

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

ROSETTA JENNINGS, MARCUS)
CROSDALE, MIKE HUGHES, and)
JESSIE BINION,)

Individually and on behalf of all others)
similarly situated others)

Plaintiffs,)

-vs-)

BONUS BUILDNG CARE, INC.,)
(Serve: Registered Agent)
Margaret Arleen Masterson)
4950 Keller Springs Rd, Suite 180)
Addison, TX 75001))

And)

BONUS OF AMERICA, INC.,)
(Serve: Registered Agent)
Brad Jackson)
3701 Turtle Creek Blvd, Suite 12G)
Dallas, TX 75219))

And)

ARLEEN CAVANAUGH,)
a/k/a MARGARET ARLEEN CAVANAUGH,))
a/k/a MARGARET ARLEEN MASTERSON,))
a/k/a ARLEEN MASTERSON,)
(Serve: 8241 State Highway 113)
McAlester, OK 74501))

And)

JOE MASTERSON,)
(Serve: 8241 State Highway 113)

Case Number:

JURY TRIAL DEMANDED

Division:

McAlester, OK 74501))
)
And)
)
PERRY WHITE,)
(Serve: 2150 Northwest Parkway SE, Suite S))
Marietta, GA 30067))
)
And)
)
KIM WHITE,)
(Serve: 2150 Northwest Parkway SE, Suite S))
Marietta, GA 30067))
)
And)
)
DAWN WOOD,)
(Serve: 5626 Preston Oaks Road, Apt 33B)
Dallas, TX 75254))
)
And)
)
JAIME GARCIA,)
(Serve: 14333 Proton Road)
Dallas, TX 75244))
)
And)
)
CHRIS B SCHEPPLER,)
(Serve: 115 Sandra Muraida Way)
Austin, TX 78703))
)
And)
)
JIM LACEY,)
(Serve: 6463 Yale Road)
Memphis, TN 38134))
)
And)
)
ROBIN MARLOW,)
(Serve: 1131 South Airport Circle, Suite 130))
Eules, TX 76040))
)
And)
)

RENEE MALCOLM,)
(Serve: 36 Georgetown Cir)
McAlester, OK 74501))
)
And)
)
ASHLEY BELT,)
(Serve: 36 Georgetown Cir)
McAlester, OK 74501))
)
And)
)
TIM TAYS,)
(Serve: 14333 Proton Road)
Dallas, TX 75244))
)
And)
)
JEANNE TAYS,)
(Serve: 14333 Proton Road)
Dallas, TX 75244))
)
And)
)
TRT ENTERPRISES, LLC,)
d/b/a STRATEGIC JANITORIAL)
SOLUTIONS,)
(Serve: Registered Agent)
Timothy Tays)
14333 Proton Road)
Dallas, TX 75244))
)
And)
)
ERNIE LYLE,)
(Serve: 1131 South Airport Cir, Ste. 130)
Eules, TX 76040))
)
And)
)
JASON RICH,)
(Serve: 2711 Stoney Brook Dr, Apt 801)
Houston, TX 77063))
)
And)
)

BONUS USA, LLC,)
(Serve: Registered Agent)
Timothy Tays)
2042 Wooddale Drive, Suite 130)
Woodbury, MN 55125))
)
And)
)
CHARLES "CHUCK" KINCADE,)
(Serve: 1574 Fawn Creek Road)
Brentwood, TN 37027))
)
And)
)
CHRIS KINCADE,)
(Serve: 4721 Trousdale Drive, Ste 116)
Nashville, TN 37220))
)
And)
)
EARL KINCADE,)
(Serve: 1574 Fawn Creek Rd)
Brentwood, TN 37027))
)
And)
)
GROVE PARTNERS OF BIRMINGHAM,)
LLC,)
(Serve: Chuck or Chris Kincade)
140 Oxmoor Blvd., Suite 110)
Birmingham, AL 35209))
)
And)
)
MIKE SHEPHERD,)
(Serve: 4721 Trousdale Dr, Suite 116)
Nashville, TN 37220))
)
And)
)
MAURICE REDDING, JR.,)
(Serve: 140 Oxmoor Blvd, Suite 110)
Birmingham, AL 35209))
)
And)
)

GROVE PARTNERS OF MEMPHIS, LLC)
(Serve: Registered Agent)
Christopher Kincade)
4721 Trousdale Dr., Suite 116)
Nashville, TN 37220))
)
And)
)
TAMMY CANTRELL,)
(Serve: 4721 Trousdale Dr., Suite 116)
Nashville, TN 37220))
)
And)
)
JEREMY DOBSON,)
(Serve: 2175 Bus Center Drive, Suite 3)
Memphis, TN 38134))
)
And)
)
JENNIFER HARPER,)
(Serve: 2175 Bus Center Drive, Suite 3)
Memphis, TN 38134))
)
And)
)
GROVE PARTNERS OF MIAMI, LLC)
(Serve: Registered Agent)
Charles Kincade)
5101 N.W. 21st Avenue)
Suite 510)
Ft. Lauderdale, FL 33309))
)
And)
)
TOM BENOIT,)
(Serve: 5101 NW 21st Ave, Suite 510)
Fort Lauderdale, FL 33309))
)
And)
)
GROVE PARTNERS OF NASHVILLE, LLC))
(Serve: Registered Agent)
Christopher Kincade)
4721 Trousdale Dr, Suite 116)
Nashville, TN 37220))

)
And)
)
JESSICA DIBBLE,)
(Serve: 140 County Wood Circle)
Nashville, TN 37214))
)
And)
)
THE KINCADE GROUP, LLC,)
(Serve: Registered Agent)
Christopher Kincade)
4721 Trousdale Drive, Suite 116)
Nashville, TN 37220))
)
And)
)
THE KINCADE GROUP – FOUNDER, INC.,))
(Serve: Registered Agent)
Christopher Kincade)
4721 Trousdale Dr, Suite 116)
Nashville, TN 37220))
)
And)
)
ANTHONY HARRISON,)
(Serve: 2150 Northwest Parkway SE, Suite S))
Marietta, GA 30067))
)
And)
)
JOHN FEAGIN,)
(Serve: 1247 Oak Street SW)
Atlanta, GA 30310))
)
And)
)
TAMK ENTERPRISES, INC,)
(Serve: Anthony Harrison)
1406 Bridgemill Avenue)
Canton, GA 30114))
)
And)
)
RANDALL DARENSBURG,)
(Serve: 4212 Mill Grove Ln SW)

Smyrna, GA 30082))
)
And)
)
PENNY KASCHAK,)
(Serve: 2150 Northwest Pkwy SE, Ste S)
Marietta, GA 30067))
)
And)
)
MICHAEL ROETZER,)
(Serve: 223 Sharney Lane NE)
Kennesaw, GA 30144))
)
And)
)
JONATHAN WHITMAN,)
(Serve: 2150 Northwest Parkway SE, Ste. S)
Marietta, GA 30067))
)
And)
)
JOE O'DAY,)
(Serve: 2050 S. Santa Cruz St, Suite 1200)
Anaheim, CA 92805))
)
And)
)
DALE MARSHKE,)
(Serve: 2050 S. Santa Cruz St, Suite 1200)
Anaheim, CA 92805))
)
And)
)
JDM VENTURES, INC.)
(Serve: Registered Agent)
Mark Edwards)
1806 Orange Tree Lane, Ste. C)
Redlands, CA 92374))
)
And)
)
MARVIN ASHTON,)
(Serve: 58 Tierra Montanosa)
Rancho Santa Margarita, CA 92688))
)

And)
)
LIZ REYES,)
(Serve: 2050 South Santa Cruz, Suite 1200)
Anaheim, CA 92805))
)
And)
)
GAVIN HART,)
(Serve: 91 Snelling Avenue N, Ste 120)
St. Paul, MN 55104))
)
And)
)
DESIREE SANCHEZ,)
(Serve: 91 Snelling Avenue N, Ste 120)
St. Paul, MN 55104))
)
And)
)
ANGEL FALLS SERVICES, LLC,)
(Serve: Registered Agent)
821 Raymond Ave)
St. Paul, MN 55114))
)
And)
)
DIANE THOMAS,)
(Serve: 1131 South Airport Circle, Ste 130)
Eules, TX 76040))
)
And)
)
BENNIE LOPER,)
(Serve: 704 Phillips Road)
Greer, SC 29650))
)
And)
)
TODD YODER,)
(Serve: 18 Parkway Commons Way)
Greer, SC 29650))
)
And)
)
PINNACLE ACQUISITIONS, LLC,)

(Serve: Registered Agent)
Bennie Loper)
6 Lambeth Ct)
Simpsonville, SC 29681))
And)
FIDEL MENDEZ,)
(Serve: 100 Executive Center Dr, Suite 7)
Columbia, SC 29210))
And)
RICH MAXWELL,)
(Serve: 100 Executive Center Dr, Suite 7)
Columbia, SC 29210))
And)
BILL POULSON,)
(Serve: 314 Lloyd Street, Suite 101-A)
Greenville, SC 29601))
And)
CHRIS PORTER,)
(Serve: 100 Executive Center Dr, Suite 7)
Columbia, SC 29210))
And)
JESSICA STEWART,)
(Serve: 100 Executive Center Dr, Suite 7)
Columbia, SC 29210))
And)
MELISSA SCHUSTER,)
(Serve: 18 Parkway Commons Way)
Greer, SC 29650))
And)
EUGENE RYAN,)
(Serve: 411 N Palm Ct)

Broken Arrow, OK 74012))
)
And)
)
NATALIE RYAN,)
(Serve: 411 N Palm Ct)
Broken Arrow, OK 74012))
)
And)
)
STEVE BURGER,)
(Serve: 8135 E 74th Place)
Tulsa, OK 74133))
)
And)
)
DENISE RYAN-BURGER,)
(Serve: 8135 E 74th Place)
Tulsa, OK 74133))
)
And)
)
RYCO KANSAS CITY, LLC,)
(Serve: Registered Agent)
Daniel Kohler)
9535 Alden Street)
Lenexa, KS 66215))
)
And)
)
DAN KOHLER,)
(Serve: 9535 Alden Street)
Lenexa, KS 66215))
)
And)
)
TERESA KEENEY,)
(Serve: 8931 E 74th Street)
Tulsa, OK 74133))
)
And)
)
ANGEL GARCIA,)
(Serve: 9535 Alden Street)
Lenexa, KS 66215))
)

And)
)
BURL SPENCER,)
(Serve: 6358 Hilltop Street)
Shawnee, KS 66226))
)
And)
)
RYCO ENTERPRISES, INC.,)
(Serve: Registered Agent)
Eugene Ryan)
10567 Lackman Road)
Lenexa, KS 66219))
)
And)
)
RICHARD HAYWARD,)
(Serve: 8135 East 74th Place)
Tulsa, OK 74133))
)
And)
)
JUSTIN DOUGLAS,)
(Serve: 815 W Weed Street)
Chicago, IL 60642))
)
And)
)
JUSTIN SIMMERING,)
(Serve: 10220 West Markham St, Ste 120)
Little Rock, AR 72205))
)
And)
)
REARDON MANAGEMENT, LLC)
(Serve: Registered Agent)
The Corporation Company)
124 West Capitol Ave, Ste. 1900)
Little Rock, AR 72201))
)
And)
)
JEFF CROCKER,)
(Serve: 500 Clanton Road, Suite B)
Charlotte, NC 28217))
)

And)
)
CHAD WEAVER,)
(Serve: 11900 Plantside Drive, Suite F)
Louisville, KY 40299))
)
And)
)
JCCW ENTERPRISES, LLC,)
(Serve: Registered Agent)
Randall Strause)
804 Stone Creek Pkwy, Ste 1)
Louisville, KY 40223))
)
And)
)
KEVIN FOX,)
(Serve: 309 East Sharon Road)
Cincinnati, OH 45246))
)
And)
)
GENE HOLLENCAMP,)
(Serve: 1329 Genesta Drive)
Evansville, IN 47720))
)
And)
)
DOUGLAS VENTURES, LLC,)
(Serve: Registered Agent)
CT Corporation System)
208 South Lasalle St, Ste 814)
Chicago, IL 60604))
)
And)
)
LAMONT GARY,)
(Serve: 34 N Keeler Ave, Apt 501)
Chicago, IL 60624))
)
And)
)
RHONDA HAMBURG,)
(Serve: 14901 S 81st Ct)
Orland Park, IL 60462))
)

And)
)
ROBERT YOUNG,)
(Serve: 1515 Newcastle Ave)
Westchester, IL 60154))
)
And)
)
PROFITNALL, INC.,)
(Serve: David Nall)
9600 Great Hills Trails, Suite 150W)
Austin, TX 78759))
)
And)
)
DAVID NALL,)
(Serve: 3007 Longhorn Blvd, Suite 100)
Austin, TX 78758))
)
And)
)
MELISSA EVERS,)
(Serve: 3007 Longhorn Blvd, Suite 100)
Austin, TX 78758))
)
And)
)
PAUL JOHNSON,)
(Serve: 1308 Wilson Road, #102)
Knoxville, TN 37912))
)
And)
)
BONUS BUILDING CARE OF)
KNOXVILLE, LLC,)
(Serve: Registered Agent)
Bonus USA, LLC)
9040 Executive Park Drive)
Suite 242)
Knoxville, TN 37923))
)
And)
)
JARROD COATES,)
(Serve: 301 Chesire Drive, Apt 187)
Knoxville, TN 37919))

)
And)
)
CATHLEEN HAMMER,)
(Serve: 9129 Grayland Dr., Apt A)
Knoxville, TN 37923))
)
And)
)
BONUS BUILDING CARE OF MEMPHIS,))
INC.,)
(Serve: Registered Agent)
Cathleen Hammer)
2175 Business Center Drive, Ste 3)
Memphis, TN 38134))
)
And)
)
DEANNA HAMMER,)
(Serve: 9129 Grayland Dr., Apt A)
Knoxville, TN 37923))
)
And)
)
MATTHEW HAMMER,)
(Serve: 9129 Grayland Dr., Apt A)
Knoxville, TN 37923))
)
And)
)
DARRY DOWDY,)
(Serve: 4419 Forest Valley Dr)
Memphis, TN 38141))
)
And)
)
JOHN SANTOS,)
(Serve: 1669 Kirby Parkway, Ste 201)
Memphis, TN 38120))
)
And)
)
BRIAN STRICKLER,)
(Serve: 2817 Surrey Road)
Nashville, TN 37214))
)

Defendants.

