

FRANCHISE DISCLOSURE DOCUMENT

CLOSETS UNLIMITED OF NEW JERSEY, INC.

A New Jersey Corporation
436 Commerce Lane, Suite D
West Berlin, NJ 08091

boblewis@closetandstorageconcepts.com
(856) 627-5700

www.closetandstorageconcepts.com
www.morespaceplace.com

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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 \$92,200 to \$173,900. This includes \$42,000 to \$63,500 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 \$72,200 to \$494,100. This includes \$24,500 to \$75,000 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.

Date of Issuance: April 1, 2018

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 THE THEN-CURRENT STATE AND COUNTY WHERE OUR CORPORATE HEADQUARTERS IS LOCATED (CURRENTLY CAMDEN 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 THE THEN-CURRENT STATE AND COUNTY WHERE OUR CORPORATE HEADQUARTERS IS LOCATED 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, 2017, THE FRANCHISOR HAD A WORKING CAPITAL DEFICIENCY OF (\$236,475).

4. AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2017, THE FRANCHISOR HAD A NET WORTH DEFICIENCY OF (\$216,935).

5. FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$72,200 TO \$494,100. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER'S EQUITY AS OF DECEMBER 31, 2017, WHICH IS (216,935).

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>