

FRANCHISE DISCLOSURE DOCUMENT



Cellairis Franchise, Inc. 6485 Shiloh Road Building B, Unit # 100 Alpharetta, GA 30005 (678) 513-4020 franchiseinfo@cellairis.com www.cellairis.com

The franchisee will sell wireless device accessories including cellular telephone accessories and related services such as cell phone repair from one of three types of outlets each of which is likely to be located in a shopping mall. The three types of outlets are (1) a Retail Merchandising Unit (an "**RMU**"); (2) an Interactive Kiosk; or (3) an In-line Store.

The total investment necessary to begin operation of (1) a Cellairis RMU franchise ranges from \$33,410 to \$116,600, (2) an Interactive Kiosk franchise ranges from \$90,110 to \$180,275, and (3) an In-line Store franchise ranges from \$162,300 to \$439,025. This includes (1) \$26,225 to \$105,267 that must be paid to the franchisor or its affiliate for an RMU, (2) \$80,925to \$168,767 that must be paid to the franchisor or its affiliate for an Interactive Kiosk, and (3) \$141,375 to \$401,450 that must be paid to the franchisor or its affiliate for an In-line Store.

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.

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</u> <u>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 <u>www.ftc.gov</u> 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 28, 2013

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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 B** 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:

- THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE CERTAIN 1. DISPUTES WITH US BY ARBITRATION ONLY IN THE ATLANTA, GEORGIA OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. WE HAVE THE RIGHT TO BRING CERTAIN ACTIONS, CLAIMS, AND SUITS IN THE FEDERAL OR STATE COURT IN GEORGIA. IT MAY COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN GEORGIA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT GEORGIA 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 OPERATE THE FRANCHISE ONLY AT THE LOCATION SPECIFIED WHEN THE FRANCHISE IS PURCHASED. IF YOU SUBSEQUENTLY LOSE THE RIGHT TO OPERATE AT THE ORIGINAL LOCATION, WE HAVE THE RIGHT TO TERMINATE YOUR FRANCHISE.
- 4. YOU DO NOT RECEIVE AN EXCLUSIVE TERRITORY. WE MAY ESTABLISH COMPANY OWNED AND FRANCHISED OR LICENSED OUTLETS ANYWHERE, AND MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC, UNDER THE SAME AND/OR DIFFERENT TRADEMARK, IN COMPETITION WITH YOU.
- YOU MUST PAY ROYALTY FEES OF AT LEAST \$800 PER MONTH FOR YOUR 5. FIRST YEAR, \$850 PER MONTH FOR YOUR SECOND YEAR, \$900 PER MONTH FOR YOUR THIRD YEAR, \$950 PER MONTH FOR YOUR FOURTH YEAR, AND \$1,000 PER MONTH FOR YOUR FIFTH YEAR, EVEN IF THE FRANCHISE HAS NO REVENUE.
- THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE. 6.

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



ATTACHMENT "1" STATE EFFECTIVE DATES

The effective dates of registration of this Disclosure Document or exemption in the states listed below are:

California Connecticut Florida	April 2, 2008
Hawaii	
Illinois	
Indiana	
Kentucky	May 19, 2006
Maryland	
Michigan	
Minnesota	
Nebraska	May 16, 2006
New York	
North Dakota	
Rhode Island	
South Carolina	April 11, 2008
South Dakota	
Texas	June 5, 2006
Utah	
Virginia	
Washington	
Wisconsin	

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of March 28, 2013.

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