



JUL **21**2014 Dept of Business Oversight

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## FRANCHISE DISCLOSURE DOCUMENT for Unit Franchises Right First, Inc (A California Corporation D/B/A Jan Pro of San Francisco) 61 Airport Blvd Ste B South San Francisco CA 94080 (650) 259 9120

Right First Inc offers franchises to independently own and operate a cleaning and maintenance business that performs commercial industrial and institutional cleaning and maintenance services under the service mark JAN PRO<sup>®</sup> and other trademarks trade names service marks slogans and logos that we authorize

The total investment necessary to begin operation of a Jan Pro unit franchise is about \$3 561 to \$67 072 This includes \$2 880 to \$44 000 that must be paid to Right First Inc or an 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 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** 

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 James C. Smith Right First. Inc. 61 Airport Blvd Ste B. South San Francisco. CA 94080 (650) 259 9120

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

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## STATE COVER PAGE

Your state may have a franchise law that requires us 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 Item 1 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 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 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 MEDIATION ARBITRATION OR LITIGATION ONLY IN CALIFORNIA OUT OF STATE DISPUTE RESOLUTION 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 CALIFORNIA 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

3 LOCAL LAWS MAY SUPERSEDE THESE FRANCHISE AGREEMENT PROVISIONS CERTAIN STATES REQUIRE THE SUPERSEDING PROVISIONS TO APPEAR IN AN ADDENDUM IN THIS DISCLOSURE DOCUMENT

4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Information about comparisons of franchisors is available Call the state administrators listed in Exhibit D or your public library for sources of information

**Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this Disclosure Document** If you learn that anything in this Disclosure Document is untrue contact the Federal Trade Commission and the appropriate State agency listed in Exhibit D

Effective Date \_\_\_\_\_



## ADDITIONAL REGULATIONS REQUIRED BY THE STATE OF CALIFORNIA

California Business and Professions Code Sections 20034 through 20043 provide rights to the franchisee concerning termination or non renewal of a franchise If the franchise agreement contains a provision that is inconsistent with the law the law will control

The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A Sec101 et seq )

The Franchise Agreement contains a covenant not to compete which extends beyond termination of the franchise This provision may not be enforceable under California law

The Franchise Agreement contains a liquidated damages clause Under California Civil Code Section 1671 certain liquidated damages clauses are unenforceable

The Franchise Agreement requires binding mediation The mediation will occur in California with costs being borne by you if you lose This provision may not be enforceable under California law

Neither the franchisor nor any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934 15 U S C A 78a et seq suspending or expelling such persons from membership in such association or exchange

Despite the payment provisions in Item 5 of this Disclosure Document and Section 3.1 of the Franchise Agreement all initial fees and payments to be paid to franchisor shall be deferred until the first business day following the date that franchisor has completed all of franchisor's material initial obligations to franchisee under the Franchise Agreement franchisee's initial training program has been completed and franchisee opens the first unit for business at which time all initial fees and payments shall become immediately all due and payable

Our Uniform Resource Locator ( URL ) address is www jan pro com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at <u>www dbo ca gov</u>

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF CORPORATIONS BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT

YOU MUST SIGN A GENERAL RELEASE OF CLAIMS IF YOU RENEW OR TRANSFER YOUR FRANCHISE CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§31000 THROUGH 31516) BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043)

Modified Unit FDD February 2014

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