



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

ARCpoint Labs offers comprehensive employment services built around a passion for reducing drug abuse as well as empowering individuals and companies to manage their health and wellness through affordable lab screening. As an ARCpoint Labs' franchisee, you will serve as a full-service third-party provider offering Accurate, Reliable, and Confidential drug, alcohol, DNA and clinical lab testing as well as Department of Transportation program management, workplace wellness solutions and background screening. Our offerings and consultative sales approaches will enable you to serve a wide array of workplace, judicial, athletic, medical, and consumer clients. ARCpoint Labs' services encompass both on-site and off-site pre-employment, random, post-accident and reasonable suspicion testing.

We offer both the opportunity to purchase a single unit franchise or to purchase multiple territories to be opened pursuant to a staggered opening schedule under the Multi-Unit Executive Development Addendum ("MUEDA").

The total investment necessary to begin operation of a single territory ARCpoint Business is \$161,800 to \$237,950. This includes \$76,500 that must be paid to the Franchisor or its affiliates. If you purchase additional territories under a MUEDA, the amount that you would pay to the Franchisor or its affiliate would increase for each additional territory purchased as follows: \$44,500 for the second territory, \$39,500 for the third territory; and \$34,500 for the fourth and subsequent territories.

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 (910) 408-1129.

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.

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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 YOU TO RESOLVE DISPUTES WITH US BY LITIGATION AND MEDIATION ONLY IN SOUTH CAROLINA. OUT-OF-STATE LITIGATION AND MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE AND MEDIATE 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 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We may pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates

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