


FRANCHISE DISCLOSURE DOCUMENT-SINGLE UNIT

	<p>The Inspection Boys Franchise USA LLC d/b/a The Inspection Boys®, a Virginia Limited Liability Company 780 Lynnhaven Parkway Suite 240 Virginia Beach, VA 23452 (800) 819-4403 https://inspectionboys.com</p>
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As a unit franchisee, you will open and operate a franchised business that provides inspection services of residential and commercial properties under the trade name “The Inspection Boys®” (the “Franchised Business”).

The total investment necessary to begin operations of a Franchised Business is \$51,100 - \$61,750. This includes \$40,000 that must be paid to the franchisor or affiliate.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, 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: Matthew Rivera, 780 Lynnhaven Parkway, Suite 240, Virginia Beach, Virginia, 23452, (800) 819-4403.

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 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 (FTC). 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.

Issuance Date: April 23, 2025; [Amended June 6, 2025](#)

You are responsible for researching and meeting the licensure, certification, and/or registration requirements for businesses and home inspectors in your local jurisdiction, including all associated costs. ~~You should consult with your attorney concerning these and other local laws and ordinances that may affect your operation of the Franchise Business.~~

Market and Competition.

The target market for Services consists of residential and commercial clients seeking affordable inspection services. The business model is operated from a home office location or small commercial office location which typically is centrally located in your market and you will drive to customers and provide our services onsite at their location. You will be reviewing and analyzing properties for a variety of reasons including sales, purchases, or assessments being done on properties. You will be primarily driving to these homes and properties to perform assessments and developing the written reports from your home office location. These inspection services are not seasonal.

The general market for any home inspection service is highly developed and very competitive. Our customers are primarily individuals and families who buy a home.

In some jurisdictions, you will need a “home inspection” license or similar governmental permit. You should inquire with your local state, county and city regulators as to specific regulations that may exist related to home inspection service operations.

As a Home Inspection Business, you will compete with other home inspection companies and individual home inspectors. The industry is highly competitive. You will compete against national chains, regional chains, and independent owners. Some of these competitors are franchised.

Prior Business Experience

Our predecessor, Inspection Boys Franchising, LLC had offered franchises since 2017.

ITEM 2. BUSINESS EXPERIENCE

Matthew Rivera: Chief Executive Officer

Matthew Rivera has served as our Chief Executive Officer since December 2020. From December 2017 through November 2020, he served as the founder and Chief Operating Officer of our predecessor, The Inspection Boys Franchising, Inc., in Farmingville, New York. He is also the owner of The Inspection Boys Inc., which has operated a home inspection business under The Inspection Boys mark in Farmingville, New York, since April 2017. Mr. Rivera has been a licensed home inspector in New York State since 2015 and has been approved in New York State to provide qualifying home inspection courses through his management of the Long Island division of NY Home Inspector School since 2017. Mr. Rivera previously owned MJM Home Inspections Inc., in Farmingville, New York from 2015 through April 2017.

DJ Flores: President

Mr. Flores has served as our President since May 2025. From October 2024 through April 2025, he served as Fractional Sales Executive for US Christian Chamber of Commerce in Virginia Beach, Virginia. He also worked as a podcast host for The GOOD Wolf Media in Virginia Beach,

Virginia, from April 2023 through May 2025. He also previously served as a division director for Safe and Sound Caregiving in Virginia Beach, Virginia from January 2024 through July 2024. Mr. Flores also served as an agency owner for Flo Transportation from November 2019 through November 2022 in Cleveland, Ohio. He also previously served as an owner operator of Flo Resale in Cleveland, Ohio from March 2021 through October 2022.

John T. Hewitt: Chief Executive Officer and Chairman of Loyalty, LLC

John T. Hewitt has served as the Chief Executive Officer and Chairman of Loyalty, LLC, in Virginia Beach, Virginia since September 2017.

ITEM 3. LITIGATION

John Hewitt, Chairman of Loyalty, LLC, has been named in the following litigation:

Pending Actions:

There are no pending actions.