)
)

COMPLAINT

COMES NOW, Mike Hughes, Rosetta Jennings, Marcus Crosdale, and Jessie Binion, individually and on behalf of a class of similarly situated others (hereinafter collectively referred to as “Plaintiffs”), by and through counsel, and for their causes of action against all Defendants, state and allege as follows based upon personal knowledge as to their own acts and, as to all other allegations, upon information and belief, and investigation by counsel:

PARTIES

1. Plaintiff Mike Hughes is a citizen and resident of the State of Kansas. That at all times relevant herein, Plaintiff owned and operated a Bonus Building Care unit franchise of RYCO Kansas City, LLC, doing business as Bonus Building Care.
2. Plaintiff Rosetta Jennings is a citizen and resident of the State of South Carolina. That at all times relevant herein, Plaintiff owned and operated a unit franchise of Pinnacle Acquisitions, LLC, doing business as Bonus Building Care.
3. Plaintiff Marcus Crosdale is a citizen and resident of the State of Missouri. That at all times relevant herein, Plaintiff owned and operated a unit franchise of RYCO Enterprises, Inc., doing business as Bonus Building Care.
4. Plaintiff Jessie Binion is a citizen and resident of the State of Alabama. That at all times relevant herein, Plaintiff owned and operated a unit franchise of Grove Partners of Birmingham, LLC, doing business as Bonus Building Care.

5. Plaintiffs, collectively on behalf of themselves and others similarly situated, are hereinafter referred to as “FRANCHISEES.”
6. This is a class action that the above named Plaintiffs bring on behalf of themselves and on behalf of all others similarly situated in the United States of America whom have purchased Bonus Building Care franchise(s).
7. Defendant Bonus Building Care, Inc., a Texas corporation, that was incorporated in October 1996, whose principal place of business is in McAlester, Oklahoma, is Defendant Bonus of America, Inc.’s predecessor and was, upon information and belief, created at the time of the Cavanaugh divorce, and was established by A. CAVANAUGH for the purpose of selling janitorial/cleaning franchises. Upon further information and belief, the settlement of the Cavanaugh divorce imposed a 3 year limitation on the franchising activities of A. CAVANAUGH. Upon expiration of the 3 year limitations, in October of 1999, A. CAVANAUGH incorporated Bonus of America, Inc. and began selling master franchises throughout the United States.
8. Defendant Bonus of America, Inc. is a company organized and existing under the laws of the State of Texas since October 14, 1999; that Bonus of America, Inc. sold Bonus Building Care master franchises throughout the United States pursuant to Master Franchise Agreements; that Bonus of America, Inc. does business as Bonus Building Care and/or BONUS with its principal place of business in Indianola, Oklahoma; that Bonus of America, Inc. is the national franchisor of Bonus Building Care franchises and began doing business as Bonus Building Care in 1999.
9. Defendant ARLEEN CAVANAUGH, also known as MARGARET ARLEEN CAVANAUGH, MARGARET ARLEEN MASTERSON, and ARLEEN

- MASTERSON, (hereinafter collectively referred to as “A. CAVANAUGH”)is, upon information and belief, a citizen and resident of the State of Oklahoma. That at all time relevant herein, Defendant A. CAVANAUGH was the founder and Chief Executive Officer of Bonus Building Care operating through Bonus of America, Inc.
10. Defendant JOE MASTERSON is, upon information and belief, a citizen and resident of the State of Oklahoma. At all times relevant herein, Defendant JOE MASTERSON was the husband of Defendant A. CAVANAUGH. Defendant Joe Masterson was the President of Bonus Building Care operating through Bonus of America, Inc. In this complaint, Defendant JOE MASTERSON, is hereinafter referred to as “J. MASTERSON.”
11. Defendant PERRY WHITE is, upon information and belief, a citizen and resident of the State of Georgia. At all times relevant herein, Defendant PERRY WHITE was the husband of Defendant KIM WHITE. Defendant PERRY WHITE was the President of Bonus Building Care operating through Bonus of America, Inc. from 2003 until he stepped down in early 2011. Defendant PERRY WHITE was also the President of Bonus Building Care of Indianapolis and currently still listed as Branch President of Bonus Building Care of Atlanta, Georgia. In this complaint, Defendant PERRY WHITE, is hereinafter referred to as “P. WHITE.”
12. Defendant KIM WHITE is, upon information and belief, a citizen and resident of the State of Georgia. At all times relevant herein, Defendant KIM WHITE was the wife of Defendant P. WHITE. Defendant KIM WHITE was the Chief Financial Officer of Bonus Building Care operating through Bonus of America, Inc. since December 2006 and has been serving Bonus since 2001 in various capacities including Special

Projects Coordinator. Defendant KIM WHITE was also the vice president of Bonus Building Care of Indianapolis. In this complaint, Defendant KIM WHITE is hereinafter referred to as “K. WHITE.”

13. Defendant DAWN WOOD is, upon information and belief, a citizen and resident of the State of Texas. At all times relevant herein, Defendant DAWN WOOD was the Director of Corporate Operations of Bonus Building Care operating through Bonus of America, Inc. In this complaint, Defendant DAWN WOOD, is hereinafter referred to as “D. WOOD.”

14. Defendant JAMIE GARCIA is, upon information and belief, a citizen and resident of the State of Texas. At all times relevant herein, Defendant JAMIE GARCIA was the Franchise Developer Director as of February 2009, Vice President as of October 2009, and Senior Vice President as of April 2010 of Bonus Building Care operating through Bonus of America, Inc. Defendant JAMIE GARCIA was also the Vice President of Operations for Bonus Building Care in Atlanta, Georgia from October 2007 until December 2007. In this complaint, Defendant JAMIE GARCIA, is hereinafter referred to as “J. GARCIA.”

15. Defendant CHRIS SCHEPPLER is, upon information and belief, a citizen and resident of the State of Texas. At all times relevant herein, Defendant CHRIS SCHEPPLER was the Franchise Development Director of Bonus Building Care operating through Bonus of America, Inc. and the Director of Sales & Marketing for Bonus Building Care in Austin. In this complaint, Defendant CHRIS SCHEPPLER, is hereinafter referred to as “C. SCHEPPLER.”

16. Defendant JIM LACEY is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant JIM LACEY was an employee/representative of Bonus Building Care operating through Bonus of America, Inc. In this complaint, Defendant JIM LACEY, is hereinafter referred to as “J. LACEY.”
17. Defendant ROBIN MARLOW is, upon information and belief, a citizen and resident of the State of Texas. At all times relevant herein, Defendant ROBIN MARLOW was an employee/representative of Bonus Building Care operating through Bonus of America, Inc. In this complaint, Defendant ROBIN MARLOW, is hereinafter referred to as “R. MARLOW.”
18. Defendant RENEE MALCOLM is, upon information and belief, a citizen and resident of the State of Texas. At all times relevant herein, Defendant RENEE MALCOLM was an employee/representative of Bonus Building Care operating through Bonus of America, Inc. In this complaint, Defendant RENEE MALCOLM, is hereinafter referred to as “R. MALCOLM.”
19. Defendant ASHLEY BELT is, upon information and belief, a citizen and resident of the State of Oklahoma. At all times relevant herein, Defendant ASHLEY BELT was an employee/representative of Bonus Building Care operating through Bonus of America, Inc. In this complaint, Defendant ASHLEY BELT, is hereinafter referred to as “A. BELT.”
20. Defendant TIM TAYES is, upon information and belief, a citizen and resident of the State of Texas. At all times relevant herein, Defendant TIM TAYES was the husband of Defendant JEANNE TAYS. Defendant TIM TAYES was Master Franchisee of

Bonus of America, Inc. Defendant TIM TAYES bought out his revenue streams from Bonus of America, Inc. and other master franchisee revenue streams from Bonus of America, Inc. and combined them into a new smaller franchise under a new franchisor entitled Bonus USA, LLC. Defendant TIM TAYES also owns and operates TRT Enterprises, LLC doing business as Strategic Janitorial Solutions, an affiliate of Bonus Building Care. In this complaint, Defendant TIM TAYES, is hereinafter referred to as “T. TAYES.”

21. Defendant JEANNE TAYES is, upon information and belief, a citizen and resident of the State of Texas. At all times relevant herein, Defendant JEANNE TAYES was the wife of Defendant T. TAYS. Defendant JEANNE TAYES was a Co-Master Franchisee of Bonus of America, Inc. Defendant JEANNE TAYES, with her husband, bought out their revenue streams from Bonus of America, Inc. and other master franchisee revenue streams from Bonus of America, Inc. and combined them into a new smaller franchise under a new franchisor entitled Bonus USA, LLC. Defendant JEANNE TAYES also co-owns and operates TRT Enterprises, LLC doing business as Strategic Janitorial Solutions, an affiliate of Bonus Building Care. In this complaint, Defendant JEANNE TAYES, is hereinafter referred to as “J. TAYES.”

22. Defendant TRT ENTERPRISES, LLC, is a limited liability company organized and existing under the laws of the State of Texas; that Defendant T. TAYES and J. TAYES entered into a Master Franchise Agreements with Defendant BONUS OF AMERICA, INC, which granted Defendants, T. TAYES & J. TAYES, a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC, doing business as Bonus Building Care and/or BONUS, and the right to sell

subfranchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise Agreement was entered into and accepted by Defendant BONUS OF AMERICA, INC. That Defendant TRT ENTERPRISES, LLC does business as STRATEGIC JANITORIAL SOLUTIONS affiliated with BONUS. Upon information and belief, STRATEGIC JANITORIAL SOLUTIONS holds the T. TAYES & J. TAYES revenue streams bought out from BONUS OF AMERICA, INC. (Dallas & Oklahoma) and the Houston revenue stream bought out from BONUS OF AMERICA, INC. (operated by Master Franchisee, Jason Rich). STRATEGIC JANITORIAL SOLUTIONS operates in Dallas & Houston, Texas, and Oklahoma.

23. Defendant ERNIE LYLE is, upon information and belief, a citizen and resident of the State of Texas. At all times relevant herein, Defendant ERNIE LYLE was an employee/representative of Strategic Janitorial Solutions affiliated with BONUS. In this complaint, Defendant ERNIE LYLE, is hereinafter referred to as “E. LYLE.”

24. Defendant JASON RICH is, upon information and belief, a citizen and resident of the State of Texas. At all times relevant herein, Defendant JASON RICH was a Master Franchisee of BONUS OF AMERICA, INC. until Defendant T. TAYES purchased his revenue stream from BONUS OF AMERICA, INC. Defendant JASON RICH now operates as a Master Franchisee of Strategic Janitorial Solutions affiliated with BONUS. In this complaint, Defendant JASON RICH, is hereinafter referred to as “J. RICH.”

25. Defendant BONUS USA, LLC, is a limited liability company organized and existing under the laws of the State of Tennessee; upon information and belief, T. TAYES &

J. TAYES purchased additional revenue streams from BONUS OF AMERICA, INC. including the following territories: Atlanta, GA, Birmingham, AL, Columbia, SC, Fort Worth, TX, Greenville, SC, Kansas City, MO, Knoxville, TN, Memphis, TN, Nashville, TN, Minneapolis, MN, Orange County, CA, Tulsa, OK, and Southeast, FL. BONUS USA, LLC previously operated under Bonus Building Care of Knoxville, LLC until May 25, 2012. Defendant BONUS USA, LLC is the new franchisor, in replacement of BONUS OF AMERICA, INC, for the revenue streams purchased.

26. Defendant CHARLES “CHUCK” KINCADE is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant CHARLES “CHUCK” KINCADE was a Master Franchisee of BONUS OF AMERICA, INC. until Defendants T. TAYES and J. TAYES purchased his revenue stream, with no liability, from BONUS OF AMERICA, INC. Defendant CHARLES “CHUCK” KINCADE now operates as a Master Franchisee of BONUS USA, LLC. In this complaint, Defendant CHARLES “CHUCK” KINCADE, is hereinafter referred to as “CHUCK KINCADE.”

27. Defendant CHRIS KINCADE is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant CHRIS KINCADE was Master Franchisee of BONUS OF AMERICA, INC. until Defendants, T. TAYES & J. TAYES, purchased his revenue stream from BONUS OF AMERICA, INC. Defendant CHRIS KINCADE now operates as a master franchisee of BONUS USA, LLC. In this complaint, Defendant CHRIS KINCADE, is hereinafter referred to as “CHRIS KINCADE.”

28. Defendant EARL KINCADE is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant EARL KINCADE was an employee/representative of the Master Franchisees, CHUCK & CHRIS KINCADE. In this complaint, Defendant EARL KINCADE, is hereinafter referred to as “E. KINCADE.”

29. Defendant GROVE PARTNERS OF BIRMINGHAM, LLC, is a corporation organized and existing under the laws of the State of Alabama; that Defendant entered into a Master Franchise Agreement with Defendant BONUS OF AMERICA, INC which granted Defendant a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC., doing business as Bonus Building Care or BONUS, and the right to sell sub-franchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise Agreement was purchased from BONUS OF AMERICA, INC. and is now a Master Franchise Agreement of the franchisor, Defendant BONUS USA, LLC. Defendant GROVE PARTNERS OF BIRMINGHAM, LLC is owned and operated by CHUCK & CHRIS KINCADE.

30. Defendant MIKE SHEPHERD is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant MIKE SHEPHERD was an employee/representative of the master franchisees, CHUCK & CHRIS KINCADE. In this complaint, Defendant MIKE SHEPHERD, is hereinafter referred to as “M. SHEPHERD”.

31. Defendant MAURICE REDDING, JR. is, upon information and belief, a citizen and resident of the State of Alabama. At all times relevant herein, Defendant MAURICE

REDDING, JR. was an employee/representative of the Master Franchisees, CHUCK & CHRIS KINCADE. In this complaint, Defendant MAURICE REDDING, JR., is hereinafter referred to as “M. REDDING.”

