

Tot Squad - 2017 FDD (1)

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FRANCHISE DISCLOSURE DOCUMENT

Tot Squad

TS Franchising, LLGEFARTMENT OF a Delaware limited liability spinos OVERSIGHT 3767 Overland Avenue, Sgite 166 ANCISCO Los Angeles, California 90034 Telephone 310 895 9976 E-mail jen@thetotsquad com Website www.thetotsquad.com

The franchisee will operate a baby gear cleaning business (a "<u>Tot Squad Business</u>") that specializes in offering customer pickup, delivery, on-site, and/or at-home eco-friendly cleaning and repair services for and safe assembly and installment of child related equipment, such as strollers and car seats

The estimated total initial investment necessary to begin operation of a Tot Squad Business franchise ranges from \$74,350 to \$155,350 (or \$79,350 to \$183,850 if you open a retail location) This includes at least \$40,000 to \$70,000 (depending on the size of your territory and whether you choose to join our group insurance policy) that you must pay to us before you open

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 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 Jennifer Beall Saxton at 3767 Overland Avenue, Suite 106, Los Angeles, California 90034 (tel. 310 895 9976).

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 "<u>A Consumer's Guide to Buying a Franchise</u>," 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, D.C. 20580. You can also visit the FTC's home page at <u>www ftc gov</u> 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

The issuance date of this Franchise Disclosure Document is April 19, 2017



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 administrators listed in Exhibit B 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 PERMITS THE FRANCHISEE TO MEDIATE ONLY AT JAMS OFFICES CLOSEST TO WHERE THE FRANCHISOR MAINTAINS ITS PRINCIPAL PLACE OF BUSINESS OR LITIGATE ONLY IN NEW YORK (UNLESS YOU ARE A CALIFORNIA RESIDENT OR OPERATE THE FRANCHISED BUSINESS IN CALIFORNIA, IN WHICH CASE YOU MUST LITIGATE ONLY IN CALIFORNIA) OUT OF STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO MEDIATE OR LITIGATE WITH THE FRANCHISOR OUTSIDE OF YOUR HOME STATE
- *2 THE FRANCHISE AGREEMENT STATES THAT THE LAW OF NEW YORK GOVERNS THE AGREEMENT (UNLESS YOU ARE A CALIFORNIA RESIDENT OR OPERATE THE FRANCHISED BUSINESS IN CALIFORNIA, IN WHICH CASE CALIFORNIA LAW GOVERNS THIS AGREEMENT), AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS
- *3 YOUR ABILITY TO RETAIN YOUR PROTECTED TERRITORY WILL BE DETERMINED BY YOUR ABILITY TO MEET THE MINIMUM PERFORMANCE LEVEL
- *4 YOU MUST MAKE MINIMUM ROYALTY PAYMENTS, REGARDLESS OF YOUR SALES LEVELS YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT
- *5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE
- Local law may supersede these franchise agreement provisions. Certain states require the superseding provisions to appear in an addendum in this disclosure document (See Exhibits H and I)

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 be sure to do your own investigation of the franchise

Effective Date See the next page for state effective dates

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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

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

| STATES | EFFECTIVE DATE |
|------------|----------------|
| California | |
| llinois | |
| New York | |
| Virginia | |

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of April 19, 2017

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