ACTION DUCT CLEANING FRANCHISING, INC.
FRANCHISE DISCLOSURE DOCUMENT

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DEPT OF BUSINESS OVERSIGHT
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2 Within 30 days of your projected opening, we will provide a ten day class called Action Duct Cleaning University to train you and one other person at our Altadena, California Headquarters (Franchise Agreement - Paragraph 4 Sections A, B and D) We will also lend you our 120 page Operations Manuals which contain mandatory and suggested specifications, standards and procedures This manual is confidential and remains our property We may modify this manual, but the modification will not alter your status and rights under the Franchise Agreement (Franchise Agreement - Paragraph 4B) The table of contents of our current Manuals are included as Exhibit E at the end of this document

3 If you decide to open a small office outside your residence, when you find sites that you feel are suitable and meet the needs of your Action Duct Cleaning Franchise, we will provide you guidance based on our experience in leasing commercial property You must submit the sites and proposed lease for our acceptance We will review your choices and corresponding documents to verify that they meet our standards and discuss our findings with you and issue acceptance subject to our comments and suggested changes regarding the lease (Franchise Agreement - Paragraphs 2 and 4D)

The training will include information on topics critical to your success as follows

TRAINING PROGRAM

Subject	Hours of Class-room Training	Hours of On-the-Job Training	Location
Industry Overview, Entrepreneurship, Orientation	2	0	Action Duct Cleaning Headquarters in Altadena, CA
List of Services, Software, and Philosophy	1	0	Action Duct Cleaning Headquarters
Technical Training on Action Duct Cleaning Services	50	0	Action Duct Cleaning Headquarters
Staffing Your Business, Training and Motivating Your Team	2	0	Action Duct Cleaning Headquarters
Personnel, Safety, Security, Record Keeping and Accounting	2	0	Action Duct Cleaning Headquarters
Marketing, Promotion, Sales, and Booking Projects	17	0	Action Duct Cleaning Headquarters
Customer Relations	2	0	Action Duct Cleaning Headquarters
Managing By the Numbers	2	0	Action Duct Cleaning Headquarters

Altadena headquarters or at other locations of our choosing (Franchise Agreement - Paragraph 4B)

5 We may, from time-to-time, develop promotional, advertising and marketing materials for use in your territory You will receive samples of these items at no charge If you want additional copies you must pay us or our vendors for them You may develop promotional materials for your own use, at your own cost We must approve these materials in writing in advance of their use We do not require you to join an advertising cooperative In the future, we may require that you and all franchisees pay up to 2% of sales per year as an Advertising Fee to promote our brand regionally and nationally but we will not institute this fee until at least 15 franchises are open for business The Action Duct Cleaning Ad Account will be administered by us but we will seek the guidance of a committee consisting of Franchise Owners and our representatives Each year that the fee is active, a compilation of its financial activities will be prepared by an independent CPA and shared with all franchisees In addition, any advertising fee not spent in the year collected will remain in the account to be expended in future years At such time, if ever, that an Advertising Fee is implemented, we will contribute 2% of annual sales (or any lower system-wide rate which is identical to that paid by franchisees) of our company-owned or affiliate-owned Action Duct Cleaning businesses as a Fee There are no governing documents for the advertising account as of the date of this Disclosure Document No portion of the advertising account will be used to solicit new franchise sales We control all advertising over the internet, including the systemwide web site You cannot have your own website (Franchise Agreement - Paragraph 4E)

C Computer Purchases

You are required to have computers for managing the business, for use as a training aid for your staff, for developing a database of your customers, maintaining communications over the Internet and to produce your accounting records Your system and its software must properly communicate with our systems to permit report submission and to access the Internet for communicating with us You will need, as a minimum, two Windows Compatible Laptop Computers with 15" screens and a minimum of 500 gigabyte hard drives and processors running at 1 6 gHz or more with an i5 processor, 4 GB Ram, communications software, and a printer You will also need to purchase the business management software package and training programs that we specify While we have researched the products available at this time and are confident in our selection, we reserve the right to require utilization of new software solutions in the future You will need a high speed internet connection to complement the computer system As shown in Item 7 of this Disclosure Document, you can expect to spend from $2,500 to $3,500 on the computer hardware, software and related equipment, and you can expect to spend approximately $300 each year on optional or required maintenance, updating, upgrading or support of the equipment We will have unrestricted access to your franchise's accounting system, your database of prospects, clients, employees and vendors, as well as, all information entered in that system

