

## FRANCHISE DISCLOSURE DOCUMENT

BrightStar Franchising, LLC (an Illinois limited liability company) 1125 Tri-State Parkway, Suite 700 Gurnee, IL 60031 Telephone: 877.689.6898 Facsimile: 866.360.0393

www.brightstarfranchise.com email: franchise@brightstarcare.com



You will operate an agency providing comprehensive non-medical and medical care to home care clients within their home or residence as well as supplemental healthcare staff to institutional clients. Institutional clients include facilities like hospitals, nursing homes, and clinics.

The total investment necessary to begin operation of a BrightStar franchised business is \$94,156 to \$176,566. This includes \$50,000 that must be paid to franchisor or its affiliates.

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 forms, contact our corporate office at 1125 Tri-State Parkway, Suite 700, Gurnee, IL 60031, or via telephone at 877-689-6898.

The terms of your Franchise Agreement will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contracts. Read all of your contracts carefully. Show your contracts 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.

Issuance Date: March 31, 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 <u>Exhibit E</u> 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. ALL DISPUTES (WITH LIMITED EXCEPTIONS) MUST BE MEDIATED AND, IF NOT RESOLVED THROUGH MEDIATION, ARE TO BE RESOLVED BY ARBITRATION. BOTH MEDIATION AND ARBITRATION WILL BE HELD IN THE CITY WHERE OUR CORPORATE HEAD QUARTERS ARE LOCATED AT THE TIME OF THE DISPUTE. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE WITH US IN OUR HOME STATE THAN IN YOUR OWN STATE.
- 2. ILLINOIS LAW GOVERNS THE CONTRACT. ILLINOIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW IF YOU RESIDE OUTSIDE OF ILLINOIS. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. YOU MUST MEET THE ANNUAL PERFORMANCE STANDARDS FOR YOUR PROTECTED TERRITORY. FAILURE TO MEET THESE STANDARDS MAY RESULT IN LOSS OF YOUR RIGHT TO RENEW THE FRANCHISE AGREEMENT.
- 4. YOUR SPOUSE MUST SIGN A SPOUSAL CONSENT MAKING THE SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT THE SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER AND HIS OR HER SPOUSE AT RISK.
- 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 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.

Registration States Effective Dates: see following page.



## **BRIGHTSTAR FRANCHISING, LLC**

## **STATE REGISTRATIONS**

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:

<u>STATE</u> <u>EFFECTIVE DATE</u>

California March 31, 2017 (Exempt)

Hawaii Pending

Illinois March 31, 2017 (Exempt)

Indiana March 31, 2017 (Exempt)

Maryland Pending (Exempt)

Michigan March 31, 2017

Minnesota Pending

New York March 31, 2017 (Exempt)

North Dakota Pending (Exempt)

Rhode island Pending (Exempt)

South Dakota March 31, 2017

Virginia Pending (Exempt)

Washington Pending

Wisconsin March 31, 2017

In all other states without franchise registration laws, the effective date of this Franchise Disclosure Document is the issuance date of March 31, 2017.

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