

FRANCHISE DISCLOSURE DOCUMENT



Gemini Cleaners LLC

A Maryland Limited Liability Company
8510 Corridor Road, Suite 200
Savage, Maryland 20763
(301) 313-0389
franchise@geminicleaners.com
www.mulberryscleaners.com

If you are awarded a Mulberrys Garment Care franchise, you will operate a premium, toxin-free dry cleaning, laundry, garment and fabric care, repair, and alterations business offering pick-up, drop-off, delivery, and locker services under the name “Mulberrys Garment Care” (your “Franchised Business”).

The total investment necessary to begin operation of a Franchised Business which has its own on-site cleaning facility ranges from \$724,739,700 to \$1,175,000. This includes \$37,500 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a retail store Franchised Business that has only drop-off facilities ranges from \$163,250 to \$338,000. This includes \$22,500 that must be paid to the franchisor or its affiliates. If you sign a Development Agreement, you must (a) develop two (2) or more Mulberrys Garment Care businesses, the first of which, in certain circumstances, must be a Franchised Business with its own cleaning facility, and (b) pay to franchisor or its affiliates a development fee equal to \$10,000 per Franchised Business, which will be credited against the initial franchise fee(s) due under each Franchise Agreement. The total investment necessary for a Development Agreement ranges from \$23,000 to \$25,000.

This disclosure document summarizes certain provisions of the Development Agreement and 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 payments to, us or our affiliates in connection with the proposed franchise sale, or sooner if required by applicable state law. **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 Gemini Cleaners LLC Sales Department at 8510 Corridor Road, Suite 200, Savage, Maryland 20763 or (301) 313-0389.

The terms of the Development Agreement (if applicable) and Franchise Agreement (“Agreements”) will govern your franchise relationship. Don’t rely on the disclosure document alone to understand the Agreements. Read all of the Agreements carefully. Show the Agreements 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 by calling 1-877-FTC-HELP or writing the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20850. You can also visit the FTC’s home page at 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: April 1, 2024

Special Risks to Consider About This Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation and/or litigation only in Maryland, where the franchisor's principal place of business is located. 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 in Maryland than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Supplier control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
4. **Financial Condition.** The franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the franchisor's financial ability to provide services and support to you.
- 3.5. **Operating History:** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

months of extensions requested. If we grant an extension on any deadline, we will determine the length of the extension in our sole discretion, not to exceed the number of full months requested by you, and you must pay an extension fee to us equal to \$2,000 per full month to compensate us for our costs, expenses and lost opportunities related to the proposed extension (the "Extension Fee"). We may consider a variety of factors in granting or denying an extension, including the diligence you have shown in meeting the Development Schedule. The Extension Fee is fully earned by us when due and is nonrefundable, and will not be credited against any Initial Franchise Fee.

Architectural Plans and Services

We will provide you a generic layout for a Franchised Business. Your architect must develop site specific plans for the Franchised Location. Before you commence construction, we must review and accept the final plans. If you do not use an architect acceptable to us, you must reimburse us for all costs and expenses we incur (including an hourly fee for any employee of ours) to assist you with developing the Plans. This amount will be due upon your receipt of an invoice from us. We cannot estimate the cost of these services.

* * * *

These fees are uniform for all franchisees and, unless otherwise indicated, are fully earned by us and non-refundable upon receipt. We do not offer any financing for any fees or amounts described in this Item 5.

ITEM 6

OTHER FEES

TYPE OF FEE⁽¹⁾	AMOUNT	DUE DATE	REMARKS⁽²⁾
Royalty	6% of Royalty Net Sales	Due by 8:00 AM EST on the Tuesday after the end of each fiscal week (as determined by us)	See Note 3 for the definition of Royalty Net Sales.
Total Marketing Obligation⁽⁴⁾	5% of Royalty Net Sales divided among the National Marketing Fund, any Regional Marketing Fund (or, any Regional Co-op) and Local Store Marketing	See below	Your total marketing obligation and our marketing funds are further described in Item 11. <u>We cannot require you to spend more than 5% of Royalty Net Sales for your total marketing obligation, of which not more than 4% Royalty Net Sales can be used for the National Marketing fund and not more than 3% Royalty Net Sales can be used for a Regional Marketing Fund (or Regional Co-op).</u>

