

FRANCHISE DISCLOSURE DOCUMENT

CLOUD 9 SHUTTLE, INC.,
a Nevada corporation (Subfranchisor)
2535 Camino del Rio South #150
San Diego, California 92108
(619) 564-7900
Website: www.supershuttle.com

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Department of
Business Oversight

ExecuCar®

www.supershuttle.com

The franchisee will conduct its business as an independent entity operating an ExecuCar limousine, sedan or sports utility vehicle providing transportation to the public in San Diego County, California using a trip generating system provided by SuperShuttle and SuperShuttle San Diego. You may also conduct charter operations that do not use the SuperShuttle trip generating system.

The total investment necessary to begin operation of an ExecuCar unit franchise is \$24,900 to \$72,150. This includes \$1,250 that must be paid to us or our affiliate: \$500 for the initial franchise fee and a security deposit of \$750 for use of decals and certain equipment.

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.

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 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.

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STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with the 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 A 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 UNIT FRANCHISE AGREEMENT STATES THAT DELAWARE 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. THIS AGREEMENT PROVIDES THAT DELAWARE LAW APPLIES, BUT LOCAL LAW MAY SUPERSEDE IT.**
2. **CONSISTENT WITH THE SUPERSHUTTLE MARKETING PLAN, WE MAY NEGOTIATE DISCOUNTS WHICH YOU WILL BE REQUIRED TO HONOR AND ISSUE VOUCHERS AND COUPONS WHICH YOU WILL BE REQUIRED TO ACCEPT. YOU MUST HONOR THESE DISCOUNTS AND ACCEPT THESE VOUCHERS AND COUPONS. TO THE EXTENT THIS RESULTS IN A REDUCTION IN REVENUES, WE WILL SHARE IN THE REDUCTION BECAUSE YOU WILL BEAR 100% OF THE REDUCTION.**
3. **THIS IS A HIGHLY COMPETITIVE BUSINESS. YOU MAY COMPETE WITH NUMEROUS OTHER FRANCHISEES AND OTHER TRANSPORTATION SERVICES, WHICH MAY NOT OFFER LIMOUSINE OR SEDAN SERVICES, IN WHICH WE HAVE AN INTEREST (FOR A LIST OF THESE TRANSPORTATION SERVICES SEE ITEM 12). THERE WERE 25 EXECUCAR VEHICLES OPERATING IN SAN DIEGO AS OF DECEMBER 2018. WE ANTICIPATE SELLING APPROXIMATELY 15 FRANCHISES IN SAN DIEGO THIS YEAR.**
4. **AS DISCLOSED IN ITEMS 1 AND 8, IF THE AIRPORT AUTHORITY REQUIRES IT YOU MAY BE REQUIRED TO PURCHASE INSURANCE COVERAGE FOR YOUR VEHICLE FROM OUR AFFILIATE (WHICH IS ALSO AN AFFILIATE OF SUPERSHUTTLE) AT ITS EXISTING RATE, WHICH MAY OR MAY NOT BE MORE EXPENSIVE THAN THE RATE YOU MAY BE ABLE TO FIND AT OTHER INSURANCE COMPANIES.**

5. THE FRANCHISOR CHARGES NUMEROUS FEES THAT IMPACT YOUR REVENUE. YOU SHOULD CAREFULLY REVIEW ITEMS 5 AND 6 TO DETERMINE THE TYPE, AMOUNT AND DUE DATE OF EACH FEE. YOU MUST PAY FEES EVEN IF YOUR VEHICLE IS NOT OPERATIONAL.
6. YOU MAY NOT USE YOUR EXECUCAR VEHICLE TO CONDUCT A COMPETING BUSINESS OR IN A MANNER THAT VIOLATES SUPERSHUTTLE TRADEMARK POLICY.
7. NOTE THAT YOU ARE CLASSIFIED AS AN INDEPENDENT CONTRACTOR AND THEREFORE YOU ARE NOT ENTITLED TO UNEMPLOYMENT INSURANCE AND OTHER BENEFITS AND RIGHTS (INCLUDING RIGHTS UNDER THE STATE LABOR CODE) AVAILABLE ONLY TO EMPLOYEES.
8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates

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