D Site Selection and Opening

We anticipate that franchisees will operate their businesses from a home office and open their franchise 1 to 3 months after they sign a franchise agreement If you choose to operate from a commercial site, you must ~~obtain our acceptance of your site based on the standards that we will share with you during your training In evaluating a~~notify us of your proposed site, ~~we consider population density demographics, traffic counts, visibility and nearby~~

~~businesses~~ but our approval is not required The factors that affect the time to open your franchise may include your ability to obtain a lease, financing, construction or building permit delays, zoning and local ordinances, and delayed delivery of equipment Your scheduling and completion of your training will also affect when you will be ready to open There is no requirement that you secure an approved site by any given time period, but there is a requirement that you open your franchise within 90 days of signing your Franchise Agreement, unless you receive a written extension of this time (Franchise Agreement - Paragraph 4 Section D) We can terminate your Franchise Agreement if you do not open within the 90 day period, with no refund of any part of your initial franchise fee We will consider granting an extension of time if we feel you have acted diligently to open the franchised business

E Insurance and Indemnification

You must maintain adequate insurance and indemnity coverage throughout the term of your Franchise Agreement and any extension thereof as mandated by our Operations Manuals You must also indemnify, or reimburse us for any losses or expenses we incur as a result of your actions or inaction You must obtain coverages provided by a carrier with an A M Best rating of A VIII or higher, and in connection therewith to identify us as a named insured to the extent of our interest (Franchise Agreement - Paragraph 5 Section I)

Prior to opening your business, you must deliver to us certificates or policies evidencing that your insurance is in full force and effect, and each year during the term of this Agreement, you must furnish premium receipts or other satisfactory evidence that such policies have continued in effect Should you fail to maintain the required insurance, or furnish proof thereof, we have the option to obtain such insurance for you at your sole cost and debit your operating account the amount of the premium You must promptly notify us of any and all claims under said policies of insurance against your franchise, us and/or our employees or agents of either

F Refurbishment, Remodel or Replace

Whether you occupy commercial space or work from you residence, you must maintain the appearance of the facility, and insure that your business's fixtures, equipment and supplies are in good working order Before each third (3rd) year anniversary you are required to remodel the facility to the then current standards The equipment may be either refurbished or replaced If upon inspection, the facility and equipment have not been maintained to standards, Action Duct Cleaning may notify you in writing that you must bring the facility and fixtures up to the then current standards within ninety days We anticipate that the costs of refurbishment, remodeling or replacement will cost between $1,000 to $5,000 depending on the sales of your business and the space you occupy

12 TERRITORY

You will receive a Protected Territory insuring that no other Action Duct Cleaning franchises will be located within your Protected Territory nor will they be authorized to offer cleaning services to homes or businesses there without your express permission Each territory will differ in size depending on local demographics, the population, and the number of businesses in the area, however, in most cases, your territory will include a population of at least one million residents and we anticipate that territories would not exceed two million residents We use US Census data and directories to assist in evaluating a territory Your territory will be defined by county or municipal boundaries, geographic or highway boundaries, or zip codes You are authorized to operate only one

Action Duct Cleaning business from your residence or a location that lies within your Protected Territory as defined in your Franchise Agreement You will provide your services at residential or commercial properties that lie within your Protected Territory's borders and you are prohibited from offering services within the Protected Territory of another Franchisee You may not, unless advertising with other Action Duct Cleaning Franchisees, target customers in areas outside your Protected territory with direct marketing nor advertise in internet, telephone, or similar directories that target these areas, nor may you establish mailing addresses for your Action Duct Cleaning business that would lead others to believe that you offer services or sell products outside of your Protected Territory If you complete projects in areas that do not lie within another franchisee's (or our affiliate's) Protected Territories, you may not service that client in the future if a franchisee has purchased the territory where the client operates

