

FRANCHISE DISCLOSURE DOCUMENT



Koala Insulation Franchisor, LLC
Delaware limited liability company
445 West Drive
Melbourne, FL 32904
Tel. 1-800-520-4952
www.koalainsulation.com

Koala Insulation Franchisor, LLC offers franchises for Insulation and related services under the name and mark “Koala Insulation” and other related marks.

The total investment necessary to begin operation of a Koala Insulation franchise ranges from \$194,885 to \$241,736. This includes between \$109,335 and \$128,386 that must be paid to the franchisor.

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 the sales team at the address and phone number above.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to advisors, such as 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. 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: January 23, 2026

Senior Brand Marketing Manager: Josephine Roebuck

Josephine Roebuck joined the Koala Insulation team in June 2024 as the Brand Marketing Manager and was promoted to Senior Brand Marketing Manager in August 2025. Prior to joining the Koala Insulation team, Mrs. Roebuck was the Chief Marketing Officer at Geoff McDonald & Associates in Richmond, Virginia from April 2023 to June 2024. Prior to her role as Chief Marketing Officer, Mrs. Roebuck was the Director of Marketing for Geoff McDonald & Associates in Richmond, Virginia from January 2021 to April 2023.

Director of Franchise Development (Koala): Carson Suppé

Mr. Suppé has served as Director of Franchise Development since December 2025. From September 2022 through November 2025, he served as Director of Franchise Development for Enviro-Master International Franchise, LLC, in Charlotte, North Carolina. From January 2017 through September 2022, Mr. Suppé served as Senior Franchise Development Representative for Acti-Kare, Inc., in Tampa, Florida.

Vice President of Franchise Development: Stephen Schiller

Mr. Schiller has served as our Vice President of Franchise Development since August 2025, in Richmond, Virginia. He has also has that same role for Archadeck, Bumble Roofing, Canopy Lawn Care, Conserva Irrigation, Outdoor Lighting Perspectives, Superior Fence and Rail, and Wallaby Windows since August 2025. Prior to joining Empower Brands, [he served as the President of Momentum Growth Advisors from August 2024 to July 2025 in Austin, Texas.](#) [from October 2021 to August 2024](#) he served as the Chief Growth Officer for EverSmith Brands [from October 2021 to August 2024](#) in Charlotte, ~~NC~~[North Carolina](#). Prior to that, Mr. Schiller served as Franchise Director, Team Leader, Multi-brand Vice President for Neighborly Franchising, Inc. from October 2012 to October 2021 in Waco, Texas.

Our Parent's Executives

Chief Executive Officer: Scott Zide

Mr. Zide has been the Chief Executive Officer of Empower Brands since March 2022. Mr. Zide was also the President, COO and a Director of each of Archadeck, Conserva, and OLP from September 2021 to March 2022, and the COO of their predecessor, Outdoor Lighting Perspectives Holdings Corporation (“**OLPHC**”), from January 2007 to September 2011 and President of OLPHC from September 2010 to September 2021. Mr. Zide was also the Chief Operating Officer and a Director of Superior Fence from December 2021 to March 2022. From September 2008 to September 2021, Mr. Zide was also the COO of OLPHC’s parent, Outdoor Living Brands, Inc., and served as its President from September 2010 to September 2021, in Richmond, Virginia. Mr. Zide also served as the President and Chief Operating Officer of Outdoor Living Brands Supply Corporation from December 2010 to September 2021, and OLP Commercial Services from June 2010 to September 2021, in Richmond,

agreements in failing to provide adequate initial and ongoing training. We dispute the merits of Claimants’ claims and plan to vigorously defend them.

In December 2025, we filed counterclaims against the Claimants alleging that Claimants breached their obligations under the 3 franchise agreements they purchased from the Additional Respondents and the two agreements they subsequently purchased from us and that Claimant owes royalties and other damages under all five agreements.

Arbitration is scheduled in November 2026.

Enforcement of Restrictive Covenants, Post-Term Obligations, and Payment of Fees: Koala Insulation Franchisor LLC v. Lotus & The Rooster Holdings Company and Salim Makhoulouf, No. 1:25-cv-01008 (M.D. Pa. Aug. 19, 2025).