32. Defendant GROVE PARTNERS OF MEMPHIS, LLC, is a corporation organized and existing under the laws of the State of Tennessee; that Defendant entered into a Master Franchise Agreement with Defendant BONUS OF AMERICA, INC., which granted Defendant a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC., doing business as Bonus Building Care or BONUS, and the right to sell sub-franchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise Agreement was purchased from BONUS OF AMERICA, INC and is now a Master Franchisee of the franchisor, Defendant BONUS USA, LLC. Defendant GROVE PARTNERS OF MEMPHIS, LLC is owned and operated by CHUCK & CHRIS KINCADE.

33. Defendant TAMMY CANTRELL is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant TAMMY CANTRELL was an employee/representative of the Master Franchisees, CHUCK & CHRIS KINCADE. In this complaint, Defendant TAMMY CANTRELL, is hereinafter referred to as “T. CANTRELL.”

34. Defendant JEREMY DOBSON is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant JEREMY DOBSON was an employee/representative of the Master Franchisees, CHUCK &

CHRIS KINCADE. In this complaint, Defendant JEREMY DOBSON, is hereinafter referred to as “J. DOBSON.”

35. Defendant JENNIFER HARPER is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant JENNIFER HARPER was an employee/representative of the master franchisees, CHUCK & CHRIS KINCADE. In this complaint, Defendant JENNIFER HARPER is hereinafter referred to as “J. HARPER.”

36. Defendant GROVE PARTNERS OF MIAMI, LLC, is a corporation organized and existing under the laws of the State of Florida; that Defendant entered into a Master Franchise Agreement with Defendant BONUS OF AMERICA, INC which granted Defendant a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC., doing business as Bonus Building Care or BONUS, and the right to sell subfranchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise Agreement was purchased from BONUS OF AMERICA, INC and is now a Master Franchise Agreement of the franchisor, Defendant BONUS USA, LLC. Defendant GROVE PARTNERS OF MIAMI, LLC is owned and operated by CHUCK & CHRIS KINCADE.

37. Defendant TOM BENOIT is, upon information and belief, a citizen and resident of the State of Florida. At all times relevant herein, Defendant TOM BENOIT was an employee/representative of the Master Franchisees, CHUCK & CHRIS KINCADE. In this complaint, Defendant TOM BENOIT is hereinafter referred to as “T. BENOIT.”

38. Defendant GROVE PARTNERS OF NASHVILLE, LLC, is a corporation organized and existing under the laws of the State of Tennessee; that Defendant entered into a Master Franchise Agreement with Defendant BONUS OF AMERICA, INC which granted Defendant a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC., doing business as Bonus Building Care or BONUS, and the right to sell sub-franchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise Agreement was purchased from BONUS OF AMERICA, INC. and is now a Master Franchise Agreement of the franchisor, Defendant BONUS USA, LLC. Defendant GROVE PARTNERS OF NASHVILLE, LLC is owned and operated by CHUCK & CHRIS KINCADE.

39. Defendant JESSICA DIBBLE is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant JESSICA DIBBLE was an employee/representative of the Master Franchisees, CHUCK & CHRIS KINCADE. In this complaint, Defendant JESSICA DIBBLE is hereinafter referred to as "J. DIBBLE."

40. Defendant THE KINCADE GROUP, LLC, is a corporation organized and existing under the laws of the State of Tennessee; that Defendant entered into a Master Franchise Agreement with Defendant BONUS OF AMERICA, INC which granted Defendant a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC., doing business as Bonus Building Care or BONUS, and the right to sell sub-franchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise

Agreement was purchased from BONUS OF AMERICA, INC., and is now a Master Franchise Agreement of the franchisor, Defendant BONUS USA, LLC. Defendant THE KINCADE GROUP, LLC is owned and operated by CHUCK & CHRIS KINCADE. GROVE PARTNERS OF BIRMINGHAM, LLC, GROVE PARTNERS OF NASHVILLE, LLC, GROVE PARTNERS OF MEMPHIS, LLC, AND GROVE PARTNERS OF MIAMI, LLC are all wholly owned subsidiaries of THE KINCADE GROUP, LLC.

41. Defendant THE KINCADE GROUP - FOUNDER, INC., is a corporation organized and existing under the laws of the State of Florida; that Defendant entered into a Master Franchise Agreement with Defendant BONUS OF AMERICA, INC which granted Defendant a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC, doing business as Bonus Building Care or BONUS, and the right to sell subfranchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise Agreement was purchased from BONUS OF AMERICA, INC. and is now a Master Franchise Agreement of the franchisor, Defendant BONUS USA, LLC. Defendant THE KINCADE GROUP – FOUNDER, INC. was previously known as THE KINCADE GROUP, INC. and is the predecessor corporation to THE KINCADE GROUP, LLC. Defendant THE KINCADE GROUP – FOUNDER, INC. is owned and operated by CHUCK & CHRIS KINCADE.
42. Defendant ANTHONY HARRISON is, upon information and belief, a citizen and resident of the State of Georgia. At all times relevant herein, Defendant ANTHONY HARRISON was a Master Franchisee of BONUS OF AMERICA, INC. until

Defendants, T. TAYES & J. TAYES, purchased his revenue stream from BONUS OF AMERICA, INC. Defendant ANTHONY HARRISON now operates as a Master Franchisee of BONUS USA, LLC. In this complaint, Defendant ANTHONY HARRISON, is hereinafter referred to as “A. HARRISON.”

43. Defendant JOHN FEAGIN is, upon information and belief, a citizen and resident of the State of Georgia. At all times relevant herein, Defendant JOHN FEAGIN was a Master Franchisee of BONUS OF AMERICA, INC until Defendants, T. TAYES & J. TAYES, purchased his revenue stream from BONUS OF AMERICA, INC. Defendant JOHN FEAGIN now operates as a Master Franchisee of BONUS USA, LLC. In this complaint, Defendant JOHN FEAGIN, is hereinafter referred to as “J. FEAGIN.”

44. Defendant TAMK ENTERPRISES, INC., is a corporation organized and existing under the laws of the State of Georgia; that Defendant entered into a Master Franchise Agreement with Defendant BONUS OF AMERICA, INC., which granted Defendant a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC., doing business as Bonus Building Care or BONUS, and the right to sell sub-franchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise Agreement was purchased from BONUS OF AMERICA, INC. and is now a Master Franchise Agreement of the franchisor, Defendant BONUS USA, LLC. TAMK ENTERPRISES, INC is owned and operated by Defendants, A. HARRISON and J. FEAGIN.

45. Defendant RANDALL DARENSBURG is, upon information and belief, a citizen and resident of the State of Georgia. At all times relevant herein, Defendant RANDALL DARENSBURG was an employee/representative of Master Franchisees, A. HARRISON and J. FEAGIN. In this complaint, Defendant RANDALL DARENSBURG is hereinafter referred to as “R. DARENSBURG.”
46. Defendant PENNY KASCHAK is, upon information and belief, a citizen and resident of the State of Georgia. At all times relevant herein, Defendant PENNY KASCHAK was an employee/representative of Master Franchisees, A. HARRISON and J. FEAGIN. In this complaint, Defendant PENNY KASCHAK is hereinafter referred to as “P. KASCHAK.”
47. Defendant MICHAEL ROETZER is, upon information and belief, a citizen and resident of the State of Georgia. At all times relevant herein, Defendant MICHAEL ROETZER was an employee/representative of Master Franchisees, A. HARRISON and J. FEAGIN. In this complaint, Defendant MICHAEL ROETZER is hereinafter referred to as “M. ROETZER.”
48. Defendant JONATHAN WHITMAN is, upon information and belief, a citizen and resident of the State of Georgia. At all times relevant herein, Defendant JONATHAN WHITMAN was an employee/representative of Master Franchisees, A. HARRISON and J. FEAGIN. In this complaint, Defendant JONATHAN WHITMAN is hereinafter referred to as “J. WHITMAN.”
49. Defendant DALE MARSCHKE is, upon information and belief, a citizen and resident of the State of California. At all times relevant herein, Defendant DALE MARSCHKE was a Master Franchisee of BONUS OF AMERICA, INC. until

Defendants, T. TAYES & J. TAYES, purchased his revenue stream from BONUS OF AMERICA, INC. Defendant DALE MARSCHKE now operates as a Master Franchisee of BONUS USA, LLC. In this complaint, Defendant DALE MARSCHKE, is hereinafter referred to as “D. MARSCHKE.”

50. Defendant JOE O’DAY is, upon information and belief, a citizen and resident of the State of California. At all times relevant herein, Defendant JOE O’DAY was a Master Franchisee of BONUS OF AMERICA, INC. until Defendants, T. TAYES & J. TAYES, purchased his revenue stream from BONUS OF AMERICA, INC. Defendant JOE O’DAY now operates as a Master Franchisee of BONUS USA, LLC. In this complaint, Defendant JOE O’DAY, is hereinafter referred to as “J. O’DAY.”
51. Defendant JDM VENTURES, INC. is a corporation organized and existing under the laws of the State of California; that Defendant entered into a Master Franchise Agreement with Defendant BONUS OF AMERICA, INC., which granted Defendant a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC., doing business as Bonus Building Care or BONUS, and the right to sell sub-franchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise Agreement was purchased from BONUS OF AMERICA, INC. and is now a Master Franchise Agreement of the franchisor, Defendant BONUS USA, LLC. JDM VENTURES, INC. is owned and operated by Defendants, D. MARSCHKE and J. O’DAY.
52. Defendant MARVIN ASHTON is, upon information and belief, a citizen and resident of the State of California. At all times relevant herein, Defendant MARVIN

- ASHTON was an employee/representative of Master Franchisees, D. MARSCHKE and J. O'DAY. In this complaint, Defendant MARVIN ASHTON is hereinafter referred to as "M. ASHTON."
53. Defendant LIZ REYES is, upon information and belief, a citizen and resident of the State of California. At all times relevant herein, Defendant LIZ REYES was an employee/representative of master franchisees, D. MARSCHKE and J. O'DAY. In this complaint, Defendant LIZ REYES is hereinafter referred to as "L. REYES."
54. Defendant GAVIN HART is, upon information and belief, a citizen and resident of the State of Minnesota. At all times relevant herein, Defendant GAVIN HART was a Master Franchisee of BONUS OF AMERICA, INC. until Defendants, T. TAYES & J. TAYES, purchased his revenue stream from BONUS OF AMERICA, INC. Defendant GAVIN HART now operates as a master franchisee of BONUS USA, LLC. In this complaint, Defendant GAVIN HART is hereinafter referred to as "G. HART."
55. Defendant DESIREE SANCHEZ is, upon information and belief, a citizen and resident of the State of Minnesota. At all times relevant herein, Defendant DESIREE SANCHEZ was a Master Franchisee of BONUS OF AMERICA, INC. until Defendants, T. TAYES & J. TAYES, purchased his revenue stream from BONUS OF AMERICA, INC. Defendant DESIREE SANCHEZ now operates as a Master Franchisee of BONUS USA, LLC. In this complaint, Defendant DESIREE SANCHEZ, is hereinafter referred to as "D. SANCHEZ."
56. Defendant ANGEL FALLS SERVICES, LLC is a corporation organized and existing under the laws of the State of Minnesota; that Defendant entered into a Master

Franchise Agreement with Defendant BONUS OF AMERICA, INC., which granted Defendant a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC., doing business as Bonus Building Care or BONUS, and the right to sell subfranchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise Agreement was purchased from BONUS OF AMERICA, INC. and is now a Master Franchise Agreement of the franchisor, Defendant BONUS USA, LLC. ANGEL FALLS SERVICES, LLC is owned and operated by Defendants, G. HART and D. SANCHEZ.

57. Defendant DIANE THOMAS is, upon information and belief, a citizen and resident of the State of Texas. At all times relevant herein, Defendant DIANE THOMAS was a Master Franchisee of BONUS OF AMERICA, INC. until Defendants, T. TAYES & J. TAYES, purchased her revenue stream from BONUS OF AMERICA, INC. Defendant DIANE THOMAS now operates as a Master Franchisee of BONUS USA, LLC. In this complaint, Defendant DIANE THOMAS, is hereinafter referred to as “D. THOMAS.”

58. Defendant BENNIE LOPER is, upon information and belief, a citizen and resident of the State of South Carolina. At all times relevant herein, Defendant BENNIE LOPER was a Master Franchisee of BONUS OF AMERICA, INC. until Defendants, T. TAYES & J. TAYES, purchased his revenue stream from BONUS OF AMERICA, INC. Defendant BENNIE LOPER now operates as a Master Franchisee of BONUS USA, LLC. In this complaint, Defendant BENNIE LOPER, is hereinafter referred to as “B. LOPER.”

59. Defendant TODD YODER is, upon information and belief, a citizen and resident of the State of South Carolina. At all times relevant herein, Defendant TODD YODER was a Master Franchisee of BONUS OF AMERICA, INC. until Defendants, T. TAYES & J. TAYES, purchased his revenue stream from BONUS OF AMERICA, INC. Defendant TODD YODER now operates as a Master Franchisee of BONUS USA, LLC. In this complaint, Defendant TODD YODER, is hereinafter referred to as “T. YODER.”

60. Defendant PINNACLE ACQUISITIONS, LLC is a corporation organized and existing under the laws of the State of South Carolina; that Defendant entered into a Master Franchise Agreement with Defendant BONUS OF AMERICA, INC., which granted Defendant a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC., doing business as Bonus Building Care or BONUS, and the right to sell sub-franchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise Agreement was purchased from BONUS OF AMERICA, INC. and is now a Master Franchise Agreement of the franchisor, Defendant BONUS USA, LLC. PINNACLE ACQUISITIONS, LLC is owned and operated by Defendants, B. LOPER and T. YODER.

61. Defendant FIDEL MENDEZ is, upon information and belief, a citizen and resident of the State of South Carolina. At all times relevant herein, Defendant FIDEL MENDEZ was an employee/representative of Master Franchisees, B. LOPER & T. YODER. In this complaint, Defendant FIDEL MENDEZ is hereinafter referred to as “F. MENDEZ.”