During the term of your franchise, you may purchase rights to open another Action Duct Cleaning franchise in another territory, if a suitable territory is available, for an Initial Franchise Fee of ninety percent (90%) of the rate being charged new franchisees at the time of your purchase This is only available if you are in compliance with the terms of this and any other agreements or contracts you have with us You do not otherwise have a right of first refusal to obtain additional territories or areas

You do not have to generate a minimum level of sales or market penetration to maintain your Protected Territory There are no circumstances that would allow us to modify your Protected Territory

We are not restricted by the Franchise Agreement or otherwise from using other channels of distribution, such as the Internet, telemarketing, or other direct marketing methods, to make sales of cleaning related services or materials within your territory, whether using the Action Duct Cleaning marks or any other marks If we were to make sales through such alternative channels of distribution, you would not be paid for any sales that are delivered into your Protected Territory

If we, or you, receive a request for services within your territory that you are not equipped nor trained to do, or that you refuse to do, we reserve the right to service that account ourselves or assign it to our affiliate, another franchisee or some other entity, without compensating you

While you will not receive an exclusive territory we will protect you from competition from other Action Duct franchisees and from outlets that we own, or from other channels of distribution or competitive brands that we control

13 TRADEMARKS

We grant you the right to operate one Action Duct Cleaning business within a specific geographic territory You may also use current and future trademarks and service marks we register to identify your business and its products and services

We grant you the rights to use the Service Mark "**Action Duct Cleaning,**" for which our affiliate has applied for registration by our affiliate, Action Duct Cleaning Company, Inc, with the United States Patent and Trademark Office Principal Register on November 20, 2017, and assigned Serial Number 87691221 Action Duct Cleaning Company, Inc has granted us the right to use the mark in franchising

We do not have a federal registration for our principal trademark Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark If our right to use the

The earnings claims figures do not reflect all of the cost of sales operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business Franchisees or former franchisees listed in the Disclosure Document may be one source of this information

20 OUTLETS AND FRANCHISEE INFORMATION
ITEM 20 TABLE NO 1
Systemwide Outlet Summary
For Years 2015 to 2017

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2015	0	0	0
	2016	0	0	0
	2017	0	0	0
Company-Owned*	2015	3	3	0
	2016	3	3	0
	2017	3	3	0
Total Outlets	2015	3	3	0
	2016	3	3	0
	2017	3	3	0

*These offices are owned and operated by our Affiliate, Action Duct Cleaning Company, Inc based at 2333 Lincoln Avenue, Altadena, CA 91001

ITEM 20 TABLE NO 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For Years 2015 to 2017

State	Year	Number of Transfers
None	2015	0
	2016	0
	2017	0
Total	2015	0
	2016	0
	2017	0

During the last three fiscal years, we have not signed any confidentiality clauses with any current or former licensees or franchisees which would in any way restrict their ability to speak with you openly about their experience with Action Duct Cleaning Franchises

There are no trademark specific franchisee organizations associated with the franchise system, nor are there any independent franchisee organizations that have asked to be included in this disclosure document

21 FINANCIAL STATEMENTS

The company's Audited Initial Financial Statements at January 19, 2018 The franchisor was incorporated on October 16, 2017 and has no prior financial statements The fiscal year ends on December 31

22 CONTRACTS

Attached hereto are the following documents associated with this franchise offering

EXHIBIT F – Franchise Agreement
- Addendum A – Franchisee's Protected Area
- Addendum B – Closing Acknowledgments
- Addendum C – Approved Location and Protected Territory Acknowledgment
- Addendum D – Guaranty
- Addendum E – State Law Addendum
- Addendum F – Bank Authorization Form
- Addendum G – Collateral Assignment of Lease
- Addendum H – Assignment of Telephone Numbers and Listings
- Addendum I – Sample Non-Disclosure and Non-Competition Provisions for General Managers
- Addendum J – Sample Promissory Note

