

FRANCHISE DISCLOSURE DOCUMENT

 The logo for MD Hyperbaric features the letters "MD" in a large, blue, sans-serif font above the word "Hyperbaric" in a smaller, blue, sans-serif font. To the right of the text is a circular graphic composed of numerous small blue dots of varying sizes, arranged in a pattern that suggests a molecular or cellular structure.	<p>MDH FRANCHISOR LLC a Delaware limited liability company 1 Carter Road West Orange, NJ 07052 973-985-0739 www.mdhyperbaric.com</p>
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The franchise offered is for the development of a MD Hyperbaric Center franchised business (each a “MD Hyperbaric Center Franchise”) that either (1) offers and sells Hyperbaric Oxygen Therapy products and services to customers under the MD Hyperbaric Center name and marks at a bricks and mortar location (each a “MD Hyperbaric Center Location”), or (2) offers and sells administrative services to medical practices and licensed healthcare professionals offering and providing Hyperbaric Oxygen Therapy products and services to customers under the MD Hyperbaric Center name and marks at a MD Hyperbaric Center Location.

The total investment necessary to purchase a single MD Hyperbaric Center Franchise ranges from \$129,550 to ~~\$524,200~~ \$521,700. This includes \$50,000 to \$52,500 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 the 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 government 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 Christopher Neal at 1 Carter Road, West Orange, NJ 07052, telephone: 973-985-0739.

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, 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 other sources of information on franchising.

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

Date of Issuance: February 28, 2025

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 litigation only in New Jersey. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in New Jersey than in your own state.
2. **Short Operating History.** This Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.
3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you
4. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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.

DISCLOSURE DOCUMENT
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EXHIBITS:

- A – State Administrators/Agents for Service of Process
- B – Franchise Agreement (including State Addenda)
- C – Applicant Confidentiality Agreement and Authorization
- D – Franchise Application
- E – Table of Contents of Brand Standards Manual
- F – List of Current Franchisees
- G – List of Former Franchisees
- H – Financial Statements
- I – State Addenda to Franchise Disclosure Document
- J – Sample Form of Administrative Services Agreement
- K – Receipts

Center Franchise Administrative Services Business, the medical practice they provide administrative services to, may offer and provide approved HBOT products and services to any potential Customer that enters into their MD Hyperbaric Center Franchise.

Market and Competition

The market for HBOT or other medical-related products and services is emerging and competitive. You will compete with a variety of HBOT or other health and wellness-related businesses (or related administrative services companies), from locally owned physician offices or larger national or chain businesses. These businesses may compete on the basis of factors such as price, service, location and quality. These businesses are often affected by other factors as well, such as changes in economic conditions, population and travel patterns.

Industry Specific Laws

The health and wellness services industry is heavily regulated in the United States by federal, state, and local governments. Key aspects of certain healthcare regulatory rules and regulations are outlined below for your reference; however, you should investigate and evaluate how all regulations and requirements specific to your MD Hyperbaric Center Franchise's geographic area, including but not limited to those listed above and below, apply and impact your business and operations. **YOU ARE ADVISED TO CONSULT COUNSEL ABOUT ANY POTENTIAL IMPACT OF THESE LAWS AND REGULATIONS.** Failure to comply with these laws may result in imposition of civil and/or criminal fines and penalties, exclusion from participating in federal or state healthcare programs, or potential reduction or termination of your rights under agreements with us or with third parties, including Authorized Care Providers.

CPOM Doctrine and State Medical Practice Laws

State laws and regulations vary from state-to-state and may significantly affect or restrict the operations of your MD Hyperbaric Center Franchise, regardless of whether your MD Hyperbaric Center Franchise directly operates the MD Hyperbaric Center Franchise or operates as a MD Hyperbaric Center Franchise Administrative Services Business. Certain of these state laws are discussed further below, however, you are ~~solely~~ responsible for investigating and evaluating applicable laws in the state in which your MD Hyperbaric Center Franchise will operate.

CPOM Rules – Many states restrict or prohibit ownership and control of medical practices by lay persons or corporations. These restrictions are commonly referred to as the corporate practice of medicine (“CPOM”) doctrine. A state’s CPOM doctrine can include a wide range of restrictions such as prohibiting a lay person or corporation from owning a medical practice or business that holds itself out as providing medical services, employing a physician, collecting professional fees related to the physician practice, serving in management positions of a physician practice, or engaging in certain activities, such as controlling or directing the hiring or firing of clinical personnel, setting fee schedules, or controlling scheduling of patients or providers. CPOM restrictions may determine whether you can directly operate a MD Hyperbaric Center Franchise or whether you must operate a MD Hyperbaric Center Franchise Administrative Services Business. Regardless of whether your MD Hyperbaric Center Franchise directly operates a MD Hyperbaric Center Franchise or operates as a MD Hyperbaric Center Franchise Administrative Services Business, under no circumstance shall a lay person (including you as an owner,

Rogers O'Brien Construction in Austin, Texas. From March 2014 to February 2019, Christopher was a Construction Manager of IMC Construction.

Dr. Martin J. O'Malley, Managing Member and Vice President

Martin has been our managing member and Vice President since October 2023, based in New York, New York. Dr. O'Malley also serves as an Attending Orthopedic Surgeon at Hospital for Special Surgery and has his own private practice in New York, New York, and has done so since 1993.

Mark Wiseman, Managing Member and President

Mark has been our managing member and Vice President since October 2023, based in New York, New York. Mark has also concurrently served as a Senior Advisor for Lazard Inc. since June 2021 in New York, New York. From July 2020 to December 2023, Mark was served as the Chair of Board of Alberta Investment Management Corporation in New York, New York. From September 2016 to December 2019, Mark served as Senior Managing Director of BlackRock in New York, New York.

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

**ITEM 5
INITIAL FEES**

Franchise Agreement

Initial Franchise Fee

The initial franchise fee is \$50,000 for each MD Hyperbaric Center Franchise and is payable in full when you sign the Franchise Agreement. The initial franchisee is fully earned and is not refundable under any circumstances. During our 2024 fiscal year, we sold several franchises to our earliest franchisees for a reduced initial franchise fee of \$40,000 for each MD Hyperbaric Center Franchise.

Initial Training and Opening Assistance Fees and Reimbursements

We do not charge you any fee for our providing of initial training to 3 trainees (defined as your Training Team in Item 11), but if you send more persons to be trained or require additional training beyond our standard initial training program we reserve the right to charge you additional training fees (currently \$250 per day per person, plus our out-of-pocket expenses).

We do not currently provide on-site assistance in connection with the opening of your first MD Hyperbaric Center franchise. However, at our discretion, we may provide such assistance for a fee equal to our actual costs, including travel, lodging, meals, and wages.

We estimate the amount of any such initial training and opening assistance fees and reimbursements payable to us to range from \$0 to \$2,500.

**ITEM 6
OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty Fee (1) (2)	8% of Gross Sales. Subject to adjustment and to alternative fixed fee royalty structure (the Fixed Fee Royalty) detailed in Note 2.	Payable every Accounting Period by automatic debit from your account on the 2nd day following each Accounting Period with respect to your Gross Sales for the preceding Accounting Period.	<p>“Accounting Period” means each calendar weekmonth or such other period as we designate. We may change the Accounting Period on 30 days’ written notice to you, <u>but it will not be shorter than a calendar week or longer than a calendar month.</u> You must adopt our fiscal year.</p> <p>“Gross Sales” means the aggregate of all revenue and income from whatever source derived, whether or not collected by you and whether it is in the form of check, cash, credit or otherwise, arising out of, in connection with or relating to your MD Hyperbaric Center Franchise, and, if applicable, the MD Hyperbaric Center Franchise Administrative Services Business, including, without limitation, (a) income from the sale of any Approved Items sold to Customers; (b) income from any other types of products sold or services provided; and (c) all proceeds from any business interruption insurance, but excluding (i) all refunds, cancellation fees and discounts made in good faith to a Customer; (ii) any sales, goods and services and equivalent taxes which are collected by you for or on behalf of any governmental or other public body and actually remitted to such body; (iii) tips paid by Customers to MD Hyperbaric Center Franchise personnel; and (iv) the value of any gift card, coupon, voucher or other allowance authorized by us and issued or granted to Customers of your MD Hyperbaric Center Franchise or the MD Hyperbaric Center Franchise that is</p>

Type of Fee	Amount	Due Date	Remarks
Liquidated Damages for Breach of Non-Competition Covenant (Franchise Agreement)	A monthly fee equal to 15% of the competing businesses' revenues.	Within fifteen days of demand.	Payable if you breach your noncompetition covenants.

