Drive	250 GB (minimum)	Two 320GB mirrored drives (minimum)
Operating System	Windows 7 Professional 32/64-bit	Windows Server 2008 R2 64-bit
SQL Server	Microsoft SQL Server Express 2005	Microsoft SQL Server Workgroup/Standard 2008 R2 with adequate Client Access Licenses (CALs)
Monitor	22" 1680 x 1050 or higher	22" 1680 x 1050 or higher
Internet connection	High speed cable/DSL modem	High speed cable/DSL modem
Network (connection)	Ethernet (10/100/1000 Mbps)	Ethernet (10/100/1000 Mbps)
Optical Drive	CD-RW/DVD+/-RW Combo Drive	CD-RW/DVD Combo Drive
Software	Office 2010 Standard/Professional	Office 2010 Standard Professional

Additionally, it is required that you have high speed broadband Internet service to facilitate sending/receiving electronic correspondence, the required electronic submission of weekly reporting data and accessing the learning management system training resources.

Optional equipment that may need to be purchased includes, but is not limited to, a printer/copier, cable/DSL modem, office network equipment and cabling, and a router/firewall (may be provided by Internet Service Provider). Several of these pieces of equipment can be purchased in combination form; for example, fax/printer/copier or cable modem/router.

It is your responsibility to maintain your hardware and software in good operating condition. The cost of a typical maintenance contract (optional) can vary from \$100 to \$500 per year or more, depending on level of service or support you require, and what equipment is covered in the maintenance contract. If you have more than one business office, your computers should be networked. The cost of a typical computer network support/maintenance contract (optional) can vary from \$1,500 to \$3,000 per year based on the level of service or support you require, and what equipment is covered in the maintenance contract. We are not obligated to provide maintenance or general technical support for the computer systems, networking technologies or Internet services.

Licensing of the software is required. The Software Membership is \$350 per year per user. The Initial Software Licensing Fee is \$2,895 plus \$1,000 per user. (The Software License Agreement is attached as Exhibit E.) We may provide you with periodic upgrades and enhancements to the software and specific timeframes in which the software must be upgraded. If, however, the software development company makes significant structural changes to the Software in the future, additional upgrade costs may be incurred by the franchisee. Business software upgrades are included as part of your Software License Agreement.

You must use the required software and most current version available. The software will be used to assist in daily operational functions, such as scheduling and reporting cleans, maintaining a database of

clients, and reporting sales, labor expense, cleans and various other operational figures to us. You will have access to this data through software reports and other reports we compile. You must provide us online access to data maintained by you on the required software. These online access rights will allow us to provide to you software maintenance and training and will allow the electronic transfer of data between you and us.

We have no obligation to update, upgrade or otherwise modify any software, including the required software.

### **Time of Opening**

Generally, you will open your The Maids® Business within 70 days of signing the Franchise Agreement. Factors which will affect your opening date include leasing your business office, financing, completing Business Set-Up, Corporate Training and complying with local ordinances. You must open your The Maids® Business within 30 days after completing training.

### **Advertising**

You will pay to us Advertising Fees in the amounts described in Item 6 of this Disclosure Document. Other The Maids® franchisees also pay Advertising Fees in the amounts specified in their Franchise Agreements, which may be different from the amounts described in Item 6 of this Disclosure Document. In addition, each The Maids® Business that we operate will pay Advertising Fees in the amounts described in Item 6. The Maids® National Advertising Fund does not receive contributions from outside vendors or suppliers.

We deposit the Advertising Fees collected from franchise owners into The Maids® National Advertising Fund, which is kept separate from our other funds (Franchise Agreement-Article 7.6). We plan to use approximately 50% of the advertising fees collected from franchisees for national branding. The Advertising Fees are used for: research and development; market research; retention and incentive programs; media planning; telemarketing communication and education; creating and producing advertising materials; outside advertising agency fees for creating advertising programs; public relation activities; outside public relations agency fees; other programs from time to time that may be beneficial to The Maids® System; and reimbursing us the costs of administering and conducting the advertising program. During our last fiscal year, a total of \$1,833,405 was spent by The Maids® National Advertising Fund. 34.05% of this amount was for consumer media placement, 25.12% was spent on Internet marketing, 32.61% was spent for advertising production and research, 3.85% was reimbursed to us for administrative expenses, 3.01% was spent on public relations, 0.16% was spent on promotional items, and 1.20% was spent on an Executive Advisory Council. We are not obligated to spend any amount of the Advertising Fees on advertising in your Designated Market Area. No expenditures were made from The Maids® National Advertising Fund for soliciting prospective franchisees. We prepare an annual statement of funds collected and costs incurred by The Maids® National Advertising Fund and will furnish it to you upon written request. The balance of monies retained by the Advertising Fund is carried over to pay for advertising programs during our next fiscal year. We have no fiduciary duty to you with respect to the collection or expenditure of Advertising Fees, and any advertising fund will not be a trust or escrow account. Except as described in this Item 11, we are not obligated to conduct any advertising programs for the franchise system.

We have established an Executive Advisory Council comprised of nine domestic franchisees, one international franchisee, and two of our representatives. The nine domestic franchisees are selected for three year terms by a general vote of all The Maids® franchisees and the international franchisee is

selected for a three year term by a vote of the international franchisees. Council members must have been franchisees for a minimum of eighteen months and be in good standing with us. The Executive Advisory Council is designed to provide us with a regular forum to hear advice and counsel from the field, offer guidance on advertising development and general publicity and to provide you with recognized leaders to whom you can turn for advice. The Council reviews The Maids® National Advertising Fund expenditures and provides advice on new advertising materials. The Council is not a policy making board but can recommend policy direction. We may modify or dissolve the Executive Advisory Council at any time.

In addition to the Advertising Fee you pay to us, you must spend the amount described in Item 6 of this Disclosure Document for local advertising of your The Maids® Business each year. Except for the advertising materials which we provide to you, we must approve, in writing, all concepts, materials or media which you propose for any local advertising or marketing before you use it in your advertising.

We reserve the right to increase the amount of the weekly advertising fee. We will review any proposed increase with the Executive Advisory Council. In addition, we will give 90 days' written notice before assessing increased advertising fees. Any increase will not be more than 1/2 of 1% in a two-year period.

We have the right to form, change, dissolve or merge local advertising groups ("co-ops"). When there are two or more The Maids® Businesses in an Advertising Market Area ("AMA") as defined in Article 7.3 of the Franchise Agreement, we may require all The Maids® Businesses in the AMA to join a co-op to carry out joint advertising in the AMA (Franchise Agreement-Article 7.3). We will assist members in establishing the structure and by-laws for the co-op. The membership of the co-op will consist of all The Maids® Businesses in the AMA. The members will administer the co-op in accordance with written governing documents. The co-op must prepare and submit to us for review an annual expenditure report. You may examine the co-op's written governing documents and accountings upon request if a co-op exists in the AMA in which you will operate your The Maids® Business. The costs of advertising approved by the co-op and us are allocated among and paid for by the members of the co-op based either on a percentage of Gross Revenues or on a pro rata basis, the selection of which to be determined by the majority of the members of the co-op. Your contributions to the co-op will apply to your local advertising requirement. In addition, each The Maids® Business that we operate located in the AMA will contribute to the co-op at the same rate as The Maids® franchisees.

