

# FRANCHISE DISCLOSURE DOCUMENT



Amada Franchise, Inc.  
a Delaware corporation  
901 Calle Amanecer, Suite 350  
San Clemente, CA 92673  
(888) 99-AMADA or (949) 284-8036  
franchisedevelopment@  
amadaseniorcare.com  
www.AmadaSeniorCare.com/franchise

As a franchisee you will operate a business under the Amada Senior Care name and system for the provision of non-medical homemaker and homecare services for the elderly and others needing assistance in daily living, as well as placement services for seniors, administration and coordination of care under long-term insurance claims and, subject to certain qualifications, skilled nursing and staffing services.

The total investment necessary to begin operation of an Amada Senior Care franchise is \$116,765 to \$278,040 or, if you are a licensed nurse and you choose to offer to clients skilled care services, \$136,065 to \$312,940. This includes \$55,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of the first of two Amada Senior Care businesses under the Development Agreement is \$144,265 to \$305,540 or, if you are a licensed nurse and you choose to offer to clients skilled care services, \$134,450 to \$305,100. This includes \$82,500 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 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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

**Issuance Date: April 5, 2024, as amended August 30, 2024.**

Micit Enterprises, Inc. d/b/a Amada Senior Care Silver Spring v. Amada Franchise Inc; AAA Case Number 012400064421. On July 12, 2024, our franchisee, Micit Enterprises, Inc. d/b/a Amada Senior Care Silver Spring (“Franchisee”) initiated a Demand for Arbitration against Amada Franchise Inc. (“Franchisor”) in Orange County, California. The action arises from another franchisee allegedly encroaching upon Franchisee’s territory. Despite Franchisor having nothing to do with this alleged territory encroachment, Franchisee filed the arbitration against Franchisor seeking monetary and injunctive relief and made the following claims: (i) breach of contract, (ii) breach of implied covenant of good faith and fair dealing, (iii) fraudulent misrepresentation, (iv) negligent misrepresentation, (v) intentional misrepresentation with prospective economic relation, (vi) negligent interference with prospective economic relations, and (vii) unlawful, unfair, and/or fraudulent business practices under California Business & Professions Code §§ 17200, et seq. Franchisor intends to defend this matter vigorously and file its own counter-claims against Franchisee.

Time For An Audible, Inc. v. North Shore Senior Care, LLC, Jennifer Novy and Amada Franchise Inc.; Case No. 2024L009136. On August 16, 2024, our franchisee, Time For An Audible, Inc. (“Franchisee”) initiated a lawsuit against Amada Franchise Inc. (“Franchisor”) as well as another franchisee and the other franchisee’s owner, in Cook County, Illinois. The action arises from the other franchisee allegedly encroaching upon Franchisee’s territory and Franchisor’s alleged support of such encroachment, despite Franchisee’s acknowledgment that Franchisor issued a default notice to the allegedly encroaching franchisee. Franchisee filed suit against Franchisor seeking a declaratory judgment that certain zip codes comprise Franchisee’s territory and that Franchisor is accountable for another franchisee’s territorial encroachment, along with attorneys fees and costs. Franchisor intends to defend this matter vigorously.

Other than the matters described above, no litigation is required to be disclosed in this Item.

#### ITEM 4 BANKRUPTCY

On May 13, 2014, Jeremy Brooker, our Director of Franchise Marketing, filed for bankruptcy under Chapter 7 of the U.S. Bankruptcy Code (U.S. Bankruptcy Court for the Central District of California, Case 8:14-bk-13291-MW). On September 15, 2014, the court granted a discharge of debt to Mr. Brooker. Mr. Brooker is located in our San Clemente offices.

Other than the bankruptcy disclosed above, no bankruptcy information is required to be disclosed in this Item.

#### ITEM 5 INITIAL FEES

##### Initial Franchise Fee

If you sign a Franchise Agreement and we grant you the right to operate an Amada Senior Care Business within an exclusive territory (“**Designated Territory**”), you must pay us an initial franchise fee (“**Initial Franchise Fee**”) of \$55,000, less any amount credited toward the initial franchise fee under a Development Agreement between us and you or your affiliate. The Designated Territory generally includes a population of approximately 40,000 to 50,000 people aged 65 or older, as discussed further in Item 12.

