



FRANCHISE DISCLOSURE DOCUMENT

ARCPOINT FRANCHISE GROUP, LLC

A South Carolina Limited Liability Company
220 North Main St. Suite 325
Greenville, South Carolina 29601
(864) 271-3210
www.arcpointlabs.com

As a franchisee, you will operate a business providing affordable, full-service drug and alcohol screening and testing, sample collection for DNA, clinical testing (unless rendered impractical or prohibited by law in your state) Wellness program, and other tests related to our industry, as well as Advanced Regulatory Compliance for a wide variety of clients, including businesses, schools, government and private individuals. In addition, you will also be equipped to offer a full range of Advanced Regulatory Compliance (“ARC”) services which are primarily directed toward businesses who, along with their employees, fall under the Department of Transportation’s (“DOT”) federal guidelines and must adhere to strict regulations regarding the way they conduct business and manage employees.

The total investment necessary to begin operation of an ARCpoint franchised business is between \$106,300 and \$142,950. This includes \$66,500 that must be paid to the Franchisor, its affiliate(s), or approved suppliers/vendors.

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 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.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Randy Loeb, 220 North Main St. Suite 325, Greenville, South Carolina 29601, at (864) 271-3210.

The terms of your contract will govern your franchise relationship. Don’t rely on this Disclosure Document alone to understand your contract. Read your entire 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 your public library for other sources of information on franchising.

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

Date of Issuance: March 4, 2013

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 YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN SOUTH CAROLINA. OUT-OF-STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN SOUTH CAROLINA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT SOUTH CAROLINA LAW GOVERNS THE AGREEMENT, AND SOUTH CAROLINA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISOR REQUIRES THAT THE SPOUSE OF THE FRANCHISEE MUST SIGN A GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE AGREEMENT WHICH ALSO PLACES THE SPOUSE'S PERSONAL ASSETS AT RISK.
4. THE FRANCHISEE MUST MAKE A \$350.00 MINIMUM MONTHLY ROYALTY PAYMENT EVEN IF NO REVENUE WAS DERIVED. FAILURE TO MAKE THE PAYMENTS COULD RESULT IN TERMINATION OF YOUR FRANCHISE AGREEMENT AND LOSS OF YOUR INVESTMENT.
5. AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2012, THE FRANCHISOR HAD A NET WORTH DEFICIENCY OF \$459,076.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The Effective Date for this Disclosure Document for your state is listed on the "State Effective Dates" page.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates.

STATE	EFFECTIVE DATE
California	March 20, 2013
Illinois	March 8, 2013
Indiana	August 26, 2012
Maryland	March 25, 2013
Michigan	August 1, 2012
Minnesota	March 11, 2013
New York	May 1, 2013
North Dakota	March 21, 2013
Utah	August 17, 2012
Virginia	April 9, 2013
Washington	March 19, 2013
Wisconsin	March 6, 2013

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