

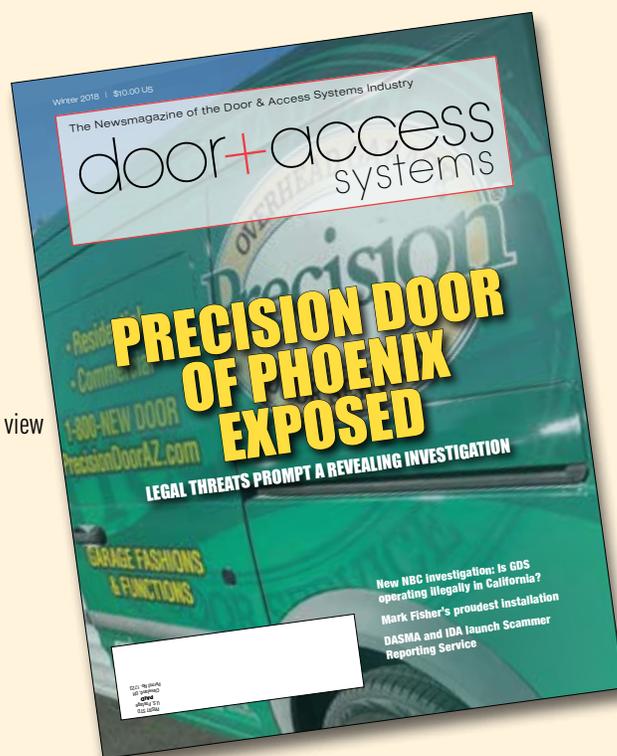
# PRECISION DOOR'S CORPORATE RESPONSE TO OUR PHOENIX STORY

After we published our exposé of Precision Door of Phoenix, we sent 18 questions to Precision Door's corporate office in Florida, asking for their view of the specific practices of its Phoenix operation.

For example, we asked about:

- Allowing techs to manipulate pricing
- Paying techs solely by commission
- Complaints of excessive pricing
- Abuse of "hardware overhauls"
- Gohlwar's commission scheme
- Posting phony reviews
- Using an onion router to manipulate online reviews/ads
- Editing or deleting reviews on Precision franchises' websites
- The reasons for previous defaults against its Phoenix operation
- Future changes to PDS policies

Instead of responding to each question, Precision opted to send a general response that attempts to cover several questions. We include the entirety of their response here.



Since our inception 20 years ago, Precision Door Service has been focused on our customers as a central part of our business model. Unfortunately, our franchisee in Phoenix did not adhere to this commitment, and therefore PDS Corporate has initiated termination proceedings. The franchisor-franchisee relationship is one based on trust and the Phoenix franchisee broke that trust.

This franchisee's actions harm the Precision Door brand and customer goodwill. This franchisee's actions are an aberration and do not reflect the practices, behaviors, and operations of PDS' 54 other franchisees currently operating more than 90 locations across the country. PDS Corporate determined that the only way to prevent further harm and repair customer trust was through termination of this franchisee.

In the past, when allegations against the Phoenix franchisee were made, PDS Corporate relied on utilizing its extensive and stringent policies and procedures in our existing operations manual to ensure both quality, as well as customer, employee, and franchisee protection, as this protection is our number one priority. These policies include, among other programs, Pricing Principles drafted by our Franchisee Advisory Council, on-site location inspection visits, and regular on-site and online quality control auditing.

In keeping with the National Labor Relations Act, PDS Corporate does not set or direct the wages and compensation practices used by our franchisees. Each independent franchise owner defines their own compensation plans, and they are required

to follow all local, state, and federal laws. Market pricing is also managed directly by the franchise owners and allows the local owner to set a competitive strategy to maximize its potential in the marketplace.

However, despite franchisees operating independently, fraudulent pricing, falsifying reviews, and discriminatory compensation practices are a violation of the IDA Code of Business Conduct and PDS' franchise agreement. Here, the Phoenix franchisee continued to disregard our guidance and the IDA Code of Business Conduct, and in return, his employees, customers, and the Phoenix community suffered. These actions are not tolerated, as shown with PDS' decision to terminate this franchisee.

Moving forward, and working with the Franchisee Advisory Council, PDS Corporate intends to evaluate additional policies that will reinforce our efforts to ensure that system standards are being upheld. PDS Corporate is confident that, with the above plan and other future initiatives, it will be able to repair its reputation and rebuild trust with its franchisees, their employees, customers, and vendor partners.

Mike Brickner, President/COO  
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