62. Defendant RICH MAXWELL is, upon information and belief, a citizen and resident of the State of South Carolina. At all times relevant herein, Defendant RICH MAXWELL was an employee/representative of Master Franchisees, B. LOPER & T. YODER. In this complaint, Defendant RICH MAXWELL is hereinafter referred to as “R. MAXWELL.”
63. Defendant BILL POULSON is, upon information and belief, a citizen and resident of the State of South Carolina. At all times relevant herein, Defendant BILL POULSON was an employee/representative of Master Franchisees, B. LOPER & T. YODER. In this complaint, Defendant BILL POULSON is hereinafter referred to as “B. POULSON.”
64. Defendant CHRIS PORTER is, upon information and belief, a citizen and resident of the State of South Carolina. At all times relevant herein, Defendant CHRIS PORTER was an employee/representative of Master Franchisees, B. LOPER & T. YODER. In this complaint, Defendant CHRIS PORTER is hereinafter referred to as “C. PORTER.”
65. Defendant JESSICA STEWART is, upon information and belief, a citizen and resident of the State of South Carolina. At all times relevant herein, Defendant JESSICA STEWART was an employee/representative of Master Franchisees, B. LOPER & T. YODER. In this complaint, Defendant JESSICA STEWART is hereinafter referred to as “J. STEWART.”
66. Defendant MELISSA SCHUSTER is, upon information and belief, a citizen and resident of the State of South Carolina. At all times relevant herein, Defendant MELISSA SCHUSTER was an employee/representative of Master Franchisees, B.

LOPER & T. YODER. In this complaint, Defendant MELISSA SCHUSTER is hereinafter referred to as “M. SCHUSTER.”

67. Defendant EUGENE RYAN is, upon information and belief, a citizen and resident of the State of Oklahoma. At all times relevant herein, Defendant EUGENE RYAN was a Master Franchisee of BONUS OF AMERICA, INC. until Defendants, T. TAYES & J. TAYES, purchased his revenue stream from BONUS OF AMERICA, INC. Defendant EUGENE RYAN now operates as a master franchisee of BONUS USA, LLC. In this complaint, Defendant EUGENE RYAN, is hereinafter referred to as “E. RYAN.”

68. Defendant NATALIE RYAN is, upon information and belief, a citizen and resident of the State of Oklahoma. At all times relevant herein, Defendant NATALIE RYAN was a Master Franchisee of BONUS OF AMERICA, INC. until Defendants, T. TAYES & J. TAYES, purchased her revenue stream from BONUS OF AMERICA, INC. Defendant NATALIE RYAN now operates as a master franchisee of BONUS USA, LLC. Defendant NATALIE RYAN is the wife of Defendant E. RYAN. In this complaint, Defendant NATALIE RYAN, is hereinafter referred to as “N. RYAN.”

69. Defendant STEVE BURGER is, upon information and belief, a citizen and resident of the State of Oklahoma. At all times relevant herein, Defendant STEVE BURGER was a Master Franchisee of BONUS OF AMERICA, INC. until Defendants, T. TAYES & J. TAYES, purchased his revenue stream from BONUS OF AMERICA, INC. Defendant STEVE BURGER now operates as a Master Franchisee of BONUS USA, LLC. Defendant STEVE BURGER is the brother in law of Defendants E.

RYAN & N. RYAN. In this complaint, Defendant STEVE BURGER, is hereinafter referred to as “S. BURGER.”

70. Defendant DENISE RYAN-BURGER is, upon information and belief, a citizen and resident of the State of Oklahoma. At all times relevant herein, Defendant DENISE RYAN-BURGER was a Master Franchisee of BONUS OF AMERICA, INC. until Defendants, T. TAYES & J. TAYES, purchased her revenue stream from BONUS OF AMERICA, INC. Defendant DENISE RYAN-BURGER now operates as a Master Franchisee of BONUS USA, LLC. Defendant DENISE RYAN-BURGER is the wife of Defendant S. BURGER and sister/sister in law of Defendants E. RYAN and N. RYAN. In this complaint, Defendant DENISE RYAN-BURGER, is hereinafter referred to as “D. RYAN-BURGER.”

71. Defendant RYCO KANSAS CITY, LLC is a corporation organized and existing under the laws of the State of Kansas; that Defendant entered into a Master Franchise Agreement with Defendant BONUS OF AMERICA, INC which granted Defendant a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC., doing business as Bonus Building Care or BONUS, and the right to sell sub-franchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise Agreement was purchased from BONUS OF AMERICA, INC., and is now a Master Franchise Agreement of the franchisor, Defendant BONUS USA, LLC. RYCO KANSAS CITY, LLC is owned and operated by Defendants, E. RYAN, N. RYAN, S. BURGER, and D. RYAN-BURGER. On March 25, 2003, a 51% owned subsidiary was organized as a Kansas Limited Liability Company under the name of

Bonus Care of Kansas City. The name was subsequently changed on August 14th, 2003 to RYCO KANSAS CITY, LLC. Also in 2004, RYCO KANSAS CITY, LLC became a single member LLC owned 100% by RYCO ENTERPRISES, LLC.

72. Defendant DANIEL KOHLER is, upon information and belief, a citizen and resident of the State of Kansas. At all times relevant herein, Defendant DANIEL KOHLER was an employee/representative of Master Franchisees, E. RYAN, N. RYAN, S. BURGER, and D. RYAN-BURGER. In this complaint, Defendant DANIEL KOHLER is hereinafter referred to as “D. KOHLER.”

73. Defendant TERESA KEENEY is, upon information and belief, a citizen and resident of the State of Kansas. At all times relevant herein, Defendant TERESA KEENEY was an employee/representative of Master Franchisees, E. RYAN, N. RYAN, S. BURGER, and D. RYAN-BURGER. In this complaint, Defendant TERESA KEENEY is hereinafter referred to as “T. KEENEY.”

74. Defendant ANGEL GARCIA is, upon information and belief, a citizen and resident of the State of Kansas. At all times relevant herein, Defendant ANGEL GARCIA was an employee/representative of Master Franchisees, E. RYAN, N. RYAN, S. BURGER, and D. RYAN-BURGER. In this complaint, Defendant ANGEL GARCIA is hereinafter referred to as “A. GARCIA.”

75. Defendant BURL SPENCER is, upon information and belief, a citizen and resident of the State of Kansas. At all times relevant herein, Defendant BURL SPENCER was an employee/representative of Master Franchisees, E. RYAN, N. RYAN, S. BURGER, and D. RYAN-BURGER. In this complaint, Defendant BURL SPENCER is hereinafter referred to as “B. SPENCER.”

76. Defendant RYCO ENTERPRISES, INC. is a corporation organized and existing under the laws of the State of Kansas on April 17th, 1998; that Defendant entered into a Master Franchise Agreement with Defendant BONUS OF AMERICA, INC which granted Defendant a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC., doing business as Bonus Building Care or BONUS, and the right to sell sub-franchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise Agreement was purchased from BONUS OF AMERICA, INC., and is now a Master Franchise Agreement of the franchisor, Defendant BONUS USA, LLC. RYCO ENTERPRISES, INC. is owned and operated by Defendants, E. RYAN, N. RYAN, S. BURGER, and D. RYAN-BURGER.

77. Defendant RICHARD HAYWARD is, upon information and belief, a citizen and resident of the State of Oklahoma. At all times relevant herein, Defendant RICHARD HAYWARD was an employee/representative of Master Franchisees, E. RYAN, N. RYAN, S. BURGER, and D. RYAN-BURGER. In this complaint, Defendant RICHARD HAYWARD is hereinafter referred to as “R. HAYWARD.”

78. Defendant JUSTIN DOUGLAS is, upon information and belief, a citizen and resident of the State of Illinois. At all times relevant herein, Defendant JUSTIN DOUGLAS was the business partner of Defendant JUSTIN SIMMERING. Defendant JUSTIN DOUGLAS was Master Franchisee of BONUS OF AMERICA, INC. Upon information and belief, Defendant JUSTIN DOUGLAS bought out his revenue streams from BONUS OF AMERICA, INC. using Defendant DOUGLAS VENTURES, LLC and another master franchisee revenue stream from BONUS OF

AMERICA, INC. using Defendant REARDON MANAGEMENT, LLC. Defendant JUSTIN DOUGLAS owns and operates DOUGLAS VENTURES, LLC and REARDON MANAGEMENT, LLC doing business as “Corvus Janitorial Systems.” In this complaint, Defendant JUSTIN DOUGLAS, is hereinafter referred to as “J. DOUGLAS.”

79. Defendant JUSTIN SIMMERING is, upon information and belief, a citizen and resident of the State of Illinois. At all times relevant herein, Defendant JUSTIN SIMMERING was the business partner of Defendant J. DOUGLAS. Defendant JUSTIN SIMMERING was Master Franchisee of BONUS OF AMERICA, INC. Upon information and belief, Defendant JUSTIN SIMMERING bought out his revenue streams from BONUS OF AMERICA, INC. using Defendant DOUGLAS VENTURES, LLC and another master franchisee revenue stream from BONUS OF AMERICA, INC. using Defendant REARDON MANAGEMENT, LLC. Defendant JUSTIN SIMMERING owns and operates DOUGLAS VENTURES, LLC and REARDON MANAGEMENT, LLC doing business as “Corvus Janitorial Systems.” In this complaint, Defendant JUSTIN SIMMERING, is hereinafter referred to as “J. SIMMERING.”

80. Defendant REARDON MANAGEMENT, LLC is a corporation organized and existing under the laws of the State of Illinois; that Defendant was set up to operate under the Master Franchise Agreement purchased from BONUS OF AMERICA, INC and is now the franchisor of Defendants JEFF CROCKER and CHAD WEAVER. Defendant REARDON MANAGEMENT, LLC is owned and operated by Defendants, J. DOUGLAS and J. SIMMERING and does business as Corvus

Janitorial Systems in the following areas: Charlotte, NC, Little Rock, AR, Chicago, IL, Louisville, KY, Cincinnati, OH, New Orleans, LA, Columbus, OH, NW Arkansas, Denver, CO, Orlando, FL, Indianapolis, IN, Raleigh-Durham, NC, Jacksonville, FL, Phoenix, AZ, Lexington, KY, and St. Louis, MO.

81. Defendant JEFF CROCKER is, upon information and belief, a citizen and resident of the State of North Carolina. At all times relevant herein, Defendant JEFF CROCKER was a Master Franchisee of BONUS OF AMERICA, INC. until Defendants J. DOUGLAS & J. SIMMERING purchased his revenue stream from BONUS OF AMERICA, INC. Defendant JEFF CROCKER now operates as a Master Franchisee of REARDON MANAGEMENT, LLC. In this complaint, Defendant JEFF CROCKER, is hereinafter referred to as “J. CROCKER.”

82. Defendant CHAD WEAVER is, upon information and belief, a citizen and resident of the State of Kentucky. At all times relevant herein, Defendant CHAD WEAVER was a Master Franchisee of BONUS OF AMERICA, INC. until Defendants J. DOUGLAS & J. SIMMERING purchased his revenue stream from BONUS OF AMERICA, INC. Defendant CHAD WEAVER now operates as a Master Franchisee of REARDON MANAGEMENT, LLC. In this complaint, Defendant CHAD WEAVER, is hereinafter referred to as “C. WEAVER.”

83. Defendant JCCW ENTERPRISES, LLC is a corporation organized and existing under the laws of the State of Kentucky; that Defendant entered into a Master Franchise Agreement with Defendant BONUS OF AMERICA, INC., which granted Defendant a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC., doing business as Bonus Building Care or BONUS, and the right

to sell sub-franchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise Agreement was purchased from BONUS OF AMERICA, INC., and is now a Master Franchise Agreement of the franchisor, Defendant REARDON MANAGEMENT, LLC. JCCW ENTERPRISES, LLC is owned and operated by Defendants, J. CROCKER and C. WEAVER.

84. Defendant KEVIN FOX is, upon information and belief, a citizen and resident of the State of Ohio. At all times relevant herein, Defendant KEVIN FOX was an employee/representative of Master Franchisees, J. CROCKER & C. WEAVER. In this complaint, Defendant KEVIN FOX is hereinafter referred to as “K. FOX.”

85. Defendant GENE HOLLENCAMP is, upon information and belief, a citizen and resident of the State of Indiana. At all times relevant herein, Defendant GENE HOLLENCAMP was an employee/representative of Master Franchisees, J. CROCKER & C. WEAVER. In this complaint, Defendant GENE HOLLENCAMP is hereinafter referred to as “G. HOLLENCAMP.”

86. Defendant DOUGLAS VENTURES, LLC is a corporation organized and existing under the laws of the State of Illinois; that Defendant entered into a Master Franchise Agreement with Defendant BONUS OF AMERICA, INC., which granted Defendant a license to use and sublicense the marks of Defendant BONUS OF AMERICA, INC., doing business as Bonus Building Care or BONUS, and the right to sell sub-franchises/unit franchises within an assigned territory under the umbrella of the franchise system known as Bonus Building Care; that said Master Franchise Agreement was purchased from BONUS OF AMERICA, INC., and is now the

franchisor of its Unit Franchisees, with no Master Franchisees. DOUGLAS VENTURES, LLC is owned and operated by Defendants, J. CROCKER and C. WEAVER.

87. Defendant LAMONT GARY is, upon information and belief, a citizen and resident of the State of Illinois. At all times relevant herein, Defendant LAMONT GARY was an employee/representative of Master Franchisees, J. CROCKER & C. WEAVER. In this complaint, Defendant LAMONT GARY is hereinafter referred to as “L. GARY.”

88. Defendant RHONDA HAMBURG is, upon information and belief, a citizen and resident of the State of Illinois. At all times relevant herein, Defendant RHONDA HAMBURG was an employee/representative of Master Franchisees, J. CROCKER & C. WEAVER. In this complaint, Defendant RHONDA HAMBURG is hereinafter referred to as “R. HAMBURG.”

89. Defendant ROBERT YOUNG is, upon information and belief, a citizen and resident of the State of Illinois. At all times relevant herein, Defendant ROBERT YOUNG was an employee/representative of Master Franchisees, J. CROCKER & C. WEAVER. In this complaint, Defendant ROBERT YOUNG is hereinafter referred to as “R. YOUNG.”

