

FRANCHISE DISCLOSURE DOCUMENT



THE FILTA GROUP INC. a Delaware corporation 7075 Kingspointe Parkway - Suite 1 Orlando, Florida 32819 (407) 996-5550 inquiries@gofilta.com www.gofilta.com

FILTA ENVIRONMENTAL KITCHEN SOLUTIONS® franchises provide on-site services to restaurants, catering establishments, and institutional kitchens. The services include FILTAFRY® fryer maintenance services (microfiltration of cooking oil using a proprietary filtration machine, fryer cleaning, temperature calibration, and advice on good frying practices), FILTABIO® collection and sale of waste cooking oil, FILTACOOL® services for refrigeration units and walk-in coolers, FILTAGOLD® new cooking oil delivery services, and FILTADRAIN[™] services for drain management.

The total investment necessary to begin operation of a single-territory FILTA ENVIRONMENTAL KITCHEN SOLUTIONS® franchise is \$98,500 to \$112,250. This includes \$89,900 that must be paid to us.

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 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. To discuss the availability of disclosures in different formats, contact Victor Clewes at 7075 Kingspointe Parkway, Suite 1, Orlando, Florida 32819, tel. (407) 996-5550.

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 "<u>A Consumer's Guide to</u> <u>Buying a Franchise</u>," 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 <u>www.ftc.gov</u> 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: April 20, 2017



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 franchises 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 FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN THE STATE WHERE WE HAVE OUR PRINCIPAL PLACE OF BUSINESS AT THE TIME THE SUIT IS FILED (CURRENTLY, FLORIDA). OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. YOU MUST PAY US A FIXED MONTHLY SERVICE FEE OF \$565 MULTIPLIED BY THE NUMBER OF MOBILE FILTRATION UNITS, VANS, OR TERRITORIES THAT YOU OPERATE, WHICHEVER NUMBER IS THE GREATEST, AND A FIXED MONTHLY ADVERTISING FEE OF \$135, EVEN IF YOUR FRANCHISE HAS NO REVENUE.
- 4. YOU MUST PURCHASE FROM US A MINIMUM OF ONE CASE OF MFU FILTERS EACH MONTH, EVEN IF YOU DO NOT NEED THEM. THE CURRENT PRICE IS \$397.00 PER CASE OF 20 FILTERS.
- 5. THE SIZE OF YOUR TERRITORY IS DETERMINED AT OUR SOLE DISCRETION AND MAY DIFFER SIGNIFICANTLY AMONG FRANCHISES.
- 6. THE FRANCHISEE MAY LOSE EXCLUSIVITY FOR A PARTICULAR SERVICE IF THE FRANCHISEE IS NOT OFFERING THAT SERVICE BY THE 13TH MONTH OF OPERATION.
- 7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. 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 the 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:

STATE	EFFECTIVE DATE
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	Not Filed
Rhode Island	Not Filed
South Dakota	
Virginia	
Washington	
Wisconsin	

In all other states, the effective date of this Disclosure Document is the issuance date of April 20, 2017.

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