You must pay us the Initial Franchise Fee upon signing the Franchise Agreement. The Initial Franchise Fee is paid in a lump sum and is fully earned upon receipt by us and is non-refundable under any circumstances. The Initial Franchise Fee is imposed uniformly on all Franchisees with 2 exceptions: we reserve the right to offer additional location discounts and the right to offer a 10% discount to veterans of

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
South Carolina	0	1	0
South Dakota	0	1	0
Texas	2	2	0
Washington	1	1	0
Washington DC	0	1	0
Wisconsin	1	1	0
<b>Total</b>	<b>17</b>	<b>48</b>	<b>6</b>

The names, addresses and telephone numbers of our current Franchisees are listed in **Exhibit H**. A list of franchisees who signed a Franchise Agreement as of December 31, 2023, but their outlets are not operational as of December 31, 2023, is also included in **Exhibit H**. Our Company-owned outlets are listed in **Exhibit I**. The name, city and state, and current business telephone number (or if unknown, the last known home telephone number) of every franchisee of ours in the U.S. who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under their franchise during the most recently completed fiscal year, or has not communicated with us within 10 weeks of the date of issuance of this disclosure document are listed in **Exhibit J**. If you buy this franchise, your contact information will be disclosed to other buyers when you leave the franchise system.

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

If we offer to sell any previously-owned Amada Senior Care Business that we now own, specific information about that business will be provided to you in a separate supplement to this disclosure document.

We have formed a franchise advisory council from which we solicit information and feedback about issues that affect the franchise system as a whole.

No trademark-specific franchisee organization exists that is associated with this franchise system.

## ITEM 21 FINANCIAL STATEMENTS

Attached to this disclosure document as **Exhibit F** are our unaudited financial statements from January 1, 2024 through June 30, 2024, and our audited financial statements for fiscal years ending December 31, 2023, December 31, 2022, and December 31, 2021.

**Amada Franchise Inc.**  
**Consolidated Balance Sheet As Of:**  
**6/30/2024**  
**(Unaudited)**

	Jun 2024
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	4,938,997
Accounts Receivable	1,676,707
Deposits	77,529
Due From Shareholders	60,000
Prepaid Expense and Other Current Assets	300,661
<b>Total Current Assets</b>	<b>7,053,894</b>
Property and Equipment, net	183,445
Trademarks	1,500,000
Deferred Franchise Fee Commissions	1,970,214
Deferred Income Tax Assets	206,968
Goodwill and Loan Costs, net	1,063,953
Right-Of-Use Operating Lease Asset, net	215,564
<b>TOTAL ASSETS</b>	<b>12,194,038</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Current Liabilities</b>	
Accounts Payable and Accrued Liabilities	1,491,392
Retainers	22,485
Current Portion - Lease Liability	234,282
Current Portion - Long-term debt	240,000
Deferred Employee Retention Credit	2,937,062
Income Taxes Payable	161,976
<b>Total Current Liabilities</b>	<b>5,087,197</b>
Due to Stockholders	1,334,985
Deferred Franchise Fee Revenue	4,296,604
Long-term Debt, net of current portion	1,622,568
<b>Total Long Term Liabilities</b>	<b>7,254,157</b>
<b>Total Liabilities</b>	<b>12,341,354</b>
<b>Stockholders' Equity (Deficit)</b>	
Common Stock	6,246
Series A Preferred Stock	4
Additional Paid-in Capital	1,017,250
Accumulated Deficit	(1,170,816)
<b>Total Stockholders Deficit</b>	<b>(147,316)</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>12,194,038</b>

**\*\*THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT, PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.\*\***

