

Franchise Disclosure Document

360BRANDS, INC.
A South Carolina Corporation
670 Marina Drive-Suite 101, Daniel Island, SC 29492
(888) 241-4665 / www.360clean.com / info@360clean.com



The franchise offered is for a janitorial service business that operates under the name “360clean” and performs and sells janitorial services, related services and paper supplies in commercial office buildings, retail buildings, medical buildings, educational facilities, churches and other commercial facilities.

The total investment necessary to begin operation of a 360clean franchise is ~~\$1340,850~~ to ~~\$2148,350~~. This includes ~~between \$12,000 and \$13,000~~~~\$9,500~~ that must be paid to the franchisor or an 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 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 Franchise Administration Department at 670 Marina Drive-Suite 101, Daniel Island, SC 29492, Phone Number: (888) 241-4665 or via e-mail to info@360clean.com.

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. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, 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.

360clean: ~~2015~~~~2014~~ Unit Franchise Disclosure Document
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There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 25, ~~2015~~2014

360clean: ~~2015~~2014 Unit Franchise Disclosure Document
US.56109940.040+

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit D for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN CHARLESTON COUNTY, SOUTH CAROLINA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN SOUTH CAROLINA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT REQUIRES THAT SOUTH CAROLINA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. WE COLLECT ALL PAYMENTS AND DEDUCT ANY PAYMENTS THAT YOU MAY OWE US BEFORE YOU RECEIVE ANY MONEY. THIS PROCESS MAY AFFECT YOUR CASH FLOW.

4. OUR DECEMBER 31, ~~2014~~2013 AUDITED FINANCIAL STATEMENTS SHOW THAT WE HAD A ~~WORKING CAPITAL DEFICIENCY OF \$86,317, A LOSS FROM OPERATIONS OF \$20,254~~18,320, AND A RETAINED EARNINGS DEFICIT OF ~~\$94,012~~57,160, WHICH INDICATE WE MAY NOT BE ABLE TO MEET OUR OBLIGATIONS.

5. WE BILL YOUR CLIENTS FOR YOUR SERVICES AND COLLECT ALL PAYMENTS FROM THEM. AFTER WE DEDUCT OUR FEES, WE PAY YOU YOUR SHARE MONTHLY, WHICH MAY HAVE A NEGATIVE EFFECT ON YOUR CASH FLOW.

6. WE CAN USE UP TO 25% OF YOUR CONTRIBUTIONS TO THE ADVERTISING FUND TO SOLICIT NEW FRANCHISEES.

7. YOUR FRANCHISE BUSINESS HAS NO TERRITORIAL PROTECTIONS, AND WE AND OUR AFFILIATES MAY, WITHOUT ANY RESTRICTIONS, ENGAGE IN ANY AND ALL ACTIVITIES, ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC, UNDER THE SAME AND/OR DIFFERENT TRADEMARK, IN COMPETITION WITH YOUR FRANCHISE.

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