Notes:

1. Except as otherwise indicated above, all fees and expenses described in this Item 6 are uniformly imposed by, and payable to, us and are non-refundable. Except as listed above, there are no other fees under Franchise Agreements due or payable to us, or which we impose or collect in whole or in part on behalf of any third party.

2. If any Applicable Laws prohibit and/or invalidate your payment of Royalty Fees based on Gross Sales related to services and/or products related to and/or associated with services performed by and/or administered by an Authorized Care Provider and/or the MD Hyperbaric Center Franchise, then we, at our election and in our sole discretion, may either: (a) increase the percentage of the Royalty Fee, as applied to the permissible portion of the Gross Sales that is not otherwise restricted or prohibited, to a rate determined by us so that the net dollar amount of the Royalty Fees paid by you to us is not ~~less~~more than the Royalty Fees that we would have received had Applicable Laws not prohibited your payment of Royalty Fees based on Gross Sales related to a restricted activity (maximum Royalty Fee of 8% times the total of Gross Sales related to unrestricted activities plus Gross Sales related to unrestricted activities); or (b) modify the Royalty Fee to a fixed fee Royalty Fee, which will range from a minimum of \$4,500 to a maximum of \$8,500 per Accounting Period, to be charged to and paid by Franchisee to Franchisor in accordance with the following chart for the Fixed Royalty Fee:

Accounting Periods	Dollar Amount per Accounting Period*
1 to 12	\$4,500
13 to 24	\$5,500
25 to 36	\$6,500
37 to 48	\$7,500
49 to 60	\$8,500
61 to 72	\$8,500
73 to 84	\$8,500
85 to 96	\$8,500
97 to 108	\$8,500
109 to 120	\$8,500

*If Franchisor adjusts the Accounting Period in accordance with its rights under the Franchise Agreement, the Dollar amount will be increased or decreased to equate to an approximate prorata dollar amount applicable for the current duration of the Accounting Period. For example purposes only, if the Accounting Period was changed to a calendar week (i.e., approximately a 1 to 4 change), the low fixed Royalty Fee in the above chart would be \$1,125 and the high fixed Royalty Fee in the above chart would be \$2,125.

ITEM 7
ESTIMATED INITIAL INVESTMENT

Your Estimated Initial Investment

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to Made
Initial Franchise Fee ⁽¹⁾	\$50,000	As arranged	On Signing of the Franchise Agreement	Us
Real Property/Site Lease ⁽²⁾	\$2,300 to \$3,200	As arranged	As agreed	Third Parties
Design/Planning	\$5,000 to \$18,000	As arranged	As arranged	Contractor/ Architect
Leasehold Improvements ⁽³⁾	\$12,500 to \$40,000	As arranged	As agreed	Contractor/ Architect
Furniture, Fixtures, and Equipment ⁽⁴⁾	\$3,500 to \$307,000	As arranged	As agreed	Vendors
Smallwares and Opening Inventory ⁽⁵⁾	\$0 to \$1,000	As arranged	As agreed	Vendors
Signage ⁽⁶⁾	\$5,000 to \$7,500	As arranged	As agreed	Vendors
Soft Costs ⁽⁷⁾	\$1,000 to \$5,000	As arranged	As agreed	Vendors
Insurance ⁽⁸⁾	\$5,250 to \$14,500	As arranged	As agreed	Insurance Company
Computer System and Software ⁽⁹⁾	\$1,500 to \$5,000	As arranged	As agreed	Us and Vendors
Initial Training and Opening Assistance Costs and Reimbursements ⁽¹⁰⁾	\$7,500 to \$15,000	As arranged	Before training	Us and Vendors
Security and Utility Deposits ⁽¹¹⁾	\$500 to \$3,000	As arranged	As agreed	Vendors and Utility Companies
Business Licenses ⁽¹²⁾	\$1,000 to \$10,000	As arranged	As agreed	Licensing Authority
Grand Opening Ad Expenditure ⁽¹³⁾	\$0 to \$5,000 <u>\$2,500</u>	As arranged	As agreed	Service Providers
Additional Funds – 3 months ⁽¹⁴⁾	\$38,000 to \$40,000	As arranged	As Agreed	Vendors

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to Made
TOTAL FOR A SINGLE FRANCHISE AGREEMENT ⁽¹⁵⁾ ⁽¹⁶⁾	\$129,550 to \$524,200 <u>\$521,700</u> (excludes costs for the purchase of land)			

Explanatory Notes

**None of the amounts in the above chart are refundable once paid to us or third parties.

1. Initial Franchise Fee. The initial franchise fee is \$50,000 for each MD Hyperbaric Center Franchise and is payable in full when you sign the Franchise Agreement. The initial franchisee is fully earned and is not refundable under any circumstances.

2. Site Lease. Preferred locations for the MD Hyperbaric Center Locations are in medical office buildings near hospitals in heavily-populated urban and suburban areas. We expect the MD Hyperbaric Center Franchise will either be a part of an existing medical practice with additional space to add the MD Hyperbaric Center Franchise or you will find a site near an existing medical practice. We expect you will lease the premises for the MD Hyperbaric Center Location in either instance. The cost of leasing real estate will vary, depending on location and other factors. The low number estimates initial lease acquisition costs and lease payments for a period of 4 months (consisting of 1 month before your anticipated opening and then an additional 3-month period) for a typical, small to medium sized MD Hyperbaric Center Location located in a suburban area. The high number estimates initial lease acquisition costs and lease payments for a period of 4 months (consisting of 1 months before your anticipated opening and then an additional 3-month period) for a larger sized MD Hyperbaric Center Location located in an urban area with a drive-thru.

We do not typically recommend that you purchase the land and building for your MD Hyperbaric Center Location. If you purchase land and/or a building, your cost will be substantially higher, and will vary depending on the market for real estate in your area. We do not provide any cost estimates for the purchase of land and/or the building for your MD Hyperbaric Center Location.