90. Defendant DAVID NALL is, upon information and belief, a citizen and resident of the State of Texas. At all times relevant herein, Defendant DAVID NALL was a Master Franchisee of BONUS OF AMERICA, INC. until Defendant DAVID NALL purchased his revenue stream from BONUS OF AMERICA, INC. Defendant DAVID NALL also served as the president of Defendant BONUS OF AMERICA, INC. on an interim basis. Defendant DAVID NALL now operates as a franchisor

through PROFITNALL, INC. In this complaint, Defendant DAVID NALL, is hereinafter referred to as “D. NALL.”

91. Defendant PROFITNALL, INC. is a corporation organized and existing under the laws of the State of Texas; that Defendant was set up to operate under the Master Franchise Agreement purchased from BONUS OF AMERICA, INC., and is now the franchisor of its Unit Franchisees. Defendant PROFITNALL, INC. is owned and operated by Defendant D. NALL. Defendant PROFITNALL, INC previously did business as Bonus Building Care in Austin and currently does business as EcoCare.

92. Defendant MELISSA EVERS is, upon information and belief, a citizen and resident of the State of Texas. At all times relevant herein, Defendant MELISSA EVERS was a Franchise Relations Director of Defendant PROFITNALL, INC doing business as EcoCare. In this complaint, Defendant MELISSA EVERS, is hereinafter referred to as “M. EVERS.”

93. Defendant PAUL JOHNSON is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant PAUL JOHNSON was a Master Franchisee of BONUS OF AMERICA, INC. In this complaint, Defendant PAUL JOHNSON, is hereinafter referred to as “P. JOHNSON.”

94. Defendant JARROD COATES is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant JARROD COATES was a Master Franchisee of BONUS OF AMERICA, INC. In this complaint, Defendant JARROD COATES is hereinafter referred to as “J. COATES.”

95. Defendant CATHLEEN HAMMER is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant

CATHLEEN HAMMER was a Master Franchisee of BONUS OF AMERICA, INC.

In this complaint, Defendant CATHLEEN HAMMER is hereinafter referred to as “C. HAMMER.”

96. Defendant BONUS BUILDING CARE OF MEMPHIS, INC. was a corporation organized and existing under the laws of the State of Tennessee. That Defendant was set up to operate under the Master Franchise Agreement of BONUS OF AMERICA, INC. Defendant BONUS BUILDING CARE OF MEMPHIS, INC. was owned and operated by Defendant C. HAMMER.

97. Defendant DEANNA HAMMER is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant DEANNA HAMMER was an employee/representative of Master Franchisee, C. HAMMER. In this complaint, Defendant DEANNA HAMMER is hereinafter referred to as “D. HAMMER.”

98. Defendant MATTHEW HAMMER is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant MATTHEW HAMMER was an employee/representative of Master Franchisee, C. HAMMER. In this complaint, Defendant MATTHEW HAMMER is hereinafter referred to as “M. HAMMER.”

99. Defendant DARRY DOWDY is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant DARRY DOWDY was an employee/representative of the Master Franchisee, C. HAMMER. In this complaint, Defendant DARRY DOWDY is hereinafter referred to as “D. DOWDY.”

100. Defendant JOHN SANTOS is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant JOHN SANTOS was an employee/representative of Master Franchisee, C. HAMMER. In this complaint, Defendant JOHN SANTOS is hereinafter referred to as "J. SANTOS."
101. Defendant BRIAN STRICKLER is, upon information and belief, a citizen and resident of the State of Tennessee. At all times relevant herein, Defendant BRIAN STRICKLER was an employee/representative of Master Franchisee, C. HAMMER. In this complaint, Defendant BRIAN STRICKLER is hereinafter referred to as "B. STRICKLER."
102. In this complaint, the term "BBC" refers to the web of affiliated companies, corporations, limited liabilities, franchisor, master franchisees, and their employees, representatives, and/or agents, that acting together or separately, control and/or manage and/or assist the business of the Bonus Building Care franchise system.
103. In this complaint, the term "FRANCHISOR" refers to Defendants Bonus Building Care, Inc. and Bonus of America, Inc., collectively.
104. In this complaint, Defendants Tim Tays, Jeanne Tays, Charles "Chuck" Kincade, Chris Kincade, Anthony Harrison, John Feagin, Joe O'Day, Dale Marshke, Gavin Hart, Desiree Sanchez, Diane Thomas, Bennie Loper, Todd Yoder, Eugene Ryan, Natalie Ryan, Steve Burger, Denise Ryan-Burger, Justin Douglas, Justin Simmering, Jeff Crocker, Chad Weaver, David Nall, Paul Johnson, Jarrod Coates, and Cathleen Hammer are hereinafter collectively referred to as "MASTERS."
105. In this complaint, Defendants TRT Enterprises, LLC, d/b/a Strategic Janitorial Solutions, Bonus USA, LLC, Grove Partners of Birmingham, LLC, Grove Partners of

Memphis, LLC, Grove Partners of Miami, LLC, Grove Partners of Nashville, LLC, The Kincade Group, LLC, The Kincade Group - Founder, Inc, TAMK Enterprises, Inc, JDM Ventures, Inc, Angel Falls Services, LLC, Pinnacle Acquisitions, LLC, RYCO Kansas City, LLC, RYCO Enterprises, Inc, Reardon Management, LLC, JCCW Enterprises, LLC, Douglas Ventures, LLC, Profitnall, Inc., Bonus Building Care of Knoxville, LLC, and Bonus Building Care of Memphis, Inc are hereinafter collectively referred to as "MASTER FRANCHISES."

106. In this complaint, Defendants Ernie Lyle, Jason Rich, Earl Kincade, Mike Shepherd, Maurice Redding, Jr., Tammy Cantrell, Jeremy Dobson, Jennifer Harper, Tom Benoit, Jessica Dibble, Randall Darensburg, Penny Kaschak, Michael Roetzer, Jonathan Whitman, Marvin Ashton, Liz Reyes, Fidel Mendez, Rich Maxwell, Bill Poulson, Chris Porter, Jessica Stewart, Melissa Schuster, Dan Kohler, Teresa Keeney, Angel Garcia, Burl Spencer, Richard Hayward, Kevin Fox, Gene Hollencamp, Lamont Gary, Rhonda Hamburg, Robert Young, Deanna Hammer, Matthew Hammer, Darry Dowdy, John Santos, Brian Strickler and Melissa Evers are hereinafter collectively referred to as "REPRESENTATIVES."

107. In this complaint, Defendants Arleen Cavanaugh, Joe Masterson, Perry White, Kim White, Dawn Wood, Jaime Garcia, Chris B. Scheppler, Jim Lacey, Robin Marlow, Renee Malcolm, and Ashley Belt are hereinafter collectively referred to as "CORPORATE REPRESENTATIVES."

108. Plaintiffs have further information and belief that more discovery in this complaint will lead to additional MASTERS, MASTER FRANCHISES, REPRESENTATIVES, and CORPORATE REPRESENTATIVES.

109. All Defendants are associated with the RICO Enterprise alleged herein and conducted and participated in, directly and/or indirectly, the conduct of the RICO Enterprise's affairs.

NATURE OF THE CASE:

110. This is a class action brought by unit franchisees of the Bonus Building Care franchise system (hereinafter referred to as "BBC") arising from the illegal business scheme of BBC and its web of affiliated entities and individuals who control and operate BBC (collectively, all the "Defendants"). Through this scheme, Defendants fraudulently induced Plaintiffs and the Class to purchase a cleaning franchise and thereafter exploited their control and economic power in order to extract exorbitant and unjustifiable payments and expenditures from their franchisees. As a result, Defendants reap grossly inflated sales and profits, creating an illusion of corporate growth and business prosperity while causing substantial, permanent, irreparable financial harm to the unit franchisees.

111. BBC's illegal scheme consists of two primary components. First, BBC engages in a policy of fraudulently and deceptively inducing franchisees to purchase BBC franchises by intentionally misrepresenting the true nature of the contractual relationship as well as the financial prospects for the franchisee and their likelihood of success. Second, BBC further takes advantage of its franchisees through other illegal, deceptive and fraudulent means, including but not limited to its willful practice of: (a) saturating geographic areas with more franchises than the area could reasonably support, (b) through grossly underpricing the service work to be provided by the franchisees, (c) through deceptively churning the service accounts between the

- franchisees, and (d) charging illegal, undisclosed, inflated fees/charges to the franchisees in order to reduce the franchisees' income and increase the Defendants'.
112. The fraudulent intent underlying BBC's scheme of deceptively luring franchisees to participate in its system and therefore extracting payments, franchise fees, and cleaning contract income is demonstrated by its pattern of behavior when the inevitable franchisees' failures come to pass. In this manner, Defendants suffers no loss. Defendants then execute the same scheme against the new Unit Franchisees to continue the illegal scheme of increasing revenues on the backs of those with no control.
113. Plaintiffs bring this action alleging violations of the Racketeer Influenced and Corrupt Organization ("RICO") Act, 18 U.S.C. § 1962(c). Plaintiffs seek damages to remedy Defendants' unconscionable, fraudulent, and unlawful practices in connection with the operation of its franchise scheme.

The Inception of the Bonus Building Care System

114. Defendant A. CAVANAUGH was married to Jim Cavanaugh and together they owned and operated JaniKing, a janitorial/cleaning franchise system, from 1969 until April of 1996.
115. In 1996, after A. CAVANAUGH divorced Jim Cavanaugh, she spurred BBC off of her knowledge and experience with JaniKing.
116. In effect, continuing the same business model as JaniKing, Defendant A. CAVANAUGH began BBC, a system of franchised cleaning/janitorial companies, and started offering franchises for sale to members of the public through BONUS BUILDING CARE, INC in October 1996.

117. On March 13, 1997, a petition was filed by Jani-King alleging A. CAVANAUGH violated the terms of a Protective Order which was entered in her divorce action, at that time, pending in 199th Judicial District Court of Collin County, Texas Cause No. 199-51814-95 and alleged that each of the other individual Defendants named breached the terms of their employment agreements with Jani-King. The causes of action asserted were conversion, misappropriation of trade secrets and breach of fiduciary duty, unfair competition and breach of contract. The parties subsequently settled all claims on October 26, 2001.
118. That on October 14, 1999, BONUS OF AMERICA, INC filed its Articles of Organization with the Texas Secretary of State by A. CAVANAUGH, for the purpose of selling master franchises. Upon information and belief, this conveniently occurred 36 months after A. CAVANAUGH severed herself from JaniKing and after the expiration of the non-compete agreement with JaniKing which prevented A. CAVANAUGH from competing with JaniKing.
119. In November of 1999, the business plan of the BBC franchise system switched from selling unit franchises through BONUS BUILDING CARE, INC to selling master franchises through BONUS OF AMERICA, INC. throughout the United States. Once again, utilizing the same business model as JaniKing.
120. The Master Franchisees are added to create a layer of insulation between the Unit Franchisees and the Franchisor. The Master Franchisees sell and license Unit Franchises to individuals who become Unit Franchise owners in the BBC network. Since the BBC system is based on fraudulent activity, churning, and exploitation, the illusion of an independent entity between BBC and the unit franchisee is intended to

give BBC all the benefits without any of the risks. In addition, the franchisor avoids having to employ people in other areas of the country to monitor the unit franchisees, the franchisor can charge a larger franchise fee to the master franchisee, and the franchisor can limit the requirements concerning disclosure of the failures of other franchisees in other parts of the country since the Franchise Disclosure Documents come from the master franchisee who only have a small region in which they are required to disclose the failures.

121. However, in reality, the master franchisee is not independent of the franchisor. The franchisor retains the right to assert total control over the actions and assets of the master franchisee.
122. The ability to assert such control over the Master Franchisee is indicative of a system in which the Master Franchisee is nothing more than a captive sales force of the Franchisor, which voluntarily repeats the same fraudulent system with the Unit Franchisees.
123. Once the Master Franchisee is in the system, Master Franchisees continue the fraudulent, deceptive cycle and sell as many Unit Franchises as possible in order to have a financial gain.
124. The emphasis of the Master Franchisee is the sale of new Unit Franchises and the rotation of contracted business accounts in order to continue the collection of excessive fees and not the need to provide and sustain accounts for the new/existing Unit Franchisees.
125. The ultimate result is that the Master Franchisees of BBC, much like its Franchisor, “churn” accounts in an attempt to financially gain at the cost of others.

126. Since its inception, BBC has aggressively marketed the master franchise opportunities, with full knowledge of the experience of JaniKing and Bonus Building Care, Inc.
127. The master franchisees either had/have little to no experience in the janitorial industry or had/have extensive knowledge from prior experience with JaniKing and other similar janitorial franchises on the scam they are reproducing.
128. BONUS OF AMERICA, INC. holds itself out as the franchisor and makes it appear that it is the entity responsible for all unit franchisees.
129. Unit franchisees, such as Plaintiffs, are given Franchise Disclosure Documents (“FDD”) from the master franchise in charge of the geographic region where the unit franchisee is located.
130. The FDD of the master franchisee is approved by the franchisor.
131. The FDD provided by the master franchisee to the unit franchisee contains financial information of the master franchisee, but also contains the financial information of BONUS OF AMERICA, INC.
132. The FDD makes it clear that the unit franchisee is being given a license to use the marks and intellectual property of BBC as a sub-licensee.
133. BBC purposely makes the system appear as if it is in total control so that the potential franchisees are misled into believing that they will be purchasing a franchise that is part of a huge system of over 2500 franchises. (Exhibit 1 – Binion’s Franchise Disclosure Document, See Page 29)

134. After the potential unit franchisee is in the system, they learn that if they have a problem, it is the “insulation” of the master franchisee whom absorb the protests and not the franchisor.
135. The scheme to defraud evidenced by Defendants relationships with Plaintiffs has been perpetrated by BBC against other franchisees (the Class) for a substantial period of time and has become a regular practice in the way Defendants conduct business.
136. Since its inception, BBC has published UFOC/FDDs that make false representations and illusions to prospective franchisees and fraudulently omit material information. Their goal is to coerce prospective franchisees to invest in a BBC franchise.
137. BBC transmitted by interstate wire and/or through the U.S. mail fraudulent UFOC/FDDs to numerous prospective and actual franchisees for the purpose of fraudulently inducing them to invest in a BBC franchise.
138. BBC transmitted by World Wide Web/Internet to numerous prospective and actual franchisees fraudulent and deceptive information for the purpose of fraudulently inducing them to invest in a BBC franchise.

