## UnhappyFranchisee.Com

Mr. Kevin Kopa

President & Chief Operating Officer

JDog Franchises, LLC

1021 Old Cassatt Road, Suite 100

Berwyn, PA 19312



August 21 2023

Dear Mr. Kopa:

I'm writing to clear up two possible misunderstandings and to again invite you to engage in a constructive dialogue regarding the issues raised in my recent posts..

First, I apologize if I gave you the impression I am not interested in speaking with you.

On April 17, via LinkedIn messaging, you offered to set up a time to discuss my concerns about JDog's franchise turnover rate.

I sent you a link to my article "Is JDog Exploiting Military Veterans?" and my phone number. When I sent a follow-up message I learned that I was un-Linked and blocked, as I had been previously by Jerry Flanagan, Tracy Flanagan and several JDog staff members.

I sent numerous follow-up emails requesting corrections, clarifications, rebuttals or other reactions. I include this invitation at the bottom of every post. I have not received any correspondence or corrections from any representative of JDog Franchises, LLC. In fact, Christopher Debbas unsubscribed from my email list.

I am eager to speak or otherwise correspond with you at your earliest convenience. If you'd like, I can send you available times and an invitation for a ZOOM call for this week.

To Kevin Kopa April 17, 2023 ← LinkedIn Member Sean Kelly · 12:27 pm I will post my concerns shortly & give you and JDog every opportunity to respond. Did Jerry & Tracy really block me on LinkedIn? Sean Kelly · 8:27 pm I welcome your thoughts on this blog post and the disturbing stats I found in the JDog FDD: "Does the JDog Franchise Program Exploit Veterans & Military Families?" www.unhappyfranchisee.com/ jdog-franchise-exploits-veterans/ All the best, Sean Kelly Publisher, UnhappyFranchisee.com President, Relentless, Inc. 717-271-1011 d LinkedIn member unable to receive messages.

Again, I'm sorry if I miscommunicated my willingness to have a constructive dialogue.

Blocked

## It's also come to my attention that you are stating that the claims I've made are "baseless."

If so, I am eager to hear which specific claims you believe are "baseless."

I am confused by this alleged contention because, with the exception of Jerry Flanagan's alleged sexual harassment investigation, the information I've posted is publicly available in JDog Franchise Disclosure Documents (FDDs). All the statements in the JDog FDDs and state registration applications are certified to be true and correct, under penalty of law, by Mr. Flanagan.

As you know, I recently published a post entitled "Franchise Warning: JDog Junk Hauling for Veterans." However, JDog Franchises LLC has been required to include a warning in its FDD regarding its high turnover since 2019.

The JDog Junk Removal FDD issued August 29, 2019 states:

DURING THE LAST 2 YEARS, A HIGH PERCENTAGE OF FRANCHISED OUTLETS WERE TERMINATED, TRANSFERRED OR CEASED OPERATIONS FOR OTHER REASONS. THIS FRANCHISE COULD BE A HIGHER RISK INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LOWER TURNOVER RATE.

The JDog Junk Removal FDD dated September 30, 2022 states:

#### Special Risks to Consider About This Franchise

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

- 1. Out-of-State Dispute Resolution....
- 2. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
- 3. **Turnover Rate.** During the last 3 years, a high percentage of franchised outlets were terminated or transferred. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

JDog Franchise Turnover Data is disclosed by JDog Franchises LLC in its FDDs and certified under penalty of law by Jerry Flanagan

### JDog Franchises LLC Has Acknowledged High Franchise Turnover (Churn) Since 2019

To its credit, JDog Franchises LLC *has* disclosed its high franchise turnover (churn) and its potentially onerous flat-fee royalty in its FDD since 2019 (and acknowledged its been a problem since 2017-2018.)

At the risk of minimizing my own journalistic contributions, I am simply calling attention to warnings that you and JDog Franchising LLC have been sharing for years.

I am especially interested to learn what insights JDog Franchises LLC has discovered in researching this critical and (hopefully) urgent issue in recent years, and what measures you're currently undertaking to protect the investments and overall well-being of current & future military veteran franchisees.

# Operation Franchise Truth: A No-Nonsense, Hype Free, No-B.S. Guide to Franchise Ownership for Military Veterans

Kevin, I am looking to launch the *Operation Franchise Truth* initiative which will provide nonnesense, hype-free, no B.S. guidance for military veterans and families exploring franchise investments. The basis of the training curriculum will be the real-life experiences of military veterans who survived, thrived or failed in pursuing their dreams of business ownership via franchising.

As the largest and most prominent franchise opportunities created for and by veterans, JDog Junk Removal & Hauling and JDog Carpet Cleaning & Floor Care will, naturally, play prominent roles both as opportunities and as case studies.

While I care deeply, as I'm sure you do, about the welfare of both your current and former JDog franchise owners, my priority is to gather, interprete and share the information prospective future franchisees need to make an informed franchise investment decision. As you know, that single decision will impact their family's lives for many years to come. They deserve to have accurate information and a true indication of the risks they'd be taking with a JDog (or any other) franchise decision. Don't you agree?

I appreciate your and JDog Franchises LLC's willingness to engage openly and transparently regarding these issues, in keeping with JDog's stated mission of veteran health and well-being.

All the best,

Sean P. Kelly
Founder, Operation Franchise Truth
Publisher, UnhappyFranchisee.com
President, Relentless, Inc.

717-371-1911

UnhappyFranchisee@Gmail.com

### Attachments:

## **JDog Junk Removal Franchise Terminations**

JDog Franchises FDD 2023

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Year	Outlets at Start of Year	Outlets Opened	Termination	Transfers	Outlets at End of Year
2020	142	52	63	11	131
2021	131	25	13	1	143
2022	143	88	57	12	174
	ADDED >	165			
	EXITED >		133	24	157

JDog Terminations of Veteran-Owned Franchises: 133

Total Exits of Veteran-Owned Franchises: 157

Jdog 3-year Franchisee Turnover Rate: 99%

JDog Junk Removal Franchise Terminations								
Source: JDog Franchise Disclosure Documents (FDDs) 2015-2022								
Year	Outlets at Start of Year	Outlets Opened	Termination	Transfers	Outlets at End of Year			
2013	0	2	0	0	2			
2014	2	4	2	0	5			
2015	5	7	1	0	10			
2016	10	27	4	0	33			
2017	33	44	7	7	66			
2018	66	34	5	9	95			
2019	95	61	14	18	142			
2020	142	52	63	11	131			
2021	131	25	13	1	143			
2022	143	88	57	12	174			
	Subtotals	344	166	58				
	OPENED	344						
	EXITED		224					

More than 224 veteran-owned JDog franchises have been terminated or had territories sold to new owners.

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### JDog FDDs from 2019 - 2022 Warn of High Franchise Turnover

### From JDog 2019 FDD:

4. DURING THE LAST 2 YEARS, A HIGH PERCENTAGE OF FRANCHISED OUTLETS WERE TERMINATED, TRANSFERRED OR CEASED OPERATIONS FOR OTHER REASONS. THIS FRANCHISE COULD BE A HIGHER RISK INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LOWER TURNOVER RATE.

### From JDog 2022 FDD:

### Special Risks to Consider About This Franchise

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

3. **Turnover Rate.** During the last 3 years, a high percentage of franchised outlets were terminated or transferred. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.