

## FRANCHISE DISCLOSURE DOCUMENT

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2015 APR 20 AM 11 31

DEPARTHENT OF BUSINESS OVERSIGHT SAN FRANCISCO



The franchised business is a specialized company that remediates property affected by hoarding and/or biohazards

The total investment necessary to begin operation of a start-up STERI-CLEAN® franchised Service ranges from \$70,814 to \$217,651 This includes \$36,000 that must be paid to the franchisor or an affiliate

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 payments 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 SCI at 9785 Crescent Center Drive, Suite 302, Rancho Cucamonga, CA 91730, 1-888-577-7206

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, such as 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 may contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You may also visit the FTC's home page at <a href="www.ftc.gov">www.ftc.gov</a> 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 April 1, 2015

Disclosure Document Issued April 1 2015



## 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-1 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

- THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION OR ARBITRATION ONLY IN CALIFORNIA OUT-OF-STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IF YOU DO NOT LIVE IN CALIFORNIA IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE
- 2 PLEASE NOTE THAT 90% OF THE FRANCHISOR'S ASSETS ARE INTANGIBLE YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY
- THE FRANCHISOR HAS MINIMUM SALES PERFORMANCE LEVELS THAT YOU MUST MAINTAIN BEGINNING IN THE 9<sup>TH</sup> CALENDAR QUARTER IF YOU FAIL TO CURE FAILURE TO MEET THE MINIMUM SALES PERFORMANCE LEVEL WITHIN 90 DAYS AFTER WRITTEN NOTICE BY MEETING THE SALES PERFORMANCE LEVEL IN THE NEXT CALENDAR QUARTER, THE FRANCHISOR COULD TERMINATE YOUR AGREEMENT AND YOU COULD LOSE YOUR INVESTMENT
- 4 YOUR SPOUSE MUST SIGN A CONSENT TO YOUR OBLIGATIONS UNDER THE PERSONAL GUARANTY THE CONSENT EXCLUDES YOUR SPOUSE'S PERSONAL (SEPARATE) PROPERTY ON THE DATE OF THE GUARANTY BUT IT WILL PLACE YOUR SPOUSE'S MARITAL (COMMUNITY) ASSETS AT RISK IF YOUR FRANCHISED BUSINESS FAILS
- 6 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Dates (See next page)

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## STATE EFFECTIVE DATES

The following States require that the franchise disclosure document be registered or filed with the State, or be exempt from registration California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

The franchise disclosure document is registered, on file, or exempt from registration in the following States having franchise registration disclosure laws, with the following effective dates

California

May 15, 2014

Illinois

Indiana

Maryland

Pending

Mıchıgan

-New York

Pending

Virginia

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