If you are located in an area with multiple franchisees you will be required to join all contiguous franchisees in advertising in the Yellow Pages of the main, primary phonebook under the listing of "House Cleaning," or such other listings as may be designated by us in writing. The format, size and content of the listings will conform in all respects to the standards for yellow page and other advertising as established from time to time. In areas of dispute we reserve the right to make a final determination.

#### **Site Selection**

We do not select the location that you will operate your The Maids® franchise from. We do, however, require that you locate your The Maids® franchise in a business office and not in a home. Your business office does not have to be within your Designated Market Area. Depending on the geographic and demographic characteristics of your Designated Market Area, we may require you to open and maintain a second business office.

## Item 12

### TERRITORY

We will work with you to customize your Designated Market Area. Your Designated Market Area will consist of three or more Franchise Territories. Designated Market Areas range in size from approximately 30,000 to 200,000 households. Your Designated Market Area will be defined by one or more of the following: (i) zip codes; (ii) political boundaries; or (iii) hard boundaries, such as streets, highways, rivers, or other identifiable physical boundaries. We will describe your Designated Market Area in writing in Exhibit "A" to the Franchise Agreement.

A Franchise Territory is approximately 10,000 households which is defined by population, relative affluence, geography of the area, and other demographic data including age, location and incomes of \$75,000, \$100,000, \$150,000, \$200,000 and above. The number may be higher or lower based on the local demographic data of the Territory. As of the date of the Disclosure Document, we used data provided by SCAN USA, Map Info, Statistics Canada, PCensus and other demographic sources as needed.

So long as your Franchise Agreement is in effect, we may not open any other The Maids® Businesses, company-owned or franchised, within your Designated Market Area without your written permission. If, however, you fail to cure a breach of your Franchise Agreement after we give you written notice of the breach or if we terminate your Franchise Agreement, then we may, or we may grant others the right to, without your permission, offer The Maids® services within your Designated Market Area. Your territorial exclusivity is not dependent upon achieving certain sales volume, market penetration or any other contingency.

You will operate your The Maids® Business from a business office which does not have to be located in your Designated Market Area. If you give us written notice, you may relocate your business office. You generally do not need to have more than one business office. However, depending upon the geographic and demographic characteristics of your Designated Market Area or Areas, we may require you to open and maintain a second business office.

You may operate your The Maids® Business only in your Designated Market Area. Except as described below, if you operate outside of your Designated Market Area, you will be in breach of your Franchise Agreement and subject to our default and termination rights. In addition, we reserve the right to require you to pay us a weekly Continuing License Fee of 14% of all Gross Revenues received from customers located outside of your Designated Market Area or received from customers inside other franchises designated market areas, rather than the standard Continuing License Fee for revenues derived from customers located in your Designated Market Area, even if you are a Conversion Franchisee. Other The Maids® Businesses are not authorized to solicit customers in your Designated Market Area.

TMI currently offers a service area program that allows participating franchisees to service customers located in zip codes outside of any existing Designated Market Area, as described in the Online Operations Manual. Under this program, you will be allowed to service customers outside your Designated Market Area in a service area we designate. If we award a franchise for a Designated Market Area that includes any zip codes in your service area, you must immediately stop soliciting customers for those zip codes and transition all of your customers in those zip codes over to the new franchisee without any compensation. We may alter or terminate this program at any time.

You may never solicit or serve customers in any other franchisee's Designated Market Area. Without our prior written consent, you cannot use other channels of distribution, such as the Internet, to make sales



outside of your Designated Market Area. You will have no option, right of first refusal or other right pursuant to the Franchise Agreement to purchase any additional The Maids® franchises for any other Designated Market Area.

Your Designated Market Area and the Franchise Territories within your Designated Market Area cannot be altered except by mutual agreement.

Although we have not done so and have no current plans to do so, we or an affiliate may establish other franchises or company-owned businesses or another channel of distribution within your Designated Market Area which sell or lease similar products or services under a different trade name or trademark.

We reserve the right to directly or indirectly sell any proprietary products we develop through alternative methods of distribution, such as the Internet, without compensation to you.

### Item 13

#### TRADEMARKS

You are licensed to operate your business under the name "The Maids®." You are also authorized to use the logo which appears on the cover page of this Disclosure Document. You may only use our Marks in the manner we authorize in writing.

The following is a list of the trademark and service mark registrations of our primary Marks on the Principal Register and Supplemental Register of the United States Patent and Trademark Office:

Mark	Registration No.	Registration Date	Type of Mark
THE MAIDS and Design	1,184,135 Principal Register	December 29, 1981	Service Mark
Design (vacuum "d")	1,262,485 Principal Register	December 27, 1983	Trademark
HEALTHY TOUCH and Design	2,013,614 Principal Register	November 5, 1996	Service Mark
HEALTHY SYSTEM	2,150,786 Principal Register	April 14, 1998	Service Mark
HEALTHY TOUCH	2,178,325 Principal Register	August 4, 1998	Service Mark
THE MAIDS	2,247,181 Principal Register	May 25, 1999	Service Mark
SWEEPER	2,341,529 Principal Register	April 11, 2000	Trademark
TMI TALK	2,341,530 Principal Register	April 11, 2000	Trademark

Mark	Registration No.	Registration Date	Type of Mark
THE MAIDS and Design	2,928,853 Principal Register	March 1, 2005	Service Mark
HEALTHY TOUCH and Design	3,285,083 Principal Register	August 28, 2007	Service Mark
REFERRED FOR A REASON	85,201,641 (Serial Number) Principal Register	December 20, 2010 (Application Date)	Service Mark

None of our trademarks and service marks have been registered in any state. We have filed all necessary affidavits and renewal applications for our use of trademarks and service marks with the United States Patent and Trademark Office.

The following is a list of our principal foreign trademark and service mark registrations:

Mark	Country	Reg. No.	Reg. Date	Type of Mark
THE MAIDS and Design	Canada	CN322644	January 9, 1987	Service Mark
Design (vacuum "d")	Canada	CN319295	October 10, 1986	Service Mark and Trademark
Design (vacuum "d")	Canada	CN647826	September 12, 2005	Service Mark

There are no presently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or the trademark administrator in any state or any court, no pending infringement, opposition or cancellation proceeding, no pending material litigation involving the trademarks which have limited or restricted the use of our trademarks, trade names, service marks or commercial symbols in any state.

There are no agreements currently in effect which significantly limit our rights to use or license the use of such trademarks, service marks, trade names, logotypes or other commercial symbols in any manner material to you.

