

FRANCHISE DISCLOSURE DOCUMENT



Right at Home, LLC
A Delaware Limited Liability Company
6700 Mercy Road, Suite 400
Omaha, Nebraska 68106
(402) 697-7537
franchising@rightathome.net
www.rightathome.net

The franchisee will operate a Right at Home business that provides hands-on personal care, non-medical care, in-home care assistance and companionship care services to seniors and other adults, and (1) supplemental staffing services for nursing homes, hospitals, other home health agencies and other medical settings; (2) specialized nursing services and other in-home medical care; and (3) other related products, services, materials, and equipment.

The total investment necessary to begin the operation of a Right at Home franchise is ~~\$92,100~~260 to \$165,309496. This includes \$52,600 to \$54,100 that must be paid to the franchisor or its affiliate.

If you convert your existing home care business to a Right at Home Business ("**Conversion Franchised Business**"), the total investment necessary to begin operation of a Conversion Franchised Business is ~~\$92,850~~80,635 to \$169,459646. This includes ~~\$41,725 to~~ \$54,100 that must be paid to the franchisor or its 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 fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this disclosure document.**

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, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: March 26, 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 mediation, arbitration and/or litigation only in Nebraska. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Nebraska than in your own state.
2. **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.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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.

Technology and Training Setup Fee

If you are a new franchisee or an existing franchisee purchasing a new Franchised Business using a new entity and appointing an Operating Principal who has not attended our required training, you will pay an initial non-refundable technology and training setup fee of \$2,500 ("**Technology and Training Setup Fee**"). If you are an existing franchisee purchasing a new Franchised Business using the same entity and you appoint an Operating Principal that has attended our required training, you will pay an initial non-refundable Technology and Training Setup Fee in the amount of \$1,000.

The Technology and Training Setup Fee covers the cost of setting up various technology, licenses, training and tools used in your Franchised Business. If you are a new franchisee, you will pay the Technology and Training Setup Fee to us prior to opening your Office. If you are an existing franchisee, you will pay the Technology and Training Setup fee to us at the time you sign the Franchise Agreement.

Ongoing Technology Fee

~~This fee includes the~~ You will pay an initial ~~and annual fees paid~~ ongoing technology fee to us to cover a portion of the costs for some of the software and technology we designate ("**Designated Software**") for use in your Franchised Business and provided by Approved Suppliers including the fee for the Applicant Tracking System subscription, Learning Management System subscription, legal document subscription service, satisfaction management services, updating for the Right at Home Personal Care Policy and Procedure Manual, and other services, software and technology we may designate from time to time. ("**Ongoing Technology Fee**"). The amount of the Ongoing Technology Fee is \$2,100. This fee is paid prior to opening your Franchised Business and, depending upon when you sign your Franchise Agreement, it may be pro-rated for the first year.

Other than stated above, you will not pay us or any of our affiliates any other fees or payments for services or materials before your Franchised Business opens. During our fiscal year 2024, we did not collect any Technology and Training Setup Fees.

Conversion Franchises

If you qualify for a Conversion Franchise, we may, but are not obligated, to reduce the Initial Franchise Fee up to 25% based on factors that include, but are not limited to, the length of time you have operated the business prior to converting to a Franchised Business, sales volume, historical earnings of the business, market demand, your experience, and growth potential of the business ("**Conversion Initial Franchise Fee**"). If you qualify for a Conversion Franchised Business, you will pay the Conversion Initial Franchise Fee of \$37,125 up to \$49,500 at the time you sign the Franchise Agreement and sign the Conversion Addendum. The Conversion Initial Franchise Fee is deemed fully earned and nonrefundable upon payment. During our fiscal year 2024, we did not collect any Conversion Initial Franchise Fees.

