

FRANCHISE DISCLOSURE DOCUMENT

For prospective franchisees of American Tire Depot, Inc. as required by the State of California

[SAMPLE TRADEMARK]

American Tire Depot, Inc., a California corporation located at 16201 Commerce Way, Cerritos, California 90703, telephone # (626) 932-1441, (“The Franchise” or “Franchisor”) pursuant to its standard Franchise Agreement grants franchises to certain qualified persons. The Franchise Agreement gives the franchisee the right to own and operate a franchise store under the name of “American Tire Depot” as part of the Franchisor’s franchise system. These “American Tire Depot” stores specialize in the retail sale and installation of tires, wheels and other automotive related products and services.

The Franchisor provides two basic franchise plans: (1) the Existing Store Plan, where the Franchisor provides a completely operational store prior to the franchisee taking control of the store, and (2) the Franchise New Location Plan, where the Franchisor and the franchisee work together to convert an independent retail tire or automotive related store owned and operated by the prospective franchisee into a new American Tire Depot store. Both plans require the franchisee to have at least \$100,000.00 in available working capital prior to commencing operations of the Franchise Store.

The total investment necessary to begin operation of an American Tire Depot Franchise Store generally ranges from \$335,000 to \$548,000. This includes the \$25,000 initial franchise fee that must be paid to the Franchisor or its affiliate.

This disclosure document summarizes certain provisions 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 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. Do not 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 an 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, NW., Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit a public library for other sources of information on franchising.

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Item 1: FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES.**A. The Name Of Franchisor:**

“American Tire Depot” is a corporation, duly incorporated in the State of California (hereinafter “Franchisor”). Franchisor is a wholly owned subsidiary of ATV, Inc. located and doing business at 16201 Commerce Way, Cerritos, California 90703. Franchisor does business under the distinctive name of “American Tire Depot.” Franchisor’s principal business address is 16201 Commerce Way, Cerritos, California 90703. Franchisor’s affiliate is ATV, Inc. which provides operations and inventory support at fee to Franchisor. Franchisor’s agent for service of process is:

Leon C. Alexander, Esq.
Law Offices of Briggs & Alexander, A Professional Law Corp.
558 S. Harbor Boulevard, Suite 100
Anaheim, California 92805.

B. Predecessor(s):

The Franchisor has no predecessor(s).

C. Franchisor’s Parent and Affiliate:

The Franchisor’s parent, ATV, Inc., owns and operates a total of twenty-five (25) tire stores, under the corporate name, and eight (8) Franchise Stores, all of which are located in the State of California. ATV, Inc. also owns and operates a distribution center which distributes passenger and truck tires, brakes, shocks, and related automotive merchandise, manufactured primarily by name brand manufacturers, including Michelin, Pirelli, Firestone, Bridgestone, Falken, BF Goodrich, Goodyear, Dunlop, Uniroyal, and Star. The Franchisor’s parent is also attempting to negotiate an exclusive relationship with a large Chinese tire manufacturer in the distribution and sale of tire brands for the exclusive distribution in the United States & Canada.

Franchisor benefits from its affiliation with ATV, Inc.’s management systems and experience through a Franchising Implementation Agreement entered into between Franchisor and ATV, Inc. Under that agreement, Franchisor has a master license to use, and license franchisees to use the trade name “American Tire Depot.” The Franchising Implementation Agreement also provides the Franchisor access to ATV, Inc.’s advertising, vast inventory selection, training, administration and management expertise, as well as its purchasing power with manufacturers at a special fee to Franchisor.

D. The Franchisor’s Business:

Franchisor’s primary business is the franchising of retail stores under the name of “American Tire Depot.” These stores sell, at retail and wholesale, tires wheels and other automotive products to the public.

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