

## ProntoWash USA, LLC

a Florida limited liability company

5481 NW 159 STREET Miami, Florida 33014 Telephone: 305-623-7851

## INFORMATION FOR PROSPECTIVE FRANCHISEES REQUIRED BY THE 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 CARE-FULLY. WHILE IT INCLUDES SOME INFORMATION ABOUT YOUR CONTRACT, DO NOT 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.

FEDERAL TRADE COMMISSION WASHINGTON, D.C. 20580

The Effective Date of This Offering Circular is Listed In Exhibit L.



## FRANCHISE OFFERING CIRCULAR

ProntoWash USA, LLC a Florida limited liability company 5481 NW 159 STREET Miami, Florida 33014

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Pronto Wash USA, LLC will grant you a franchise to operate a Pronto Wash Point of Service (POS). The initial franchise fee is \$35,000 for Tier A Mall Locations, \$25,000 for Tier B Mall Locations and \$15,000 for Tier C or D Property Locations. Before opening, you must also purchase the following items from us: Mobile Detailing Units (MDUs), uniforms, opening inventory, training and Point of Purchase promotional materials such as marketing materials, signs and stands at a cost of approximately \$21,000 to \$40,000 (see Item 5). For a Multi-Franchise agreement, the initial fee is 75% of our standard initial franchise fees for each location anticipated to be opened in your territory. The initial Master Franchise Sales fee varies based on the territory to be purchased and ranges from \$125,000 to \$344,806. Your estimated initial investment for a ProntoWash Point of Service at a Tier A or B Location is between \$90,970 to \$241,920 and a Tier C or D Location is between \$52,420 to \$134,245. Your estimated initial investment to enter into a Multi-Franchise agreement is \$71,170 to \$285,670; and a Master Franchise Sales Agreement \$145,475 to \$408,456.

## RISK FACTORS:

- 1. ALL PERSONS WITH MANAGEMENT RESPONSIBILITY, EXCEPT OUR PRESIDENT/CEO AND CHIEF MARKETING OFFICER, ARE NOT UNITED STATES CITIZENS.
- 2. ACCORDING TO OUR AUDITED FINANCIAL STATEMENTS, WE HAVE AN ACCUMULATED DEFICIT OF \$1.1 MILLION AS OF DECEMBER 31, 2005.
- 3. YOU MUST PAY US A MINIMUM ROYALTY OF \$500 (IN TIER C AND D LOCATIONS) AND \$1,000 (IN TIER A AND B LOCATIONS) PER MONTH AND A MINUMUM ADVERTISING FEE OF \$150 PER MONTH EVEN IF YOUR FRANCHISE HAS NO REVENUE IN A PARTICULAR MONTH.
- 4. IF YOU OR YOUR MANAGER DO NOT COMPLETE TRAINING TO OUR SATISFACTION WE MAY CANCEL THE FRANCHISE AGREEMENT AT OUR SOLE DISCRETION. THERE IS NO REFUND IF WE CANCEL YOUR FRANCHISE AGREEMENT FOR THIS REASON.
- 5. YOUR BUSINESS WILL BE IN A MALL PARKING LOT OR OTHER FACILITY OR AREA THAT SOMEONE ELSE OWNS. YOU CAN'T CONTROL THEIR OPERATING HOURS, CLOSURES, CUSTOMER TRAFFIC, REPUTATION, ADVERTISING OR OTHER BUSINESS ASPECTS BUT THESE FACTORS WILL IMPACT YOUR BUSINESS.

- 6. THE RESULTS OF YOUR FRANCHISE DEPEND AMONG OTHER FACTORS ON THE QUALITY OF YOUR WORK FORCE AND THEIR DEPENDABILITY.
- 7. YOUR BUSINESS WILL BE AFFECTED BY CHANGES IN GAS PRICES, CONSUMER TASTES, DEMOGRAPHIC PATTERNS, CHANGING CHARACTER OF THE AREA WHERE YOUR POINT OF SERVICE IS LOCATED, INFLATION, WEATHER, COMPETITION, COSTS, GOVERNMENT REGULATIONS LIKE WAGE LEVELS, AND OTHER OPERATING COSTS.
- 8. THERE ARE MANY CAR WASH POINTS OF SERVICE NATIONWIDE. A CUSTOMER PROBLEM, NEWS INCIDENT OR OTHER BAD PUBLICITY AT ANY OF THESE CAR WASH POINTS OF SERVICE, EVEN ONES FAR FROM YOU, OR BAD PUBLICITY ABOUT A CAR WASH NOT AFFILIATED WITH PRONTOWASH OR ABOUT CAR WASHES GENERALLY, WILL HURT YOUR BUSINESS.
- 9. AS COMPETITORS ADD MORE CAR WASH LOCATIONS YOU WILL HAVE MORE COMPETITION. THIS MAY FORCE YOU TO REDUCE PRICES AND MEAN FEWER PEOPLE MAY BUY FROM YOU.
- 10. OUR METHOD OF WASHING CARS (MOBILE DETAILING UNITS MDUs) IS NEW. THERE MAY BE NEW PROBLEMS, NEW REGULATIONS AND OTHER CIRCUMSTANCES WE HAVE NOT EXPERIENCED OR FORESEEN.
- 11. THE LOCATION OF YOUR POS MAY NOT BE KNOWN WHEN YOU SIGN YOUR FRANCHISE AGREEMENT. A LONG PERIOD OF TIME MAY PASS AFTER SIGNING YOUR AGREEMENT UNTIL YOU FIND A SUITABLE LOCATION. THERE IS ALSO NO GUARANTEE THAT YOU WILL OBTAIN YOUR DESIRED LOCATION.
- 12. YOUR LEASE TERM MAY NOT COINCIDE WITH THE TERM OF YOUR FRANCHISE AGREEMENT. IF YOUR LEASE ENDS BEFORE THE TERM OF THE FRANCHISE AGREEMENT, YOU WILL NEED TO RELOCATE THE FRANCHISE AT YOUR EXPENSE. THIS WILL DISRUPT YOUR OPERATIONS. RELOCATING MAY NOT BE POSSIBLE.
- 13. THE OWNER OR LESSEE OF THE LOCATION WHERE YOUR POINT OF SERVICE IS LOCATED MAY CHANGE THEIR MIND ABOUT THE FRANCHISE OR FRANCHISEE (YOU) OPERATING THERE. THIS MAY RESULT IN YOU NEEDING TO RELOCATE AT YOUR EXPENSE, WHICH WILL BE DISRUPTIVE. RELOCATING MAY NOT BE POSSIBLE.
- 14. THE FRANCHISE AGREEMENT SAYS FLORIDA LAW GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS TO YOU AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE YOUR LOCAL LAWS TO FLORIDA LAW.
- 15. THE FRANCHISE AGREEMENT LETS YOU LITIGATE WITH US ONLY IN MIAMI, FLORIDA. IF YOU ARE LOCATED OUTSIDE FLORIDA, THEN LITIGATION IN FLORIDA MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN FLORIDA THAN IN YOUR HOME STATE.

THERE ARE ALSO OTHER RISKS CONCERNING THIS FRANCHISE.

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

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Registration of this franchise by a state does not mean the state recommends it or verified the information in this offering circular. If you learn that anything in the offering circular is untrue, contact the Federal Trade Commission and the administrator in your state, listed in Exhibit K.

SEE EXHIBIT L FOR STATE SPECIFIC INFORMATION THAT MAY PERTAIN TO YOU.

The Effective Date of This Offering Circular is Listed In Exhibit L.