

# zerorez®

## FRANCHISE DISCLOSURE DOCUMENT

**ZEROREZ FRANCHISING SYSTEMS, INC.**  
A Nevada Corporation

**12577 South 265 West, Suite 3A**  
**Draper, Utah 84020**  
**(801) 443-1034 (phone)**  
**(801) 785-0200 (fax)**  
**web:** [www.zerorez.com](http://www.zerorez.com)  
**e-mail:** [info@zerorez.com](mailto:info@zerorez.com)

The ZEROREZ regional developer is a franchisee under the terms of our standard franchise, and additionally will operate a business that will provide technical, marketing and sales support services to a number of ZEROREZ franchisees engaged in complete carpet, tile, fabric and living surfaces cleaning services, including upholstery, fabrics, hard surfaces floors, and potentially air duct cleaning and air filters, within a specific territory granted to the regional developer, in exchange for service fees.

The total investment necessary to begin operation of a ZEROREZ regional developer franchise is \$85,500 to \$634,000. This includes \$60,000 to \$500,000 that must be paid to the franchisor or affiliate.

This Disclosure Document (referred to herein sometimes as the, or 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.**

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read your entire 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, 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.

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

Issuance date: March 29, 2019

## STATE COVER PAGE

### ZEROREZ FRANCHISING SYSTEMS, INC.

Your state may have a franchise law that requires a franchisor to register or file with the 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 REGIONAL DEVELOPER AGREEMENT (the “**Regional Developer Agreement**”), REQUIRES THE FRANCHISEE TO ARBITRATE ANY DISPUTES WITH US ONLY IN THE STATE OF UTAH. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN UTAH THAN IN YOUR HOME STATE. THIS REQUIREMENT MAY NOT BE ENFORCEABLE IN YOUR STATE. \*
2. THE REGIONAL DEVELOPER AGREEMENT STATES THAT UTAH LAW GOVERNS THE REGIONAL DEVELOPER AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS. THIS REQUIREMENT MAY NOT BE ENFORCEABLE IN YOUR STATE. \*
3. THE FRANCHISE AND REGIONAL DEVELOPER BUSINESS WILL DEPEND HEAVILY ON A CLEANING FLUID TECHNOLOGY BELONGING TO A THIRD-PARTY TO WHICH WE HAVE A LICENSE.
4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$85,500 TO \$634,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2018, WHICH IS \$(93,793).
5. THERE MAY BE OTHER RISK FACTORS CONCERNING THIS FRANCHISE. THE AGREEMENT PROVISIONS REFERRED TO IN THE RISK FACTORS MAY BE VOID UNDER SOME STATE FRANCHISE LAWS AND SOME STATE FRANCHISE LAWS MAY REQUIRE DISCLOSURE OF ADDITIONAL RISK FACTORS.

**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

### STATE EFFECTIVE DATES

The following states require that the Disclosure Document be registered 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 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:

State	Effective Date
California	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
Virginia	
Washington	
Wisconsin	

In all other states, the effective date of this Disclosure Document is the issuance date of March 29, 2019.

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