

FRANCHISE DISCLOSURE DOCUMENT

CLOSETS UNLIMITED OF NEW JERSEY, INC

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Received
LA Mailroom

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Department of
Business Oversight



The franchises offered are for the operation of a More Space Place retail furniture store specializing in space-saving furniture products some of which are proprietary or the operation of a Closet & Storage Concepts business providing for the designing marketing construction and installing of residential and commercial storage space including closets garages and other storage areas for consumers and the selling of related accessories in a retail showroom

The total investment necessary to begin operation of a More Space Place franchised business is \$90,950 to \$172,150 This includes \$40,750 to \$62,250 that must be paid to the franchisor or its affiliate(s)

The total investment necessary to begin operation of a Closet & Storage Concepts franchised business is \$69,500 to \$486,000 This includes \$21,800 to \$72,300 that must be paid to the franchisor or its affiliate(s)

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 Robert Lewis 436 Commerce Lane Suite D, West Berlin NJ 08091, (856) 627-5700

The terms of your contract will govern your franchise relationship Don't rely on this 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 Buying a Franchise A Consumer Guide 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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Closets Unlimited FDD 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 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 FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION IN MIDDLESEX COUNTY, NEW JERSEY. 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 MIDDLESEX COUNTY, NEW JERSEY THAN IT MAY COST IN YOUR OWN STATE OR AREA

2 THE FRANCHISE AGREEMENT STATES THAT NEW JERSEY 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 AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2016, THE FRANCHISOR HAD A WORKING CAPITAL DEFICIENCY OF (\$129,202)

4 AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2016, THE FRANCHISOR HAD A NET WORTH DEFICIENCY OF (\$201,598)

5 FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$69,500 TO \$486,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER'S EQUITY AS OF DECEMBER 31, 2016, WHICH IS (201,598)

6 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 or entity 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

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/more-space-place>