

DEPARTMENT OF CORPORATIONS  
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JUL 19 2012

**FRANCHISE DISCLOSURE DOCUMENT****CARPET COPS, INC.****Carpet Cops®**

226 Sunflower Circle

Zephyr Cove, NV 89448

888-362-7999

email franchise@carpetcops.com

You will operate a business as a carpet, tile, grout, hard surface floor, upholstery and fabric cleaning business. You will offer and sell carpet, tile, grout, hard surface floor, upholstery and fabric cleaning services. You will provide the services and products operating under the Marks and using the System.

The total investment necessary to begin operation of a Carpet Cops franchised business is from \$82,725 to \$103,750. This includes an initial fee of \$26,500 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 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 the Franchise Administration Department at P O Box 303, Zephyr Cove, NV 89448, or Jodie@carpetcops.com. The terms of your contract govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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, NW, Washington, DC 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 June 12, 2012

## 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 THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT**

Call the state administrator listed in Exhibit F 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 NEVADA. 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 NEVADA THAN IN YOUR HOME STATE.**
- 2. ANY DISPUTES NOT SUBJECT TO ARBITRATION MUST BE RESOLVED BY LITIGATION IN NEVADA. IT MAY COST YOU MORE TO LITIGATE WITH US IN NEVADA THAN IN YOUR OWN STATE. THE FRANCHISE AGREEMENT STATES THAT NEVADA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS.**
- 3. THE FRANCHISEES AND THEIR SPOUSES MUST SIGN A GUARANTY AND ASSUMPTION OF OBLIGATIONS MAKING THE FRANCHISEES AND THEIR SPOUSES JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISEES AND THEIR SPOUSES AT RISK.**
- 4. WE ARE A NEW FRANCHISE SYSTEM AND HAVE NOT OFFERED FRANCHISES PRIOR TO THE EFFECTIVE DATE OF THIS DISCLOSURE DOCUMENT.**
- 5. THE FRANCHISOR HAS LIMITED CAPITAL RESOURCES. SEE THE FRANCHISOR'S FINANCIAL STATEMENTS FOR DETAILS. THIS COULD RESULT IN THE FRANCHISOR BEING UNABLE TO MEET CURRENT OBLIGATIONS.**
- 6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Effective Date California pending, Hawaii pending

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## EXHIBITS:

- A - Financial Statements
- B - Franchise Agreement
- C - List of Current and Former Licensees
- D - Operations Manuals - Table of Contents
- E - Franchisor's Agent(s) for Service of Process
- F - State Agencies
- G - State Law Addendum
- H - Application for Franchise
- I - Receipts for Franchise Disclosure Document

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