

**FRANCHISE DISCLOSURE DOCUMENT  
PROSPECTIVE MASTER FRANCHISEES**

**SBS Franchising, Inc.**

(a Delaware company)

10530 Victory Blvd.

North Hollywood, CA 91606

(888) 479-7575

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



SBS Franchising, Inc. (“SBS”) grants master franchises providing for the right to sell and license individual franchises known as a “unit franchise” within a designated territory. This circular covers the master franchise offering (the “Master Franchise”).

The Master Franchisee will operate a business offering unit franchises to operate a janitorial and building maintenance service under the name “**Stratus Building Solutions of Detroit**”, or “**Stratus of Detroit**.”

The total investment necessary to begin operation of a Stratus Master Franchise is from \$132,750 to \$1,113,000. This includes the initial franchise fee ranging from \$100,000 to \$1,000,000 paid to SBS.

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 government 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 Afshin Cangarlu, CEO, at 10530 Victory Blvd., North Hollywood, CA 91606, (888) 479-7575.

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 a lawyer or 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 can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 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.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: May 13, 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 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 ARBITRATION ONLY IN THE STATE IN WHICH YOUR FRANCHISE IS LOCATED.
2. THE FRANCHISE AGREEMENT REQUIRES THAT THE LAW OF THE STATE IN WHICH YOUR FRANCHISE IS LOCATED GOVERNS THE AGREEMENT.
3. THE MASTER FRANCHISE AGREEMENT REQUIRES THAT ALL DISPUTES, CONTROVERSIES AND CLAIMS OF ANY KIND ARISING OUT OF OR RELATED TO THE MASTER FRANCHISE AGREEMENT BE FIRST SUBMITTED TO NON-BINDING MEDIATION.
4. YOU MUST MEET THE FOLLOWING REQUIREMENTS IN ORDER TO MAINTAIN THE EXCLUSIVE NATURE OF YOUR TERRITORY: EACH YEAR, BEGINNING THE SECOND YEAR AFTER OPENING, (A) YOU MUST MEET THE MINIMUM MONTHLY GROSS REVENUE REQUIREMENT OF \$50,000.00, AND (B) YOUR MONTHLY GROSS REVENUES MUST INCREASE AT LEAST 10%. IF YOU DO NOT MEET THIS 10% MINIMUM GROWTH OBLIGATION, THEN SBS, CAN:
  - (A) REQUIRE YOU AND YOUR KEY EMPLOYEES TO ATTEND, AT YOUR SOLE EXPENSE, REMEDIAL TRAINING, AND
  - (B) CANCEL YOUR EXCLUSIVE RIGHT TO YOUR TERRITORY.
5. THREE YEARS AFTER SIGNING THE MASTER FRANCHISE AGREEMENT, YOU MUST HAVE AT LEAST 50 OPERATING AND ACTIVE UNIT FRANCHISES WITHIN YOUR TERRITORY.
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 a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

## 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, Utah, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

<b><u>STATE</u></b>	<b><u>EFFECTIVE DATE</u></b>
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	May 18, 2015
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Utah	
Virginia	
Washington	
Wisconsin	

In all other states that do not require registration, the effective date of this Disclosure Document is the issuance date of April 8, 2015

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