**Amada Franchise Inc.**  
**Consolidated Profit & Loss For the Six Months Ending:**  
**6/30/2024**  
**(Unaudited)**

	<b>2024</b>
<b>Revenue</b>	
Royalty Fees	5,534,824
Home Care and Placement Fees	2,351,179
General Marketing Fund Fees	1,117,789
Software Bundle Fees	227,213
Initial Franchise Fees	688,864
Other Franchise Revenue	143,405
<b>Total Revenue</b>	<b>10,063,274</b>
<b>Direct Operating Expenses</b>	
Home Care and Placement Expenses	1,342,421
Marketing	968,831
Commissions Expense	419,705
Software, Dues and Subscriptions	186,845
<b>Total Direct Operating Expenses</b>	<b>2,917,802</b>
<b>Gross Profit</b>	<b>7,145,472</b>
<b>Indirect Operating Expenses</b>	
Personnel Costs	3,846,790
Professional Fees	972,389
Travel and Entertainment	445,233
Franchisee Training	379,746
Marketing	369,345
Occupancy	178,028
Office General and Administrative	167,203
Automobile Expense	144,914
Software, Dues, and Subscriptions	117,904
Amortization Expense	115,842
Insurance	98,159
Computer and Internet Expense	64,119
Depreciation Expense	49,489
<b>Total Indirect Operating Expenses</b>	<b>6,949,161</b>
<b>Operating Income</b>	<b>196,311</b>
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Other Income	77,350
<b>Total Other Income</b>	<b>77,350</b>
<b>Other Expense</b>	
Income Taxes	13,788
Interest Expense	139,266
Litigation/Settlement Expenses	260,680
Other Expense	33,638
<b>Total Other Expense</b>	<b>447,372</b>
<b>Net Other Loss</b>	<b>(370,022)</b>
<b>Net Loss</b>	<b>(173,709)</b>

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### **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	<del>June 21, 2024</del> <u>Pending</u>
Hawaii	<del>April 9, 2024</del> <u>Pending</u>
Illinois	<del>April 9, 2024</del> <u>Pending</u>
Indiana	<del>May 8, 2024</del> <u>Pending</u>
Maryland	<del>May 22, 2024</del> <u>Pending</u>
Michigan	<del>May 15, 2024</del> <u>August 30, 2024</u>
Minnesota	Pending
New York	<del>May 6, 2024</del> <u>Pending</u>
North Dakota	<del>May 28, 2024</del> <u>Pending</u>
South Dakota	<del>April 9, 2024</del> <u>Pending</u>
Virginia	<del>June 21, 2024</del> <u>Pending</u>
Washington	<del>June 21, 2024</del> <u>Pending</u>
Wisconsin	<del>April 9, 2024</del> <u>Pending</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.

## 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 Amada Franchise, Inc. offers you a franchise, it must provide this disclosure document to you 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. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan and Oregon require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Amada Franchise, Inc. does 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 state agency listed on **Exhibit K**.

The franchise seller(s) for this offering are Marcos Moura, Steve Kwon, Tim Valencia, Bobby Ullman, Bob Heine, Tafa Jefferson, Chad Fotheringham, Jared Turner, or \_\_\_\_\_, Amada Franchise, Inc., 901 Calle Amanecer, Suite 350, San Clemente, CA 92673, (949) 284-8036.

Issuance Date: April 5, 2024, ~~as amended August 30, 2024~~

We authorize the respective state agencies identified on **Exhibit K** to receive service of process for us in the particular state.

I received a disclosure document dated April 5, 2024, ~~as amended August 30, 2024~~ that included the following Exhibits:

- A. Franchise Agreement
- B. Development Agreement
- C. Confidentiality, Non-Disclosure, and Non-Competition Agreement
- D. State Addenda
- E. Statement of Franchisee
- F. Financial Statements
- G. Operations Manual Table of Contents
- H. Current Franchisees
- I. Company-Owned and Affiliate-Owned Outlets
- J. Franchisees Who Have Left the System During Past Fiscal Year  
Who Have Not Communicated Within 10 Weeks of Issuance Date
- K. State Franchise Administrators and Agents for Service of Process
- L. Form of General Release

_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name

[This page is to be signed, dated, and returned to franchisor.]

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[This page to be signed and retained for your records.]