To our knowledge, there are no infringing uses which could materially affect your use of the licensed Marks or other related rights in any state. We will protect your right to use the Marks and other related rights and protect you against claims of infringement and unfair competition relating to the Marks. You must notify us immediately of any infringement or unauthorized use of the trademarks or service marks that you become aware of and cooperate with any action we undertake. We will control and conduct all litigation involving the trademarks and service marks. If anyone establishes to our satisfaction that its rights are, for any legal reason, superior to any of the Marks, then you must use such variances or other service marks, trademarks or trade names as we require, avoiding conflict with such superior rights.

You may not use any Mark or portion of any Mark on any website or as part of any domain name without our prior written approval.

## Item 14

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

#### **Copyrights**

Although we have not applied for copyright registrations, we claim copyrights for our advertising materials, Online Operations Manuals, and other written materials. We will protect your right to use copyrighted materials. There are no administrative or legal proceedings or determinations that are likely to adversely affect your use of copyrighted materials, and there are no agreements in effect limiting our right to use or license the use of copyrighted materials.

To our knowledge, there are no potentially infringing uses of copyrighted materials which could materially affect your use of these materials. You should promptly notify us if you learn of any unauthorized use of copyrighted or proprietary materials, and we will take the actions that we determine are appropriate. If anyone establishes that its rights to these materials are superior to ours, you must modify or discontinue your use of these materials as we require.

#### **Confidential Information**

You must keep confidential our Online Operations Manuals, any supplements and any other manuals or written materials (including those on computer disks) used in your The Maids® Business. You must also keep confidential online access, such as login identification and passwords for access to proprietary TMI systems, including but not limited to Maidshare.net, LearnShare and InfoBucket. The Online Operations Manuals contain information regarding the Business System. We consider this information a trade secret and extremely confidential. You must use all reasonable means to keep this information confidential and prevent any unauthorized copy, duplication, record or reproduction of this information. You must relinquish access to our Online Operations Manuals, any supplements and any other manuals or written materials (including those on computer disks) to us when new manuals are issued and/or when you are no longer a The Maids® franchise owner. Your employees must sign confidentiality agreements which will require them to keep confidential, both during and after employment, all information we designate as confidential and proprietary.

#### **Patents**

No patents are material to a The Maids® franchise and we have no pending patent applications that are material to a The Maids® franchise.

## Item 15

### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You do not have to participate in the operation of your The Maids® Business. But your The Maids® Business must be managed by a person who has completed our training program. That person need not have an equity interest in your The Maids® Business. That person and all other employees who will have access to the Online Operations Manuals must sign a written confidentiality agreement and keep confidential, both during and after employment, all information we designate as confidential and proprietary.

If the franchisee is a corporation, limited liability company, limited partnership or other similar entity, then you and your spouse must personally guarantee all of the franchisee's obligations to us pursuant to the Franchise Agreement. You and your spouse must also promise in writing that during the term of the Franchise Agreement, you will not participate in any business that is in any way competitive with a The Maids® Business and that, for 18 months after the expiration or termination of the Franchise Agreement, you and your spouse will not participate in any competitive business located within your Designated Market Area or any other designated area granted by us or within 20 miles of your Designated Market Area or any other designated area we grant you. As a result, you will not have the right to service any customers that you obtain during the term of the Franchise Agreement for a period of at least 18 months after expiration or termination of the Franchise Agreement.

**Item 16**

**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may only sell the products and services we specifically approve in writing. You must sell all products and services we authorize. We have the right, without any limitation, to change the authorized goods and services sold by The Maids® Businesses. You may not sell products or services outside of your Designated Market Area, except as described in Item 12. Other than as described, there are no limits on the goods or services that you may sell or limits on your access to customers.

**Item 17**

**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.**

	<b>Provision</b>	<b>Article in Franchise Agreement</b>	<b>Summary</b>
a.	Length of the Franchise Term	Article 3.1	20 years
b.	Renewal or extension of the term	Article 3.2	Term of then-current standard Franchise Agreement.
c.	Requirements for you to renew or extend	Article 3.2	You must give us at least 360 days' notice before your Franchise Agreement expires; you have complied with all material terms and conditions of the Franchise Agreement and material operating and quality standards and procedures; you have satisfied all monetary obligations owed to us; you have agreed to execute and comply with the then-current standard Franchise Agreement and pay to us a renewal fee equal to 10% of the then-current franchise fee; and you have completed our retraining program. The then-current standard Franchise Agreement may contain materially different terms and conditions than your original Franchise Agreement

	<b>Provision</b>	<b>Article in Franchise Agreement</b>	<b>Summary</b>
d.	Termination by you	Article 17	If we violate any material provision of the Franchise Agreement or fail to timely pay any uncontested obligation due to you.
e.	Termination by TMI without cause	Not applicable	
f.	Termination by TMI with cause	Article 16	If you breach the Franchise Agreement.
g.	"Cause" defined – curable defaults	Article 16.1	You will have 30 days to cure: a failure to commence operations of your The Maids® Business within 30 days from the date you complete our corporate training program; a violation of any material provision of the Franchise Agreement; your conviction of any law relating to your The Maids® Business or a felony; a failure to conform to the Business System; a failure to pay any uncontested fee to anyone; a determination that you are insolvent; an assignment made by you for the benefit of creditors; any check issued by you which is dishonored; a failure to pay for your vehicles, supplies and equipment before commencing business; abandonment of your The Maids® Business; any conduct which materially impairs the Marks or Business System; or a failure to pay federal, state or other income or sales tax when due; or you commit three violations of material terms of the Franchise Agreement. You have 15 days to cure a failure to pay any amount due to us.
h.	"Cause" defined – non-curable defaults	Article 16.5	You are convicted of any law relating to your The Maids® Business or a felony; you are deemed insolvent; you make an assignment for the benefit of creditors; you abandon your The Maids® Business; you fail to provide us with your financial records or fail to allow us to audit your The Maids® Business; you fail to allow us electronic access to your data; or your conduct materially impairs the Marks or Business System and you fail to correct your breach within 24 hours.