Ira Lubert and John Martinson v. John T. Hewitt, ATAX, LLC, and Loyalty, LLC (Case No 250503829) filed May 30, 2025, in the Court of Common Pleas of Philadelphia County, Pennsylvania. The Plaintiffs are investors in ATAX, LLC, and claim that they were solicited to invest in ATAX as a qualified opportunity zone business (QOZB), yet it did not qualify as a QOZB. Further, Plaintiffs claim that, as a result of the non-QOZB status, the defendants promised certain changes, some of which defendants have not made, specifically an amendment to ATAX's Operating Agreement and certain financial controls. The Plaintiffs also allege that Hewitt, with the assistance of certain Loyalty employees, made cash withdrawals from ATAX and paid those funds to himself, to Loyalty, and to other Loyalty brand companies without ATAX Board approval. The Plaintiffs sue for (1) Fraud Against Defendant Hewitt, (2) Aiding and Abetting Fraud (Against Defendant Loyalty), (3) Breach of Fiduciary Duty (Against Defendants Hewitt and Loyalty), (4) Conversion (Against Defendants Hewitt and Loyalty), (5) Breach of Contract (Against Defendants Hewitt, Loyalty, and ATAX), (6) Unjust Enrichment (Against Defendants Hewitt and Loyalty), (7) Breach of Virginia Stock Corporation Act (Against Defendants Hewitt and Loyalty), and (8) Violation of Pennsylvania Voidable Transfers Act (Against Defendants Hewitt and Loyalty). Plaintiffs seek a judgment, an order rescinding their investments, redemption of their ownership interests at a fair value, monetary damages in an amount to be determined at trial, fees, and interest. Defendants offered to buy out the Plaintiffs' investments for a profit that would be beneficial to Plaintiffs. Defendants intend to file an Answer generally denying the allegations and vigorously contesting the claims made. No trial date has been set.

Concluded Actions:

JTH Tax LLC d/b/a Liberty Tax Service v. John T. Hewitt, Loyalty LLC, ATAX LLC, ATAX Franchise, Inc. and Yneva Marte (Case No.2:21-cv-00076-RBS-LRL) filed February 4, 2021 in the United States District Court for the Eastern District of Virginia. Plaintiff filed the action alleging that ATAX franchisees maintained signage that is confusingly similar to trade dress and logos of the Plaintiff. The Plaintiff also alleges that Mr. Hewitt tortiously interfered with certain

You must purchase such supplies and inventory as we may designate in the Manual, subject to any specifications we may issue, which may include a vendor designation.

Officer Interests in Suppliers.

Neither the franchisor nor its officers own any interest in a supplier.

Whether We or Our Affiliates are Approved Suppliers

Neither The Inspection Boys® nor any person or company affiliated with it receives any consideration from suppliers that we may recommend to you on account of your purchases from such suppliers. There are no approved suppliers in which any of our officers owns an interest. No one affiliated with The Inspection Boys ® is currently an approved supplier.

Alternative Suppliers

~~We do not maintain written criteria for approving suppliers and therefore these criteria are not available to you or your proposed supplier. You may contract with alternative suppliers if they meet our criteria except you must use the Franchise Disclosure Document that we provide or make available to you to use.~~

~~If you wish to propose another supplier, you must do so in writing. If you wish to propose an alternative supplier, you must submit a request in writing to us. If we are not familiar with the product or service, we may require you to provide us with a sample of the supplier’s products or services at your own expense. We will review the supplier to determine whether to consider adding the supplier to our list of approved vendors. We do not charge a fee for alternative supplier testing. We reserve the right to approve or revoke approval of any supplier. We will notify you within 30 days if we approve or disapprove of an alternative supplier. If we revoke approval for a supplier, we will provide written notice to you. We do not provide franchisees with any specific criterion for approving suppliers, but we generally consider the specifications and quality of the product.~~

Supplier Payments to Us

We currently do not receive payments from suppliers as a result of purchases by our franchisees; however, we may do so in the future. Further, we may utilize any such funds received by us in our sole judgment. In our last fiscal year ended December 31, 2024, neither we nor our affiliates earned revenue or other material consideration from required purchases or leases by franchisees.