3. Leasehold Improvements. The MD Hyperbaric Center Location will be established in accordance with our current MD Hyperbaric Center Location designs. Building costs for our current in-line or end-cap MD Hyperbaric Center Location designs are expected to range from \$0 to \$30 per square foot (taking into consideration a typical range of \$0 to \$30 in landlord contributions per square foot), depending on whether you build out an existing premise or undergo new construction, and will vary by building size. Our current MD Hyperbaric Center Location design consists of approximately 650 to 1,000 square feet of interior MD Hyperbaric Center Location, and that your lessor will provide a shell MD Hyperbaric Center Location that includes, at a minimum, a level concrete floor suitable for floor covering, demising walls, and air-conditioning, electricity, gas, sewers, bathroom facilities, and water and plumbing suitable for a retail business. Among other things, you will probably need to arrange for the following items to meet our standard plans and specifications: proper wiring and plumbing, floor covering, wall covering, partitions, lighting and fixtures, storefront modifications, painting, cabinetry, and the like. Costs will vary depending upon various factors, including: the existence of a drive-thru; the

10. Initial Training and Opening Assistance Costs and Reimbursements. The amounts shown first include the estimated cost of travel, lodging, meal and incidental expenses for your Controlling Principal/Authorized Care Provider, General Manager and up to two other technicians to attend our required initial training program. This program will include online training that can be viewed from any secure location, and does not generally require any travel or lodging. See Item 1. Your expenses will vary depending on the number of trainees that attend the initial training program and any type of travel or lodging. See Items 5 and 11. We do not currently provide on-site assistance in connection with the opening of your first MD Hyperbaric Center franchise. However, at our discretion, we may provide such assistance for a fee covering our associated costs, including travel, lodging, meals, and wages. Any assistance for additional MD Hyperbaric Center franchises is subject to our approval and availability. The amounts shown also include the estimated reimbursement costs you will pay to us for our opening assistance if we provide opening assistance to you in connection with the opening of your first MD Hyperbaric Center Franchise. Opening assistance reimbursement costs are fully earned and not refundable under any circumstances.

11. Security and Utility Deposits. Security and utility deposits include estimated deposits for leased premises and equipment, telephone service and other utilities. The estimate in the chart above includes your first month's rent payment, security deposits and utility deposits (for example, telephone, electricity, gas and water). We have assumed the security deposit to your landlord will equal one month's rent, although this may vary from landlord to landlord. The estimates assume that rent commences upon the MD Hyperbaric Center Location's opening. You, however, will need to lease a MD Hyperbaric Center Location in advance to build-out the MD Hyperbaric Center Location. You may of course attempt to negotiate an abatement from the lessor for this period.

12. Business Permits and Licenses. The range given provides our best estimate of the costs you will incur for business permits and miscellaneous deposits, excluding utility deposits which are included elsewhere herein.

13. Grand Opening. Unless we decide that a grand opening is not needed, you must submit your grand opening advertising budget to us for approval at least 45 days before spending the Grand Opening Ad Expenditure. You must submit proof of the Grand Opening Ad Expenditure upon our request.

14. Additional Funds. Additional funds include expenses for wages, occupancy costs, professional expenses and other recurring expenses before the opening of the MD Hyperbaric Center Franchise, and during the first three months the MD Hyperbaric Center Location is open and operating. The estimate assumes that you will employ an attorney to help you negotiate your lease for the MD Hyperbaric Center Location. In addition, you may choose to employ an attorney, accountant, and other consultants to help you evaluate our franchise offering and your establishment of a new business, and in obtaining all required permits and licenses to establish and operate the MD Hyperbaric Center Franchise. In addition, you may also form a corporation or other business entity to operate the business.

15. Total for a single Franchise Agreement. This total is an estimate of your initial investment and the expenses you will incur during the first three months the MD Hyperbaric Center Location is open and operating. As stated in Note 2, we have not included any real estate purchase costs. In compiling this chart, we relied on the experience of our affiliate's and personnel developing and operating 1 MD Hyperbaric Center in New York beginning in 2021. The amounts shown are estimates only and may vary for many reasons including the capabilities of your management team, and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before

making any decision to buy a franchise.

16. Financing. Neither we nor our affiliates finance any part of the initial investment or the expenses you will incur. See Item 10.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must expend the Grand Opening Ad Expenditure of up to \$2,500 during the 30 days before and 30 days after the scheduled opening date of the MD Hyperbaric Center Franchise for an initial opening advertising and promotion program to be conducted in accordance with our standards. You must submit the grand opening advertising budget to us for approval at least 45 days before expending the Grand Opening Ad Expenditure. The Grand Opening Ad Expenditure will be paid directly to the applicable service providers and not to us. You must submit proof of payment of the Grand Opening Ad Expenditure on our request.

You must develop your MD Hyperbaric Center Franchise Location, acquire furniture, fixtures, equipment, signage and construct and finish out leasehold improvements for the MD Hyperbaric Center Location according to the standards and specifications established by us (“Brand Standards”), and as contained in the Franchise Agreement and Brand Standards Manual. We may modify the standards and specifications occasionally. We will promptly notify you of any such modifications to the Brand Standards. We formulate and modify these Brand Standards based on research, industry trends and our general business plan.

Additionally, you must maintain your MD Hyperbaric Center Franchise Location, leasehold improvements, furniture, fixtures, equipment, signage and trade dress used in the MD Hyperbaric Center Location in good order and repair, and you must promptly replace your leasehold improvements, furniture, fixtures, equipment, signage and trade dress as they become worn, damaged, obsolete, out of style or mechanically impaired and when offered or applicable, enter into preventative maintenance programs as further described in the Brand Standards Manual.

The purpose of these requirements is to establish quality control standards for the items used, offered and sold in MD Hyperbaric Center Franchises and to protect, maintain and promote the product and service consistency, reputation and goodwill of MD Hyperbaric Center Franchises.

You must use, offer and sell only Approved Items that meet or exceed the Brand Standards we specify, purchase or obtain them from an approved source that we designate (which may be us or our affiliates), and exclusively use, offer and sell only Approved Items that we designate. Likewise, you must purchase or obtain Approved Items only from approved suppliers we designate or approve from time to time.

As of the date of this Disclosure Document, we consider our presentation and Trade Dress to be proprietary, but we do not consider any other Approved Items to be proprietary to us. However, we reserve the right to develop and require the use, offer or sale of specific Approved Items in the future and may designate them as mandatory and/or proprietary to us.

As of the date of this Disclosure Document, neither we nor our affiliates are a sole approved vendor for any Approved Items that you must offer for sale in your MD Hyperbaric Center Franchises, but we reserve the right to purchase and resale to you certain items such as uniforms, gift cards and other promotional materials, merchandise and supplies. For the fiscal year ended December 31, 2024, we

service, which period of time we will determine based on the amount of inventory you may have and the underlying reason for the revocation.

We reserve the right to contract with manufacturers, suppliers and distributors who provide us volume discounts, rebates and other cash payments based on volume purchases of Approved Items used by our franchised, company-owned or affiliated MD Hyperbaric Center Franchises or MD Hyperbaric Center Locations. We anticipate that certain volume discounts, rebates and other cash payments received by us as a direct result of your purchase of Approved Items will be, in our sole discretion: (a) paid to you, (b) contributed to the development and implementation of our plan for advertising MD Hyperbaric Center Franchise Network services and products, (c) retained by us, or (d) otherwise used to benefit the MD Hyperbaric Center Franchise network. In all cases, we will deduct our expense to coordinate and test products, services or other items.

We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional MD Hyperbaric Center Franchises) based on whether or not you purchase Approved Items through the suppliers we designate or approve. However, purchases of unapproved products and services and/or purchases from unapproved vendors in violation of the Franchise Agreement will entitle us, among other things, to terminate your Franchise Agreement.

[We intend to negotiate purchase arrangements with suppliers from time to time, but as of the date of disclosure document we have not done so.](#)

We have not arranged for any purchasing cooperatives for our franchisees, but we reserve the right to do so in the future.

We estimate that the purchases described above will equal approximately 50% to 55% of the total cost to establish the MD Hyperbaric Center Franchise, and approximately 20% to 25% of your ongoing operating expenses.

The Brand Standards Manual requires that you obtain and install in the MD Hyperbaric Center Franchise data processing equipment, computer hardware, required dedicated telephone and power lines, modems, printers, and other computer related accessory or peripheral equipment (collectively, your “Technology and Information Systems”, as defined in Item 11) that are compatible with our MD Hyperbaric Operating System (if applicable) and any other then current electronic collection and retrieval systems we have designated. Our then current approved Technology and Information Systems are included in our Approved Items. We may develop and require you to use our MD Hyperbaric Operating System and may in the future require replacement or other proprietary operating systems and/or processes relative to point of sale, bookkeeping, administrative services and/or operations and financial information, inventory and speed of service processes in connection with administrative services and/or operation of your MD Hyperbaric Center Franchise, and require you to obtain and at all times utilize the services of a credit card processor approved by us. Additionally, we may require that you input and maintain in your computer certain software programs, data and information that we prescribe. See Items 6 and 11.