Unit Franchise Agreements/ “Base of the Pyramid”

139. BBC solicits new franchisees to enter into unconscionable and burdensome franchise agreements. It engages in a policy whereby it accepts substantial payments from potential franchisees, in exchange for the right to operate a cleaning/janitorial franchise that BBC knows or should reasonable know will, in all likelihood, fail.
140. BBC flaunts itself as one of the fastest growing janitorial franchises in the United States. A continued rapid increase in the number of BBC franchises sold is an

- important element in BBC's strategy of continuing to experience substantial growth in revenues.
141. At the same time, BBC was inducing Plaintiffs and other to invest in its franchise system, it concealed the fact that the company was unable to support that system.
142. BBC's misleading and deceptive franchise agreements purport, among many other things, to give BBC unilateral control over all significant aspects of franchisee operations and to disclaim any responsibility for the effect of BBC's decisions and actions on the franchisees' viability.
143. The terms of the agreements, Operations Manual, and FDDs' are in combination so burdensome of franchisees and so one-sided in favor of BBC that they can only be regarded as unconscionable and unenforceable. The net effect on BBC franchisees of its approach to franchising is to ensure unconscionably overboard contracts that purport to circumvent meaningful legal rights belonging to the franchisee, impenetrable systematic barriers to economic success for the franchisee, and negative incentives to pursue legal remedies to redress injuries caused by BBC's conduct.
144. Pursuant to the Franchise Agreements, in exchange for the initial franchise fee, Bonus agrees to offer to Unit Franchisee contracted business in an amount ranging from \$500-\$1000 per month, depending on the agreement, in contracted revenue, known as "opening accounts."
145. The initial opening accounts are not subject to a fee and are not offered until a Unit Franchisee has received the Authorization to Operate from Bonus.
146. Once authorization has been given, Bonus has 90 days to offer Unit Franchisees the opening accounts.

147. In some cases, Bonus may offer Unit Franchisee contracted business in addition to the opening accounts on the effective date. These additional opening accounts are subject to an additional fee equal to 2.5 times the additional amount being offered per month and are subject to other fees.
148. After the effective date, Bonus may still offer Unit Franchisee additional contracted business or increases in existing contracted business, called new accounts. These new accounts are offered in consideration of a fee equal to 17% higher than the fee charged for additional opening accounts (or 3 times the amount being offered per month) and are subject to other fees.
149. Once offered accounts, Unit Franchisee is forced to make the decision to accept or decline the account based on information provided to them by Bonus, and not given ample opportunity to visit the account and verify information.
150. Bonus routinely offers Unit Franchisees accounts which require traveling a long distance, accounts bid so low that the Unit Franchisee would be unable to generate a profit, and/or accounts which are great distances from other accounts the Unit Franchisee was servicing. By undertaking these actions, Bonus was assured that the Unit Franchisee would either decline an account or quit the account after discovering that there was no profit for the Unit Franchisee, which, in turn, would relieve/delay Bonus of its obligations to provide a certain level of revenue as set forth in the Franchise Agreements.
151. The janitorial industry is very competitive. The fierce competition results in prices being driven down in the market. As a result, the Franchisor must slash its prices to obtain sufficient accounts for its Unit Franchisees. Unfortunately, the process results

- in the Franchisor turning a profit by selling more and more Franchises while the Unit Franchisees find that there is no way to survive.
152. In addition, Bonus reserves the right to immediately rotate any account to another Unit Franchisee or to itself for many reasons, including if, in the sole opinion of Bonus, the Unit Franchisee is not servicing the account properly or a customer complaint is received.
153. Defendants would routinely employ a tactic of informing Unit Franchisees that the Bonus had received a customer complaint or that the customer requested a change of individuals providing service to the accounts. In many instances, the Unit Franchisee received good to excellent reviews from the customer but they would suddenly be removed from the account, without notice or the ability to discuss or correct any so-called complaints with the customer.
154. In addition, Bonus will not replace any account due to "fault" of the Unit Franchisee. In furtherance, failure to submit a least one account evaluation form per month, signed by the customer on or before the 10th day of every month will void any guarantee to replace any accounts removed from service of Unit Franchisees.
155. Bonus will even go as far as advising the cleaning business accounts to look for miniscule mistakes so that they can remove the Unit Franchisee from the account with "written proof" of the smallest complaints.
156. In several instances, Bonus conveniently removed a Unit Franchisee from an cleaning account for various reasons, complaints being the most commonly used, just as the Unit Franchisee is about to pay off their obligations to Bonus for said cleaning account, typically one year of account fees. If another account is available, the Unit

Franchisee will be offered it in consideration of additional fees. Bonus does this to ensure it will continue to receive excessive fees on the cleaning account in the form of new account fees.

157. Bonus makes it appear to Unit Franchisees that they are paying to own the contracted business accounts. However, all contracted business accounts, even if procured by Unit Franchisee, are the property of Bonus and Unit Franchisee is only purchasing the right to service the accounts.

158. Although the Unit Franchisee is told they will be their own company and have to set up a company with their local Secretary of State, they are not allowed to use any marketing materials other than those provided and approved by Bonus, which make no mention of Unit Franchisee's company. In fact, even the telephone number used by Unit Franchisees is reserved and owned by Bonus.

159. All of the aforementioned tactics were used to allow Defendants to engage in “churning.”

160. The term “churning” refers to a practice in which the Franchisor does the absolute minimum to comply with its obligations under the Franchise Agreement while forcing the Franchisee to take some action to excuse any non-performance by the Franchisor. Once that occurs, Franchisor can remove an existing Franchisee from an account and place a new Franchisee in that account. The same scheme is used with the new Franchisee and the cycle continues. The scheme allows the Franchisor to sell as many franchises as it can even though there are not enough accounts to support the new and/or existing Franchisees. It is a basic pyramid scheme that continues because many of the Franchisees lack sophistication and basic language skills to take remedial

action along with the complex legal action and expense required to pursue such legal action on an individual basis.

161. Unit Franchisees, such as Plaintiffs, are given Franchise Disclosure Documents (“FDD”) from the Master Franchise in charge of the geographic region where the unit franchisee is located.
162. BBC holds itself out as the Franchisor and makes it appear that it is the entity responsible for all Unit Franchisees.
163. Once the Unit Franchisees are ensnared in BBC’s scheme, BBC defrauds them through the churning cycle, erroneous and excessive fees, and failure to comply with obligations under the Unit Franchise Agreements.
164. BBC creates an environment where Unit Franchisees and their invested capital are preyed upon as the most important, immediate and dependable source of revenue and cash flow for the Franchisor, with little concern demonstrated by the Franchisor or its Master Franchisees regarding the Unit Franchisees’ positive cash flow.
165. In addition to all the churning and other fraudulent activities, Bonus consistently charges large, erroneous, excessive, and sometimes undisclosed fees, including but not limited to:
 - a. Royalty Fee of 10% of the Gross Revenue
 - b. Accounting & Administration Fee of 5% of Gross Revenue
 - c. Additional Opening Accounts Fee (2.5 times the gross revenue per month being offered)
 - d. New Account Fee (3 times the gross revenue per month being offered plus interest for financing)

- e. One Time Contract Fee of 20% of the Gross Revenue
 - f. Deficiency in Performance Fee - \$50 per hour per person plus expenses incurred to fix the problem
 - g. Non-Performance Fee - \$50
 - h. Account Evaluation Fee
 - i. Add/Delete Fee - \$2000 to change parties to the franchise agreement
 - j. Documentation Fee – Should Unit Franchisee fail to provide copies of any documents requested by Bonus within 10 days, they will be charged \$50 per day until provided
 - k. Bond Fee
 - l. Missed Clean Fee - \$100 plus rotation of the account
 - m. Non-Communication Fee - \$50
 - n. Audit Fee – Cost of audit plus 10% on underpayment
 - o. Lease Equipment Fee – Varies
 - p. Renewal Fee - \$2000
 - q. Complaint Fee
 - r. Direct Deposit Fee
 - s. Uniform Fee
 - t. Advertising Fee
166. After all fees are deducted from the underbid account bid, Unit Franchisees are left working for free and are, as a result, indentured servants to Bonus and not the independent business owners Bonus promises they will be.

167. Moreover, once the franchisees become aware of this fraudulent scheme, the already expended costs and onerous contractual provisions make it economically prohibitive to escape the BBC franchise agreement, thus finding themselves robbed blind and in a long-term indentured servitude.

Master Franchise Agreement/"The Middle Man"

168. Each of the Master Franchisees entered into franchise agreements with Unit Franchisees. (Exhibit 2 – Master Franchise Agreement)

169. Each of the Unit Franchise Agreements contained identical language as to Opening Accounts and "Guarantee."

170. Pursuant to each of the Unit Franchise Agreements, the Master Franchisee guaranteed a certain level of opening accounts to the Unit Franchisee and additional level of accounts depending on the additional opening accounts level purchased.

171. The Master Franchisees knew that there was insufficient business within their market areas to sustain the Unit Franchisees who came into the system.

172. The Master Franchisees' survival depended on the sale of new unit franchises and the new account fees from the cleaning services provided by the Unit Franchisees.

173. In order to sustain their level of growth, each and every Master Franchisee was required to develop a system, with the express knowledge of Franchisor and Corporate Representatives, that depended on the "churning" of accounts.

174. That each of the Master Franchisees continued, through the use of the mail and wires, to fraudulently misrepresent the true nature of BBC

175. That each of the Master Franchisees knew that they had no intention of providing the accounts guaranteed in the Unit Franchise Agreements and/or sustaining the Unit

Franchise Agreements.

176. Either the Unit Franchisee would never be given adequate cleaning accounts which satisfied the opening account level purchased or, in the alternative, the Unit Franchisee would receive the cleaning accounts only to have the Master Franchisees immediately start removing the Unit Franchisee's accounts as soon as the payment for said cleaning account was almost complete.
177. The sole purpose of such conduct was to perpetuate the fraudulent BBC system.
178. Master franchise agreements are in place to buffer and shield the Franchisor.
179. However, a review of the Master Franchise Agreement reveals that, in reality, the Master Franchisees are not independent of the Franchisor and that the Franchisor retains the right to assert total control over the actions of the Master Franchisees.
180. The following provisions are a sampling of the mechanisms of control and influence contained in the Master Franchise Agreements:
 - (a) Franchisor maintains the right to take over the customer accounts sold by the Master Franchisee without notice to the Master Franchisee and without compensation to the Master Franchisee; and
 - (b) The independent Master Franchisee has no ownership interests in the accounts it sells. In the event that the Master Franchisee is terminated, the customer accounts revert to Franchisor without compensation to the Master; and
 - (c) All advertising, promotional material and other information must be approved by Franchisor;
 - (d) All documents provided by the Master Franchisee to the Unit Franchisees, including the Unit Franchise Agreement and Franchise Disclosure Document,

must be approved by Franchisor. In fact, Franchisor provides the general Unit Franchise Agreement and Franchisor Disclosure Document to the Master Franchisees to be used; and

(e) The Master Franchisees are required to do business under the name Bonus Building Care and/or BONUS and their Unit Franchisees are required to represent themselves to the customers as Bonus Building Care and/or BONUS; and

(f) Promptly upon the sale of a Unit Franchise, the Master Franchisee must submit the Unit Franchise Agreement and all relevant documents to Franchisor and Franchisor reserves the right to refuse any such agreements; and

(g) Master Franchisee can't open or operate until the location and condition of the required office is approved by Franchisor; and

(h) All signage must be approved by Franchisor; and

(i) Master Franchisee may not maintain a worldwide website or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with the Master Franchisee without Franchisor's prior written approval; and

(j) In the event the Master Franchise is terminated, Franchisor shall take immediate assignment of all Unit Franchise Agreements and customer contracts; and

181. The ability to assert such control over the Master Franchisee is indicative of a system in which the Master Franchisee is nothing more than a captive sales force of the Franchisor, which voluntarily repeats the same system with its Unit Franchisees.
182. Once the Master Franchisee is in the system, Master Franchisees continue the fraudulent, deceptive cycle and sell as many Unit Franchises as possible in order to have a financial gain.
183. The emphasis of the Master Franchisee is the sale of new Unit Franchises and the rotation of Unit Franchisees between cleaning accounts so as to make an excessive profit off the backs of the Unit Franchisees and not the need to provide and sustain accounts for the new/existing franchisees.
184. In fact, the Master Franchisee agrees to sell at least 1 Unit Franchise each month of operation and, after the first year, have and keep in operation at least 12 Unit Franchises. In addition to the first year's quota, Master Franchisee must sell an additional 12 Unit Franchises per year so as to have at least 60 Unit Franchises in operation by the end of the 5th year of operation. Should the quotas not be met, Master Franchisee will be in default of their agreement with the Franchisor.
185. The Master Franchisee further agrees to obtain customer accounts to be offered to Unit Franchisees for service in the territory and to maintain annually signed customer contracts in the amount of no less than \$24,000 per year and maintain a total gross volume of revenue which increases by a minimum of \$24,000 per year until the minimum amount of \$120,000 per year is reached for the territory by the end of the 5th year. Should the quotas not be met, Master Franchisee will be in default of their agreement.

186. The ultimate result is that the Master Franchisees of BBC, much like its Franchisor, “churn” accounts in an attempt to financially gain at the cost of others.
187. Since its inception, BBC has aggressively marketed the Master Franchise opportunities, with full knowledge of the experiences of JaniKing and BONUS BUILDING CARE, INC.
188. Many of the Master Franchisees had/have little to no experience in the janitorial industry or had/have extensive knowledge and experience in the janitorial industry and the scam they are perpetrating.
189. The 2011 Master Franchise Disclosure Document of BONUS OF AMERICA, INC indicated that there were 17 Current Master Franchises and 15 Former Master Franchises within the United States.
190. The experiences of the Plaintiffs, as set forth below, clearly reveal that this fraud was engaged in by the Master Franchisees nationwide.
191. As a result, Plaintiffs and the Class Members were fraudulently induced into investing an aggregate amount in the millions of dollars which allowed the BBC system to survive.

