

FRANCHISE DISCLOSURE DOCUMENT



Comet Cleaners Franchise Group LLC

A Texas Limited Liability Company

406 West Division Street

Arlington, Texas 76011

(817) 461-3555

www.cometcleaners.com

sales@cometcleaners.com

We offer franchises for a dry cleaning and laundry business. There are two types of franchises: a "Comet Plant Store," which processes on-site the clothing deposited by customers (except for specialty items), and a "Comet Pick Up Store," which is a facility where customers deposit clothing for processing at an approved off-site dry cleaning and laundering plant.

The total initial investment necessary to begin operation of a single Comet Plant Store ranges from \$511,500 to \$864,250. This includes \$405,000 that must be paid to us or our affiliates. The total initial investment necessary to begin operation of a single Comet Pick Up Store ranges from \$93,000 to \$240,600. This includes \$60,000 to \$65,000 that must be paid to us or our affiliates.

The total investment necessary for a Pick Up Store Option Agreement is \$10,000 to \$30,000, assuming that the agreement covers 1-3 Comet Pick Up Stores. You pay all of this amount to us as the option fee for the Comet Pick Up Stores.

This Disclosure Document summarizes certain provisions of your license 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.**

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 our franchise administration department at 406 West Division Street, Arlington, Texas 76011; (817) 461-3555.

The terms of your contract will govern your franchise relationship. Do not 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 (the "FTC"). 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.

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

Date of Issuance: May 2, 2016.

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 franchise administrator listed in Exhibit G 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 LICENSE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE AGREEMENT UNLESS A PROVISION IS NOT ENFORCEABLE UNDER TEXAS LAW AND YOUR BUSINESS OR TERRITORY IS LOCATED IN A STATE WHERE THE PROVISION IS ENFORCEABLE. THE LAWS OF TEXAS MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- *2. THE LICENSE AGREEMENT PERMITS YOU TO MEDIATE AND SUE ONLY IN THE GEOGRAPHIC AREA WHERE WE HAVE OUR PRINCIPAL PLACE OF BUSINESS AT THE TIME THAT THE PROCEEDING BEGINS. CURRENTLY, THIS IS IN ARLINGTON, TEXAS. OUT-OF-STATE MEDIATION AND/OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE AND SUE US IN TEXAS THAN IN YOUR HOME STATE.
3. IF YOU LIVE IN A COMMUNITY PROPERTY STATE, YOUR SPOUSE MAY BE REQUIRED TO GUARANTEE ALL OF YOUR OBLIGATIONS UNDER THE LICENSE AGREEMENT, THEREBY PLACING MARITAL AND PERSONAL ASSETS AT RISK.
4. THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE.

* Local law may supersede these agreement provisions. Certain states require the superseding provisions to appear in an addendum to this disclosure document (Exhibit H).

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchises. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See next page for state effective dates.

STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

<u>STATE</u>	<u>EFFECTIVE DATE</u>
<u>CALIFORNIA</u>	<u>Not filed</u>
<u>HAWAII</u>	<u>Not filed</u>
ILLINOIS	May 26, 2016
<u>INDIANA</u>	<u>Not filed</u>
<u>MARYLAND</u>	<u>Not filed</u>
<u>MICHIGAN</u>	<u>Not filed</u>
<u>MINNESOTA</u>	<u>Not filed</u>
<u>NEW YORK</u>	<u>Not filed</u>
<u>NORTH DAKOTA</u>	<u>Not filed</u>
<u>RHODE ISLAND</u>	<u>Not filed</u>
<u>SOUTH DAKOTA</u>	<u>Not filed</u>
<u>VIRGINIA</u>	<u>Not filed</u>
<u>WASHINGTON</u>	<u>Not filed</u>
<u>WISCONSIN</u>	<u>Not filed</u>

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of May 2, 2016.

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