Purchasing or Distribution Cooperatives

There currently are no purchasing or distribution cooperatives.

Purchase arrangements

We do not presently, but reserve the right in the future to, negotiate purchase arrangements with supplies, including preferred pricing arrangements, for the benefit of our franchisees. Further, we do not currently, but reserve the right in the future to, receive payments from approved suppliers with respect to your purchases. Furthermore, we may utilize any such funds received by us in our sole judgment.

Material Benefits

We do not provide material benefits to you based on your purchase of particular products or services or use of particular suppliers.

Required Purchases as a Proportion of Costs

is solely for training and educational purposes. Each franchisee is solely responsible for establishing their own prices.

Advertising Program and Fund:

Grand Opening Advertising. You must spend \$5,000 as part of your Market Introduction Plan (See Item 7) for local advertising and promotion to launch your The Inspection Boys® Business.

Local Advertising. We require you to spend a minimum of \$1,200 per year on local advertising pursuant to our guidelines.

Advertising Fund. You agree to contribute 2% of your Gross Revenues into our Advertising Fund. (Franchise Agreement, Section 1.5C,D). Franchisor owned outlets do not have to contribute to the Advertising Fund, but may do so. We administer the Advertising Fund. The Fund is not audited. Unaudited financial statements of the Advertising Fund will be made available to you upon written request.

If not all Advertising Fees are spent in the fiscal year in which they accrue, we will carry over those fees and apply them to the next fiscal year.

We may not use Advertising Fees to solicit new franchise sales.

~~As of In our last fiscal year ending December 31, 2023, there had been no contributions by franchisees into 2024, the Advertising Fund and no expenditures from the spent all of its funds. The 2024 Advertising Fund. Funds were spent as follows:~~

<u>Category</u>	<u>Percent</u>
<u>Platform Subscription</u>	<u>100%</u>

Our Obligation to Conduct Advertising. We use monies in the Advertising Fund to advise you in the conduct of advertising or conduct advertising ourselves using online, radio, television, direct mail, billboards, print or other advertising. We may use local, regional, or national advertising. We may produce advertising material in-house or through outside agencies. We are not required to spend any amount on advertising in the area or territory where you will be located. (Franchise Agreement, Section 1.6).

Corporate Website. We will develop and maintain a comprehensive website that contains your location’s contact information. (Franchise Agreement, Section 1.6A).

Digital Marketing. We may create, operate and promote websites, social media accounts (including but not limited to Facebook, Twitter, and Instagram), applications, digital advertising (including pay-per-click and display ads) or other means of digital marketing to promote the brand, Franchised Business, Marks and franchise opportunities. We have the sole right to control all aspects of any digital marketing including all digital marketing related to your Franchised Business. (Franchise Agreement, Section 1.6).

Digital Campaigns. We may negotiate contracts with vendors such as Google AdWords. If you choose to participate, you must pay your pro-rata share either directly to the vendor or reimburse us if we are paying the vendor. (Franchise Agreement, Section 1.6C).

EXHIBIT G-STATE EFFECTIVE DATES

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

Effective Dates	
California	Pending
Hawaii	NOT APPLICABLE
Illinois	Pending
Indiana	April 30, 2025; <u>June 9, 2025</u>
Maryland	Pending
Michigan	June 29, 2025/2026
Minnesota	Pending
New York	Pending
North Dakota	NOT APPLICABLE
Rhode Island	NOT APPLICABLE
South Dakota	NOT APPLICABLE
Virginia	Pending
Washington	NOT APPLICABLE
Wisconsin	April 30, 2025; <u>June 9, 2025</u>

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.

EXHIBIT H-RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Inspection Boys Franchise USA LLC d/b/a The Inspection Boys ® offers you a franchise, it must provide this Disclosure Document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Illinois, Iowa, Maine, Nebraska, New York, Oklahoma, Rhode Island, or South Dakota law, if applicable, we must provide this Disclosure Document to you at your first personal meeting to discuss the franchise.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit C.

