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FRANCHISE DISCLOSURE DOCUMENT

FOR USE IN

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, Wyoming, and Washington, D.C.

August 30, 2013

FRANCHISE DISCLOSURE DOCUMENT

CARSTAR Franchise Systems, Inc.
A Kansas corporation
8400 W. 110th Street, Ste. 200
Overland Park, KS 66210
www.carstar.com
(913) 451-1294 (Phone)
Email: devdept@carstar.com



You operate an automobile collision repair facility identified by distinctive trademarks and service marks including the name CARSTAR[®], and utilizing a system of regional marketing, preferred vendor relationships, business and financial analysis, providing services to the insurance industry, to commercial accounts and to individual automobile owners

The total investment necessary to begin operation of a conversion CARSTAR franchise is \$6,218 to \$102,495, which includes an initial fee of \$2,500 to \$14,995 that must be paid to the Franchisor. The total investment necessary to begin operation of a new (ground-up) CARSTAR franchise is \$293,913 to \$798,995, which includes an initial fee of \$2,500 to \$14,995 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 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 or grant. **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 the Development Department at 8400 W. 110th Street, Suite 200, Overland Park, Kansas 66210 and 1-800-999-1949.

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, N.W., 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.

This Disclosure Document was issued April 15, 2013 and amended August 30, 2013.

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 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 ONLY IN KANSAS. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN KANSAS THAN IN YOUR OWN STATE.

2 THE FRANCHISE AGREEMENT STATES THAT KANSAS 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.

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.

We may also pay a fee to Vendors, Franchisees and/or Employees who introduce or refer a prospect to us. Such persons and entities may not assist you in any way in the sales process, are not authorized to make any financial performance representations that are not included in Item 19 of this disclosure document or any statements that are inconsistent with the statements in this disclosure document.

Effective Date

MULTI-STATE DISCLOSURE DOCUMENT EFFECTIVE DATES

STATE	EFFECTIVE DATE
California	April 22, 2013 as amended _____, 2013
Illinois	April 30, 2013 as amended August 30, 2013
Indiana	April 22, 2013 as amended August 30, 2013
Michigan	October 1, 2012 as amended August 30, 2013
New York	April 22, 2013 as amended _____, 2013
Rhode Island	April 26, 2013 as amended _____, 2013
South Dakota	April 19, 2013 as amended _____, 2013
Washington	May 15, 2013 as amended _____, 2013
Wisconsin	April 17, 2013 as amended August 30, 2013

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