



FRANCHISE DISCLOSURE DOCUMENT

JUNK KING INDUSTRIES, LLC a Delaware limited liability company 377 Oyster Point Blvd., Suite 19 South San Francisco, CA 94080 1-888-888-JUNK www.junk-king.com

We offer franchises for the operation of retail junk removal, mini dumpster, and recycling businesses under the name "Junk King."

The total investment necessary to begin operation of a Junk King franchise is estimated at between \$87,600 to \$166,400. This includes \$54,000 - \$78,000 that must be paid to the franchisor or affiliate.

We may offer you the option to sign an "**Option Agreement**" that will give you the option to develop one additional Junk King franchise within a specific geographic area during a specified development period. If you execute an Option Agreement, the total investment necessary to secure the option to develop a second Junk King franchise is a \$10,000 option fee that must be paid to the franchisor. Upon exercising the option, you must pay us our then-current initial franchise fee minus the option fee paid.

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 Jeremy Wallace at Junk King Industries, LLC, 377 Oyster Point Blvd., Suite 19, South San Francisco, CA, 94080. Telephone: (888) 888-JUNK (5865).

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.

Issuance Date: October 17, 2019, as revised on November 14, 2019



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 Exhibit 1 for information about the franchisor, about other franchisors, 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 AND MEDIATION ONLY IN SAN MATEO COUNTY, CALIFORNIA. OUT-OF-STATE LITIGATION AND MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE AND MEDIATE WITH US IN CALIFORNIA 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. 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 chart lists states that require the Disclosure Document to be registered or filed with the state or to be exempt from registration in order to offer or sell franchises within the state. In these states, the effective date of the Disclosure Document is as follows:

| STATE | EFFECTIVE DATE |
|--------------|------------------|
| California | |
| Hawaii | Not Filed |
| Illinois | |
| Indiana | |
| Maryland | |
| Michigan | October 31, 2019 |
| Minnesota | |
| New York | |
| North Dakota | Not Filed |
| Rhode Island | |
| South Dakota | Not Filed |
| Virginia | |
| Washington | |
| Wisconsin | October 30, 2019 |

In all other states, the effective date of this Disclosure Document is the issuance date of October 17, 2019, as revised on November 14, 2019.

Some of the states listed above require that we give you additional disclosures. The additional required disclosures for these states are in Exhibit 2 to this Disclosure Document.

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