As of the date of this Disclosure Document, you must purchase a computer system and software that meets our specifications. We require you to install and maintain a hardware and software firewall device on your point-of-sale network that follow closely to the Payment Card Industry (PCI) DSS merchant requirements as stated on the <http://www.pcisecuritystandards.org>. See Item 11 for description of your computer and software requirements.

You must also obtain and maintain at your own expense insurance policies with insurers reasonably satisfactory to us covering the items specified in the Brand Standards Manual, including comprehensive general liability, fire and extended coverage, employment relations, worker's compensation and business interruption policies. If you operate a MD Hyperbaric Center Franchise Administrative Services Business, we expect your Authorized Care Providers to also obtain and maintain the same minimum types and levels of insurance, including specifically professional liability insurance. You and your Authorized Care Providers must list us as additional insureds. Our current requirements are described [below and](#) in the Summary Pages ~~to~~[of](#) the Franchise Agreement (attached as [Exhibit B](#) to this Disclosure Document).

Mandatory

Commercial general liability insurance, including products liability coverage, and broad form contractual liability coverage, written on an "occurrence" policy form in any amount of not less than \$1,000,000 combined single limit per occurrence and \$1,000,000 in the aggregate.

Professional liability insurance written on an "occurrence" or "claims made" policy form in any amount of not less than \$1,000,000 combined single limit per occurrence and \$1,000,000 in the aggregate; provided that "claims made" policy if must include an extended reporting period (tail coverage) endorsement.

"All Risk" or "Special Form" property insurance covering: (a) the building(s) used for the MD Hyperbaric Center Franchise, equipment and inventory of the MD Hyperbaric Center Franchise, including plate glass coverage, on a full 100% repair or replacement value basis, (b) business interruption/business income insurance (at least 1 year of actual loss sustained), including extra expense insurance, so as to re-establish normal business operations, and (c) loss of rents insurance covering a minimum of 1 year fixed minimum rent.

Workers' compensation insurance in the minimum amount mandated by Applicable Laws in Franchisee's state's law (if applicable), unless Franchisee's state requires or permits employers to participate in a state-administered insurance pool (in which case Franchisee either must or may adopt and maintain a qualifying plan, as applicable).

Umbrella Liability insurance coverage of not less than \$5,000,000 over the basic Comprehensive General Liability insurance coverage and Professional liability insurance.

Recommended (not mandatory)

Business automobile liability insurance written on an "occurrence" policy form in an amount of not less than \$1,000,000 combined single limit per occurrence and in the aggregate, including owned, leased, non-owned and hired automobile coverage (only required if Franchisee or any of its employees use an automobile in connection with any aspect of operating the MD Hyperbaric Center Franchise or if one or more of the officers or other employees of Franchisee maintain automobiles which are owned or leased by Franchisee).

Employment Practices liability insurance written on an "claims made" policy form in an amount of not less than \$1,000,000 combined single limit per occurrence and \$1,000,000 in the aggregate.

(6) Implement (if/when available) and connect you to our web-based MD Hyperbaric Operating System (if applicable) (Franchise Agreement, Section 7(a)(iv)).

After you open your MD Hyperbaric Center Franchise, we will provide the following services and assistance to you:

(1) Implement (if/when available) and maintain and authorize you to use our web-based MD Hyperbaric Operating System (if applicable) (Franchise Agreement, Section 7(b)(i)).

(2) Provide advice and assistance as we deem advisable in planning publicity and promotions for your MD Hyperbaric Center Franchise's promotion, including print media and display advertising (Franchise Agreement, Section 7(b)(ii)).

(3) Provide staff accessible to you and your key employees, to the extent we deem advisable, for consultation by telephone, fax, written communication, e-mail and other forms of electronic communication during regular business hours (Franchise Agreement, Section 7(b)(iii)).

(4) Loan you additions and supplements to the Brand Standards Manual as they become available (Franchise Agreement, Section 7(b)(iv)).

(5) So long as you are in full compliance with the Franchise Agreement and all other agreements with us, we will invite you to attend all conventions, seminars and other franchisee-oriented functions we plan occasionally (Franchise Agreement, Section 7(b)(v)).

(6) Sell to you, or cause our affiliates to sell to you, the then current array of Approved Items that we or our affiliates manufacture or distribute and have mandated or authorized for use, offer or sale through MD Hyperbaric Center Franchises (if any) (Franchise Agreement, Section 7(vii)).

(7) Provide promotional and marketing supplies and digital marketing materials and/or templates as we may periodically develop (Franchise Agreement, Sections 9(q) and 10(a)).

(8) Offer guidance from time to time with respect to the selling price for Approved Items, but you are in no way bound to adhere to any such pricing guidance. You will have the right to sell Approved Items at any price that you may determine. We make no guarantee or warranty that offering such Approved Items at any recommended price will enhance your sales or profits. We reserve all rights available under then current Applicable Laws to condition participation in special or voluntary programs and offerings on Franchisee's adherence to Franchisor's requirements, including with respect to pricing standards.

the “Training Team”) are required to successfully complete our mandatory initial training program to our satisfaction. We determine successful completion by, among other things, attending all required initial training components, passing all oral or written tests and otherwise demonstrating an ability to learn and retain our Brand Standards. This training ensures that your team is fully equipped to operate the center in compliance with MD Hyperbaric’s standards and operational protocols.

We may modify or waive portions of the training program for individuals based on their prior experience, specific role, or qualifications. In connection with this program, we will loan you one copy of the Brand Standards Manual for use during training.

Training Costs and Fees

The initial industry-certified training for your hyperbaric technicians, office manager, and Medical Director is included as part of your franchise fee. Specifically:

Third-Party Certification:

- Up to 3 online IBUM Hyperbaric Technician courses.
- 1 UHMS-approved Medical Director training course, as selected by the Franchisor.

You will not pay additional fees for your initial Training Team to participate in the mandatory training program; however, you are responsible for all travel, lodging, meals, and wages for your team. Additionally, we may charge you for any out-of-pocket expenses, wage costs, or fees for optional training or training for replacement Training Team members.

Structure of the Training Program

Our initial training program consists of two key components designed to provide both foundational knowledge and practical skills:

1. Third-Party Certification Training:

- **Medical Director Certification:** A 40-hour live training course, approved by UHMS, completed in person or virtually, with an additional 10 hours of practical application. Certification is contingent upon passing a comprehensive exam.
- **IBUM Hyperbaric Technician Course:** A 20-hour online training program, completed at your own pace. Certification requires passing a final exam.
- **Safety Coordinator Training:** A 10-hour online course covering hyperbaric safety and operations.

2. MD Hyperbaric On-Site Training:

- Conducted at your MD Hyperbaric Center or an approved training site.
- Facilitated by a qualified MD Hyperbaric Corporate Trainer or an approved trainer with experience in MD Hyperbaric operations.
- Topics include:
 - Hands-on training for HBOT equipment and safety protocols.
 - Operational procedures specific to MD Hyperbaric centers.
 - Technology systems, including EMR and CRM tools.

we see fit and we do not guarantee that all MD Hyperbaric Center Franchises will receive equal advertising benefits.

We began franchising and collecting Advertising Fees in fiscal year 2024. Of the monies spent from the receipt of Advertising Fees in fiscal year 2024, approximately 30% for digital advertising, 50% for industry education and seminars, and 20% for administration and expenses.