TYPE OF FEE ⁽¹⁾	AMOUNT	DUE DATE	REMARKS ⁽²⁾
Indemnification	The losses and expenses incurred by us and our affiliates	As incurred	To the extent permitted by applicable law, you must indemnify and hold us, our affiliates, and Mulberrys Franchising, LLC harmless in all actions arising out of or resulting from the development or operation of your Franchised Business.
Interest	Interest on the amount owed from the date due until paid	When any payment is overdue	The interest rate is the maximum rate permitted for indebtedness of this nature in the state in which the Franchised Business is located not to exceed 1.5% per month (or a portion of a month).
Late Fee	\$500 for each delinquent payment or report	On demand	You must pay the late fee if any payment is paid or if any report is submitted after the Due Date or if any report is submitted in the incorrect format.
New Product and Supplier Testing	Reasonable cost of the inspection and the actual cost of the test. <u>We estimate that the fees for such testing will be between \$-0- and \$2,500.</u>	As incurred	If you propose to purchase any materials (that you are not required to purchase from us, an affiliate of ours or a designated supplier) from a supplier that we have not previously approved, you must submit a written request for such approval or request the supplier to do so itself. We have the right to require, as a condition of approval, that our representatives be permitted to inspect the supplier's facilities, and that such information, specifications and samples as we reasonably designate be delivered to us and/or to an independent, certified laboratory designated by us for testing prior to granting or refusing to grant approval.
Reimbursement of Insurance Costs	Our out-of-pocket costs of obtaining coverage	Immediately upon receipt of invoice	If you fail to procure or maintain the required insurance, we may procure the insurance and charge its cost along with our out-of-pocket expenses to you.

ITEM 7

ESTIMATED INITIAL INVESTMENT

Franchise Agreement

**TABLE A:
YOUR ESTIMATED INITIAL INVESTMENT FOR A FRANCHISED BUSINESS FOR A PLANT
FACILITY**

Type of Expenditure	Amount¹	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Fees - Initial Franchise Fee ²	\$15,000 - \$30,000	Lump Sum	Upon signing Agreement	Us
New Store Marketing ³	\$10,000 - \$25,000	As incurred	Between 90 days prior to opening to 60 days after opening of Franchise Business	Third Parties
Real Property/Rent ⁴	\$10,000 - \$20,000	As Arranged	As arranged	Landlord
Utility Deposits ⁵	\$2,000 - \$6,000	As Arranged	As incurred	Utility Company or Surety Bond Agent
Leasehold Improvements ⁶	\$195,000 - \$290,000	Progress Payments	As arranged	Contractor
Architectural and Engineering Fees ⁷	\$10,000 - \$35,000	As Arranged	As incurred	Architect
Furnishings, Fixtures, Marketing Materials, Supplies, and Other Branded Items ⁸	\$13,000 - \$17,000	As arranged	As incurred	Approved Vendors, Third Parties
Insurance ⁹	\$3,000 - \$7,000	As arranged	As incurred	Insurance Companies
Signage ¹⁰	\$20,000 - \$25,000	As arranged	As incurred	Approved Vendors, Third Parties
Point of Sale System/Technical Equipment ¹¹	\$16,000 - \$25,000	As arranged	As incurred	Approved Vendors, Third Parties
Software ¹²	\$7,500	As incurred	Upon signing Agreement and Franchise Agreement	ZIPSoft

Type of Expenditure	Amount ¹	Method of Payment	When Due	To Whom Payment Is To Be Made
Office Equipment & Supplies ¹³	\$1,200 - \$4,000	As arranged	As incurred	Approved Vendors, Third Parties
Dry Cleaning / Laundry Production Equipment and Installation ¹⁴	\$325,000 - \$425,000	As arranged	As incurred	Approved Vendors
Initial Production Supplies ¹⁵	\$10,000 - \$15,000	As arranged	As incurred	Approved Vendors
Training ¹⁶	\$500 - \$30,000	As arranged	As incurred	Airlines, Hotels, Third Parties
Licenses and Permits and Professional Fees ¹⁷	\$1,500 - \$13,500	As arranged	As incurred	Licensing Authorities, your attorney, accountant and other business advisors
Additional Operating Funds – 6 months ¹⁹	\$100,000 - \$200,000	As arranged	As incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT²⁰	\$724,739,700 – 1,175,000			

**TABLE B:
YOUR ESTIMATED INITIAL INVESTMENT FOR A FRANCHISED BUSINESS FOR A DROP FACILITY²¹**

Type of Expenditure	Amount ¹	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Fees – Initial Franchise Fee ²	\$15,000	Lump Sum	Upon signing Agreement	Us
New Store Marketing ³	\$5,000 - \$10,000	As incurred	Between 90 days prior to opening to 60 days after opening of Franchise Business	Third Parties

**ADDITIONAL DISCLOSURES REQUIRED BY
THE STATE OF CALIFORNIA**

Agreement and if you renew the Franchise Agreement. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The Development and Franchise Agreement provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.*).

The Development and Franchise Agreement provide for application of the laws of Maryland. This provision may not be enforceable under California law.

The Development and Franchise Agreement contain a choice of forum provision. These provisions require that any action you bring be commenced in the jurisdiction where our principal business address is located, which is currently in Maryland. These provisions may not be enforceable under California law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The franchisor is not adequately capitalized and/or must rely on franchise fees to fund our operations. A Guarantee of Performance from a guarantor who shows financial ability to meet the franchisor's obligations is provided. Our guarantor is Value Drycleaners of America, LLC and its financial statements are attached to this FDD in Exhibit I. We will provide you with a copy of the Guarantee of Performance upon request.

