

FRANCHISE DISCLOSURE DOCUMENT

Restoration Specialties Franchise Group, LLC
(A Michigan Limited Liability Company)
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The franchise offered is for the operation of an ART[®] business (the “Business”). The Business offers for sale services and related products for the recovery, repair and restoration of artwork and collectables, including paintings, frames, works on paper, photographs, sculptures, murals, mosaics, decorative arts, and other similar collectables for both residential and commercial consumers using state-of-the-art fire and disaster recovery technologies (“Restoration Services”).

The total investment necessary to begin operation of an ART Franchised Business is from \$121,000-\$215,500. This includes a range of \$61,500-\$93,500 that must be paid to the Franchisor or an affiliate. The total investment necessary to begin operation of an ART Franchised Business through an ERS Conversion is from \$57,600-\$97,000. This includes a range of \$31,300-\$44,500 that must be paid to the Franchisor or an 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 any payment to, us or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information on franchising.

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 Michelle Justavino at the above telephone number or Michelle.Justavino@rsfg-us.com.

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

Issuance Date: April 1, 2017

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, about other franchisors, 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 THE 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 ONLY IN THE CITY OF OUR NATIONAL HEADQUARTERS (CURRENTLY, LIVONIA, MICHIGAN). OUT-OF-STATE LITIGATION MAY FORCE YOU ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR LITIGATE WITH US IN MICHIGAN THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT REQUIRES THAT MICHIGAN 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. YOU MUST ATTAIN OR EXCEED THE MINIMUM PERFORMANCE STANDARDS FOR THE BUSINESS. FAILURE TO MEET THE MINIMUM PERFORMANCE STANDARDS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AGREEMENT.
4. YOU, AS AN OWNER OF THE FRANCHISE, MAY BE REQUIRED TO EXECUTE A PERSONAL GUARANTY, PLACING THE PERSONAL ASSETS AND MARITAL ASSETS OF THE FRANCHISEE(S) AT RISK.
5. THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND ITS PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.
6. BEGINNING AFTER YOUR FIRST YEAR IN OPERATION, YOU MUST MAKE MINIMUM MONTHLY ROYALTY PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THESE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

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, 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:

California	Pending
Florida	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Utah	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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