

FRANCHISE DISCLOSURE DOCUMENT

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This franchise is for the operation of a business that markets and sells a proprietary line of air purification, water purification, water conditioners, floor care and other products and services that create and maintain allergy friendly, clean and healthy indoor environments for homes and businesses. Our franchisees also perform testing and treatments for indoor environmental containments and perform repair and maintenance services for all of our products and certain products of our competitors. Our franchisees are required to maintain a fixed store location to operate their franchise. Our franchisees accomplish a substantial portion of their sales through in-person marketing and product demonstration.

We currently offer 2 franchise programs – our Standard franchise program (“Standard Program”) and our associate franchise program (“Associate Program”). We also offer qualified franchisees under the Standard Program and Associate Program a right to sell an additional, premium line of products that are marketed and sold under the “Beyond by Aerus” trademark.

The total investment necessary to begin operation of a franchise under the Standard Program is \$30,500 to \$417,7890. This includes \$20,500 to \$308,1200 that must be paid to us or our affiliate.

The total investment necessary to begin operation of a franchise under the Associate Program ranges from approximately \$16,000 to \$95,7890. This includes \$8,000 to \$51,1000 that must be paid to us or our affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to us or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of the contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information 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 ~~1877~~1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for additional sources of information regarding franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit 6 .
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit 1 includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Aerus Business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other Franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an Aerus Franchisee?	Item 20 or Exhibit 6 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit 4.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration or litigation only in Texas. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate or litigate with the franchisor in Texas than in your own state.
2. **Sales Performance Required.** You must maintain minimum sales performance levels. ~~If you fail to do so, the franchisor can terminate the franchise agreement and you could lose~~ Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.
3. **Mandatory Minimum Payments.** You must make minimum royalty payments or advertising ~~fund payments,~~ contributions regardless of your sales levels. Your inability to make these se payments may result in termination of your franchise and loss of your investment.
4. **Supplier Control.** You must purchase all or nearly all of the inventory ~~or~~ & supplies ~~that are necessary to operate your business from the franchisor, or~~ Franchisor, its affiliates, or from suppliers that ~~the~~ Franchisor designates, at prices that the Franchisor or they set. These prices may be higher than ~~the~~ prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised d business.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

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All fees, except as otherwise provided, are imposed, collected by and paid to us or our affiliate. All fees are nonrefundable.

Item 7

ESTIMATED INITIAL INVESTMENT **YOUR ESTIMATED INITIAL INVESTMENT** **(STANDARD AND ASSOCIATE PROGRAMS)**

Type of Expenditure	Estimated Cost – Standard Program	Estimated Cost – Associate Program	Method of Payment	When Due	To Whom Payment is to be made
Initial Franchise ⁽¹⁾ Fee	\$3,000	\$1,000	Lump Sum	At Signing of Franchise Agreement	Us
Good Faith Deposit Fee⁽²⁾	\$0 to \$100	\$0 to \$100	Lump Sum	As Arranged	Us
Beyond Addendum ⁽²⁾ Fee	\$0 to \$100	\$0 to \$100	Lump Sum	As Arranged	Us
Leasehold Improvements ⁽³⁾	\$0 to \$15,000	\$0 to \$5,000	As Arranged	As Arranged	Other Suppliers; Contractors
Furniture Fixtures and Equipment ⁽⁴⁾	\$2,500 to \$15,000	\$2,000 to \$5,000	As Arranged	As Arranged	Us, our affiliate or Other Suppliers
Vehicle ⁽⁵⁾	\$0 to \$8,440	\$0 to \$8,440	As Arranged	As Arranged	Suppliers
Initial Inventory (supplies, consigned products, spare parts, etc.) ⁽⁶⁾	\$15,000 to \$90,000	\$5,000 to \$20,000	Lump Sum and As Arranged	Upon Placement of Order and As Arranged	Us, our affiliate, or Other Suppliers
Pre-Opening Training Expenses ⁽⁷⁾	\$1,000 to \$7,000	\$1,000 to \$7,000	As Arranged	As Arranged	Airline, Hotel, Restaurants, etc.
Supplies (stationary, business cards, etc.) (for 3 months)	\$100 to \$600	\$100 to \$600	As Arranged	As Arranged	Suppliers
Permits & Licenses	\$50 to \$200	\$50 to \$200	Lump Sum	As Arranged	Licensing Authorities
Insurance deposits and Premiums (for first year) ⁽⁸⁾	\$1,500 to \$2,000	\$1,500 to \$2,000	Lump Sum	As Arranged	Insurers
Architect Fees	\$0 to \$5,000	\$0 to \$2,000	As Arranged	As Arranged	Architect
Other Professional Fees	\$500 to \$1,000	\$500 to \$1,000	As Arranged	As Arranged	Attorneys, Accountants, etc.
Site Lease (for 3 months) ⁽⁹⁾	\$500 to \$10,000	\$500 to \$3,000	Lump Sum	Monthly	Landlord
Utility Deposits	\$350 to \$450	\$350 to \$450	Lump Sum	As Arranged	Utility Companies