[Other than these actions, no litigation is required to be disclosed in this Item.](#)

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

As set forth below, the initial franchise fee is \$49,500 for a baseline population of 200,000. You may purchase additional population for a cost of \$0.25 per person (the “**Initial Franchise Fee**”). You may purchase additional Territories at the time of the purchase of your initial Territory by signing additional Franchise Agreements and paying us the following discounted Initial Franchise Fees:

FRANCHISE FEE STRUCTURE			
# of Territories	Population*	Cumulative Initial Franchise Fees	Individual Franchise Fee*
1	200,000	\$49,500	\$49,500
2	400,000	\$89,500	\$40,000
3	600,000	\$124,500	\$35,000
4	800,000	\$154,500	\$30,000
5	1,000,000	\$184,500	\$30,000
6	1,200,000	\$214,500	\$30,000
7	1,400,000	\$244,500	\$30,000
8	1,600,000	\$274,500	\$30,000
9	1,800,000	\$304,500	\$30,000
10	2,000,000	\$334,500	\$30,000
<i>*Additional Territory may be purchased for \$.25/person</i>			
<i>*Discounted franchise fee is only applicable when territories are purchased at the same time</i>			

Type of Fee	Amount	Due Date	Remarks
			cure period of 10 days.
Inspection Fee	Our reasonable expenses.	Upon demand.	We require you to reimburse our reasonable expenses for any inspection including re-inspections that we may undertake to ensure that deficiencies are corrected. Additionally, if you fail to correct the deficiencies within a reasonable time, we may (but need not) correct the deficiencies and will charge you for our actual expenses in taking such actions.
Seminars, Conventions or Programs	Our then-current fee (between \$500 to \$750) per person), plus the actual cost of materials (if any).	Monthly or as incurred	We reserve the right to conduct required periodic meetings of all franchisees. Currently, attendance by at least Operating Principal or Operations Manager and Salesperson is mandatory. We may collect the annual convention fee on a monthly basis or in any other manner or frequency we determine. You must also pay your own costs and expenses, as well as the costs and expenses your employees incur in attending these meetings.
Refresher Training / On-site training	All expenses incurred by your representatives in attending refresher training are your responsibility; for additional on-site training, you must pay us our then-current per diem charges and out-of-pocket expenses	Upon demand.	We require that your Operating Principal, Operations Manager and other employees attend and successfully complete refresher training programs or seminars to be conducted at such location as we designate.
Initial Training	No fee is charged for initial training.	N/A	N/A
Additional Initial Training	Additional trainees or replacement trainees may attend any future training courses based on available space and scheduling at no additional cost. If no courses are scheduled, or no space is available, the current Training Fee may be assessed. This fee is currently \$5,000 per trainee <u>with a maximum of \$10,000</u> . For training at your location, our then-current daily fees per trainer will be charged. Currently our fee is \$250 per trainer per day plus travel, per diem and lodging expenses as required <u>with a maximum of \$500</u> .	Upon demand.	We provide initial training for up to three individuals (typically the Operating Principal, Operations Manager and Salesperson) at no charge. We require any new Operating Principal or replacement Operations Manager or Salesperson to complete our training program, and we may charge a fee for such training. If no courses are schedule or space in such courses is unavailable, we may also charge a fee for training for any individuals that we train beyond the two individuals that we train at no charge.
Additional Opening Assistance	Our service fee as specified in the Manuals (which is currently \$500 per day); plus our expenses and costs	Time of assistance.	If you request assistance or training, in addition to the pre-opening and opening training that we provide, we charge you for this additional assistance.

per month or on local advertising throughout the term. We included \$5,000 in pre-opening advertising plus three months at the minimum required amount.

⁶ **Professional Fees.** Estimated cost for professionals such as bookkeepers, accountants and attorneys. You are required to use a third-party bookkeeping service for your first year of operations. You may incur professional fees depending on the scope of work performed, which may include legal and accounting fees to review franchise documents and costs of forming a separate legal entity. This list is not exhaustive. This amount will vary—**greatly** depending on your specific needs and location.

⁷ **Rent.** Your Franchise may be operated out of your home. The higher amount listed is the estimated costs of renting space to park your Koala Rigs for a three-month period. We cannot estimate what you would pay if you seek to operate your business from somewhere other than your home. We do not provide any specifications for office locations outside your home. If you wish to rent commercial office space, such space must be located within your Territory. If you decide to rent office space, your initial investment will increase by the amount of any deposit you may be required to pay in connection with such rental, build-out costs, or prepaid rent which the landlord may require.

⁸ **Office Expense.** The figures on this chart reflect the estimated range to purchase various furniture and fixtures, and common office supplies based upon your needs and preference to maintain an efficient and organized home office. The cost of furniture and fixtures will vary depending on suppliers. You are not required to purchase such office equipment.