	<b>Provision</b>	<b>Article in Franchise Agreement</b>	<b>Summary</b>
i.	Your obligations on termination/nonrenewal	Article 18	You must cease to be a The Maids® franchisee and cease to operate under the Business System; pay all sums and fees you owe us; return to us and relinquish access to the Online Operations Manuals and all trade secrets and confidential materials, equipment and other property (including copies or backups); inform your suppliers that you are no longer a The Maids® franchisee; cease to use in advertising, or in any manner whatsoever, the name The Maids®, the Marks, any methods, procedures or techniques associated with the Business System or the Marks and remove all trade dress and other indications of operation under the Business System from your vehicles; transfer all rights to telephone numbers and directory listings to us; deliver to us a list of all customers and employee; and refrain from contacting customers
j.	Assignment of the contract by TMI	Article 15.1	No restriction on our right to assign.
k.	“Transfer” by you – defined	Articles 15.2, 15.3 and 15.4	Assignment to owned or controlled corporation/business entity or assignment in the event of your death or disability; assignment of the Franchise Agreement or ownership in the franchisee.
l.	TMI’s approval of transfer by you	Article 15.4	We have the right to approve any transfer made by you but will not unreasonably withhold our consent.
m.	Conditions for TMI’s approval of transfer	Article 15.4	You must comply with our right of first refusal; pay all money owed to us; complete a written agreement between you and us agreeing to observe all post-term obligations; transferee does not and will not participate in any business that is competitive with a The Maids® Business; transferee meets our standards; transferee signs our current Franchise Agreement; transferee pays us the Training Fee; transferee and transferee’s manager and technical supervisor (at least two employees) complete corporate training program; and you pay the transfer fee.
n.	TMI’s right of first refusal to acquire your business	Article 14.1	You must first offer the sale of your The Maids® Business or Business Assets to us before selling to anyone else. After you present an offer to sell or a third party’s offer to purchase your The Maids® Business or Business Assets to us, we must respond within 15 days of receiving your offer. If we begin negotiations to purchase your The Maids® Business or Business Assets, you must continue negotiations until we have agreed in writing that negotiations have terminated.
o.	TMI’s option to purchase your business	Article 14.5	If your Franchise Agreement is terminated or expires, we may purchase your The Maids® Business or Franchise Assets.

	<b>Provision</b>	<b>Article in Franchise Agreement</b>	<b>Summary</b>
p.	Your death or disability	Article 15.3	If you are an individual, your Franchise Agreement may be transferred to your beneficiary without first being offered to us or paying us a transfer fee.
q.	Noncompetition covenants during the term of the franchise	Article 19.2	You may not participate in any business that is in any way competitive with a The Maids® Business.
r.	Noncompetition covenants after the franchise is terminated or expires	Article 19.3	You may not participate in any competitive business located within the Designated Market Area, within the territory of any other The Maids® Business, within any designated area granted by us, within 20 miles of any of the areas above for 18 months.
s.	Modification of the agreement	Article 24.9	Only by written agreement.
t.	Integration/merger clauses	Article 24.10	The Franchise Agreement is the entire agreement.
u.	Dispute resolution by arbitration or mediation	Not Applicable	
v.	Choice of forum	Article 24.7	Litigation must be in Douglas County, Nebraska (subject to state law)
w.	Choice of law	Article 25.1	Governing law will be the law of the state in which your The Maids® Business is located.

#### Item 18

#### PUBLIC FIGURES

We do not use any public figure to promote our franchise. No public figure is involved in our management.

#### Item 19

#### FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Below is certain historic financial information regarding The Maids® businesses operated by franchisees ("Franchise Owners") or our affiliates ("Affiliate Owners") that operated within in the United States and Canada from October 1, 2010, through September 30, 2011. Canadian Franchise Owners submitted information in Canadian Dollars and we converted that information to U.S. Dollars using the exchange rate in place at the time the information was submitted. **Your individual financial results may differ from the information provided below.**

We have not presented any information for Franchise Owners which were not in operation for the full period. You should be aware that some of the Franchise Owners whose results were used to prepare this information have been in business for a long time, have had a greater opportunity to achieve these results than a new office operated by a new Franchise Owner and it's unlikely that a new Franchise Owner will achieve results like those reported.

As of September 30, 2011, there were a total of 1,098 franchised and company-owned Territories. A total of 150 franchisees licensed and operated 1,072 of the 1,098 Territories. We operated the remaining 26 Territories. A The Maids® territory generally consists of approximately 10,000 potential customers, although some territories may be larger. The information presented in this report does not distinguish between Franchise Owners that purchased a large number of territories and those who did not purchase a large number of territories.

The basis for the Franchise Owner information presented is weekly reports submitted to us by our Franchise Owners and affiliates operating throughout the periods represented that form the basis for royalty payments. We calculated the averages and percentages presented in this Item 19 using exclusively the actual results reported to us by Franchise Owners and Affiliate Owners. Of the 9,366 total weekly reports required from Franchise Owners, 2% or 201 were not received in time for the preparation of this statement and, therefore, could not be included in calculating the information presented. If we had received in time the missing weekly reports, the information presented in this statement may have increased or decreased depending on the information contained in the missing reports. We have assumed that the Franchise Owner's information submitted by Franchise Owners (and which forms in substantial part the basis for the information presented in this document) is accurate, complete and contains no material misrepresentations or omissions. The information presented is, so far as we know, based on actual experience. We have not audited or verified these reports.

The basis for the information from our Affiliate Owners is our internal books and records, which have been maintained as far as reasonable possible in accordance with U.S. GAAP.

#### **I. STATEMENT OF AVERAGE REVENUE PER CLEAN, AVERAGE REVENUE PER CUSTOMERS, PERCENTAGE OF CLEAN BY SERVICE AND LABOR PERCENTAGES BY OFFICE AND TERRITORY**

The following statements are based on information reported by Franchise Owners and Affiliate Owners that were in operation for the 12 month period from October 1, 2010, until September 30, 2011. The statements in this Section I are based on information by offices and territories, and not by Franchise Owner or Affiliate Owner. Most Franchise Owners operate one office, although several Franchise Owners operate two or more offices. There were 180 offices operated by Franchise Owners in 1,072 territories and 3 offices operated by 3 Affiliate Owners in 26 territories as of September 30, 2011. Of those offices operated by Franchise Owners, 178 offices and 1,053 territories were in operation for the entire 12 month period ended September 30, 2011, and all 3 offices operated by Affiliate Owners were in operation for the entire 12 month period ended September 30, 2011. We did not include information for the 2 offices operated by 2 Franchise Owners and 4 Franchise Owners who had not yet opened an office, who collectively are in 19 territories who were not in operation for the entire 12 month period ending September 30, 2011, or for the 11 offices operated by Franchise Owners in 60 territories who did not submit complete reports. The statement includes the average revenue per clean, the average annual revenue per customer, the percentage of total cleans by service and the labor percentage by a regular maid service or a special project.