VetFran

To honor those men and women who have served in the U.S. military, the Veterans Transition Franchise Initiative, known as "**VetFran**," was developed to help those individuals' transition to civilian life. This initiative is a voluntary effort of International Franchise Association (IFA) member-companies and is designed to encourage franchise ownership by offering financial incentives to honorably discharged veterans. We offer a 25% discount on the Initial Franchise Fee for Franchised Businesses acquired by individuals

Type of Fee	Amount	Due Date	Remarks
			the Approved Supplier changes the fees, if we change functionality or the services, software and/or technology included in the Ongoing Technology Fee
Right at Home Personal Care Policy and Procedure Manual Annual Renewal Fee	The current renewal rates. Currently, it is between \$500 and \$750	Annually	Renewal fee is paid to the Approved Supplier.
Home Care Operating Software Fee	The fee is based on your number of clients <u>Current rates are \$160/month to \$1,850/month, for up to three territories and \$160/month to \$6/client/month for 701+ clients, for four or more territories.</u>	Monthly	Paid to the Approved Supplier.
Educational Programs, Seminars, Convention ⁹	You are required to pay your expenses as well as your other participants' expenses in attending these educational programs, seminars and conventions plus the fee we may charge to cover our costs of providing such programs	Time of educational program, seminars and conventions	Attendance will not be required more than two times per calendar year and will not last more than five days. If your Franchised Business offers Specialized Nursing Services, we may require you or a qualified person designated by you to complete additional training relating to Specialized Nursing Services.
Cost of Enforcement or Defense	All costs including attorneys' fees	Upon settlement or conclusion of claim or action	You will reimburse us for all the costs in enforcing our obligations under the Franchise Agreement if we prevail. <u>See</u> Section 20.7, Franchise Agreement.

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Other Office Equipment and Supplies ⁸	\$1,000	\$6,359	As Arranged	As Arranged	Suppliers
Right at Home Personal Care Policy and Procedure Manual ⁹	\$1,200	\$1,700	As Invoiced	As Invoiced	Supplier
Technology and Training Set Up Fee ¹⁰	\$1,000	\$2,500	As Invoiced	As Invoiced	Us
Home Care Operating Software Setup and Training Fee ¹¹	\$0	\$750	As Invoiced	As Invoiced	Supplier
Ongoing Technology Fee ¹²	\$2,100	\$2,100	As Invoiced	As Invoiced	Us
Home Care Operating Software Fee ¹³	Based on your number of clients \$160 per month	Based on your number of clients \$187 per month	As Invoiced	Monthly	Supplier
Training ¹³ <u>Training</u> ¹⁴	\$3,000	\$8,000	As Incurred	As Incurred	Transportation Lines, Hotels and Restaurants
Initial Opening Marketing ¹⁴ <u>Marketing</u> ¹⁵	\$750	\$4,350	As Arranged	As Arranged	Required Suppliers
Permits and Licenses ¹⁵ <u>Licenses</u> ¹⁶	\$200	\$2,700	As Arranged	As Arranged	Licensing Authority
Professional Fees ¹⁶ <u>Fees</u> ¹⁷	\$300	\$3,500	As Arranged	As Arranged	Licensing Authority
Signage ¹⁷ <u>Signage</u> ¹⁸	\$0	\$4,000	As Arranged	As Arranged	Suppliers
Additional Funds (Three Months) ¹⁸ ¹⁹	\$17,000	\$40,000	As Arranged	As Necessary	You Determine
TOTAL ¹⁹ <u>TOTAL</u> ²⁰	\$92,100 \$260	\$165,309 \$496			

and your Operating Principal for the additional Franchised Business has already attended our required training program your Technology and Training Setup Fee is \$1,000. If you are a new franchisee or are an existing franchisee acquiring an additional Franchised Business under a new entity and your Operating Principal for the additional Franchised Business has not attended our required training program, your Technology and Training Setup Fee is \$2,500. For existing franchisees, the fee is paid at the time you sign the Franchise Agreement. For new franchisees, the fee is paid prior to opening your Office.

11. Home Care Operating Software Setup and Training Fee. The fee is \$750 for new franchisees and existing franchisees that purchase an additional Franchised Business using a new entity (which requires a new Home Care Operating Software account). You may not be required to pay the Home Care Operating Software Setup and Training Fee or you may pay a reduced fee if: (1) you are an existing franchisee, you purchase a new Franchised Business and you do not require a new Home Care Operating Software account or new account training; or (2) you purchase the Franchised Business as a transferee and you do not require a new Home Care Operating Software account or new account training.

12. Ongoing Technology Fee. The fee will be prorated the first year based on the timing of the invoice.

13. Home Care Operating Software Fee. The low-end estimate represents a per month fee based on servicing 3 clients. The high-end estimate represents a per month fee based on servicing 15 clients. The actual amount of monthly fees will vary depending on the number of clients being serviced. The amounts included in this chart are representative of the average number of clients and payments in the first 3 months of operations.