23 RECEIPT

The last two pages of this Disclosure Document are duplicate copies of our Receipt acknowledging that you have received this Disclosure Document You are required to sign each Receipt and return one copy to us at the address on the cover of this Disclosure Document

EXHIBIT C TO THE FRANCHISE DISCLOSURE DOCUMENT
~~SCHEDULE~~LIST OF STATE ~~AGENCIES~~ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

California
Commissioner of Business Oversight
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013-1105
(213) 736-2741, also 1-866 ASK-CORP (1-866-275-2677)

Hawaii
Department of Commerce & Consumer Affairs
335 Merchant Street
Honolulu, Hawaii 96813
(808) 586-2722

Illinois
Franchise Division
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana
Agent
Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

Administrator
Securities Commissioner
Indiana Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

Maryland
Agent for Service of Process
Maryland Securities Commissioner
200 St Paul Place, 20th Floor
Baltimore, Maryland 21202-2020
(410) 576-7044

Inquiries About Franchise Matters
Office of Attorney General
Division of Securities
200 St Paul Place, 20th Floor
Baltimore, Maryland 21202-2020
(410) 576-7044

EXHIBIT D TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE-SPECIFIC AMENDMENTS

The following information supplements our Franchise Disclosure Document and supersedes any conflicting information contained in the main body of the Disclosure Document

FOR RESIDENTS OF THE STATE OF CALIFORNIA

California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination, transfer or non-renewal of a franchise If a franchise agreement contains a provision that is inconsistent with the law, the law still controls

The franchise agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A Sec 101 et seq)

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise This provision may not be enforceable under California Law

The Franchise Agreement states that late fees and interest will be charged when payments to the Franchisor are received past the agreed upon due date These rates may exceed those permitted by California Law The highest rate allowed in California at the date of this Disclosure Document is 10% per annum

Neither the Franchisor, nor any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq , suspending or expelling such person from membership in such association or exchange

Section 31125 of the California Corporations Code requires the Franchisor to give the Franchisee a disclosure document, in a form containing such information as the Commissioner may by rule or order require prior to a solicitation of a proposed material modification of an existing franchise

The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document

You must sign a general release if you transfer your franchise California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516) Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043)

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www dbo ca gov

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

EXHIBIT E TO THE FRANCHISE DISCLOSURE DOCUMENT

Action Duct

Cleaning Company

OPERATIONS MANUAL

Table of Contents - 92 pages

Action Duct

POLICY AND PROCEDURES MANUAL

Table of ~~Contents~~Contents- 28 Pages

C Approved Products Any advertising or marketing brochures, teaching materials or products that are used within the Franchisee's business or sold to customers, must be approved by Franchisor, in writing, before use

D Site Selection Subject to Section 2, Franchisee shall be responsible for researching its local market to find one or more potential sites for its Action Duct Cleaning business based on criteria as established by Franchisor Franchisor will advise Franchisee in the selection of a suitable territory, determining the best site for the business, whether a home-office or a commercial location, and provide lists of approved equipment, recruiting and marketing aids, and supplies for the franchised business Whether Franchisee chooses to operate from home or rent from others, Franchisor will review details of the location as to suitability, ~~and accept or not accept the chosen site within 20 days of notification of Franchisee's preference~~ but Franchisor approval of the site is not required, as long as it is located within the Territory The ultimate decision of where to locate its Action Duct Cleaning business is the responsibility of Franchisee and the Franchisor may not be held liable for a site that is ultimately unsuccessful Franchisee is responsible for researching local ordinances and building codes

E Promotion Subject to this Agreement, Franchisor agrees to provide advice and training in methods for selling, advertising, promoting and developing the franchised business From time to time Franchisor may develop marketing materials and newsletters to assist Franchisee in promoting its Action Duct Cleaning products and services Samples of such materials will be given to Franchisee and additional quantities may be purchased from the Franchisor or other vendors If Franchisor elects to establish an Advertising Fee, it will assist those charged with administering the Fee with developing advertising promotions and materials