We are not required to prepare or to provide to you financial statements reflecting our use of Advertising Fees, and do not intend to make financial statements available to you, but we will do so if required by applicable law (such as in the State of Maryland).

We may unilaterally require that you spend or pay all or any portion of the Advertising Fee as an Local Ad Expenditure, to an Ad Fund and/or an Area Cooperative; but in all cases that combined amount to be spent as the Local Ad Expenditure or to be paid as an Advertising Fee, to an Ad Fund and/or to an Area Cooperative will not exceed a maximum of 4% of your Gross Sales.

Ad Fund

We reserve the right to create an Ad Fund to, among other things, arrange for, place and run advertisements, commercials and promotional materials in local, regional and national media. If created, you must make contributions to the Ad Fund in the manner (including payment by automatic debit), and at the rate we establish. As set forth in Item 6, the Ad Fund contribution rate will be up to a maximum of 4% of Gross Sales and would be payable no later than the 2nd day of each Accounting Period during the term of the Franchise Agreement. Franchisor/affiliate-operated MD Hyperbaric Center Franchise (if any) will not be required to contribute to the Ad Fund on the same basis as franchisees, but we anticipate they will contribute to the Ad Fund in a similar manner. We can re-allocate monies from the Local Ad Expenditure, Advertising Fee, Ad Fund contributions and Area Cooperative contributions, but the aggregate of your Local Ad Expenditures, Advertising Fee, Ad Fund contributions, and Area Cooperative contributions will not exceed 4% of Gross Sales.

We or our designee will administer the Ad Fund. The Ad Fund will be used for all the advertising and administrative activities for which we use the Advertising Fee, but it will also be used to arrange for, place and run advertisements, commercials and promotional materials in local, regional and national media. We will not use Ad Fund contributions to pay for materials that publicize the franchise program or the sale of franchises. We would generally work with an advertising agency in developing advertising for print, radio or television, but will also use in-house staff. (Franchise Agreement, Section 10(d)).

We will use Ad Fund contributions in a manner that provides marketing benefits to the entire network of MD Hyperbaric Center Franchise, including franchised and franchisor/affiliate-operated, as a whole. However, we may allocate Ad Fund contributions to various permitted uses as we see fit. We will strive to spend Ad Fund contributions in a manner that provides advertising benefits to all participating MD Hyperbaric Center Franchises. However, we do not guarantee that all MD Hyperbaric Center Franchises will receive equal advertising benefits in view of regional differences in media costs, varying degrees of market penetration in different areas. Nor do we guarantee that all franchisees will contribute to the Ad Fund at the same rate.

We may structure the Ad Fund's organization and administration in ways that, in our judgment, most effectively and efficiently accomplish the Ad Fund's objectives. We may organize or reorganize the Ad Fund as a separate non-profit corporation or other appropriate entity and transfer the Ad Fund's assets to

another entity. If we establish another separate entity to administer the Ad Fund, you must become a member of the entity and, in that regard, to sign a participation agreement and take such other steps as we specify.

As of the date of this Disclosure Document, we have not yet established an Ad Fund. Hence, the percentage of advertising fund money spent on production, media placement, administrative expenses and other items cannot be calculated for our last fiscal year. We are not generally required to prepare or to provide to you audited or unaudited financial statements for the Ad Fund, but we will do so if required by applicable law (such as in the State of Maryland). However, we intend to make annual unaudited statements available to you if we create an Ad Fund. If any funds remain at the end of the tax year in which they were contributed, all expenditures in the following year will be made first out of the accumulated earnings from the prior years.

Area Cooperatives

If you and at least one other MD Hyperbaric Center Franchise (including us) have opened MD Hyperbaric Center Franchises in the same Designated Market Area (“DMA”), as used by the Neilson Rating Service or its successor to demarcate the primary coverage of broadcast and print media in given markets, we may require that you and the other MD Hyperbaric Center Franchises form a cooperative advertising association (an “Area Cooperative”). Your contribution to the Area Cooperative may be separate from or deducted from Local Ad Expenditures, Advertising Fees or Ad Fund contributions (as may applicable), in addition to your contributions to any Ad Fund. To fund the Area Cooperative, we will re-allocate all or any portion of the Local Ad Expenditures, Advertising Fees or Ad Fund contributions to the Area Cooperative; but the aggregate of your Local Ad Expenditures, Advertising Fee, Ad Fund contributions, and Area Cooperative contributions will not exceed 4% of Gross Sales. MD Hyperbaric Center Franchise within the Area Cooperative DMA operated by us or our affiliates must contribute to the Area Cooperative on the same basis as franchisees.

The members of the Area Cooperative will administer the Area Cooperative, and determine if written governing documents are used, if the documents are made available to members and whether annual or other reports are prepared, but we reserve the right to require that any Area Cooperatives be formed, charged, dissolved or merged.

Area Cooperatives must use our marketing materials. In rare instances we may make exceptions. Any marketing materials not created by us are subject to our approval, and must be submitted to us well in advance of their distribution, publication or broadcast. (Franchise Agreement, Section 10(e)).

Local Ad Expenditure, Advertising Fee, Ad Fund Contribution and Area Cooperative Contribution Reallocation

We may require that any payment or expenditure for the Local Ad Expenditure, Advertising Fee, the Ad Fund, or the Area Cooperative be reallocated among a Local Ad Expenditure, Advertising Fee, Ad Fund, and/or an Area Cooperative, in such proportions as we designate. The aggregate of your Local Ad Expenditures, Advertising Fees, Ad Fund contributions and Area Cooperative contributions will not exceed 4% of Gross Sales.

Gift Card and Customer Loyalty Programs

(directly or through at wholesale to third parties for resale) other HBOT or medical-related products or services products.

You have no rights to offer and sell, or protections from the offer and sale of, any such other brands or any other brands we or our affiliates may create or acquire and then offer and sell through any means of distribution, including franchising. You do not have any rights, options, rights of first refusal, or similar rights to acquire additional franchises under your Franchise Agreement for any other brands we or our affiliates may develop, operate or franchise in the future, and we, our affiliates and any franchisees of these other concepts may solicit and accept orders for their products and services in your MD Hyperbaric Center Franchise Territory.

ITEM 13 **TRADEMARKS**

We grant to you the right to use certain trademarks, service marks and other commercial symbols, including “MD Hyperbaric” (the “Marks”), in connection with the development and performance of administrative services and/or operation of your MD Hyperbaric Center Franchise under the Franchise Agreement.

Our affiliate Medicine 360, PLLC, an affiliate associated with our managing member and Vice President Dr. Martin J. O’Malley, originally filed for the following Marks which have been registered or applied for on the Supplemental Register of the United States Patent and Trademark Office (“USPTO”), as follows:

Mark	Registration Number (Application Number)	Registration Date (Application Date)
MD Hyperbaric	7,272,489	January 9, 2024

Medicine 360, PLLC in turn assigned the Marks to another affiliate named 49 New York LLC, which in turn assigned the marks to our parent MD Hyperbaric Holding, Inc. effective September 7, 2023. Effective January 30, 2024, our parent MD Hyperbaric Holding, Inc. granted us a license to use and sublicense the use of the Marks and the System to our franchisees. The license continues on in perpetuity, subject to termination by agreement, or upon notice and a failure to cure any material misuse of the Marks. If our license is terminated, according to the terms of the license agreement, our franchise agreements will be automatically assigned to our parent MD Hyperbaric Holding, Inc.

Our affiliates have filed and intend to file all affidavits and to renew the registrations for the Marks when they become due.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which may be relevant to their use in this state or in any other state.

Other than our license agreement with our parent MD Hyperbaric Holding, Inc., there are no agreements currently in effect that significantly limit our right to use or to license others to use the Marks listed in this section in a manner material to the franchise.

