

**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 \$16,498.00 to \$51,361.00 depending on the package size you choose. This includes the amount in Item 5 of \$13,500.00 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 or grant. **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 you 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.

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

The contents of this document are for use in the following States: Virginia.

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 2017 WAS 798 OR 15% FOR COVERALL AND 1,079 OR 15% FOR THE ENTIRE COVERALL SYSTEM THROUGHOUT THE UNITED STATES. SEE ITEM 20 OF THIS DISCLOSURE DOCUMENT.

**This disclosure document is issued as of March 30, 2018**

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## VIRGINIA 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 C 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

**Effective Date:** \_\_\_\_\_, 2018

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