

# FRANCHISE DISCLOSURE DOCUMENT

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## **SARAYAN BUILDING SOLUTIONS, INC. d/b/a**

### **Stratus Building Solutions of Los Angeles**

10530 Victory Blvd.  
North Hollywood, California 91606

Phone: (818) 981-1700

Facsimile: (818) 647-6000

[www.stratusclean.com](http://www.stratusclean.com)

Email: [la.info@stratusclean.com](mailto:la.info@stratusclean.com)

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

Sarayan Building Solutions, Inc., ("Sarayan") d/b/a Stratus Building Solutions of Los Angeles ("SBSLA") 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 Stratus unit franchise ranges from \$4,600 to \$72,850. This includes the initial franchise fee which must be paid to SBSLA, which is \$3,600 to \$62,100, depending on the type of 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 \$800 to \$2,000.

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 fourteen (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 disclosure in different formats, contact Jim Smith at:

Stratus Building Solutions, 10530 Victory Blvd., North Hollywood, California, 91606, or at: (818) 981-1700.

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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

Date of Issuance: April 1, 2018.

## **STATE COVER PAGE**

- A. 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 C** for information about the franchisor, or about franchising in your state.
- B. 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.
- C. Please consider the following RISK FACTORS before you buy this Franchise:
1. 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. IF MEDIATION FAILS, YOU ARE REQUIRED TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN THE STATE OF 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 OWN STATE.
  2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA STATE LAW GOVERNS SUCH AGREEMENT, AND THIS LAW MAY NOT PROVIDE YOU WITH THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
  3. WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THIS DISCLOSURE DOCUMENT. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS DISCLOSURE DOCUMENT.
  4. SBSLA HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME, SINCE 2008. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.
  5. If your franchise fails, both you and your spouse's marital and personal assets, including your home, could be lost, if:
    - a. You live in a community property state, or
    - b. You live in another state, and your spouse must sign a document such as a guarantee that makes your spouse liable for your financial obligations under the franchise agreement, even if your spouse does not own any part of the franchise business.

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