The Controlling Principal is one of your Principals appointed by you who meets our requirements and is approved by us to supervise and manage all aspects of your business and with whom we and our staff may deal exclusively for purposes of administering and coordinating the franchise relationship.

We will permit you to have an approved, full-time Authorized Care Provider providing Approved Services at your MD Hyperbaric Center Franchise, but we normally expect your Controlling Principal to be your Authorized Care Provider and manage all aspects of your business regardless of the number of MD Hyperbaric Center Franchises you may develop, manage and/or operate. The Controlling Principal will be required to complete our initial training unless a full-time Authorized Care Provider is already engaged at the time you must attend initial training. You must also have a General Manager for each MD Hyperbaric Center Franchise.

Before rendering services at your MD Hyperbaric Center Franchise, your Training Team (consisting of your Controlling Principal/Authorized Care Provider, General Manager and up to two other technicians) (and any replacements for those persons) must attend and complete, to our satisfaction, our initial training program. [As detailed in Item 11, we determine successful completion by, among other things, attending all required initial training components, passing all oral or written tests and otherwise demonstrating an ability to learn and retain our Brand Standards.](#)

Subject to applicable law regarding noncompetes generally or noncompetes with physicians, we require that you obtain signed Confidentiality Agreements and Covenants Not to Compete in the form attached to Franchise Agreement from your Controlling Principal, your Authorized Care Provider (if applicable), your General Manager and any other managerial level employees.

We will require that your Controlling Principal and certain other Principals we designate sign the Personal Guaranty and Principals' Undertaking attached to the Franchise Agreement.

[We do not require spouses to sign Confidentiality Agreements and Covenants Not to Compete or the Personal Guaranty and Principals' Undertaking unless they are active owners and participants in your MD Hyperbaric Center Franchise.](#)

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must open and operate your MD Hyperbaric Center Franchise at the MD Hyperbaric Center Location during the business hours and days provided in the Brand Standards Manual, unless we provide you a written exception.

If there occurs a global, regional or local crisis such as a pandemic or other similar event, you must cooperate fully with us as to how we respond to the crisis, and you must implement any remediation plan we institute, which may include us requiring a temporary closure of your MD Hyperbaric Center Franchise as part of the crisis remediation plan (whether or not all or other MD Hyperbaric Center Franchises are required to temporarily close).

MD Hyperbaric Center Franchises will be open to the general public so there are no limitations on the Customers you may serve, except that we reserve the right to restrict or condition the acceptance of insurance by Customers and/or acceptance of other third-party payors.

	<i>Amount</i>	<i>%</i>
<i>Royalties (3)</i>	<i>\$59,263.71</i>	<i>8.0%</i>
<i>Marketing (4)</i> <i>(based on 2% of Gross Sales as required in calendar year 2024)</i>	<i>\$14,815.93</i>	<i>2%</i>
<i>MD Hyperbaric Center Franchise Technology Fee (5)</i>	<i>\$3,000</i>	<i>\$250 per Accounting Period per MD Hyperbaric Center Franchise</i>

- (1) Gross Sales consists of the total sales price of all hyperbaric services and all other products and services sold by the MD Hyperbaric Center, including discounts and excluding taxes collected directly from customers and paid to taxing authorities.
- (2) EBITDA consists of earnings before interest, taxes, depreciation, and amortization.
- (3) Royalties currently consists of 8.0% of Gross Sales as defined above.
- (4) Marketing consists of 2% of Gross Sales as defined above. The current Advertising Fund Contribution is 2% of Gross Sales.
- (5) MD Hyperbaric Center Franchise Technology Fee is an annual amount we set for each calendar year based on our then current estimated costs payable in installments each Accounting Period; currently \$250 per Accounting Period per MD Hyperbaric Center Franchise.

Some MD Hyperbaric Centers have ~~achieved the Gross Sales and EBITDA results in this analysis~~ sold and earned this amount. Your individual results may differ. There is no assurance that ~~you will achieve sales or cost results at the levels reflected in this analysis~~ you'll sel or earn as much.

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 Christopher Neal at 1 Carter Road, West Orange, NJ 07052, telephone: 973-985-0739, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEMWIDE OUTLET SUMMARY
FOR FISCAL YEARS 2022 TO 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0

**Table 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2022 TO 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Pennsylvania	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Total	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1

**TABLE 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2022 TO 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Connecticut	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
New York	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Total	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	1	0	0	0	2

*We do not own or operate any MD Hyperbaric Center Locations ourselves. All company-affiliated MD Hyperbaric Center Locations described in this chart are operated by our affiliates.

**Table 5
Projected Openings as of December 31, 2024**

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchise Outlets	Projected New Company-Owned Outlets*
Colorado	1	0	0

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit H are the following financial statements:

1. [Our interim, unaudited financial statements for the three-month period ended March 31, 2025.](#)
- ~~12.~~ Our audited financial statements for the year ended December 31, 2024.
- ~~23.~~ Our unaudited opening balance sheet dated February 5, 2024.

Please note that we have only been in existence since February 2024, and therefore do not have a balance sheet for two previous fiscal year-ends before this Disclosure Document issuance date or statements of operations, stockholders equity, and cash flows for three previous fiscal years.

Our fiscal year end is December 31st of each year.

ITEM 22
CONTRACTS

The following agreements are attached as exhibits to this disclosure document:

- Exhibit B – Franchise Agreement
- Exhibit C – Applicant Confidentiality Agreement and Authorization
- Exhibit D – Franchise Application
- Exhibit J – Sample Form of Administrative Services Agreement

ITEM 23
RECEIPTS

Exhibit K to this disclosure document includes detachable documents acknowledging your receipt of this disclosure document.

STATE ADMINISTRATORS

CALIFORNIA

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505 or (866) 275-2677
Website: <http://www.dfpi.ca.gov/>
Email: Ask.DFPI@dfpi.ca.gov

HAWAII

Department of Commerce and Consumer Affairs
Business Registrations Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586 2722

ILLINOIS

Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782 4465

INDIANA

Franchise Section
Securities Division
302 W. Washington St., Room E 111
Indianapolis, Indiana 46204
(317) 232 6681

KENTUCKY

Office of the Attorney General
1024 Capital Center Drive
Frankfort, Kentucky 40602
(502) 696 5300

MARYLAND

Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

MICHIGAN

Office of the Attorney General
Consumer Protection Division
Antitrust and Franchise Section
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

MINNESOTA

[Minnesota](#) Department of Commerce
85 7th Place East, Suite ~~500~~[280](#)
[St. Saint](#) Paul, [Minnesota](#) [MN](#) 55101
(651) ~~296-4026~~[539-1600](#)

NEBRASKA

Department of Banking and Finance
1526 K Street, Suite 300
P.O. Box 95006
Lincoln, Nebraska 68509
(402) 471 3445

NEW YORK

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
212-416-8222

NORTH DAKOTA

North Dakota Securities Department
600 East Blvd., Fifth Floor
Bismarck, North Dakota 58505
(701) 328 4712

OREGON

Division of Consumer and Business Services
Finance and Corporate Securities
350 Winter Street N.E.
Labor and Industries Building, Room 21
Salem, Oregon 97310
(503) 378 4387

RHODE ISLAND

Securities Division
233 Richmond Street, Suite 232
Providence, Rhode Island 02903
(401) 222 3048

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre, SD 57501
(605) 773-4823

AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505 or (866) 275-2677
Website: <http://www.dfpi.ca.gov/>
Email: Ask.DFPI@dfpi.ca.gov

HAWAII

Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registrations Division
335 Merchant Street, Room 203
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Illinois Attorney General
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Springfield, Illinois 62706

