

FRANCHISE DISCLOSURE DOCUMENT

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Alloy Wheel Repair Specialists, LLC ("AWRS") offers franchises for the establishment, development and operation of a business that provides cosmetic restoration and structural repair of automobile wheels within protected territories. AWRS also offers franchises for the establishment, development and operation of a retail business and remanufacturing center that provides the sale of "after-market" chrome wheels, tires, cosmetic restoration and structural repair of automobile wheels.

The total investment necessary to begin operation of an Alloy Wheel Repair Specialists franchise is between \$99,000 to \$443,500 for mobile franchise businesses, and as much as \$271,350 to \$899,500 for a remanufacturing operation facility. This includes \$88,000 to \$310,000 for a mobile franchise business and \$155,000 to \$555,000 for a remanufacturing operation facility that must be paid to the franchisor or its affiliate.

This disclosure document summarizes certain provision of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W. Washington DC 20580. You can also visit the FTC's home page at www.FTC.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may be laws on franchising in your state. Ask your state agencies about them.



You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in a different format, contact Kevin S. Drudge at 3100 Medlock Bridge Road, Suite 305, Norcross, Georgia 30071, at (770) 903-1236, or at kevindrudge@allowwheel.com.

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STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit A** for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

- 1. THE FRANCHISE AGREEMENT REQUIRES THE FRANCHISEE TO ARBITRATE WITH ALLOY WHEEL REPAIR SOLUTIONS, LLC, ONLY IN THE STATE OF GEORGIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE US IN GEORGIA THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT GEORGIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THE FRANCHISOR HAS MINIMUM GROSS REVENUE PERFORMANCE STANDARDS THAT YOU MUST MAINTAIN IN ORDER TO KEEP YOUR TERRITORY PROTECTED. IF YOU FAIL TO DO SO, YOU COULD LOSE ANY TERRITORIAL RIGHTS YOU ARE GRANTED OR THE FRANCHISOR COULD TERMINATE YOUR AGREEMENT RESULTING IN THE LOSS OF YOUR INVESTMENT, OR BOTH. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
- 4. ALL OWNERS OF THE FRANCHISE AND THEIR SPOUSES MUST EXECUTE PERSONAL GUARANTEES WHICH MAKES YOUR SPOUSE LIABLE FOR ALL YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. IF YOU AND YOUR SPOUSE JOINTLY OWN YOUR FRANCHISE AS A CORPORATION OR LIMITED LIABILITY COMPANY, THE FRANCHISE AGREEMENT REQUIRES BOTH YOU AND YOUR SPOUSE TO SIGN A PERSONAL GUARANTY MAKING THE SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. IN BOTH CASES, THE GUARANTEE PLACES BOTH YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.

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