

## FRANCHISE DISCLOSURE DOCUMENT



### SERVICEMASTER CLEAN/RESTORE SPE LLC

A Delaware Limited Liability Company One

Glenlake Parkway, 14<sup>th</sup> Floor

Atlanta, Georgia 30328

Phone: 800-756-5656

smfranchiseinfo@smclean.com

www.servicemasterclean.com

You will operate a ServiceMaster Clean® business (a “**Clean Franchise**”). Clean Franchises provide to management or tenants of commercial or institutional buildings contracted janitorial services on a continuing basis and carpet, furniture and other periodical non-janitorial cleaning and maintenance.

The total investment necessary to begin operation of a ServiceMaster Clean® franchise ranges from \$89,775 to \$131,200. This total investment includes \$37,250 that must be paid to us or our affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement or make any payment 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 the Franchise Sales office at One Glenlake Parkway, 14<sup>th</sup> Floor, Atlanta, Georgia 30328 or at 800-756-5656.

The terms of your franchise agreement will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your franchise agreement. Read all of your franchise agreement carefully. Show your franchise agreement 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 of 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, N.W., Washington, D.C. 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information.

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

The issuance date of this disclosure document is May 1, 2024, as amended on September 9, 2024 and October 3, 2024.

Ms. James has been a Franchise Development Manager for us since February 2022. From February 2021 to February 2022, she was a Sr. Franchise Business Consultant for Another Broken Egg of America Franchising, LLC in Atlanta, Georgia. From January 2017 to February 2021, she was an Operations Service Manager for Double R Restaurant Group, LLC in Atlanta, Georgia. Ms. James serves in her present capacities in Atlanta, GA.

### ITEM 3: LITIGATION

#### Disclosures Related to Us

##### Pending Actions

H&L Enterprises, LLC v. ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Brands, Circuit Court of Shelby County for the State of Tennessee, Thirteenth Judicial District, Case No.: CT-4161-23, filed on October 5, 2023.

A lawsuit was filed by a former ServiceMaster Restore franchisee alleging that we improperly (a) removed the franchisee from an optional vendor program, (b) permitted another franchisee to operate in the franchisee's non-exclusive territory, and (c) terminated the franchisee's franchise agreement. The suit includes claims alleging: (1) breach of contract; (2) breach of the implied duty covenant of good faith and fair dealing; (3) violation of the Tennessee Franchise Law (T.C.A. §47-25-1501, et. seq.); and (4) unjust enrichment. The plaintiff is seeking damages with interest, attorneys' fees, and reinstatement of its Franchise Agreement and its membership in the vendor program. On January 31, 2024, we filed an Answer to the Complaint in which we refuted such claims and denied any wrongdoing. At this time, the suit remains pending.

#### Disclosures Related to Predecessor

W&P Enterprises, et al v. ServiceMaster Residential/Commercial Services Limited Partnership, et al; U.S.D.C (W.D. TN) Case 2:14-cv-02292-JTF

Suit was filed April 23, 2014 by a franchisee seeking to enjoin Predecessor from selling additional franchises in Tulsa and Creek counties in Oklahoma. The franchisee disputed Predecessor's termination of its exclusivity addendum as a result of the franchisee's breach of the addendum. A temporary injunction was issued; then the franchisee agreed to arbitrate the issues. The parties engaged in settlement discussions and resolved the matter. The parties agreed to the reinstatement of the franchise agreement with a modified exclusivity addendum; agreed to a more clearer definition of the terms of the Franchise Agreement; that Predecessor would waive the franchisee's non-compliance with growth requirements for 2012 and 2013; that the addendum, once reinstated and as modified, would remain in full force and effect and be subject to termination by Predecessor after the effective date; and that each party would pay their own attorney fees. Stipulation of dismissal with prejudice was entered with the Court on June 13, 2014.

