

## FRANCHISE DISCLOSURE DOCUMENT FOR RHODE ISLAND

TOTAL CAR FRANCHISING CORPORATION  
A South Carolina Corporation  
125 Daytona Street, Conway, SC 29526  
(800) 929-3363  
[www.colorsonparade.com](http://www.colorsonparade.com)



As an Operator Franchisee, you provide one or more automotive repair and reconditioning technologies, including paint repair, paintless dent removal and interior repair, on automobiles, trucks or other vehicles in your assigned territory. As an Area Developer, you provide such technologies and assist the Operator Franchisees in your designated development area to establish their businesses and obtain and service customers in their territories.

The total investment necessary to begin operation of an Operator Franchise ranges from \$33,800 to \$103,000, with a \$500 discount for members of the military and military veterans. This includes \$10,000 to \$18,500 that must be paid to the franchisor or an affiliate. The total investment necessary to begin operation of an Area Developer Franchise ranges from \$85,750 to \$441,000. This includes \$58,125 to \$351,000 that must be paid to the franchisor or an 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 (10 business days in California) before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed 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 availability of disclosures in different formats and the resources required to view the document in each format, contact the Director of Franchise Sales at 800-929-3363.

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 contracts 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, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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.

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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 A for information about the franchisor, about other franchisors, 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 (OTHER THAN REQUESTS FOR TEMPORARY RESTRAINING ORDERS, PRELIMINARY INJUNCTIONS OR OTHER PROCEDURES TO OBTAIN INTERIM RELIEF TO PRESERVE THE *STATUS QUO* OR PREVENT IRREPARABLE INJURY PENDING ARBITRATION OF THE UNDERLYING DISPUTE, WHICH MAY BE PRESENTED IN ANY COURT OF COMPETENT JURISDICTION) BY MEDIATION OR ARBITRATION ONLY IN THE CITY AND STATE IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY, CONWAY, SOUTH CAROLINA). OUT-OF-STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN THE STATE IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF THE STATE IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY, SOUTH CAROLINA) 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. WE (OR A BILLING AND COLLECTIONS AGENT THAT WE APPOINT) INVOICE AND COLLECT FOR ALL OF THE SERVICES THAT YOU PROVIDE AND DEDUCT, FROM THE AMOUNTS COLLECTED, THE ROYALTY FEES AND CERTAIN OF THE OTHER FEES OR PAYMENTS THAT YOU ARE REQUIRED TO MAKE UNDER THE FRANCHISE AGREEMENT, IF APPLICABLE, ON A MONTHLY BASIS, WHICH MAY AFFECT YOUR CASH FLOW.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Note: The agreement provisions referred to in the RISK FACTORS may be void under some state franchise laws and some state franchise laws may require disclosure of additional risk factors.

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 is our agent and 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: \_\_\_\_\_, 2018

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