

## REDLINED

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## INFORMATION FOR PROSPECTIVE FRANCHISEES REQUIRED BY THE FEDERAL TRADE COMMISSION

TO PROTECT YOU. WE'VE REQUIRED YOUR FRANCHISOR TO GIVE YOU THIS INFORMATION, WE HAVEN'T CHECKED IT, AND DON'T KNOW IF IT'S CORRECT. IT SHOULD HELP YOU MAKE UP YOUR MIND. STUDY IT CAREFULLY. BUYING A FRANCHISE IS A COMPLICATED INVESTMENT. TAKE YOUR TIME TO DECIDE. IF POSSIBLE, SHOW YOUR CONTRACT AND THIS INFORMATION TO AN ADVISOR, LIKE A LAWYER OR AN ACCOUNTANT, IF YOU FIND ANYTHING YOU THINK MAY BE WRONG OR ANYTHING IMPORTANT THAT'S LEFT OUT, YOU SHOULD LET US KNOW ABOUT IT, IT MAY BE AGAINST THE LAW.

THERE MAY ALSO BE LAWS ON FRANCHISING IN YOUR STATE. ASK YOUR STATE AGENCIES ABOUT THEM.

## FEDERAL TRADE COMMISSION WASHINGTON, D.C. 20580

#### Franchisor:

iSold It, LLC △155 S. Highway 101, Suite 7 Solana Beach, CA 92075 Telephone: (858) 436-2800 Fax: (858) 436-2805

Email: ken@isolditcorp.com URL: www.i-soldit.com

## Offering Circular Dated:





#### **\*FRANCHISE OFFERING CIRCULAR**

### **ISOLD IT, LLC**

A California limited liability company

<u>\*155 South Highway 101, Suite 7</u>

<u>Solana Beach, CA 92075</u>

<u>Telephone: (858) 436-2800</u>

Fax: (858) 436-2805

Email: info@isolditcorp.com
URL: www.i-soldit.com

The franchisee will operate a consignment <u>business</u> for online sales.

When we have completed our pre-opening obligations to you, you will pay us an initial franchise fee of \$22,000. The estimated initial investment ranges from \$\frac{4}{37,150}\$ to \$196,\$\frac{4}{200}\$.

### **RISK FACTORS:**

- 1. THE FRANCHISE AGREEMENT REQUIRES YOU AND <u>AUS</u> TO RESOLVE ALL DISPUTES THROUGH BINDING ARBITRATION UNDER THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION.
- THE ISOLD IT FRANCHISE SYSTEM IS STILL NEW AND UNPROVEN. WE ARE CONCERNED ABOUT FINANCIAL LOSSES INCURRED BY MANY EARLY FRANCHISEES. THE SYSTEM IS SUBJECT TO ONGOING CHANGE AS WE WORK TO LOWER OVERHEAD, INCREASE REVENUE AND GENERALLY IMPROVE PROFITABILITY OF OUR STORES. WE CANNOT AND DO NOT GUARANTEE THAT YOUR STORE WILL BE PROFITABLE, EITHER UNDER THE PRESENT SYSTEM OR UNDER THE SYSTEM AS IT EVOLVES.
- 3. WE HAD A NET OPERATING LOSS OF \$5 MILLION FOR 2006 AND HAVE PUT IN PLACE STRICT COST-CUTTING MEASURES, INCLUDING MEASURES AFFECTING FRANCHISEE SUPPORT, TO RESUME SUSTAINABLE OPERATION.
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Registration of this franchise with the State does not mean that the State recommends it or has verified the information in this offering circular. If you learn that anything in this offering circular is untrue, contact the Federal Trade Commission and the state administrator for this state listed in Exhibit A-1.

Information about comparisons of franchisors is available. Call the State administrators listed in Exhibit A-1 or your public library for sources of information.

**AEFFECTIVE DATE:** 

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# **TABLE OF CONTENTS**

<u>ITEM</u>	PAGE
ITEM 1. THE FRANCHISOR, ITS PREDECESSOR, AND AFFILIATES	1-
ITEM 2. BUSINESS EXPERIENCE	2-
ITEM 3. LITIGATION	^3
ITEM 4. BANKRUPTCY	<u>4</u> -
ITEM 5. INITIAL FRANCHISE FEES	44-
ITEM 6. OTHER FEES	5+
ITEM 7. INITIAL INVESTMENT <sup>△</sup>	<u>^7</u> -
ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	<u>411</u> -
ITEM 9. FRANCHISEE'S OBLIGATIONS	1 <u>^3</u> -
ITEM 10. FINANCING	1 <u>4</u> -
ITEM 11. FRANCHISOR'S OBLIGATIONS	1 <u>^5</u> -
ITEM 12. TERRITORY	<sup>Δ</sup> <u>-21-</u>
ITEM 13. TRADEMARKS	2 <u>^4</u> -
ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	2 <u>45</u> -
ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF  THE FRANCHISED BUSINESS	2 <u>46</u> -
ITEM 16. RESTRICTIONS ON WHAT YOU MAY SELL	2 <u>^6</u>
ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	2 <u>4</u> 7-
ITEM 18. PUBLIC FIGURES	- <u>^31</u> -
ITEM 19. EARNINGS CLAIMS	<u>^31</u> -
ITEM 20. LIST OF OUTLETS	<u>^-32-</u>

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