ServiceMaster by Jones, Inc. v. ServiceMaster Residential/Commercial Services Limited Partnership; Tennessee Chancery Court, 30<sup>th</sup> District, No. CH-14-1845

A suit was filed on December 29, 2014, in Memphis Tennessee, alleging misrepresentation and fraud in the inducement, and unfair and deceptive trade practices by Predecessor with regard to Predecessor's sale of a franchise to Plaintiff. Plaintiff requests rescission of the franchise agreement, payment of damages, and punitive damages. Predecessor denies any wrongdoing. On February 25, 2016, Predecessor filed a Motion to Stay the proceedings and Compel Arbitration under the terms of the party's Franchise Agreement. Predecessor's Motion was granted at the April 1, 2016, hearing. Predecessor agreed to pay \$20,000 but denied any wrongdoing. As part of the settlement, the parties agreed to an early termination of the franchise agreement. Jones agreed to comply with a post-termination non-compete and non-solicitation requirement

**State Effective Dates**

The following states have franchise laws that 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
California	June 25, 2024, as amended on <del>September 19, 2024</del> <i>Pending</i>
Hawaii	May 27, 2024, as amended on <del>September 19, 2024</del> <i>Pending</i>
Illinois	May 1, 2024, as amended on September 9, 2024 and October 3, 2024
Indiana	May 16, 2024, as amended on September 9, 2024 and October 3, 2024
Maryland	<i>Pending</i>
Michigan	May 13, 2024, as amended on September 9, 2024 and October 3, 2024
Minnesota	August 27, 2024, as amended on <del>amended on</del> <i>Pending</i>
New York	August 19, 2024, as amended on <del>amended on</del> <i>Pending</i>
North Dakota	June 27, 2024, as amended on <del>amended on</del> September 13, 2024 <i>Pending</i>
Rhode Island	May 19, 2024, as amended on <del>amended on</del> September 13, 2024 <i>Pending</i>
South Dakota	May 22, 2024, as amended on September 9, 2024 and October 3, 2024
Virginia	June 17, 2024, as amended on <del>amended on</del> September 17, 2024 <i>Pending</i>
Washington	August 26, 2024, as amended on <del>amended on</del> September 18, 2024 <i>Pending</i>
Wisconsin	May 16, 2024, as amended on September 9, 2024 and October 3, 2024

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**Item 23: Receipt**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Clean, d/b/a ServiceMaster Restore, and d/b/a ServiceMaster Recovery Management offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, ServiceMaster or an affiliate in connection with the proposed franchise sales or sooner if required by applicable state law.

New York and Iowa require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (14 days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Clean, d/b/a ServiceMaster Restore, and d/b/a ServiceMaster Recovery Management does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency list in Exhibit C.

The franchise seller(s) for this offering is (are):

- Ender Cobo                       Amber James                       Daniel Laughlin
- Charles Kowanetz  \_\_\_\_\_  \_\_\_\_\_  \_\_\_\_\_

at ServiceMaster Clean/Restore SPE LLC, One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328; Phone 800-756-5656.

See Exhibit C for our agent for service of process in your state.

Issuance Date: May 1, 2024, as amended on September 9, 2024 and October 3, 2024

I have received a Franchise Disclosure Document with an issuance date of May 1, 2024, as amended on September 9, 2024 and October 3, 2024. This Disclosure Document includes the following Exhibits:

- A. Franchise Agreement and Related Agreements
- B. Financial Statements and Guaranty
- C. State Agencies and Agents for Service of Process
- D. List of Franchisees
- E. List of Former Franchisees
- F. State Addenda to Disclosure Document and to Franchise Agreement (where applicable)
- G. Operations Manual Table of Contents
- H. Conversion Ramp-up Amendments
- I. State Effective Dates and FDD Receipts

Signature	Print Name	Date
Signature	Print Name	Date

*(Please retain this copy for your files)*

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| D. List of Franchisees                              | I. State Effective Dates and FDD Receipts   |
| E. List of Former Franchisees                       |   |

_____ Signature	_____ Print Name	_____ Date
_____ Signature	_____ Print Name	_____ Date

***(Please return this copy to ServiceMaster)***