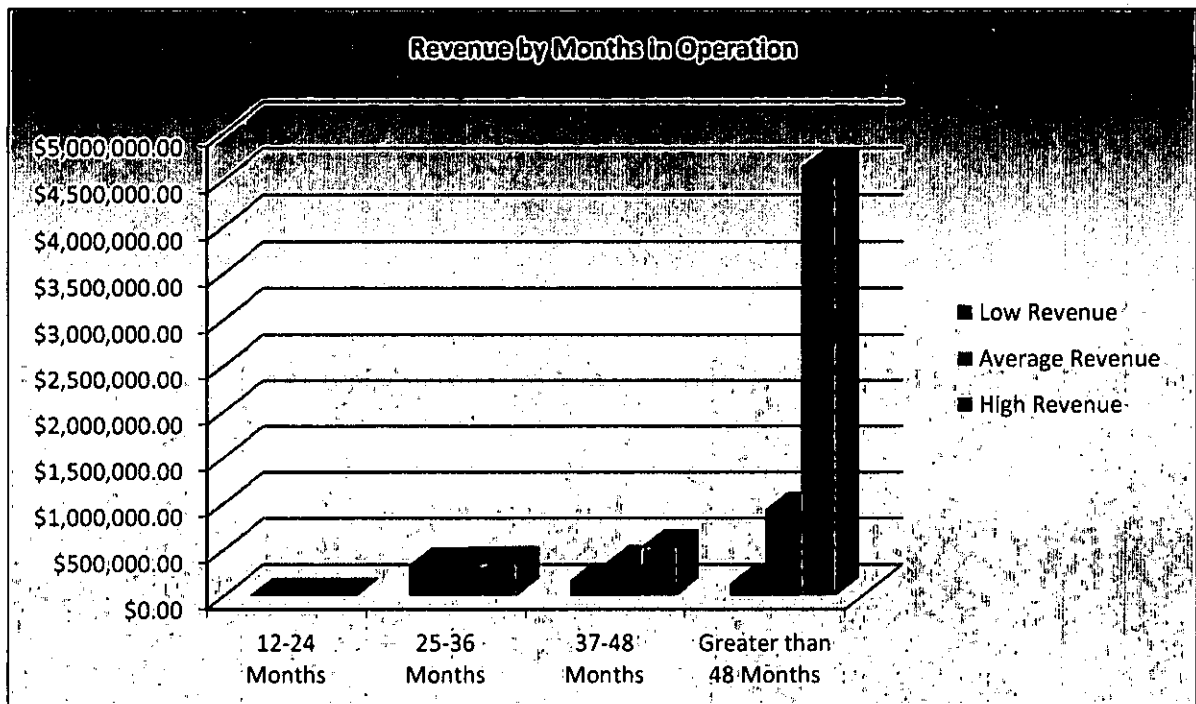
	Average Revenue Per Clean <sup>(1)</sup>	Average Annual Revenue per Customer <sup>(2)</sup>	Average Percentage of Cleans by Type of Service <sup>(3)</sup>	Average Labor Percentages <sup>(4)</sup>
<b>Regular Maid Service</b>	\$138.37	\$3,637.81	88.63%	34.92%
Total Number of Offices/Territories included	170 Offices/ 1,019 Territories	170 Offices/ 1,019 Territories	170 Offices/ 1,019 Territories	170 Offices/ 1,019 Territories
Number of Offices/Territories Who Met or Exceeded Averages	93 Offices/ 616 Territories	81 Offices/ 511 Territories	88 Offices/ 542 Territories	77 Offices/ 454 Territories
Percentage (%) of Offices/Territories Who Met or Exceeded Average	54.71% of Offices/ 60.45% of Territories	47.65% of Offices/ 50.15% of Territories	51.76% of Offices/ 53.19% of Territories	45.29% of Offices/ 44.55% of Territories
	Average Revenue Per Clean <sup>(1)</sup>	Average Annual Revenue per Customer <sup>(2)</sup>	Average Percentage of Cleans by Type of Service <sup>(3)</sup>	Average Labor Percentages <sup>(4)</sup>
<b>Special Project<sup>(5)</sup></b>	\$236.23	\$236.23	11.37%	31.30%
Total Number of Offices/Territories included	170 Offices/ 1,019 Territories	170 Offices/ 1,019 Territories	170 Offices/ 1,019 Territories	170 Offices/ 1,019 Territories
Number of Offices/Territories Who Met or Exceeded Averages	79 Offices/ 508 Territories	79 Offices/508 Territories	82 Offices/ 477 Territories	79 Offices/ 527 Territories
Percentage (%) of Offices/Territories Who Met or Exceeded Average	46.47% of Offices/ 49.85% of Territories	46.47% of Offices/ 49.85% of Territories	48.24% of Offices/ 46.81% of Territories	46.47% of Offices/ 51.72% of Territories

1. "Average Revenue per Clean" means the average revenue received from a customer from one cleaning project (a "Clean"). It is calculated by dividing the total reported revenue by the total reported number of Cleans.
2. "Average Annual Revenue per Customer" means the total reported revenue that each classification of customer would generate in one year. It is calculated by multiplying the Average Revenue per Clean by the total number of Cleans per year in each classification (Regular Maid Service includes 52 for Weekly, 26 for Every Other Week, and 12 for Monthly, Special project includes a single clean per year).
3. "Percentage of Cleans by Type of Service" means the percentage of total reported number of cleans derived from regular customers and Special Project customers. It is calculated by dividing the total reported number of cleans for each category by total reported number of cleans and multiplying by 100%.
4. "Labor Percentage" means the portion of total reported revenue that is expensed for direct labor costs for each type of Clean and for labor to drive to the Clean location. It is calculated by dividing the labor cost by the total reported revenue and multiplying by 100%.
5. "Special Projects" are one-time projects and are not regularly scheduled cleanings.

**II. STATEMENT OF HIGH REVENUE, LOW REVENUE AND AVERAGE REVENUE BY NUMBER OF MONTHS IN OPERATION BY FRANCHISE OWNER AND TERRITORY**

The following statements are based on information reported by Franchise Owners and Affiliate Owners that were in operation for the 12 month period from October 1, 2010, until September 30, 2011. There were 150 Franchise Owners operating in 1,072 territories and 3 Affiliate Owners operating in 26 territories as of September 30, 2011. Of those Franchise Owners, 144 operating in 1,053 territories were in operation for the entire 12 month period ended September 30, 2011, and all 3 Affiliate Owners were in operation for the entire 12 month period ended September 30, 2011. We did not include information for the 6 Franchise Owner operating in 19 territories who was not in operation for the entire 12 month period ending September 30, 2011, or for the 11 Franchise Owners operating in 60 territories who did not submit complete reports. The statement includes the high revenue, low revenue and average revenue for the 12 month period from October 1, 2010, until September 30, 2011 for Franchise Owners and Affiliate Owners and territories based upon the number of month in operation.

