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FRANCHISE DISCLOSURE DOCUMENT

Bumper Man

Bumper Man, Inc *a Texas corporation* 1432 Airport Blvd Mesquite, TX 75181 972-889-1986 www bumperman com DEPARTMENT OF BUSINESS OVERSIGHT SAN FRANCISCO

We offer Bumper Man franchises which will operate a Bumper Man bumper repair service that offers mobile automotive bumper repair services on site at the customer's place of business

The total investment necessary to begin operation of a Bumper Man repair service ranges from \$72,275 to \$104,050 This includes \$50,000 that must be paid to the franchisor

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 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, 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 Franchise Administration, Bumper man, Inc, 1432 Airport Blvd, Mesquite, TX 75181, 972-889-1986

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 <u>"A Consumer's Guide to Buying a Franchise</u>," 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 fit 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

Issued February 7, 2017 (for California only)



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/ARBITRATION/MEDIATION ONLY IN TEXAS OUT-OF-STATE LITIGATION/ARBITRATION/MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO LITIGATE/ARBITRATE/MEDIATE WITH US IN TEXAS THAN IN YOUR OWN STATE
- 2 THE FRANCHISE AGREEMENT STATES THAT TEXAS 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 IF YOU DO NOT ACHIEVE THE PRESCRIBED PERFORMANCE STANDARDS, WE MAY EITHER TERMINATE YOUR EXCLUSIVE RIGHTS TO THE TERRITORY, REDUCE THE SCOPE OF THE GEOGRAPHIC AREA COMPRISING YOUR TERRITORY, OR TERMINATE THE FRANCHISE AGREEMENT
- 4 THE FRANCHISOR WILL KEEP \$35,000 OF THE \$50,000 FRANCHISEE OPERATOR'S INITIAL FRANCHISE FEE IF THE FRANCHISOR DETERMINES IN ITS SOLE DISCRETION THAT FRANCHISEE HAS NOT COMPLETED TRAINING SATISFACTORILY
- 5 THE FRANCHISOR RESERVES THE RIGHT TO REDUCE THE SIZE OF THE EXCLUSIVE FRANCHISE AREA
- 6 THE FRANCHISOR REQUIRES PRE-DISPUTE MEDIATION WITH COSTS BEING SPLIT EQUALLY BY BOTH PARTIES
- 7 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
- 8 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE



We may 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

Effective Date: See the chart which follows for the state effective dates

Effective Date:

| For State | Date |
|------------|--------------------|
| California | |
| Hawan | March 11, 2016 |
| Illinois | March 31, 2016 |
| Indiana | June 20, 2016 |
| Maryland | December 23, 2015 |
| Minnesota | May 16, 2016 |
| New York | July 18, 2016 |
| Virginia | December 20, 2016 |
| Washington | September 22, 2016 |

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