F Website Customization Franchisor will add Franchisee's contact information to Franchisor's website a minimum of 15 days prior to the date scheduled by Franchisee to open for business

5 OBLIGATIONS OF THE FRANCHISEE

A Training Pursuant to Sections 4A, Franchisee agrees to attend and cause its designated General Management employee(s) to attend and successfully complete the training programs referred to in Section 4A, in accordance with all of the terms and conditions set forth therein

B Development of the Office, Commencement and Continuity of Operation Franchisee agrees to complete its initial training and open its franchise business within 90 days from the date this Franchise Agreement is signed Should Franchisee be unable to meet this deadline, Franchisor may grant a 90-day extension if Franchisee submits a written request and includes a satisfactory explanation of its diligent efforts to complete training and open the business

Franchisee agrees that, if the business will be occupied from leased space, at its expense, to do or cause to be done the following within 120 days following the Effective Date of this Agreement

i Deliver to Franchisor for review and approval a completed site approval report and other materials and information as specified in the Operations Manual Approval of a site that meets the criteria for demographic characteristics, traffic patterns, parking, character of neighborhood, competition from, proximity to, and nature of other businesses, other commercial characteristics, and the site's size, appearance, and other physical characteristics will not be unreasonably withheld,

Initials

ADDENDUM E TO THE FRANCHISE AGREEMENT

FOR RESIDENTS OF THE STATE OF CALIFORNIA

Calıfornıa Busıness and Professıons Code Sectıons 20000 through 20043 provıde rıghts to the Franchısee concernıng termınatıon transfeı or non-renewal of a franchıse If a franchıse agreement contaıns a provısıon that ıs ınconsıstent wıth the law, the law stıll controls

The franchıse agreement provıdes for termınatıon upon bankruptcy Thıs provısıon may not be enforceable under federal bankruptcy law (11 U S C A Sec 101 et seq)

The franchıse agreement contaıns a covenant not to compete whıch extends beyond the termınatıon of the franchıse Thıs provısıon may not be enforceable under Calıfornıa Law

Neıther the Franchısor, nor any person or franchıse broker ın Item 2 of the Dısclosure Document ıs subȷect to any currently effectıve order of any natıonal securıtıes assocıatıon or natıonal securıtıes exchange, as defıned ın the Securıtıes Exchange Act of 1934, 15 U S C A 78a et seq , suspendıng or expellıng such person from membershıp ın such assocıatıon or exchange

Sectıon 31125 of the Calıfornıa Corporatıons Code requıres the Franchısor to gıve the Franchısee a dısclosure document, ın a form contaınıng such ınformatıon as the Commıssıoner may by rule or order requıre prıor to a solıcıtatıon of a proposed materıal modıfıcatıon of an exıstıng franchıse

The Calıfornıa Franchıse Investment Law requıres that a copy of all proposed agreements relatıng to the sale of the franchıse be delıvered together wıth the Dısclosure Document

You must sıgn a general release ıf you transfer your franchıse Calıfornıa Corporatıons Code 31512 voıds a waıver of your rıghts under the Franchıse Investment Law (Calıfornıa Corporatıons Code 31000 through 31516) Busıness and Professıons Code 20010 voıds a waıver of your rıghts under the Franchıse Relatıons Act (Busıness and Professıons Code 20000 through 20043)

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www dbo ca gov

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

Illınoıs State Law Appendıx

The condıtıons under whıch your franchıse can be termınated and your rıghts upon non-renewal may be affected by Illınoıs Law, ILCS 705/19 and 705/20

Sectıon 41 of the Illınoıs Franchıse Dısclosure Act states that "any condıtıon, stıpulatıon, or provısıon purportıng to bınd any person acquırıng any franchıse to waıve complıance wıth the Act ıs voıd "

Inıtıals