<b>Months In Operation</b>	<b>High Revenue</b>	<b>Low Revenue</b>	<b>Average Revenue (Including percentage and number of franchisees that met or exceeded the average)</b>
<b>12-24 Months</b> (Out of 0 Owners/0 Territories)	\$0	\$0	\$0 0% of Owners/0% of Territories (0 Owners/0 Territories)
<b>25-36 Months</b> (Out of 2 Owners/10 Territories)	\$343,520	\$332,008	\$337,764 50% Owners/60% of Territories (1 Owners/6 Territories)
<b>37-48 Months</b> (Out of 9 Owners/60 Territories)	\$526,596	\$163,712	\$353,570 44% of Owners/53% of Territories (4 Owners/32 Territories)
<b>Greater than 48 Months</b> (Out of 125 Owners/949 Territories)	\$4,634,141	\$125,352	\$930,164 34% of Owners/53% of Territories (43 Owners/505 Territories)
<b>Entire The Maids® System</b> (Out of 136 Owners/1,019 Territories)	\$4,634,141	\$125,352	\$883,295 32% of Owners/50% of Territories (44 Owners/509 Territories)



### III. STATEMENT OF REVENUE AND EXPENSE INFORMATION FOR AFFILIATE OWNERS

The following statements are based on information reported by all Affiliate Owners in the United States that were in operation for the 12 month period from October 1, 2010, until September 30, 2011. The statement includes the total revenue, expense information and net income for each Affiliate Owner's The Maids® Business, the average total revenue, expense information and net income for all Affiliate Owner's The Maids® Businesses and the average percentage of revenue of expenses and net income for all Affiliate Owners' The Maids® Businesses. Affiliate Owners operate under franchise agreements with us, pay us the same ongoing fees and have the same local advertising requirements as Franchise Owners. However, Affiliate Owners may pay a lower percentage of Gross Revenue as a Continuing Fee than you because Affiliate Owners' weekly Gross Revenues allow Affiliate Owners to pay a lower percentage of Gross Revenue as a Continuing Fee based on the Continuing Fee scale described in Item 6. In addition, all Affiliate Owners have been in operation for over 5 years. As a result, the Affiliate Owners' results may differ materially from your results.

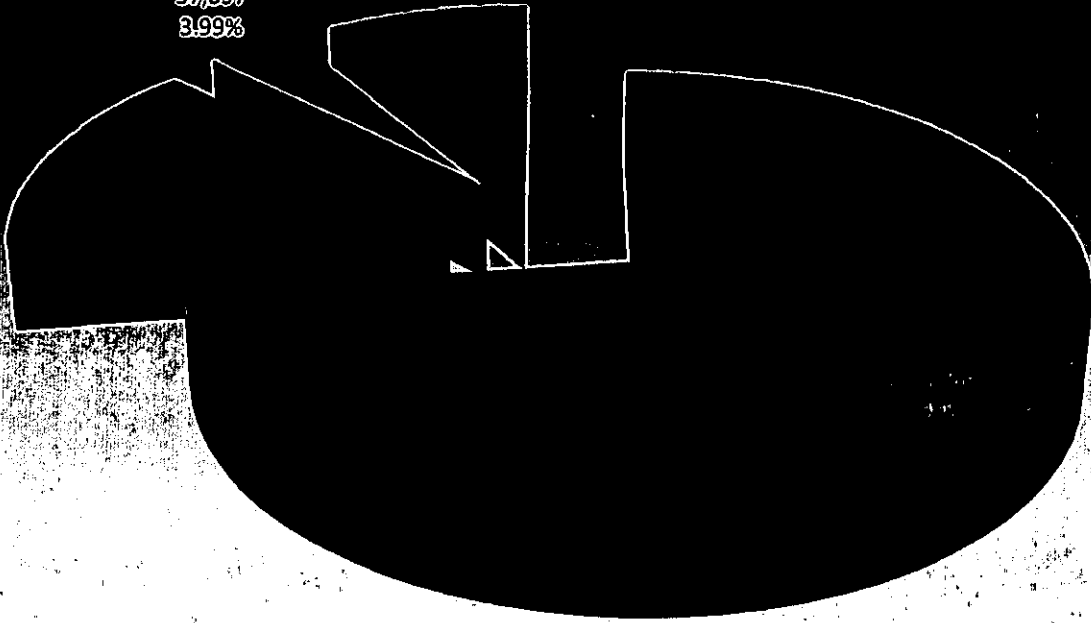
	Affiliate Owner #1 (5 Territories)	Affiliate Owner #2 (7 Territories)	Affiliate Owner #3 (14 Territories)	Average of Affiliate Owners	Average Percentage of Revenue
<b>TOTAL REVENUE</b>	\$1,097,813	\$1,487,207	\$1,711,266	\$1,432,095	100.00%
<b>OPERATING EXPENSES</b>					
LICENSING FEE	40,801	55,620	62,231	158,651	11.08%
ADVERTISING FUNDS FEE	22,084	27,012	33,576	27,557	1.92%
ADVERTISING	85,277	132,367	121,451	113,031	7.89%

DIRECT LABOR	425,058	550,002	660,658	545,239	38.07%
OUTSIDE SERVICE	0	552	0	184	0.01%
EMPLOYEE BENEFITS - MAIDS	33,158	27,497	43,865	34,840	2.43%
CLEANING SUPPLIES & UNIFORMS	27,943	21,441	31,815	27,067	1.89%
RENT & UTILITIES	22,490	38,680	42,755	34,642	2.42%
AUTO	39,235	71,914	62,840	57,997	4.05%
AUTO DEPRECIATION	4,198	9,453	16,393	10,015	0.70%
AUTO LEASE PAYMENTS	0	0	1,405	468	0.03%
PAYROLL TAXES	39,276	51,138	59,449	49,954	3.49%
CUSTOMER DAMAGE	3,697	3,687	3,549	3,644	0.25%
TELEPHONE	10,905	16,447	15,901	14,418	1.01%
INSURANCE - W/C & PDBI	33,781	40,826	106,038	60,215	4.20%
EMPLOYEE RECRUITING	1,773	1,738	590	1,367	0.10%
EQUIPMENT RENT & REPAIR	2,180	2,058	3,470	2,569	0.18%
OTHER EXPENSE	1,491	26,384	(298)	9,192	0.64%
<b>Total OPERATING EXPENSES:</b>	<b>793,348</b>	<b>1,076,815</b>	<b>1,265,689</b>	<b>1,045,284</b>	<b>72.99%</b>
<b>NON-MANAGEMENT GENERAL &amp; ADMINISTRATIVE EXPENSES</b>					
OPERATIONS SALARIES	71,345	50,598	84,341	68,761	4.80%
CLERICAL SALARIES	45,719	34,088	39,881	39,896	2.79%
SALES SALARIES		53,401	0	17,800	1.24%
CALL CENTER COSTS	14,362	14,960	22,539	17,287	1.21%
DEPRECIATION EXPENSE	2,070	1,204	2,802	2,025	0.14%
OUTSIDE SERVICES- PROFESSIONAL	14,206	11,156	17,090	14,151	0.99%
BANK CHARGES	20,069	25,200	38,004	27,758	1.94%
OFFICE SUPPLIES	3,267	3,902	6,618	4,596	0.32%
INTEREST EXPENSE	10	816	1,600	809	0.06%
TRAVEL & ENTERTAINMENT	7,753	698	2,138	3,530	0.25%
EMPLOYEE BENEFITS-MGMNT & OFFICE	5,289	9,775	10,007	8,357	0.58%
EMPLOYEE BENEFITS - 401K	5,206	3,637	1,326	3,390	0.24%
OTHER ADMINISTRATIVE	295		(2,894)	(866)	-0.06%
<b>TOTAL NON-MANAGEMENT GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>189,593</b>	<b>209,435</b>	<b>223,451</b>	<b>207,493</b>	<b>14.49%</b>
<b>MANAGEMENT GENERAL &amp; ADMINISTRATIVE EXPENSES</b>					
MANAGEMENT SALARIES	40,984	0	79,373	40,119	2.80%
MANAGEMENT BONUS	8	4,391	5,000	3,133	0.22%
PAYROLL TAXES - OFFICE	12,184	11,483	13,066	12,244	0.85%
AUTO EXPENSE - MGMNT & OFFICE	0	0	4,800	1,600	0.11%
<b>TOTAL MANAGEMENT GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>53,177</b>	<b>15,874</b>	<b>102,239</b>	<b>57,097</b>	<b>3.99%</b>
<b>TOTAL EXPENSES</b>	<b>1,036,118</b>	<b>1,302,124</b>	<b>1,591,379</b>	<b>1,309,874</b>	<b>91.47%</b>
<b>NET INCOME</b>	<b>\$61,696</b>	<b>\$185,084</b>	<b>\$119,886</b>	<b>\$122,222</b>	<b>8.53%</b>