⁹ **Computer, Phone and Technology Systems.** We require you to purchase computer systems and software meeting our minimum specifications for use in your Franchise. This estimate includes the cost of the software packages, your office computer, a tablet computer, a telephone, a printer/scanner machine, and a Smartphone. You must also have Internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of sales information. We reserve the right to change your requirements for computer hardware and software at any time in the future.

¹⁰ **Technology Activation Fee.** We require you to pay us a Technology Activation Fee, in the amount of \$5,000, prior to opening and within 10 days of being billed. See Item 5 for additional information regarding the Technology Activation Fee.

¹¹ **Business Licenses and Permits.** Business license costs vary—**widely** depending on local laws and regulations. Additional permits may be required depending on your local laws and regulations. Consult the appropriate authorities to determine the amount applicable to a Franchise in your Territory.

¹² **Additional Funds.** The estimate of additional funds for the initial phase of your business includes staff salaries and operating expenses for the first three months. These estimates are for a single territory operation. If you have fewer employees initially, these monthly expenses may be reduced. The estimate does not include an owner's salary or draw. We relied upon the experience of our company-owned/affiliate owned locations to compile these estimates. Each installation requires a minimum of one two-person crew. You will incur labor costs in employing your employees, but those

EXHIBIT B
FRANCHISE AGREEMENT AND EXHIBITS

MULTISTATE FORM



KOALA INSULATION FRANCHISOR, LLC
FRANCHISE AGREEMENT

Franchisee Name

Date of Agreement

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE
DOCUMENT, FRANCHISE AGREEMENT AND ~~ANY~~ ALL RELATED
AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

- 15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
- 16. **Questionnaires and Acknowledgments.** 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.
- 17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
- 18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Section 24 of the Franchise Agreement. Section 24 “Acknowledgments” does not apply in Washington.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

KOALA INSULATION FRANCHISOR, LLC

By: _____
Name: _____
Title: _____

[FRANCHISEE ENTITY]

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

State	Effective Date
California	Pending February 6, 2026
Hawaii	Pending February 9, 2026
Illinois	January 23, 2026
Indiana	Pending February 6, 2026
Maryland	Pending
Michigan	January 23, 2026
Minnesota	Pending
New York	January 23, 2026
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending January 24, 2026
Virginia	Pending
Washington	Pending
Wisconsin	January 23, 2026

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 Koala Insulation Franchisor, LLC 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 you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Koala Insulation Franchisor, LLC 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, D.C. 20580 and any applicable state agency (which are listed in Exhibit A). The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Cory Lyons	445 West Drive, Melbourne, FL 32904	1-800-520-4953
Matthew Newman	2426 Old Brick Road, Glen Allen, VA 23060	804-353-6999
Corey Schroeder	2426 Old Brick Road, Glen Allen, VA 23060	804-353-6999
Carson Suppé	2426 Old Brick Road, Glen Allen, VA 23060	804-353-6999
R. Scott Sutton	2426 Old Brick Road, Glen Allen, VA 23060	804-353-6999
Thomas Welter	2426 Old Brick Road, Glen Allen, VA 23060	800-722-4668
Alan Woods	2426 Old Brick Road, Glen Allen, VA 23060	804-353-6999
Scott Zide	2426 Old Brick Road, Glen Allen, VA 23060	804-353-6999

And/or the following individual(s): _____

Koala Insulation Franchisor, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in that particular state.

Issuance Date: January 23, 2026

I received a Disclosure Document dated January 23, 2026, that included the following Exhibits:

- A. LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
- B. FRANCHISE AGREEMENT
- C. FINANCIAL STATEMENTS AND GUARANTEE OF PERFORMANCE
- D. TABLE OF CONTENTS OF THE OPERATIONS MANUAL
- E. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- F. RELEASE
- G. PROMISSORY NOTE
- H. STATE SPECIFIC ADDENDA AND RIDERS
- I. LIST OF FRANCHISEES

Signature: _____

Date Received: _____

Signature: _____

Date Received: _____

Keep this copy for your records

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- I. LIST OF FRANCHISEES

Signature: _____

Date Received: _____

Signature: _____

Date Received: _____

Please sign and date both copies of this receipt and keep one copy (Copy for Prospective Franchisee) for your records. If the receipts are not signed using a software that automatically sends us an executed copy, then mail one copy to the address listed on the front page of this disclosure document or send to Scott Sutton by email to scott.sutton@EmpowerFranchising.com.