~~13.~~14. Training. You are responsible for the travel and living expenses for any person attending our RightStart Training Program, our HIAC as described below and for the On-Site/ Onboarding Training (See Item 11). Your costs will depend on the distance you travel, the type of accommodation you choose and the number of people that attend the training. The low estimate does not include your attendance at the HIAC (See Item 11). The high estimate contemplates attendance by two people traveling to our headquarters or other designated locations to attend our RightStart Training Program. The high estimate also includes the annual conference fee and travel expenses for one person to attend the HIAC. (See Item 11).

~~14.~~15. Initial Opening Marketing. The range represents the approximate costs associated with promoting the opening of your Franchised Business.

~~15.~~16. Permits and License Fees. State and local government licensing and registration fees vary considerably from state to state, and you must check into and verify the amount of the fees. California permits and licensing fees are \$5,600. However, this figure is subject to change.

~~16.~~17. Professional Fees. This range represents the approximate costs associated with attorney and CPA fees.

~~17.~~18. Signage. This range includes the cost of all requisite signage used in the Franchised Business.

~~18.~~19. Additional Funds. These amounts represent our estimate of the amount needed to cover your expenses for the initial three-month start-up phase of your Franchised Business (other than items identified separately in the above table), including employees' salaries for three months. The amounts do not include money for Franchise owner's compensation, personal living expenses, Royalty Fees, or Brand Marketing and Promotion Fees. Additional working capital may be required if sales are high or fixed costs are high.

~~19.~~20. Total Investment. In compiling these estimates, we relied on our and our affiliates' experience opening and operating Franchised Businesses and data from a sampling of recently

opened Franchised Businesses. The amounts shown are estimates only and may vary for many reasons including the size of your Office, the capabilities of your management team, where you locate your Franchised Business, and your business experience and acumen. You should review these estimates carefully with a business advisor or accountant before making any decision to buy a franchise.

YOUR ESTIMATED INITIAL INVESTMENT FOR CONVERSION FRANCHISED BUSINESS

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Conversion Initial Franchise Fee ¹	Up to \$49,500 \$37,125	Up to \$49,500 \$49,500	Wire, Cashier's or Personal Check	Upon Signing Franchise Agreement and Conversion Addendum	Us
Real Estate/Rent ²	\$2,850	\$5,800	As Arranged	As Arranged	Landlord
Rent Deposits ³	\$950	\$5,800	As Arranged	As Arranged	Landlord
Insurance ⁴	\$6,000	\$10,000	As Arranged	As Arranged	Required Suppliers
Furniture and Fixtures ⁵	\$2,500	\$6,000	As Arranged	As Arranged	Suppliers
Computer Hardware and Software ⁶	\$3,750	\$9,250	As Arranged	As Arranged	Suppliers
Other Office Equipment and Supplies ⁷	\$450	\$6,359	As Arranged	As Arranged	Suppliers
Right at Home Personal Care Policy and Procedure Manual ⁸	\$1,200	\$1,700	As Invoiced	As Invoiced	Supplier
Technology and Training Set Up Fee ⁹	\$2,500	\$2,500	As invoiced	As Invoiced	Us
Home Care Operating Software Setup and Training Fee	\$750	\$750	As Invoiced	As Invoiced	Supplier
Ongoing Technology Fee ¹⁰	\$2,100	\$2,100	As invoiced	As Invoiced	Us

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Home Care Operating Software Fee ¹¹	Based on your number of clients ¹¹ <u>\$160 per month</u>	Based on your number of clients ¹¹ <u>\$187 per month</u>	As Invoiced	Monthly	Supplier
Training ¹¹ <u>Training</u> ¹²	\$3,000	\$8,000	As Incurred	As Incurred	Transportation Lines, Hotels and Restaurants
Signage and Re-branding; Marketing ¹² <u>Marketing</u> ¹³	\$1,000	\$8,000	As Arranged	As Arranged	Suppliers
Permits and Licenses ¹³ <u>Licenses</u> ¹⁴	\$200	\$2,700	As Arranged	As Arranged	Licensing Authority
Professional Fees ¹⁴ <u>Fees</u> ¹⁵	\$300	\$3,500	As Arranged	As Arranged	Licensing Authority
Additional Funds (Three Months) ¹⁵ <u>16</u>	\$15,800	\$47,500	As Arranged	As Necessary	You Determine
TOTAL ¹⁶ <u>17</u>	\$92,850 ¹⁷ <u>80,635</u>	\$169,459 ¹⁷ <u>64,635</u>			

NOTES:

1. Conversion Initial Franchise Fee. The Conversion Initial Franchise Fee may be reduced as described in Item 5. The Conversion Initial Franchise Fee is deemed fully earned and nonrefundable upon payment.