TMI Company Store  
Average Operation Result  
Average Revenue = \$1,432,095

- OPERATING EXPENSES
- NON-MANAGEMENT GENERAL & ADMINISTRATIVE EXPENSES
- MANAGEMENT GENERAL & ADMINISTRATIVE EXPENSES
- NET INCOME

57,097  
3.99%



Although The Maids® Franchise Owners are located in many different areas, location can be an important factor affecting results, particularly with respect to demographics, general economic influence and your prospective area may differ from the typical area for a The Maids® franchise. Many of the Franchise Owners whose results are reported are located in major metropolitan areas or other territories with relatively favorable characteristics. You should independently verify whether such factors and conditions in your intended area of operation are comparable to those in existing The Maids® franchise areas.

Prospective Franchise Owners should, before making any investment decision, research the need in their proposed area of operation for, and the ability of potential customers to pay for, services of the type offered by The Maids® Franchise Owners, including actual and potential competition and the socioeconomic and demographic background of their area. In this regard, we strongly encourage you to research your area, speak with existing The Maids® Franchise Owners and make an independent judgment as to whether their experience may or may not be transferable to your proposed area of operation.

You should consult with appropriate financial, business and legal advisors in evaluating the information in this document and the accompanying charts and notes.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

We will be glad to provide you with written substantiation of the data used to prepare the information presented in this document on reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Franchise Development, The Maids International, Inc., 9394 West Dodge Road, Suite 140, Omaha, NE 68114, (402) 558-5555, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20**

**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**System wide Outlet Summary for years 2009 to 2011 <sup>(1)</sup>**

<b>Outlet Type</b>	<b>Years ended Sept. 30</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the end of the year</b>	<b>Net Change</b>
<b>Franchised</b>	2009	1060	1068	+8
	2010	1068	1059	-9
	2011	1059	1072	+13
<b>Company-Owned</b>	2009	26	26	0
	2010	26	26	0
	2011	26	26	0
<b>Total Outlets</b>	2009	1086	1080	+8
	2010	1094	1085	-9
	2011	1085	1098	+13

**Table No. 2**  
**Transfers of Franchised Outlets from Franchisees to New Owners (other than the franchisor)**  
**Years 2009 to 2011**

<b>State</b>	<b>Years ended Sept. 30</b>	<b>Number of Transfers</b>
AL	2009	0
	2010	0
	2011	3
CA	2009	0
	2010	11
	2011	0
CT	2009	0
	2010	10
	2011	4
FL	2009	0
	2010	4
	2011	7
GA	2009	0
	2010	5
	2011	0
MO	2009	5
	2010	0
	2011	0
NH	2009	7
	2010	0
	2011	0

State	Years ended Sept. 30	Number of Transfers
NJ	2009	4
	2010	0
	2011	0
OH	2009	7
	2010	0
	2011	0
OR	2009	11
	2010	0
	2011	0
RI	2009	6
	2010	0
	2011	0
TN	2009	0
	2010	5
	2011	0
VA	2009	0
	2010	4
	2011	0
WI	2009	0
	2010	0
	2011	2
CANADA	2009	0
	2010	0
	2011	7
TOTALS	2009	40
	2010	39
	2011	23

**Table No. 3**  
**Status of Franchise Outlets for Years 2009 to 2011**

State	Years ended Sept. 30	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
AL	2009	20	0	0	0	0	0	20
	2010	20	0	0	0	0	0	20
	2011	20	1	0	0	0	1	20
AZ	2009	22	0	0	0	0	0	22
	2010	22	0	0	0	0	0	22
	2011	22	0	0	0	0	0	22
CA	2009	108	0	0	0	0	0	108
	2010	108	0	0	0	0	0	108
	2011	108	7	0	0	0	0	115
CO	2009	39	0	0	0	0	0	39
	2010	39	0	0	0	0	0	39
	2011	39	0	0	0	0	0	39



State	Years ended Sept. 30	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
CT	2009	32	1	0	0	0	0	33
	2010	33	0	0	0	0	0	33
	2011	33	0	0	0	0	0	33
DC	2009	4	0	0	0	0	0	4
	2010	4	0	0	0	0	0	4
	2011	4	0	0	0	0	0	4
FL	2009	77	0	8	0	0	0	69
	2010	69	0	0	0	0	0	69
	2011	69	3	5	0	0	0	67
GA	2009	21	0	0	0	0	0	21
	2010	21	0	0	0	0	0	21
	2011	21	0	0	0	0	0	21
HI	2009	12	0	0	0	0	0	12
	2010	12	0	0	0	0	0	12
	2011	12	0	0	0	0	0	12
ID	2009	5	0	0	0	0	0	5
	2010	5	0	0	0	0	0	5
	2011	5	0	0	0	0	0	5
IL	2009	25	0	0	0	3	0	22
	2010	22	0	0	0	0	0	22
	2011	22	6	0	0	0	0	28
IN	2009	15	0	0	0	0	0	15
	2010	15	0	0	0	0	4	11
	2011	11	0	0	0	0	0	11
IA	2009	4	0	0	0	0	0	4
	2010	4	0	0	0	0	0	4
	2011	4	0	0	0	0	0	4
KS	2009	11	0	0	0	0	0	11
	2010	11	0	0	0	0	0	11
	2011	11	0	0	0	0	0	11
KY	2009	3	0	0	0	0	0	3
	2010	3	0	0	0	0	0	3
	2011	3	0	1	0	0	0	2
LA	2009	4	0	0	0	0	0	4
	2010	4	0	0	0	0	0	4
	2011	4	0	0	0	0	0	4
ME	2009	4	0	0	0	0	0	4
	2010	4	0	0	0	0	0	4
	2011	4	0	0	0	0	0	4

