

## FRANCHISE DISCLOSURE DOCUMENT

Coverall North America, Inc. (a Delaware Corporation) d/b/a  
Coverall®  
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[www.coverall.com](http://www.coverall.com)



The Franchisee will operate a commercial janitorial cleaning franchised business utilizing our Coverall® Program.

The total investment necessary to begin operation of a Coverall franchised business is \$17,178.00 to \$51,356.00 depending on the package size you choose. This includes the amount in Item 5 of \$14,175.00 to \$40,320.00, that must be paid to the franchisor or the 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 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. This disclosure document is available in printed copy, and electronically in Adobe Acrobat on a CD-ROM or USB flash drive.

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, NW, 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.

### **Risk Factors:**

THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BE RESOLVED BY BINDING ARBITRATION AND NOT IN A COURT OF LAW. THIS MEANS THAT YOU AGREE YOU ARE NOT ELIGIBLE FOR TRIAL BY JURY IN A COURT OF LAW AND YOU FURTHER WAIVE THE RIGHT TO PROCEED AS A CLASS ACTION.

THE FRANCHISE AGREEMENT REQUIRES THAT ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THE AGREEMENT SHALL BE COMMENCED WITHIN TWO (2) YEARS FROM THE OCCURRENCE OF SUCH CLAIM OR ACTION.

COVERALL MAY NOT BE OBLIGATED TO REPLACE A CUSTOMER IF YOU LOSE OR UNREASONABLY REJECT THE CUSTOMER.

The contents of this document are for use in the following States: Delaware, Florida, Georgia, Indiana, Iowa, Louisiana, Maine, Michigan, Nebraska, Nevada, New Hampshire, New Jersey, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Texas, Washington, D.C., and Wisconsin.

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COVERALL'S STANDARD SERVICE AGREEMENT PROVIDES THAT ITS CUSTOMERS MAY ISSUE A THIRTY (30) DAY WRITTEN NOTICE OF CANCELTION IF ITEMS OF NON-PERFORMANCE ARE NOT CORRECTED WITHIN A FIFTEEN (15) DAY CURE PERIOD. YOU WILL BE NOTIFIED OF ANY CHANGES TO COVERALL'S STANDARD TERMS AT THE TIME YOU ARE OFFERED A CUSTOMER.

COVERALL WILL TRY TO OFFER YOU CUSTOMERS IN YOUR PREFERRED AREA, HOWEVER, YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY OR EXCLUSIVE TERRITORY RIGHTS. COVERALL MAY OFFER YOU CUSTOMERS ANYWHERE WITHIN THE AREA IN WHICH THE COVERALL SUPPORT CENTER THROUGH WHICH YOU HAVE PURCHASED YOUR FRANCHISE CONDUCTS BUSINESS. FRANCHISEE MAY FACE COMPETITION WITHIN ITS TERRITORY FROM OTHER COVERALL FRANCHISES.

IF YOUR FRANCHISE AGREEMENT IS TERMINATED FOR ABANDONMENT, THEN YOU WILL OWE COVERALL THE TOTAL AMOUNT OF ALL OUTSTANDING OBLIGATIONS AS OF THE DATE OF ABANDONMENT.

ONCE COVERALL'S OBLIGATION TO OFFER YOU INITIAL BUSINESS HAS BEEN FULFILLED, COVERALL HAS NO OBLIGATION TO OFFER YOU ADDITIONAL BUSINESS.

DURING THE TERM OF THE FRANCHISE AGREEMENT, FRANCHISEES MAY NOT PROVIDE COMMERCIAL JANITORIAL SERVICES UNDER A DIFFERENT BRAND NAME AND MUST PAY ROYALTY AND SUPPORT FEES TO COVERALL FOR ALL CUSTOMERS, EVEN CUSTOMERS FRANCHISEE INDEPENDENTLY OBTAINS.

FRANCHISEE MUST BE A CORPORATION OR LIMITED LIABILITY COMPANY, OBTAIN A FEDERAL EMPLOYER IDENTIFICATION NUMBER, AND OBTAIN A BUSINESS LICENSE, IF APPLICABLE, PRIOR TO SIGNING THE FRANCHISE AGREEMENT.

THE NUMBER AND PERCENTAGE OF FRANCHISES TERMINATED OR WHICH OTHERWISE CEASED OPERATIONS IN FISCAL YEAR 2016 WAS 1,126 OR 20% FOR COVERALL AND 1,430 OR 18.6% FOR THE ENTIRE COVERALL SYSTEM THROUGHOUT THE UNITED STATES. SEE ITEM 20 OF THIS DISCLOSURE DOCUMENT.

**This disclosure document is issued as of March 31, 2017**

## 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 disclosure laws, with the following effective dates:

Indiana	March 31, 2017
Wisconsin	March 31, 2017

In all other states, the effective dates of this Franchise Disclosure Document is the issuance date of March 31, 2017.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/coverall>