



CLOSET TAILORS, LLC

**INFORMATION FOR PROSPECTIVE FRANCHISEES**

**REQUIRED BY FEDERAL TRADE COMMISSION**

To protect you, we've required your Franchisor to give you this information. **We haven't checked it, and don't know if it's correct.** It should help you make up your mind. Study it carefully. While it includes some information about your contract, don't rely on it alone to understand your contract. Read all of your contract carefully. Buying a franchise is a complicated investment. Take your time to decide. If possible, show your contract and this information to an advisor, like a lawyer or an accountant. If you find anything you think may be wrong or anything important that's been left out, you should let us know about it. It may be against the law.

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

The date of this Offering Circular is \_\_\_\_\_, 2006.

**FEDERAL TRADE COMMISSION**  
Washington, D.C. 20580

CALIFORNIA

**FRANCHISE OFFERING CIRCULAR**



**CLOSET TAILORS, LLC**  
A California Limited Liability Company  
1927 North Glassell Street  
Orange, California 92865  
(714) 637-2100  
[www.closettailors.com](http://www.closettailors.com)

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If you purchase this franchise, you will operate a mobile business for the retail sale and installation of closets and other home organization products.

The initial franchise fee is \$14,950, plus an initial territory fee of \$35,000 for the first territory, *except* that a discount of \$10,000 off the initial territory fee will be offered for the first 90 days (from approximately July 15 to October 15). The estimated initial investment required, including the initial franchise fee and initial territory fee, ranges from \$54,680 to \$116,070. This sum includes rent for an office/warehouse, but does not include rent for any retail location.

**Risk Factors:**

- 1. THE FRANCHISE AGREEMENT PERMITS YOU TO SUE OR ARBITRATE WITH THE FRANCHISOR ONLY IN CALIFORNIA. OUT OF STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE OR ARBITRATE WITH THE FRANCHISOR IN CALIFORNIA THAN IN YOUR HOME STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS THE LAW OF YOUR STATE. YOU MAY WANT TO COMPARE THESE LAWS.**
- 3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Information comparing franchisors is available. Call the state administrators listed in Exhibit "H" or your public library for sources of information.

Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this Offering Circular. If you learn that anything in this Offering Circular is untrue, contact the Federal Trade Commission.

**Effective Date:** \_\_\_\_\_, 2006

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