

**FRANCHISE DISCLOSURE DOCUMENT
COLOR WORLD FRANCHISE SYSTEMS, LLC.**

an Ohio limited liability company
94 Village Pointe Dr.
Powell, Ohio 43065
(614) 588-1180

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Color World Franchise Systems, LLC offers franchises to qualified individuals and entities to own and operate a franchise under our **COLOR WORLD** service marks, trade names, programs, and systems. Our franchisees offer quality residential and commercial painting and related products and services to the public under the "Color WorldTM" names.

The total investment necessary to begin operation of a **COLOR WORLD** franchise is between **\$59,260 to \$130,200**. This includes \$40,000 to \$43,000 that must be paid to us or our 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 Thomas Hodgson at 94 Village Pointe Dr., Powell, Ohio 43065 or call (614) 588-1180 or email: TomH@colorworldhousepainting.com.

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-FTCHELP 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.
ISSUANCE DATE: March 1, 2018

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 F 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 ARBITRATION OR LITIGATION IN COLUMBUS, OHIO. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY COST YOU MORE TO ARBITRATE OR LITIGATE IN OHIO THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT OHIO 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. YOU MAY ALSO WISH TO CONSULT EXHIBIT E ATTACHED HERETO WHICH CONTAINS A STATE LAW ADDENDA THAT MAY PERTAIN TO THE LAWS OF THE STATE IN WHICH YOU RESIDE OR PLAN TO OPEN A FRANCHISE.

3. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.

4. THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (See Item 21), CALLS INTO QUESTION FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICE AND SUPPORT TO YOU.

5. AFTER YOUR FIRST YEAR OF OPERATIONS, YOU MUST MEET A MINIMUM SALES QUOTA REQUIREMENT. YOUR INABILITY TO MEET THIS REQUIREMENT MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHTS YOUR ARE GRANTED, TERMINATION OF YOUR FRANCHISES, AND LOSS OF YOUR INVESTMENT.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We 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 dates in franchise registration states: *Please see the next page*

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