INDIANA

Secretary of State
201 State House
200 W. Washington Street
Indianapolis, Indiana 46204

MARYLAND

Maryland Securities Commissioner
Office of the Attorney General
200 St. Paul Place
Baltimore, Maryland 21202

MICHIGAN

Department of Labor & Economic Growth
Commercial Services & Corporations Bureau
611 W. Ottawa Street
Lansing, Michigan 48909

MINNESOTA

~~Commissioner~~ [Minnesota Department](#) of Commerce
85 7th Place East, Suite ~~500~~[280](#)
~~St. Saint~~ Paul, ~~Minnesota~~ [MN](#) 55101
[\(651\) 539-1600](tel:(651)539-1600)

NEW YORK

New York Secretary of State
One Commerce Plaza
99 Washington Avenue
Albany, NY 12231
518-473-2492

NORTH DAKOTA

Securities Commissioner
North Dakota Securities Department
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505

OREGON

Director
Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310

RHODE ISLAND

Director
Department of Business Regulation
233 Richmond Street, Suite 232
Providence, Rhode Island 02903

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre SD 57501

VIRGINIA

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON

Director of Financial Institutions
Securities Division
150 Israel Rd. S.W.
Tumwater, Washington 98501

WISCONSIN

Commissioner of Securities
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

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**ADDENDUM TO MDH FRANCHISOR LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS**

The State Cover Page and Item 17 of this disclosure document are amended by adding the following:

1. Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside Illinois is void with respect to any action which is otherwise enforceable in Illinois, except that the Franchise Agreement may provide for arbitration outside Illinois. In addition, Illinois law will govern the Franchise Agreement.
2. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to you concerning non-renewal and termination of the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.
3. Any release of claims or acknowledgments of fact contained in the Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act will be void and are deleted with respect to claims under the Act.
4. Section 41 of the Illinois Franchise Act states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.” To the extent that any provision in the Franchise Agreement is inconsistent with Illinois law, Illinois law will control.
5. All initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.
6. 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 franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO MDH FRANCHISOR LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND**

1. Item 5 is amended to include the following paragraph:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.

2. Item 17, under the Summary column of parts (c) and (m), is amended to include the following paragraph:

A general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Item 17, under the Summary column of part (h), is amended to include the following sentence:

A provision in the Franchise Agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

4. Item 17, under the Summary column of part (v), is modified to include the words "A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

5. Item 17 is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

6. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisor 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 franchisor, franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO MDH FRANCHISOR LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

1. Item 5 is amended to include the following paragraph:

Based upon the franchisor's financial condition, the Commissioner of the State of Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement and the business has opened.

~~2.~~ The following is added to Item 17 of the Disclosure Document:

Under Minnesota law and except in certain specified cases, we must give you 90 days' notice of termination with 60 days to cure. We also must give you at least 180 days' notice of its intention not to renew a franchise, and sufficient opportunity to recover the fair market value of the franchise as a going concern. To the extent that the Agreement is inconsistent with the Minnesota law, the Minnesota law will control.

To the extent that any condition, stipulation or provision contained in the Agreement (including any choice of law provision) purports to bind any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance with the Minnesota Franchises law, such condition, stipulation or provision may be void and unenforceable under the nonwaiver provision of the Minnesota Franchises Law.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Specifically, we cannot require you to consent to us obtaining injunctive relief, however, we may seek such relief through the court system.

Minn. Rule 2860.4400J prohibits us from requiring you to assent to a general release. To the extent that the Agreement requires you to sign a general release as a condition of renewal or transfer, the Agreement will be considered amended to the extent necessary to comply with Minnesota law.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

No statement, questionnaire, or acknowledgement 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 franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed 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	Not Applicable
Hawaii	Not Applicable
Illinois	Not Applicable Pending
Indiana	Not Applicable
Maryland	Not Applicable Pending
Michigan	Not Applicable Pending
Minnesota	Not Applicable Minnesota
New York	Pending
North Dakota	Not Applicable
Rhode Island	Not Applicable
South Dakota	Not Applicable
Virginia	Not Applicable
Washington	Not Applicable
Wisconsin	March 17, 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.

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Exhibits:

- A. Personal Guaranty and Principals’ Undertaking
- B. Confidentiality Agreement and Covenant Not To Compete
- C. Authorization Agreement for Pre-Authorized Payments
- D. Lease Rider
- E. Map of the Target Area or MD Hyperbaric Center Franchise Territory (if deemed necessary by Franchisor)

State Addenda to Franchise Agreement

SUMMARY PAGES

Effective Date: _____

Franchisee: _____

Franchisee Corporate Address: _____

MD Hyperbaric Center Location (if/when known): _____

Phone Number: _____ Email Address: _____

Controlling Principal: _____

Authorized Care Provider (if different from the Controlling Principal): _____

Term: 10 years from the Effective Date

Successor Franchises: up to 2 consecutive successor Franchise Agreements of 5 years

Target Area (if applicable): The geographic area encompassed within _____, and reflected on the map attached as Exhibit E, as existing on the Effective Date.

MD Hyperbaric Center Franchise Territory: The geographic area encompassed within _____ and reflected on the map attached as Exhibit E, as existing on the Effective Date.

Required Opening Date (180 days from Effective Date): _____

Initial Franchise Fee: \$50,000, payable in full upon execution of this Agreement.

Royalty Fee: Either the Percentage Royalty Fee or the Fixed Royalty Fee, as designated below (select one):

___ Percentage Royalty Fee: 8% of Gross Sales per Accounting Period from the Opening Date.

___ Fixed Royalty Fee:

Accounting Periods	Dollar Amount per Accounting Period*
1 to 12	\$4,500
13 to 24	\$5,500
25 to 36	\$6,500
37 to 48	\$7,500
49 to 60	\$8,500
61 to 72	\$8,500
73 to 84	\$8,500
85 to 96	\$8,500
97 to 108	\$8,500
109 to 120	\$8,500

**If Franchisor adjusts the Accounting Period in accordance with its rights under this Agreement, the Dollar amount will be increased or decreased to equate to an approximate prorata dollar*

amount applicable for the current duration of the Accounting Period. For example purposes only, if the Accounting Period was changed to a calendar week (i.e., approximately a 1 to 4 change), the low fixed Royalty Fee in the above chart would be \$1,125 and the high fixed Royalty Fee in the above chart would be \$2,125.

Grand Opening Ad Expenditure: Up to \$2,500 in accordance with Section 10(a) of this Agreement.

Local Ad Expenditure: 1% of Gross Sales; provided that Franchisor may increase the Local Ad Expenditure up to 4% of Gross Sales upon written notice to Franchisee in accordance with 10(b) of this Agreement.

Advertising Fee: 2% of Gross Sales; provided that Franchisor may increase the Advertising Fee up to 4% of Gross Sales upon written notice to Franchisee in accordance with 10(f) of this Agreement.

Ad Fund Contribution: 0% of Gross Sales per Accounting Period; provided that Franchisor may create an Ad Fund and thereafter increase the Ad Fund Contribution up to 4% of Gross Sales upon written notice to Franchisee in accordance with Section 10(d) of this Agreement.

Area Cooperative Contributions: 0% of Gross Sales per Accounting Period; provided that Franchisor may create an Area Cooperative in Franchisee's DMA and thereafter increase the Area Cooperative Contribution up to 4% of Gross Sales upon written notice to Franchisee in accordance with Section 10(e) of this Agreement.

Non-Compliance Fees: \$1,000 for each deviation from a contractual requirement under this Agreement, including any Brand Standards, identified in writing by Franchisor, provided that the Non-Compliance Fee will double to \$2,000 if Franchisor discovers that the same (or a substantially similar) deviation on one or more consecutive, subsequent visits to or inspections of the MD Hyperbaric Center Franchise and will double again to \$4,000 for the second and each subsequent repeat deviation. (The Non-Compliance Fee does not apply to payment defaults for which Franchisor may charge interest).

