

FRANCHISE DISCLOSURE DOCUMENT

Junkluggers Franchising, LLC
a Delaware limited liability company
77 Selleck Street
Stamford, Connecticut 06902
Tel: (800) 584-5865
www.junkluggers.com
www.luggersmoving.com
www.remixmarket.com



As a franchisee, you will operate a business that offers and provides homes and businesses with “eco-friendly” junk removal services and, at your option, second-hand furniture procurement and retail services. The business’s “eco-friendly” junk removal services will be operated under our proprietary marks (currently, Junkluggers). The business’s second-hand furniture procurement, restoration and/or retail services will be operated under our proprietary marks (currently, Remix Market Upcycling Centers). Depending on your financial ability and experience, additional moving and packing services will be operated under our proprietary marks (currently, Luggers Moving).

The junk removal services constitute the “Principal Approved Services”. The second-hand furniture procurement, restoration and/or retail services constitute the “Upcycling Services,” and the moving and packing services constitute the “Additional Moving Services”. Collectively, they are referred to as the “Approved Services”. Our franchise includes the right to use the applicable trademarks, trade dress and operating system.

The total investment necessary to begin operation of a Franchised Business ranges from \$105,435 to \$222,210. This includes initial fees of \$55,000 that must be paid to the franchisor or its affiliate. We may also offer qualified individuals the right to open and operate multiple franchised businesses within a designated development area and in accordance with a development schedule.

The total investment necessary to commence operations will vary, based on the number of franchises we grant you the right to open and operate. The total initial investment necessary to develop three (3) franchises ranges from \$143,435 to \$292,210. This includes initial fees ranging of \$93,000 to \$125,000 that must be paid to the franchisor or its 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 the 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 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 Josh Cohen at 77 Selleck Street, Stamford, Connecticut 06902 and (800) 584-5865.

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 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 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 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.

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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 C 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 MEDIATION ONLY IN CONNECTICUT. OUT-OF-STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE WITH US IN CONNECTICUT THAN IN YOUR OWN STATE.
2. CERTAIN DISPUTES WITH US NOT SUBJECT TO MEDIATION MUST BE RESOLVED BY LITIGATION ONLY IN CONNECTICUT. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN CONNECTICUT THAN IN YOUR OWN STATE.
3. THE FRANCHISE AGREEMENT STATES THAT CONNECTICUT 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.
4. THE FRANCHISE AGREEMENT REQUIRES THE INDIVIDUAL OWNERS OF THE FRANCHISEE SIGN A PERSONAL GUARANTY UNDER WHICH EACH OWNER WILL BE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS OF THE FRANCHISEE. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNERS AT RISK.
5. YOU MUST MAKE MINIMUM ANNUAL ROYALTY OR ADVERTISING FUND PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THESE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
6. YOU MUST MEET CERTAIN MINIMUM PRODUCTIVITY LEVELS IF YOU WISH TO MAINTAIN YOUR TERRITORY. IN THE EVENT YOU DO NOT MEET THE APPLICABLE MINIMUM PRODUCTIVITY LEVELS FOR A PERIOD OF THREE MONTHS WITHIN ANY CALENDAR YEAR, WE MAY, IN OUR SOLE DISCRETION: (i) TERMINATE YOUR FRANCHISE AGREEMENT; (ii) REDUCE THE SIZE OF YOUR TERRITORY; OR (iii) TERMINATE YOUR EXCLUSIVE RIGHTS TO OPERATE IN YOUR TERRITORY.
7. 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. BOTH YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, INCLUDING YOUR HOUSE, COULD BE LOST IF YOUR FRANCHISE FAILS.

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