The Dissolution of the Bonus Building Care System

192. Originating early 2009, BBC embarked on a campaign to abandon its Master and Unit Franchisees and divest itself of its obligations as a Franchisor to grow and expand the BBC franchise system.
193. To effectuate its goals, Bonus ceased selling franchises and gradually dismantled the franchise operations over the last few years.

194. In the summer of 2010, J. DOUGLAS, after threatening legal action, left the BBC system taking his royalty stream with him and, in addition, purchased the rights to the royalty streams of two other Master Franchisees.
195. In furtherance of the attempt to dismantle, in early 2011, P. WHITE stepped down as president and BBC appointed Master Franchisee D. NALL as the new president in an attempt to have a Master Franchisee carry out BBC's obligations. The plan failed and BBC let D. NALL go in September of 2011.
196. BBC then started to approach the remaining Master Franchisees with a buyout plan, which would allow the Master Franchisees to purchase their revenue streams from BBC and run their own franchise as the new Franchisor, and would ultimately result in relieving BBC of its obligations to its Master and Unit Franchisees.
197. Soon thereafter, Master Franchisees D. NALL and T. TAYES effectuated buyouts. T. TAYES also purchased the revenue streams of the additional remaining Master Franchisees, including the corporate owned Oklahoma City Territory, from BBC. Upon information and belief, the additional revenue streams purchased by T. TAYES were purchased without waiving BONUS OF AMERICA, INC.'s liability to said Master Franchisees.
198. On April 9, 2012 THE KINCADE GROUP, LLC filed a lawsuit against BONUS OF AMERICA, INC for which they allege being fraudulently induced into purchasing their master franchises and being abandoned by the Franchisor as Bonus dismantled. (Exhibit 3 - Kincade Group v Bonus of America)
199. BONUS OF AMERICA, INC and its Master Franchisees have excluded its Unit Franchisees from any knowledge of the dismantling of the system.

200. As a result of the dismantlement, three new franchisors, Bonus USA, Corvus, and ProFitnall, have been created and the fraudulent system continues to branch and grow while taking many victims.

MIKE HUGHES' STORY

201. Mike Hughes is an example of how Bonus Building Care takes advantage of their Unit Franchisees and does not comply with the promises made orally and/or within their contract.

202. Mr. Hughes paid his initial business fee in February 2007 but did not receive the full initial business promised until 6 months later.

203. One month after purchasing the franchise, Mr. Hughes submitted a written request for a full refund for his franchise, due to the lack of action on Bonus Building Care's part. The request was denied. (Exhibit 4)

204. Several accounts were given to Mr. Hughes that paid so little that he could not pay his employees to do the labor and still make a profit or break-even.

205. Mr. Hughes was often asked to do very low paying work for an "on the side janitorial business" owned by R. HAYWARD. (Exhibit 5)

ROSETTA JENNINGS' STORY

206. Rosetta Jennings is a clear example of how Bonus Building Care sold franchisees without the means or intent to provide the accounts and income promised within their contracts.

207. Ms. Jennings was often given accounts that were up to 6 hours round-trip away from her home, resulting in gas costs of up to \$1000 each month.

208. Ms. Jennings made several attempts to speak with Master Franchisee, B. LOPER, about her accounts, but was always told he was too busy.
209. Several accounts were taken away from Ms. Jennings without reason.
210. After being told that Bonus Building Care did not currently have any accounts to provide her, Ms. Jennings became aware of the fact that Bonus was continuing to sell new franchises and promising business to the new franchisees.
211. Ms. Jennings was charged several unexpected fees, such as new account fees for one time special cleanings.
212. On June 10th, 2010, Ms. Jennings went to the Bonus Building Care office to speak with someone about getting more accounts. She informed G. COATES and C. PORTER that she would be forced to quit if they could not provide more accounts. G. COATES and C. PORTER told her that she would be sued if she tried to quit.

MARCUS CROSDALE'S STORY

213. Marcus Crosdale is an example of how Bonus Building Care sold franchises without enough accounts to supply the promised income to their franchisees.
214. Mr. Crosdale was given a cleaning account earning \$295 per month. This account was later changed to only \$195 per month, without notice and without a new account contract being signed. When asked to provide documentation of the change, Bonus claimed they did not have it. (Exhibit 6)
215. Mr. Crosdale performed special cleanings and never received payment for his work.
216. Mr. Crosdale had several accounts taken away from him without being given a proper reason, or due to complaints that could not be verified. One account in

particular was taken from him due to an alleged complaint. Conveniently about a year later, the same account was offered to Mr. Crosdale again. Mr. Crosdale accepted the account and asked the client about the complaints from the previous year, the client informed him that he had never filed any such complaint. Mr. Crosdale was forced to once again pay excessive new account fees on the account he had already previously paid for and had removed. (Exhibit 7 – Crosdale’s Franchise Agreement)

JESSIE BINION’S STORY

217. Jessie Binion is an example of how Bonus Building Care offers accounts that are not profitable to their Unit Franchisees. (Exhibit 1 – Binion’s Franchise Disclosure Document)
218. Mr. Binion was given accounts that were up to 80 miles round trip from his home.
219. Several accounts given to Mr. Binion required much more time to clean than he was told before accepting the account.
220. Mr. Binion was sometimes offered accounts and, after calling back within the same day to accept the accounts, was told they had already been given to another Unit Franchisee.
221. Mr. Binion was told to service several accounts for which he never signed any paperwork.
222. Various fees were charged on Mr. Binion's statements, including fees related to an account that he had already ceased to service.

OTHER SUITS FILED BY UNIT FRANCHISEES

223. On December 21, 2004, Jeffrey & Sandra Mills filed suit against BBC (the franchisor, masters, and individuals) alleging that Defendants committed unlawful and deceptive franchise schemes which operated to entrap, use and oppress Plaintiffs. (Jeffrey J. Mills & Sandra D. Mills vs. Bonus of America, Inc., et al., B-CJ-2004-094)
224. On September 30, 2005, Janice M Johnson filed an action against Bonus of America, Inc. for breach of contract, unjust enrichment, unfair and deceptive trade practices and misrepresenting the scope of the required maintenance contract against Bonus and the franchisee's customer Federal Express Corporation. (Exhibit 8 - Janice Johnson vs. Bonus of America, Inc., et al., CT-003451-06)
225. An action was filed in Pulaski County, Arkansas against Bonus of America, Inc., et al., alleging Defendants promised territories and accounts to Plaintiffs, promised that as business owners Plaintiffs would receive higher income, job security, and personal satisfaction, and further promised that Plaintiffs would be their own boss, set their own hours and create their own destiny. Plaintiffs also claim that unit franchisees pay franchise fees in substantial amounts for the system and to obtain the assignment of customers within specific geographic territories. It is further claimed that before Plaintiffs had the opportunity to recoup their investments, the accounts purchased by them were rotated or churned to new franchise owners through what Plaintiffs alleged to be a "Ponzi" scheme. Plaintiffs further alleged that Bonus's franchise system included unreasonable, hidden, exorbitant and false fees which are imposed upon Unit Franchisees by Bonus and its Master Franchisees. (Robert Irby, et al, vs. Bonus of America, Inc., et al., CIV-2010-4292)

OTHER SUIT FILED BY MASTER FRANCHISEE

226. On April 9, 2012, The Kincade Group, LLC, et al., filed suit against Bonus of America, Inc., alleging that Bonus used illegal financial performance representations and omissions of material facts regarding the franchise system to induce Plaintiffs to enter into a master franchise relationship with Bonus. Plaintiffs further allege Bonus failed to perform obligations under the Master Franchise agreements. (Exhibit 3 - The Kincade Group, LLC, et al., vs. Bonus of America, Inc., 3:12-cv-01103-G)

Public Dissemination of Fraudulent Information

227. *Entrepreneur* magazine is a monthly publication with a circulation in excess of 600,000.

228. Each year, *Entrepreneur* publishes a list known as the Franchise 500®, the preeminent list within the franchise arena.

229. According to *Entrepreneur*, each year it invites franchisors such as BBC, to submit their FDD's to the publication.

230. *Entrepreneur* then uses a proprietary formula to rank franchises in various categories.

231. BBC appeared on the list from 2004 through 2012. The actual rankings are as follows:

a. Franchise 500®: #248 (2004); #178 (2005); #51 (2006); #31 (2007); #20 (2008); #45 (2009); #32 (2010); #36 (2011)

232.

b. Fastest-Growing: #34 (2004); #11 (2005); #14 (2006); #9 (2007); #7 (2008); #8 (2009); #8 (2010); #9 (2011)

233.

c. Low-Cost: #69 (2004); #44 (2005); #13 (2006); #10 (2007); #4 (2008); #11 (2009); #10 (2010); #8 (2011)

234.

d. Top Home-Based: #68 (2004); #46 (2005); #12 (2006); #7 (2007); #2 (2008); #10 (2009); #9 (2010); #9 (2011)

235.

e. America's Top Global: #33 (2008); #39 (2009); #26 (2010); #34 (2011)
236.

f. Top 10 Commercial Cleaning Franchises: #5 (2011)

237. In 2007, Franchise Business Review ranked BONUS as 8th out of 315 companies surveyed for the Franchise 50, 2007 Satisfaction Awards.

238. Poder Magazine ranked BONUS as the #26 Franchise for Hispanics in 2009.

239. BONUS was ranked 28th out of 300 companies on the Dun & Bradstreet Digital's AllBusiness Allstar Franchise List in 2009.

240. In 2009, Forbes ranked BONUS at #4 on their Top 20 Franchises to Start list.

241. USA Today Magazine listed BONUS on the Top 50 Franchises for Minorities list in 2013.

242. In 2013, BONUS was named the Fastest Growing Company Under 50 Employees at the Business Excellence Awards.

243. BONUS was included on the 100 Top Franchises list on 100topfranchises.com in 2013.

244. In 2013, BONUS was listed in the Top 40 Best Franchises for African Americans in Black Enterprise Magazine.

245. BONUS was ranked #7 on the Franchise 50 list and #12 on the Franchises Under 50 Units List on Franchise50.com

246. Franchisors such as BBC, who appear in the *Entrepreneur* list and other publicized lists utilize such information in marketing their franchises to potential franchisees.

247. Potential franchisees such as Plaintiffs utilize the *Entrepreneur* list and other such publications as part of their due diligence.

248. A quick Google search engine will show that BONUS also distributes information in the form of press releases.
249. The information submitted by BBC, is further misleading in that it makes it appear that it has over 2,500 direct franchisees including a company-owned franchisee, when, in fact, it has less than 20 Master Franchisees.
250. That BBC, intentionally provided false and misleading information through the use of the U.S. mail and/or wires in order to appear on the Franchise 500® in order to increase the sale of Unit Franchises and, thereby, increasing its ill-gotten gains. (See various rankings & advertisements attached hereto as Exhibit 9)

THE FTC RULE

251. Promulgated on December 21, 1978, the FTC Rule is designed to require sellers of franchises like BONUS OF AMERICA, INC. to provide prospective investors with the information they need to make an informed investment decision. The FTC Rule, found at 16 CFR Part 436, permits Franchisors to use a uniform disclosure format which has been adopted by every state known as the “Franchise Disclosure Document” (“FDD”), formerly known as the “Uniform Franchise Offering Circular” (“UFOC”). Each topic of disclosure in the FDD is referred to as an “Item” numbered 1 to 23. Some of the most basic Items are the following:
252. Item 1 requires, *inter alia*, disclosure of the prior business experience of the franchisor and any predecessors or affiliates.
253. Item 2 requires that disclosure of the business experience of each individual of the franchisor with management responsibility for a 5 year period.
254. Item 6 mandates detailed disclosure of all fees payable by the franchisee during

the life of the franchise relationship including franchise royalties, advertising fees, and any payments the franchisor receives to construct, remodel, or equip the franchisee's business premises.

255. Item 19 concerns “earnings claims” or representations of a franchisee’s prospective financial performance. While the FTC permits a franchisor to make earnings claims (though most reputable franchisors do not), the FTC Rule prohibits the making of earnings claims *except* as part of a detailed disclosure in Item 19. 16 C.F.R. 436.1. Earnings claims in an advertising brochure, in a slide presentation, in a verbal sales presentation or on the back of any envelope, are prohibited. Vol. 1 *Franchising Law Practice and Forms*, at 6-23.

256. Item 20 requires the franchisor to fully disclose information concerning its current and former franchisees, including the number of franchisees whose ownership was transferred or whose franchise was canceled, terminated, or not renewed or have ceased doing business in the system. A pattern of abandonment, sales, terminations and non-renewals indicates a sick franchise.

The Timing of Federal Disclosure

257. In addition to providing a format for disclosures, the FTC Rule specifies when a disclosure document must be given to the prospective franchisee. Such timing requirements are intended to ensure that franchisees have a “cooling off” period in which to evaluate the disclosure document before paying any monies to the franchisor and before executing agreements binding on the prospective franchisee.

258. Under the Rule, the prospective franchisee must be provided a disclosure

document upon the *earliest* to occur of any of the following three events:

- a. The first face to face meeting with a franchisee;
- b. 10 business days prior to the execution of a franchise agreement; or
- c. 10 business days prior to payment by a prospective franchisee.

259. Violations of the FTC Rule are considered unfair or deceptive acts within the meaning of Subpart F of the Federal Trade Commission Act, 16 CFR Section 436.9

FTC VIOLATIONS OF BONUS BUILDING CARE

Item 1

260. BONUS OF AMERICA, INC., misrepresents and omits matters of material fact in Item 1 of its FDD.

261. BONUS OF AMERICA, INC., creates an illusion that it first started offering franchises for sale in 1999.

262. BONUS OF AMERICA, INC., failed to disclose that BONUS BUILDING CARE, INC., its predecessor company, had, in fact, previously been selling unit franchises since 1996.

263. The aforesaid fraudulent misrepresentation made it appear that BONUS OF AMERICA, INC and its wholly-owned subsidiary had started from scratch in 1999 when, in reality, it had sold franchises since 1996 and had simply transferred those existing franchise agreement to the new company.