2. Real Property. You must operate your Conversion Franchised Business from an Office that meets our criteria (See Item 11). The estimate assumes that your current premises meet our current standards and that you will continue to pay rent per your existing lease. If your premises do not meet our current location standards, you may be required to upgrade the premises or relocate. The footprint for the Conversion Franchised Business is typically between 600 to 800 square feet. If you relocate your current premises, you may estimate a high-end annual lease rate of \$29 per square foot for 800 square feet of space and a low-end estimate of \$19 per square foot for 600 square feet of space. The chart reflects the first three months of rent. The actual amount of real estate acquisition and rental costs will vary depending on local landlords, location, lease rates and market conditions. You should investigate lease rates in your Designated Area.

3. Rent Deposits. If you are required to relocate, a rent deposit may be required by your landlord. You may also be required to pay first and last month's rent. The average rent deposit can vary, but it is typically equivalent to one to three months' rent.

4. Insurance. Required Insurance is described in Item 8. This estimate is for the estimated first year premiums of all insurance except office contents and workers' compensation

insurance, which vary by location. The low-end estimate assumes you have already paid your annual premium prior to operating the Conversion Franchised Business.

5. Furniture and Fixtures. The range represents the approximate costs associated with acquiring the furniture, including desks and chairs, and shelves. The low end assumes you already have all the necessary furniture and fixtures necessary to operate the Conversion Franchised Business.

6. Computer Software. The range represents the approximate costs associated with acquiring our required Designated Software.

7. Other Office Equipment and Supplies. The range represents the approximate costs associated with acquiring basic office supplies, the phone system and copy machine.

8. Right at Home Personal Care Policy and Procedure Manual. The fee for the Right at Home Personal Care Policy and Procedure Manual will depend on the state license requirements and whether you are providing Specialized Nursing Services. The amount of the fee may change in the future depending on the vendor chosen by us to provide the Right at Home Personal Care Policy and Procedure Manual. This fee will be paid prior to opening your Office.

9. Technology and Training Setup Fee. This fee covers various training set up and one-time fees, including implementation fees to legal templates and resources, licensing support, satisfaction management set up fees, training resources and Sales Training. You will pay the Technology and Training Setup Fee to us prior to opening your Conversion Franchised Business.

10. Ongoing Technology Fee. The fee may be prorated based on the timing of the invoice.

11. Home Care Operating Software Fee. The low-end estimate represents a per month fee based on servicing 3 clients. The high-end estimate represents a per month fee based on servicing 15 clients. The actual amount of monthly fees will vary depending on the number of clients being serviced. The amounts included in this chart are representative of the average number of clients and payments in the first 3 months of operations.

~~11.~~12. Training. You are responsible for the arrangements and for the travel and living expenses for any people attending our RightStart Training Program, our HIAC as described below and for the on-site, onboarding training (See Item 11). Your costs will depend on the distance you travel, the accommodation you choose and the number of people attending the training. Conversion franchisees are currently required to attend the HIAC. The low estimate does not include your attendance at the HIAC during the first three months of operation of your Conversion Franchised Business. The high estimate contemplates attendance by two people traveling to our headquarters or other designated locations to attend our RightStart Training Program. The high estimate also includes the annual conference fee and travel expenses for one person to attend the HIAC. (See Item 11).

~~12.~~13. Signage; Re-branding and Marketing. This range includes the cost of all requisite signage used in the Conversion Franchised Business and the approximate costs associated with re-branding and promoting the re-launch as a Conversion Franchised Business.

~~13.~~14. Permits and License Fees. State and local government licensing and registration fees vary considerably from state to state, and you must check into and verify the amount of the fees. The low end assumes you already have all required permits and licenses to operate the Conversion Franchised Business. California permits and fees are \$5,600. However, this amount is subject to change.

