

FRANCHISE DISCLOSURE DOCUMENT

BrightStar Senior Living Franchising, LLC
(an Illinois limited liability company)
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The "Traditional" franchise offered in this disclosure document is to operate an assisted living and memory care Facility under the "BrightStar Senior Living®" trademark providing various services for seniors and other individuals in need, including residential assisted living, memory care, and ancillary services. (We offer "Hybrid" franchises for BrightStar Senior Living® Facilities in a separate franchise disclosure document.)

The total investment necessary to begin operation of a BrightStar Senior Living® Facility franchise is \$1,021,500 to \$1,614,000 (if you intend to lease the Facility's land and building) and \$6,143,000 to \$9,269,000 if you intend to buy the Facility's land and building, depending on the state). This includes \$53,390 that must be paid to the franchisor or 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, 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 our corporate office at 1125 Tri-State Parkway, Suite 700, Gurnee, IL 60031, or via telephone at (888) 684-8250.

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 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 of this Franchise Disclosure Document: April 24, 2017

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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 MEDIATION, ARBITRATION, AND LITIGATION ONLY IN CITY AND STATE WHERE WE HAVE OUR HEADQUARTERS AT TIME OF MEDIATION OR WHEN THE ACTION IS COMMENCED (IT CURRENTLY IS IN GURNEE, ILLINOIS). OUT-OF-STATE MEDIATION, ARBITRATION, AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE, AND LITIGATE WITH US IN OUR HOME CITY AND STATE THAN IN YOUR OWN STATE.**
2. **THE FRANCHISE AGREEMENT REQUIRES THAT ILLINOIS 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. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**
4. **YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.**
5. **YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.**

6. YOU WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$1,021,500 TO \$1,614,000 (IF YOU INTEND TO LEASE THE FACILITY'S LAND AND BUILDING) AND \$6,143,000 TO \$9,269,000 (IF YOU INTEND TO BUY THE FACILITY'S LAND AND BUILDING, DEPENDING ON THE STATE). THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF JANUARY 1, 2017, WHICH IS (\$658,242).
7. THE FRANCHISOR HAS MINIMUM GUARANTOR NET WORTH THRESHOLD STANDARDS THAT YOU MUST MAINTAIN. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
8. THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND ITS PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.
9. THE FRANCHISOR HAS A LIMITED FRANCHISE OPERATING HISTORY TO ASSIST A PROSPECTIVE FRANCHISEE IN DECIDING TO MAKE THIS INVESTMENT.

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

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