Type of Expenditure	Estimated Cost – Standard Program	Estimated Cost – Associate Program	Method of Payment	When Due	To Whom Payment is to be made
Advertising and Promotion	\$0 to \$5,000	\$0 to \$2,500	As Arranged	As Arranged	Suppliers, Media, etc.
Signage	\$1,000 to \$5,000	\$1,000 to \$2,500	As Incurred	As Incurred	Signage Suppliers
Additional Funds (3 months) ⁽¹⁰⁾	\$5,000 to \$50,000	\$3,000 to \$10,000	As Incurred	As Incurred	Employees, Suppliers
Goodwill ⁽¹¹⁾	\$0 to \$200,000	\$0 to \$25,000	Lump Sum	At Close	Us and Our affiliates
TOTALS	\$30,500 to \$417,7890	\$16,000 to \$95,7890			

Notes: Your estimated initial investment will vary depending upon if you choose the Standard Program or the Associate Program. Except as otherwise noted in this Disclosure Document, all fees payable to us are non-refundable. Inflation, tariffs, and worldwide events may impact various costs, including, among others, furnishings, fixtures, equipment, building costs, vehicle costs, and inventory.

Note 1. See Item 5 of this Disclosure Document for more information about the initial franchise fee. In limited circumstances, we will finance or reduce the initial franchise fee. See Item 10 for more details about financing of initial franchise fees.

Note 2. [The Good Faith Deposit Fee is at our discretion. See Item 5.](#) The Beyond Fee is only applicable to franchisees who sign a Beyond Addendum.

Note 3. The cost of leasehold improvements will vary depending on the condition and size of the site, the local cost of contract work, and the location of the Franchised Business, and zoning requirements. The high estimated figures include remodeling walls, ceilings, floors, and other construction including electrical and carpentry work. The low estimate assumes that the leasehold is in suitable operating condition immediately on your taking possession of the premises and/or that the landlord will make the leasehold improvements and amortize their cost over the term of the lease.

Note 4. The furniture, fixtures and equipment that you will be required to purchase or lease will vary depending on the size of the premises and the type of Franchised Business you choose to operate. We require a standard interior decor style. This estimate also includes the cost of the required computer system, as well as high-speed internet access, printer, scanner, fax, and bar code scanner.

Note 5. The low end of our estimate includes fuel, maintenance expenses and car payments for three months for an existing vehicle, and the high end of our estimate includes a 10% down payment for a new vehicle and three months of payments. We do not require a vehicle and vehicle wrap under either the Standard or Associate Programs, however, it may be desirable to have one.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

~~This addendum is applicable for all Illinois franchises.~~

Illinois law governs the agreements between the parties to this franchise.

Any provision in the franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois. 815 ILCS 705/4 (West 2012). ~~Accordingly, the forum for all court litigation shall be Cook County, Illinois and the forum for all arbitration proceedings shall be in Dallas, Texas.~~

Sections 19 and 20 of the Illinois Franchise Disclosure Act govern termination of a franchise agreement and the rights franchisee has upon non-renewal of a franchise agreement. 815 ILCS 705/19, 20 (West 2012),

Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with Illinois Franchise Disclosure Act, **or any other law of Illinois** is void. 815 ILCS 705/41 (West 2012).

In this franchise system, you must pay a “security deposit” to the Franchisor, equal to 88% of the total allocation of consigned products and service parts that you are required to buy and maintain during the term of the franchise. The consigned products and parts are owned by the Franchisor and some of its affiliates. If your required allocation of inventory increases, your security deposit will increase, as well.

During the fiscal year ended December 31, 2024, the Franchisor derived \$14.41 million in revenue from purchase and leases required to be made by franchisees from the Franchisor. This accounted for 91% of the Franchisor’s total revenue that year.

If you elect to purchase an existing AERUS business from the Franchisor or one of its affiliates, you may be required to pay up to \$200,000 for “Goodwill”.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on ~~any statement made by any~~ behalf of the Franchisor, franchise seller, or other person acting on behalf of ~~the~~ a Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
California	Pending
Hawaii	Not Registered
Illinois	Pending
Indiana	Pending July 3, 2025
Maryland	Pending May 30, 2025
Michigan	Not Registered
Minnesota	Pending
New York	Pending
North Dakota	Pending May 16, 2025
Rhode Island	Pending
South Dakota	Not Registered
Virginia	Pending July 3, 2025
Washington	Pending
Wisconsin	Pending May 16, 2025

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.