~~14.~~15. Professional Fees. This range represents the approximate costs associated with attorney and CPA fees.

~~15.~~16. Additional Funds. These amounts represent our estimate of the amount needed to cover your expenses for the initial three-month start-up phase of your Conversion Franchised Business (other than items identified separately in the above table), including employees' salaries for three months. The amounts do not include money for Franchisee owner's compensation, personal living expenses, Royalty Fees, or Brand Marketing and Promotion Fees. We recommend a minimum cash reserve of one to three months current operating expenses for your Conversion Franchised Business. Additional working capital may be required if sales are high or fixed costs are high.

~~16.~~17. Total Investment. In compiling this list of expenditures, we relied on our and our affiliates' experience opening and operating Franchised Businesses, data currently operating Franchised Businesses (for purpose of the Conversion Franchised Business) and data from a sampling of Franchised Businesses. The amounts shown are estimates only and may vary for many reasons including the size of your Office, the capabilities of your management team, where you locate your Conversion Franchised Business, and your business experience and acumen. You should review these estimates carefully with a business advisor or accountant before making any decision to buy a franchise.

~~17.~~ ~~You should review these estimates carefully with a business advisor or accountant before making any decision to buy a franchise.~~

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Supplies and Suppliers

You must operate the Franchised Business according to our System Standards. System Standards include standards, guidelines, rules and specifications established by us to ensure consistency, quality and uniformity and include, but are not limited to, the matters in the Manuals that regulate among other things, the quality standards, branding, customer experience, operational procedures, marketing strategies, the Required Suppliers List (defined below), Required Supplies List (defined below), types, models and brands of required equipment, signs, stationery, promotional materials and other items and service necessary to operate the Franchised Business or offer for sale to clients of the Franchised Business. We and our agents will have the right to enter and inspect your Franchised Business, during normal business hours, to ensure you are complying with our System Standards.

From time to time, we will provide you a list of approved sellers, manufacturers, suppliers and distributors authorized to supply Approved Supplies and other items and services to you and used to operate the Franchised Business ("**Required Suppliers List**"). We will also provide a list of approved inventory, products, materials, fixtures, furniture, equipment, signs, stationary, supplies, computer hardware, Designated Software, technology and other items and services approved by us and used to operate the Franchised Business or offer for sale to clients of the Franchised Business ("**Required Supplies List**"). Unless stated otherwise in the Manual or on the Digital Resource Library, you must purchase, sell and use only those suppliers and supplies that are listed on the Required Suppliers List or Required Supplies List. We may modify the Required Suppliers List and the Required Supplies List from time to time.

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 515-281-4441	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 502-696-5389	Same
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 504-342-7013 (gen. info.) 504-342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 207-298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 525 W. Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, MI 48913 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 500 <u>280</u> St. Paul, MN 55101 651- 296-4026 <u>539-1600</u>	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance 1230 "O" Street, Suite 400 Lincoln, NE 68508 P.O. Box 95006 Lincoln, Nebraska 68509-5006 402-471-2171	Same

(i) The franchisee has been given written notice of the intention not to renew at least one hundred eighty (180) days in advance of the expiration of the franchise; and

(ii) The franchisee has been given an opportunity to operate the franchise over a sufficient period of time to enable the franchisee to recover the fair market value of the franchise as a growing concern, as determined and measured from the date of the failure to renew. No Company may refuse to renew a franchise if the refusal is for the purpose of converting the franchisee's business premises to an operation that will be owned by the Company for its own account.

D. Unreasonably withhold consent to an assignment, transfer, or sale of the franchise whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees of the particular Company.

6. Requirements for you to renew or extend: "Minnesota Rules, 1989, Department of Commerce, Chapter 2860, Section 4400D prohibits a Company from requiring a Franchisee to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes 1973 Supplement, section 80C.01 to 80C.22; provided, that this part will not bar the voluntary settlement of disputes."

7. Minn. Rule 2860.4400J. states that it is unfair and inequitable for a franchisor to require a franchisee to waive his rights to any forum provided for by the laws of jurisdiction. Any language found in the Franchise Disclosure Document contrary to this rule is amended so that it does not apply to Minnesota franchisees.

8. Franchisee cannot consent to the Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief.

9. 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.