State	Years ended Sept. 30	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
MD	2009	37	0	0	0	0	0	37
	2010	37	0	0	0	0	0	37
	2011	37	0	0	0	0	0	37
MA	2009	78	0	0	0	0	0	78
	2010	78	0	0	0	0	0	78
	2011	78	3	0	0	0	0	81
MI	2009	19	0	0	0	0	0	19
	2010	19	0	0	0	0	0	19
	2011	19	0	0	0	0	0	19
MN	2009	15	0	0	0	0	0	15
	2010	15	0	0	0	0	0	15
	2011	15	0	0	0	0	0	15
MS	2009	5	0	0	0	0	0	5
	2010	5	0	0	0	0	0	5
	2011	5	0	0	0	0	0	5
MO	2009	13	0	0	0	0	0	13
	2010	13	0	0	0	0	0	13
	2011	13	0	0	0	0	0	13
NE	2009	11	0	0	0	0	0	11
	2010	11	0	0	0	0	0	11
	2011	11	0	0	0	0	0	11
NV	2009	13	0	0	0	0	0	13
	2010	13	0	0	0	0	0	13
	2011	13	0	0	0	0	0	13
NH	2009	8	0	0	0	0	0	8
	2010	8	0	0	0	0	0	8
	2011	8	0	0	0	0	0	8
NJ	2009	69	1	0	0	0	0	70
	2010	70	0	0	0	0	5	65
	2011	65	0	0	0	0	0	65
NY	2009	54	0	0	0	0	0	54
	2010	54	0	0	0	0	0	54
	2011	54	0	0	0	0	0	54
NC	2009	27	0	0	0	0	0	27
	2010	27	0	0	0	0	0	27
	2011	27	0	0	0	0	0	27
OH	2009	29	7	0	0	0	0	36
	2010	36	0	0	0	0	0	36
	2011	36	0	0	0	0	0	36
OR	2009	17	0	0	0	0	0	17
	2010	17	0	0	0	0	0	17
	2011	17	0	0	0	0	0	17
PA	2009	33	4	0	0	0	0	37
	2010	37	0	0	0	0	0	37
	2011	37	3	0	0	0	0	40
RI	2009	10	0	0	0	0	0	10
	2010	10	0	0	0	0	0	10
	2011	10	0	0	0	0	0	10

State	Years ended Sept. 30	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
SC	2009	6	0	0	0	0	0	6
	2010 *	6	0	0	0	0	0	6
	2011	6	0	0	0	0	0	6
TN	2009	19	0	0	0	0	0	19
	2010	19	0	0	0	0	0	19
	2011	19	0	0	0	0	0	19
TX	2009	78	3	0	0	0	0	81
	2010	81	0	0	0	0	0	81
	2011	81	0	0	0	0	3	78
UT	2009	4	0	0	0	0	0	4
	2010	4	0	0	0	0	0	4
	2011	4	0	0	0	0	0	4
VT	2009	5	0	0	0	0	0	5
	2010	5	0	0	0	0	0	5
	2011	5	0	0	0	0	0	5
VA	2009	38	3	0	0	0	0	41
	2010	41	0	0	0	0	0	41
	2011	41	0	0	0	0	0	41
WA	2009	14	0	0	0	0	0	14
	2010	14	0	0	0	0	0	14
	2011	14	0	0	0	0	0	14
WI	2009	20	0	0	0	0	0	20
	2010	20	0	0	0	0	0	20
	2011	20	0	0	0	0	0	20
CANADA	2009	32	0	0	0	0	0	32
	2010	32	0	0	0	0	0	32
	2011	32	0	0	0	0	0	32
TOTALS	2009	1060	19	8	0	3	0	1068
	2010	1068	0	0	0	0	9	1059
	2011	1059	23	6	0	0	4	1072

**Table No. 4  
Status of Company-Owned Outlets for Years 2009 to 2011**

State	Years ended Sept. 30	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
DE	2009	7	0	0	0	0	7
	2010	7	0	0	0	0	7
	2011	7	0	0	0	0	7
IL	2009	11	0	3	0	0	14
	2010	14	0	0	0	0	14
	2011	14	0	0	0	0	14

State	Years ended Sept. 30	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
NM	2009	5	0	0	0	0	5
	2010	5	0	0	0	0	5
	2011	5	0	0	0	0	5
CANADA	2009	3	0	0	3	0	0
	2010	0	0	0	0	0	0
	2011	0	0	0	0	0	0
TOTALS	2009	26	0	3	3	0	26
	2010	26	0	0	0	0	26
	2011	26	0	0	0	0	26

**Table No. 5**  
**Projected New Franchised Outlets as of September 30, 2011**

State	Franchise Agreements Signed but Outlet not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
CA	2	4	0
FL	1	4	0
IL	1	4	0
MI	0	4	0
NE	0	4	0
NY	0	4	0
NC	0	4	0
OK	0	4	0
SC	0	4	0
TX	0	4	0
<b>TOTALS</b>	<b>4</b>	<b>40</b>	<b>0</b>

Notes:

- The numbers shown in the above tables reflect the number of Franchise Territories in operation. We define a Franchise Territory to be an outlet. The size of the Franchise Territories of our company-owned The Maids® Businesses is based on the same criteria as are used to determine the size of Territories established for franchised The Maids® Businesses. As of September 30, 2011, a total of 150 franchisees licensed and operated 1,072 of the 1,098 Franchise Territories, or outlets. We operated the remaining 26 Franchise Territories, or outlets.

A list of the names, addresses and telephone numbers of the operational and not yet operational The Maids® franchises as of September 30, 2011 is attached as Exhibit B.

A list of the name, city and state and current business telephone number (or, if unknown, the last known home number) of every The Maids® franchisees who has had their franchises terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business during our most recent fiscal year or have failed to communicate with us during the ten-week period preceding the date of this Disclosure Document is attached as Exhibit C. If you buy a The Maids® franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, franchisees have signed confidentiality clauses with us. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

As discussed in Item 11, we have established an Executive Advisory Council that gives us advice and counsel from the field, offers guidance on advertising development and general publicity and to provide you with recognized leaders to whom you can turn for advice. We have not established any trademark-specific franchisee organizations.

No independent franchisee organizations have asked to be included in this Disclosure Document

#### **Item 21**

### **FINANCIAL STATEMENTS**

Attached as Exhibit A are our audited Financial Statements for the fiscal years ended September 30, 2011, September 30, 2010 and September 30, 2009.

#### **Item 22**

### **CONTRACTS**

The following Agreements are attached:

1. Franchise Agreement including Conversion Rider - Exhibit D
2. Software License Agreement - Exhibit E
3. Promissory Note and Security Agreement - Exhibit F
4. Franchise Questionnaire; Telephone Listing Agreement; Authorization Agreement for Pre-Arranged Payments; Manual Sign Off Agreement; Confidentiality/Nondisclosure Agreement - Exhibit G
5. Sample General Release - Exhibit L

#### **Item 23**

### **RECEIPTS**

Two copies of a Receipt of this Disclosure Document are attached as Exhibit M. Please return one to us and keep the other for your records.