

ENZYMES OF AMERICA HOLDING CORP.

The Company's securities, i.e., its Units, Common Stock and Redeemable Warrants, (registered pursuant to Form S-18 Registration Statement, declared effective September 5, 1986) are currently traded in the over-the-counter market (see "Recent Public Financing", "Description of Securities" and "Price Range of Securities").

The aforesaid securities are not traded or quoted on any automated quotation system. As and when the Company qualifies, it will seek listing on the National Association of Securities Dealers Automated System ("NASDAQ").

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS.

ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

ENZYMES OF AMERICA HOLDING CORP. 661 Palisade Avenue

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The date of this Prospectus is December 11, 1987

Franchising: The Beginning

December 11, 1987

Franchising

Porta-John franchises the right to deliver, service, repair and collect the portable toilets used by its customers. Under this system, Porta-John retains ownership of its toilets, and customers contract directly with Porta-John through a centralized toll-free telephone network. All billing and collections are done on a centralized basis by Porta-John.

Porta-John's two-tier franchise system includes service franchisees, who deliver, service, repair and collect the toilets within a given exclusive territory. A master franchisee provides sales and service back-up to a group of generally five service franchisees whose territories are located in close proximity and reports to Porta-John on their activities. If a service franchisee fails to perform as required, the master franchisee is required to service the toilets. In a small or start-up territory, however, a franchisee may act as a service and master franchisee. As of November 1, 1987, there were 54 master and service franchisees (not including 28 non-franchise subcontractors) servicing 12 states (principally Michigan, Colorado, Arizona and Ohio) on a continuous basis and 48 states and Canada for special events. In those states in which Porta-John rents to special events but in which there are no franchisees operating on a continuous basis, either a franchisee operating in an adjacent territory, or Porta-John's employees, will service that event. Franchise agreements are usually for a period of ten years and automatically renewable thereafter from year to year unless terminated by either party upon 30 days'

prior written notice. Master and service franchisees earn 15% and 50%, respectively of the gross rental receipts collected from their territory.

Since May 1984 13 franchise agreements have been terminated by Porta-John due to contract violations by the franchisees; one was sold outright to the franchisee, nine were resold to others and the other three areas were closed.

Each master and service franchisee pays a one-time franchise fee equal to approximately 3% of his territory's projected annual gross rental receipts for the first year of the agreement.

Approximately 10% is paid at the time of execution of the franchise agreement; the balance is payable over the term

of the agreement, with interest. EOA intends to attempt to sell certain of these promissory notes to financial institutions, on a discounted basis, but there can be no assurance that these notes will be salable. In territories where Porta-John has no existing business, the franchisee usually enters into a year-to-year development agreement with Porta-John, at the end of which time, usually one to two years, after a customer base has been developed, the franchisee will enter into a franchise agreement.

Each master and service franchisee is required to have a truck to transport the toilets, a storage yard for storage of the toilets while not in use, and a small office, and to purchase cleaning supplies and equipment, toilet paper and gloves. Porta-John sells some of this equipment to franchisees but they may purchase this equipment from any supplier. The amount of the equipment investment will depend on the number of toilets serviced in the territory, the size of the territory, etc. A service franchise territory usually requires 100 to 125 toilets costing approximately \$50,000.

If requested, Porta-John will provide training to its franchisees for up to five days, without charge. Thereafter, each franchisee will have assigned to him an individual at Porta-John from whom he can seek assistance.

Porta-John's franchise system has enabled it to expand its business throughout the United States without incurring the overhead and other expenses which would be required were ti to have offices in all of its territories. in addition, the two-tier system gives ti the advantage of having responsible personnel in close proximity to all of its customers. In this way, it can provide rapid and efficient customer service.

Porta-John also provides management services, equipment maintenance and chemicals to an unaffiliated company with portable toilet operations in Kansas and Missouri under an agreement expiring in 1994, pursuant to which Porta-John receives a percentage of such company's gross receipts and is entitled to employ its filters to collect urinary constituents. Porta-John is considering offering such services to other companies on a fee basis as a means of expanding operations with no associated capital costs, while at the same time enhancing its urine collection capacity.

Appearing directly below is a tabular presentation indicating the number of master, service and combined franchises in each state in which Porta-John operates on a continuous basis:

<u>State</u>	<u>Master</u>	<u>Service</u>	<u>Combined</u>
Michigan	1	9	—
Ohio	1	6	—
Missouri	1	3	—
Tennessee	1	5	—
Arkansas	—	—	1
North Carolina	—	—	1
Virginia	—	—	1
Wyoming	—	2	—
Colorado	2	4	—
Arizona	1	6	1
Nevada	—	—	1
Texas	1	5	1
Totals	8	40	6