Item 19

264. BONUS OF AMERICA, INC., violated Item 19 of the FTC rule in that its officers and agents made earnings and profitability claims to potential master and unit franchisees.

265. Such financial performance claims were made to each of the Master and Unit Franchises for the sole purpose of inducing them to enter Master and Unit Franchise Agreements.

Item 20

266. BONUS OF AMERICA, INC., violated the FTC rule with regard to Item 20 of the FDD in that it failed to disclose that certain franchise locations contained in the FDD were closed or had never opened. In addition, Item 20 failed to disclose the existence of certain previous Master Franchisees.

267. These misrepresentations were made to every potential Master and Unit Franchisee at the time the FDD was forwarded through the mail or by wire.

268. The aforesaid misrepresentations were made for the sole purpose of preventing potential franchisees from contacting dissatisfied former franchisees.

JURISDICTION AND VENUE

269. This Court has subject matter jurisdiction over this case pursuant to 18 U.S.C. § 1964(c) under the Federal Racketeer Influenced and Corrupt Organizations Act (“RICO”) claim.

270. This court has subject matter jurisdiction over the Plaintiffs’ claim brought under RICO pursuant to 28 U.S.C. § 1331.

271. Venue is proper in this Court under 28 U.S.C. § 1391 (b) (2) because a substantial part of the events or omissions giving rise to the claims of the Plaintiffs occurred in this judicial district: Bonus of America, Inc. operates and does business in the Western District of Missouri, and a substantial part of the events giving rise to Plaintiffs’ claims occurred in the Western District of Missouri.

272. Venue is also proper pursuant to the nationwide venue provisions under 18 U.S.C. § 1965: Bonus of America, Inc. operates and does business in the Western District of Missouri, are found in the Western District of Missouri, have a registered agent in the Western District of Missouri and transact business in the Western District of Missouri.

CLASS ACTION ALLEGATIONS

273. This action may also properly be maintained as a class action pursuant to Federal Rules of Civil Procedure 23(a) and (b).

274. Plaintiffs bring this action on behalf of themselves and all similarly situated others defined as:

All Bonus Building Care unit franchisees, who are or have been a unit franchisee under Bonus Building Care, Inc., Bonus of America, Inc., its predecessors, its Master Franchisees, and their predecessors, at any time from October 1, 1996 to present (the "Class"). The "Class Period" is from October 1, 1996 to the present. Excluded from the Class are Defendants, as well as Defendants' employees, affiliates, officers, and directors and the Judge to whom this case is ultimately assigned.

275. Plaintiffs reserve the right to amend the definition of the Class if discovery and/or further investigation reveal that the Class should be expanded or otherwise modified.

Rule 23(a)

276. Numerosity and Impracticality of Joinder: The members of the Class are so numerous that their individual joinder would be impractical. According to the 2010 FDD (Exhibit 1, Page 29) there were at least 2,500 current franchisees in their system

at the end of 2009. The precise identities, number and address of members of the Class are unknown to Plaintiffs, but may and should be known with proper and full discovery of Defendants, third parties, and their respective records.

277. Commonality and Predominance: There is a well-defined commonality of interest and common questions of law and fact that predominate over any questions affecting individual members of the Class. These common legal and factual questions, which exist without regard to the individual circumstances of any Class member, include, but are not limited to, the following:

- a. Whether and to what extent Defendants' practices, conducts, and misrepresentations violate Federal law;
- b. Whether Defendants have engaged in mail and wire fraud;
- c. Whether it was reasonably foreseeable that misrepresentations by BBC would be sent over interstate wires;
- d. Whether there were any misrepresentations by BBC sent across interstate wires for purposes of executing schemes to defraud;
- e. Whether BBC intentionally participate in schemes to defraud and use interstate wires in furtherance of the scheme in violation of 18 U.S.C. § 1343;
- f. Whether Defendants engaged in a pattern of racketeering activity;
- g. Whether the BBC franchise system is an enterprise within the meaning of 18 U.S.C. §1961(4);
- h. Whether Defendants conducted or participated in the affairs of the enterprise through a pattern of racketeering activity in violation of U.S.C. § 1962(c);

- i. Whether Defendants' overt and/or predicate acts in furtherance of the conspiracy and/or direct acts in violation of 18 U.S.C. §1962(a) and (c) proximately caused injury to the Plaintiffs' and class members' business, economic, and property;
- j. Whether any misrepresentations or omissions by BBC reasonably calculated to deceive persons of ordinary prudence;
- k. Whether Defendants' affirmative statements and material omissions constitute intentional fraud;
- l. Whether BBC's FDD contained fraudulent misrepresentations and omissions;
- m. Whether BBC breached the terms of the agreement contained in the FDDs;
- n. Whether Plaintiffs sustained injury as a result of BBC's breaches of the franchise agreement and/or the implied covenant of good faith and fair dealing;
- o. Whether Plaintiffs and Class Members are entitled to recover compensatory, exemplary, treble damages based on Defendants' fraudulent and illegal conduct and/or practices; and
- p. Whether Plaintiffs and Class Members are entitled to an award of reasonable attorneys' fees, prejudgment interest, and costs of suit.

The questions of law and fact common to all Class members predominate over any questions that may affect only individual Class members. A class action is a superior method of adjudicating the Class members' claims because individual actions would unnecessarily burden the Court and create the risk of inconsistent results.

278. Typicality: The Plaintiffs' claims are typical of the Class in that Plaintiffs have a common origin and share common bases. Plaintiffs and all putative Class members are or were franchisees operating under the Bonus Building Care system and have

lost monies by reason of the system-wide scheme by BBC to defraud and make misrepresentations to potential franchisees of the Bonus Building Care system. Their claims originate from the same illegal, fraudulent and confiscatory practices of the Defendants, and the Defendants act in the same way toward the Plaintiffs and the Class members. If brought and prosecuted individually, the claims of each Class member would necessarily require proof of the same material and substantive facts, rely upon the same remedial theories, and seek the same relief. Plaintiffs have no interests that are antagonistic or adverse to the other Class members.

279. Adequacy: Plaintiffs will fully and adequately protect the interests of the members of the Class and have retained competent class counsel who are experienced and qualified in prosecuting class actions and other forms of complex litigation and intend to prosecute this action vigorously. Neither the Plaintiffs nor their counsel have interests which are contrary to, or conflicting with, those interests of the Class.
280. Superiority: A class action is superior to all other available methods for the fair and efficient adjudication of this controversy because, *inter alia*: it is economically impracticable for members of the Class to prosecute individual actions; prosecution as a class action will eliminate the possibility of repetitious and redundant litigation; and, a class action will enable claims to be handled in an orderly, expeditious manner.
281. Plaintiffs seek certification of a class, alternatively, under Fed. R. Civ. P.23(b)(2) or 23(b)(3), or a combination thereof.
282. This lawsuit may be maintained as a class action under Federal Rules of Civil Procedure 23(b)(3) because questions of fact and law common to the Class predominate over the questions affecting only individual members of the Class, and a

class action is superior to other available means for the fair and efficient adjudication of this dispute.. The damages suffered by each individual class member may be disproportionate to the burden and expense of individual prosecution of complex and extensive litigation to proscribe Defendants' conduct and practices. Additionally, effective redress for each and every class member against Defendants may be limited or even impossible where serial, duplicated or concurrent litigation occurs arising from these disputes. Even if individual class member could afford or justify the prosecution of their separate claims, such an approach would compound the judicial inefficiencies, and could lead to incongruous judgments against Defendants.

Statute of Limitations Estoppel

283. Throughout the implementation of their fraud and continuing until the present day, Defendants have engaged in affirmative conduct and made representations, including those described herein, with the intent and effect of preventing Plaintiffs and the Class from becoming aware of their rights or otherwise dissuading them from pursuing legal action to vindicate those rights.
284. Defendants have also actively concealed information necessary for Plaintiffs and the Class to discover the existence of their cause of action.
285. As a result of Defendants' self-concealing fraud, affirmative misconduct, misrepresentations and omissions, Plaintiffs and the Class did not know, and could not know in the exercise of reasonable diligence, the basis of their claims. Accordingly, Defendants are estopped from raising affirmatively defenses relying upon any statutes of limitations or contractual limitation periods otherwise applicable to the claims asserted herein by Plaintiffs.

COUNT I

Racketeer Influenced and Corrupt Organizations Act (RICO)

Violation of 18 U.S.C. §1962(c)

Come now Plaintiffs, individually and on behalf of all others similarly situated, and for their cause of action against Defendants state as follows:

286. Plaintiffs re-allege and incorporate by reference as if fully set forth herein, each and every allegation contained in paragraphs 1- 285 of this Complaint.

287. The BBC system, including each and every current and former Master Franchisee, constitute an association-in-fact enterprise under 18 U.S.C. §1961(4) in that: (a) there is a common and/or shared purpose among the members; (b) there is continuity of structure and personnel; and (c) there is an ascertainable structure distinct from that inherent in the pattern of racketeering.

288. The enterprise is separate and distinct from the individual Defendants, REPRESENTATIVES, that participated in the enterprise and direct its affairs.

289. The structure of the enterprise is imposed by the Master Franchise Agreements and the Unit Franchise Agreements.

290. There are numerous aspects of the operation of this enterprise that do not involve conduct that is intrinsically criminal or illegal including, but not limited to, the sale of cleaning services to third-parties, the hiring of employees, and many other day-to-day activities.

291. The enterprise affects interstate commerce in a variety of ways including the use of interstate communications in the sale of franchises and cleaning services.

292. The Defendants conduct the affairs of the enterprise, as opposed to merely their

own affairs by, among other things, invoking provisions of the franchise agreements to require Plaintiffs to take certain actions or refrain from taking certain actions and, in general, asserting control of the activities of franchisees in a hierarchical manner.

293. Defendant BBC, and each of the Master Franchisees, and each and every individual Defendant, participated in the conduct of the enterprise through inducing the purchase of franchises by Plaintiffs and all members of the Class, by knowingly disseminating false and fraudulent information contained within the franchise disclosure documents, the franchise agreements and other publicly available resources.
294. Defendants are engaged in an ongoing pattern of racketeering activity as defined by 18 U.S.C. §1961(5).
295. The pattern of racketeering activity of Defendants consists of more than two acts of racketeering activity, the most recent of which occurred within ten years after the commission of the prior act of racketeering activity.
296. Defendants have violated and continue to violate 18 U.S.C. §1341 in that defendants: (a) devised a plan to scheme or defraud the Unit Franchisees; (b) intended to defraud Unit Franchisees, (c) should have reasonably foreseen that the mail would be used; and (4) used the U.S. Postal Service or equivalent private carrier to further the scheme.
297. Defendants have violated and continue to violate 18 U.S.C. §1343 in that defendants: (a) devised a plan to scheme or defraud the Unit Franchisees; (b) intended to defraud Unit Franchisees, (c) should have reasonably foreseen that wires would be used; and (4) used wires to further the scheme.

298. Each violation of 18 U.S.C §1341 and §1343 constitutes an act of racketeering.
299. The acts of racketeering activity of all Defendants have the same or similar methods.
300. The acts of racketeering activity committed by all Defendants have the same or similar objective: namely to sell as many Unit Franchises as possible to increase the profits of the Defendants.
301. The acts of racketeering activity committed by all Defendants have the same victims, including Plaintiffs and all other Class Members.
302. The acts of racketeering activity involving all Defendants involve a distinct threat of long-term racketeering activity.
303. The practice of Defendants in knowingly and intentionally misrepresenting the true nature of BBC system has continued for at least thirteen years, is ongoing, and will continue into the future unless halted by judicial intervention.
304. Defendants' intentional misrepresentation of the true nature of the BBC system is part of the enterprise's regular way of conducting business.
305. Defendants' pattern of racketeering activity has caused Plaintiffs and all other Members of the Class to invest into a system much different than the system represented to them by Defendants.
306. Plaintiffs and all other Class Members have suffered an injury to their business and/or property in that Plaintiffs/Class Members were fraudulently induced into entering Unit Franchise Agreement as a result of Defendants racketeering activity.
307. The unlawful conduct of all Defendants has allowed defendants to earn and/or retain significant funds to which they are not entitled.

WHEREFORE, for the foregoing reasons, Plaintiffs, individually and on behalf of all others similarly situated, pray this Court enter judgment in their favor in Count I of their Complaint, treble damages, an award of attorneys' fees, their costs herein expended, and for such other relief the court deems just and proper. Plaintiffs hereby demand trial of their claims by jury to the extent authorized by law.

COUNT II

Racketeer Influenced and Corrupt Organizations Act (RICO)

Violation of 18 U.S.C. §1962(d)

Come now Plaintiffs, individually and on behalf of all others similarly situated, and for their cause of action against Defendants state as follows:

308. Plaintiffs re-allege and incorporate by reference as if fully set forth herein, each and every allegation contained in paragraphs 1- 307 of this Complaint.

309. As set forth in Count I, Defendants agreed and conspired to violate 18 U.S.C. §1962(d). Specifically, Defendants engaged in a willful pattern and practice of misrepresenting the BBC system in order to fraudulently induce Plaintiffs and Members of the Class into entering Unit Franchise Agreements.

310. The Defendants have intentionally conspired to conduct and participate in the conduct of the affairs of the enterprise through a pattern of racketeering activity.

311. Defendants knew that their predicate acts were part of a pattern of racketeering activity and agreed to the commission of those acts to further the schemes aforementioned schemes in violation of 18 U.S.C. §1962(d).

312. As a direct and proximate result of the Defendants conspiracy, the overt acts taken in furtherance of that conspiracy, and violations of 18 U.S.C. §1962(d), Plaintiffs and

Members of the Class have been injured in their business and property in that Plaintiffs were fraudulently induced into entering Unit Franchise Agreement as a result of Defendants racketeering activity.

WHEREFORE, for the foregoing reasons, Plaintiffs, individually and on behalf of all others similarly situated, pray this Court enter judgment in their favor in Count II of their Complaint, treble damages, an award of attorneys' fees, their costs herein expended, and for such other relief the court deems just and proper. Plaintiffs hereby demand trial of their claims by jury to the extent authorized by law.

Respectfully submitted,

LAW OFFICE OF JONATHAN E. FORTMAN, LLC

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