

LA Mailroom

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Department of Business Oversight

FRANCHISE DISCLOSURE DOCUMENT



JTS Holdings, Inc. d/b/a JTS Facility Services, a California Corporation

900 Calle Plano, Unit D Camarillo, CA 93012 (805) 915-5680 jim@jtsfacilityservices.com

JTS HOLDINGS, INC. d/b/a JTS FACILITY SERVICES ("JTS"), a California corporation grants franchisees the right to operate a comprehensive building maintenance care business, providing commercial cleaning and maintenance services to interior and exterior environments of business and residential locations within a designated territory.

The total estimated initial investment necessary to begin operation of a JTS unit franchise ranges from \$3,450 to \$57,750. This includes the initial franchise fee which must be paid to us from \$3,000 to \$47,000, depending on the type of a franchise plan you choose. You will also be required to purchase certain supplies and equipment prior to servicing your first client account. The cost of the basic initial supplies and equipment is estimated at \$450 to \$2000.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and an 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, us or an affiliate in connection with the proposed franchise sale. Note, however, that no government 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 disclosure in different formats, contact **Jim Parell** at 900 Calle Plano, Unit D, Camarillo, CA 93012.

2018

JTS FACILITY SERVICES

1



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 an attorney 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 (FTC). 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.

This Disclosure Document is effective as of:

JTS FACILITY SERVICES

2



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 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 <u>Exhibit E</u> 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:

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN **CALIFORNIA**. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN **CALIFORNIA** THAN IN YOUR HOME STATE.

- 1. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS SUCH AGREEMENT, AND THIS LAW MAY NOT PROVIDE YOU WITH THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 2. THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISPUTES, CONTROVERSIES AND CLAIMS OF ANY KIND ARISING OUT OF OR RELATED TO THE FRANCHISE AGREEMENT BE FIRST SUBMITTED TO NON-BINDING MEDIATION PRIOR TO ARBITRATION.
- 3. THE FRANCHISE AGREEMENT CONTAINS PROVISIONS RELATING TO THE GROSS DOLLAR VALUE OF ACCOUNTS WE COMMIT TO TRANSFER TO YOU AND THE PROVISIONS OF A REFUND IF WE DO NOT PROVIDE THE STIPULATED NUMBER OF ACCOUNTS. IF WE DO NOT PROVIDE THE STIPULATED NUMBER OF ACCOUNTS IN THE INITIAL PERIOD SET FORTH IN THE FRANCHISE AGREEMENT, YOUR GROSS REVENUE FROM THE BUSINESS WILL BE CORRESPONDINGLY REDUCED. IN ADDITION, WE HAVE ONLY BEEN OPERATING FOR A SHORT PERIOD OF TIME SO OUR ABILITY TO MAINTAIN OUR FINANCIAL COMMITMENTS WILL BE RELATED TO OUR SUCCESS.

2018

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