The Department of Financial Protection and Innovation has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

**ADDENDA REQUIRED BY
THE STATE OF MINNESOTA**

**ADDENDUM TO GEMINI CLEANERS, LLC
DEVELOPMENT AGREEMENT
REQUIRED FOR MINNESOTA DEVELOPERS**

This Addendum to Gemini Cleaners, LLC Development Agreement dated _____ (“Development Agreement”) between Gemini Cleaners, LLC (“Franchisor”) and _____ (“Developer”) is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of Minnesota; **(B)** you are a resident of the State of Minnesota; and/or **(C)** part or all of the Development Territory is located in the State of Minnesota.

2. The following is added to the end of Section 4:

The Minnesota Department of Commerce has imposed a fee deferral requirement because of our financial condition. Accordingly, notwithstanding the foregoing, in the State of Minnesota, we will defer the payment of the Development Fee until we have completed all of our pre-opening obligations and the first Franchised Business required to be developed under this Agreement opens for business. Upon the opening of the first Franchised Business that you develop under this Agreement, you shall pay to us the Development Fee. Your failure to pay the Development Fee when due shall be a breach of this Agreement.

23. The following sentence is added to the end of Sections 3B(2) and 9B(5):

Notwithstanding the foregoing, Developer will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

34. Section 10B(1)(i) is deleted and replaced with:

(i) Developer’s use or duplication of the System or any part of the System in any other business would constitute an unfair method of competition, for which Franchisor would be entitled to all legal and equitable remedies, including injunctive relief. The franchisor may seek injunctive relief.

45. The following sentence is added to the end of Section 11:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which require, except in certain cases, that Developer be given 90 days notice of termination (with 60 days to cure) of the Development Agreement.

56. The following sentence is added to the end of Section 19B:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota.

67. The following statements are added at the end of Section 19D:

Nothing in the disclosure document or Development Agreement can abrogate or reduce any of Developer's rights as provided for in Minnesota Statutes, Section 80C.17, Subd. 5.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

~~78.~~ The third sentence of Section 19G and Section 22K are deleted.

~~89.~~ The second sentence of Section 21E is deleted and replaced with the following:

Developer agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Developer, Franchisor will be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance.

~~910.~~ The following is added as Section 19H:

Nothing in the Development Agreement can abrogate or reduce any of Developer's rights as provided for in Minnesota Statutes, Chapter 80C, or Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

~~4011.~~ Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Development Agreement.

~~4412.~~ Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

FRANCHISOR:
GEMINI CLEANERS, LLC

DEVELOPER:

By: _____
Print Name: _____
Title: _____
Date: _____

Date: _____

**ADDENDUM TO GEMINI CLEANERS, LLC
FRANCHISE AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to Gemini Cleaners, LLC Franchise Agreement dated _____ (“Franchise Agreement”) between Gemini Cleaners, LLC (“Franchisor”) and _____ (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of Minnesota; **(B)** you are a resident of the State of Minnesota; or **(C)** the Franchised Business will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Sections 2B(3)(g) and 20B(5):

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

3. The following sentence is added to the end of Section 2B:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that a franchisee be given 180 days’ notice for non-renewal of the Franchise Agreement.

4. The following is added to the end of Section 7A:

The Minnesota Department of Commerce has imposed a fee deferral requirement because of our financial condition. Accordingly, notwithstanding the foregoing, in the State of Minnesota, we will defer the payment of the Initial Franchise Fee until we have completed all of our pre-opening obligations and the Franchised Business opens for business. Upon the opening of the Franchised Business, you must pay to us the Initial Franchise Fee. Your failure to pay the Initial Franchise Fee when due shall be a breach of this Agreement.

5. Section 22B(1)(i) is deleted and replaced with:

(i) Franchisee’s use or duplication of the System or any part of the System in any other business would constitute an unfair method of competition, for which Franchisor would be entitled to all legal and equitable remedies, including injunctive relief. The franchisor may seek injunctive relief.

~~56.~~ The following sentence is added to the end of Section 23:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure) of the Franchise Agreement.

67. The following sentence is added at the end of Section 32B:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota.

78. The following statements are added at the end of Section 32D:

Nothing in the disclosure document or Franchise Agreement can abrogate or reduce any of Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C.17, Subd. 5.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

98. The third sentence of Section 32G and Section 35O are deleted.

910. The second sentence in Section 34E is deleted and replaced with the following:

Franchisee agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisee, Franchisor will be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance.

4011. The following is added as Section 34J:

Nothing in the Franchise Agreement can abrogate or reduce any of Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4412. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

4213. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:

FRANCHISEE:

GEMINI CLEANERS, LLC

By: _____

Print Name: _____

Title: _____

Date: _____

Date: _____