Technology Fee: An amount Franchisor sets for each calendar year based on its then current costs and payable in installments each Accounting Period; currently \$250 per Accounting Period.

Transfer Fee: \$10,000

Successor Fee: \$20,000

Addresses for Notices:

Franchisor: MDH Franchisor LLC
1 Carter Road
West Orange, NJ 07052
Attn: Christopher Neal, CEO
Email: chris@mdhyperbaric.com

Franchisee: Mailing address for Franchisee Corporate Office shown above.

MD HYPERBARIC CENTER FRANCHISE FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is entered into by and between Franchisor and Franchisee and is effective as of the Effective Date. The Summary Pages to this Agreement are an integral part of this Agreement.

1. **Recitals.** Franchisor has, through the expenditure of time, skill, effort and money, developed the System for businesses that offer and sells HBOT products and services under the Marks and System. Franchisee desires to obtain the right, and Franchisor is willing to grant Franchisee the right, to develop a MD Hyperbaric Center Franchise using the System and Marks at the MD Hyperbaric Center Location in accordance with the terms of this Agreement, which may include either (1) Franchisee’s direct ownership and operation of the MD Hyperbaric Center Franchise at the MD Hyperbaric Center Location if permitted under Authorized Care Provider Regulations or (2) Franchisee’s development and operation of a MD Hyperbaric Center Franchise Administrative Services Business that provides the MD Hyperbaric Center Franchise and Administrative Services to Authorized Care Providers through a MD Hyperbaric Center Franchise Administrative Services Agreement at a MD Hyperbaric Center Location, all in accordance with all applicable Authorized Care Provider Regulations. The parties have entered into this Agreement to evidence the terms and conditions of their relationship.

2. **Definitions.** The following terms are used in this Agreement with the meanings assigned below:

Accounting Period means each calendar month during the Term; provided that Franchisor may change the Accounting Period during the Term upon 30 days’ prior written notice to Franchisee, but it will not be shorter than a calendar week or longer than a calendar month.

Action means a suit, proceeding, claim, demand, investigation, or inquiry, whether formal or informal.

Ad Fund means a separate and segregated advertising and marketing fund Franchisor administers for the purpose of enhancing the goodwill and public image of the System through advertising and promotions.

Ad Fund Contribution means the periodic Ad Fund Contribution in the amount identified on the Summary Pages payable if/when an Ad Fund is created.

Administrative Services Agreement means, in the context of a MD Hyperbaric Center Franchise that operates as a MD Hyperbaric Center Franchise Administrative Services Business, an agreement or set of agreements that relate to the MD Hyperbaric Center Franchise and Administrative Services performed by Franchisee on behalf of Authorized Care Providers related to the Approved Items offered and provided by the MD Hyperbaric Center Franchise at the MD Hyperbaric Center Location. The Administrative Services Agreement must be prepared by Franchisee in accordance with Authorized Care Provider Regulations and, at Franchisor’s election, must be approved by Franchisor in writing. Franchisor’s approval of an Administrative Services Agreement does not, in any way, constitute any representation or warranty by Franchisor that the Administrative Services Agreement complies with Authorized Care Provider Regulations – Franchisor’s approval only indicates that Franchisor does not object to Franchisee’s use of the Administrative Services Agreement. To the extent that Franchisor supplies Franchisee with form sample Administrative Services Agreements, Franchisor only does so as to inform Franchisee as to the types of Administrative Services Agreements that Franchisor, typically, will

**AMENDMENT TO MD HYPERBARIC CENTER FRANCHISE
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

The MD Hyperbaric Center Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and MDH Franchisor LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General’s Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill. Rev. Stat. ch. 815 para. 705/1 - 705/44 (1994) (the “Act”). To the extent that this Agreement contains provisions that are inconsistent with the following, those provisions are amended as follows:

- a. Sections 705/19 and 705/20 of the Act provide rights to franchisees concerning nonrenewal and termination of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.
- b. Any release of claims or acknowledgments of fact contained in the Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, are unenforceable with respect to claims under the Act.
- c. Any provision that designates jurisdiction or venue or requires Franchisee to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except arbitration may take place outside the state of Illinois.
- d. If this Agreement requires that it be governed by a state’s law, other than the State of Illinois, to the extent that such law conflicts with Illinois law, Illinois law will control.
- e. To the extent that the Act prohibits the disclaimer of representations contained in Franchisor’s Franchise Disclosure Document, the Franchise Agreement is amended to include representations made in Franchisor’s Franchise Disclosure Document to the extent required by law.
- f. Section 41 of the Act states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.” To the extent that any provision in this Agreement is inconsistent with Illinois law, Illinois law will control.
- g. Illinois Franchise Disclosure Act paragraph 705/27 provide rights to Franchisee concerning periods of limitation for bring claims under this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.
- h. [All initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.](#)

- i. 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 franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of Illinois law applicable to the provisions are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

**MDH Franchisor LLC,
a Delaware limited liability company**

By: _____

Print Name: _____

Its: _____

Effective Date: _____

FRANCHISEE

By: _____

Print Name: _____

Its: _____

Date: _____

**AMENDMENT TO MD HYPERBARIC CENTER FRANCHISE
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

The MD Hyperbaric Center Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and MDH Franchisor LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. § 14-201 et. seq. (2015 Repl. Vol.). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Franchisee is required in this Agreement to execute a release of claims and/or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act. Such release will exclude claims arising under the Maryland Franchise Registration and Disclosure Law, and such acknowledgments will be void with respect to claims under the Law.
- b. This Agreement requires litigation to be conducted in a forum other than the State of Maryland. The requirement will not be interpreted to limit any rights Franchisee may have under Sec. 14-216 (c)(25) of the Maryland Franchise Registration and Disclosure Law to bring suit in the state of Maryland.
- b. The general release required as a condition of renewal, sale, and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- c. This Agreement is hereby amended to reflect that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- d. Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. This Agreement requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law. All representations in this Agreement requiring prospective franchisees to assent to any release, estoppel or waiver of liability are not intended to and will not act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law resulting from the offer or sale of the franchise.
- e. Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.
- f. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisor 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 franchisor, franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

g. Section 25(d) of the Franchise Agreement is deleted in its entirety and of no force and effect in the State of Maryland.

2. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee has initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

**MDH Franchisor LLC,
a Delaware limited liability company**

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

Effective Date: _____

Date: _____

e. If the Franchise Agreement and/or the Franchise Disclosure Document requires that it be governed by a state's law, other than the State of Minnesota, those provisions will not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

f. If the Franchise Agreement and/or the Franchise Disclosure Document requires Franchisee to sue Franchisor outside the State of Minnesota, those provisions will not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

g. Minn. Rule 2860.4400J. prohibits Franchisor from requiring Franchisee to consent to liquidated damages and prohibits waiver of a jury trial. If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Minn. Rule, the provisions of the Franchise Agreement and/or the Franchise Disclosure Document will be superseded by the Minn. Rule's requirements and will have no force or effect.

h. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

i. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

j. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

k. No statement, questionnaire, or acknowledgement 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 franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

l. Based upon the franchisor's financial condition, the Commissioner of the State of Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement and the business has opened.

2. Each provision of this Agreement and/or the Franchise Disclosure Document will be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee has initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

**MDH Franchisor LLC,
a Delaware limited liability company**

By: _____
Print Name: _____
Its: _____

By: _____
Print Name: _____
Its: _____

Effective Date: _____

Date: _____

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

**MDH Franchisor LLC,
a Delaware limited liability company**

By: _____

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Print Name: _____

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Its: _____

Effective Date: _____

Date: _____