

## FRANCHISE DISCLOSURE DOCUMENT

Clubstore Outlet LLC A South Carolina limited liability company 55 Broad Street, Suite 400 Charleston SC 29401 843-277-2056 info@clubstoreoutlet.com www.clubstoreoutlet.com



The franchised business is to operate a retail store under the trade name Clubstore Outlet that features discounted quality merchandise from <u>Costcowholesale clubs</u> and other retailers.

The total investment necessary to begin operation of a Clubstore Outlet franchise is  $\frac{134,750197,200}{100,000}$  to  $\frac{202273}{500}$ . This includes 70,000 in fees plus approximately 75,000 to  $\frac{100,000}{5100,000}$  for inventory 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, please contact Amanda ShannonAmber Lynn Pennycuff at 55 Broad Street, Suite 400, Charleston SC 29401 and 843-277-2056.

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: June 16, 2015, amended December 7, 2015 February 25, 2016



## **STATE COVER PAGE**

Your state may have a franchise law that requires us 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 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 ARBITRATION ONLY IN SOUTH CAROLINA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN SOUTH CAROLINA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT SOUTH CAROLINA 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 <u>bemake</u> sure to do your own investigation of the franchise.

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



## STATE EFFECTIVE DATES

The following chart lists states which require that this disclosure document be registered or filed with the state or be exempt from registration. In these states, the effective date of this disclosure document is as follows:

State	Effective Date
California	Not applicable
Hawaii	Not applicable
Illinois	Not applicable
Indiana	Not applicable
Maryland	Not applicable
Michigan	Not applicable
Minnesota	Not applicablePending
New York	Not applicable
North Dakota	Not applicablePending
Rhode Island	Not applicable
South Dakota	Not applicablePending
Virginia	Not applicable
Washington	Not applicable
Wisconsin	Not applicable

In the following states, we have filed a notice of exemption from the registration or filing requirements of the state's business opportunity laws with respect to the offering described in this disclosure document:

State	Effective Date
Connecticut*	Not applicable
Florida	September <del>15<u>11</u></del> , 2015
Kentucky*	Not applicable
Nebraska	Not applicable
Texas*	Not applicable
Utah	Not applicable

\* One-time filing

We have filed a business opportunity registration in the following states:

State	Effective Date
Maine	Not applicable
North Carolina	Not applicable
South Carolina	Not applicable

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