The franchisor, The Inspection Boys®, is located at 780 Lynnhaven Parkway, Suite 240, Virginia Beach, VA 23452.

Issuance date: April 23, 2025; Amended June 6, 2025

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
<input checked="" type="checkbox"/> Matt Rivera, 780 Lynnhaven Pkwy, Suite 240, Virginia Beach, VA 23452; (888) 412-7224
<input checked="" type="checkbox"/> John T. Hewitt, 780 Lynnhaven Pkwy, Suite 240, Virginia Beach, VA 23452; (833) 920-0735
<input checked="" type="checkbox"/> John T. Hewitt, 780 Lynnhaven Pkwy, Suite 240, Virginia Beach, VA 23452; (833) 920-0735
<input checked="" type="checkbox"/> Jamie Marcil, 780 Lynnhaven Pkwy, Suite 240, Virginia Beach, VA 23452; (833) 920-0735
<input checked="" type="checkbox"/> Kelly Wyatt, 780 Lynnhaven Pkwy, Suite 240, Virginia Beach, VA 23452; (833) 920-0735
<input checked="" type="checkbox"/> Jennifer Wyatt, 780 Lynnhaven Pkwy, Suite 240, Virginia Beach, VA 23452; (833) 920-0735
<input checked="" type="checkbox"/> Tayler Romanelli, 780 Lynnhaven Pkwy, Suite 240, Virginia Beach, VA 23452; (833) 920-0735
<input checked="" type="checkbox"/> Colin Flynn, 780 Lynnhaven Pkwy, Suite 240, Virginia Beach, VA 23452; (833) 920-0735
<input checked="" type="checkbox"/> Gwendolyn DiFerdinando, 780 Lynnhaven Pkwy, Suite 240, Virginia Beach, VA 23452; (833) 920-0735
<input type="checkbox"/> _____ Loyalty Brands, 780 Lynnhaven Pkwy, Suite 240, Virginia Beach, VA 23452; (833) 920-0735
<input type="checkbox"/> _____ The Inspection Boys, 780 Lynnhaven Pkwy, Suite 240, Virginia Beach, VA 23452; (832) 660-6727

We have authorized the respective state agencies identified on Exhibit C-List of State Administrators and Registered Agents to receive service of process for us in the particular state.

I have received a Disclosure Document dated April 23, 2025; Amended June 6, 2025, that included the following:

Received	Reference	Name
<input checked="" type="checkbox"/>	ITEM 1-ITEM 23	Franchise Disclosure Document
<input checked="" type="checkbox"/>	EXHIBIT A	State Addendum
<input checked="" type="checkbox"/>	EXHIBIT B	Franchise Agreement
<input checked="" type="checkbox"/>	Schedule 1	Territory
<input checked="" type="checkbox"/>	Schedule 2	Minimum Requirements
<input checked="" type="checkbox"/>	Schedule 3	Automatic Bank Draft Authorization
<input checked="" type="checkbox"/>	Schedule 4	Telephone Number Assignment
<input checked="" type="checkbox"/>	Schedule 5	Promissory Notes
<input checked="" type="checkbox"/>	Schedule 5-1	Personal Guaranty
<input checked="" type="checkbox"/>	Schedule 6	Release
<input checked="" type="checkbox"/>	EXHIBIT C	List of State Administrators and Registered Agents
<input checked="" type="checkbox"/>	EXHIBIT D	Table of Contents of Operations Manual
<input checked="" type="checkbox"/>	EXHIBIT E-1	List of Franchisees
<input checked="" type="checkbox"/>	EXHIBIT E-2	List of Former Franchisees
<input checked="" type="checkbox"/>	EXHIBIT F	Financial Statements
<input checked="" type="checkbox"/>	EXHIBIT G	State Effective Dates
<input checked="" type="checkbox"/>	EXHIBIT H	Receipts

Name: _____

Signature: _____

Date: _____

FOR OUR RECORDS

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Name: _____

Signature: _____

Date: _____

FOR YOUR RECORDS