



## FRANCHISE DISCLOSURE DOCUMENT COTTMAN TRANSMISSION SYSTEMS, LLC

A Delaware limited liability company  
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Horsham, PA 19044  
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www.cottman.com

The franchise offered is for an automotive shop that repairs, remanufactures and services transmissions and other driveline related component parts (including batteries, electrical, cooling and radiator) under the trade name Cottman Transmission (the “Cottman Center”). We offer Cottman Center franchises only to: (1) existing Cottman franchisees who are renewing an existing Cottman License Agreement; (2) purchasers of an operating Cottman Center from an existing Cottman franchisee and who meet our qualifications; and (3) purchasers of a recently closed Cottman Center who will re-open and operate a Cottman Center at the same premises or another location within the same geographic market area and who meet our qualifications.

The total investment necessary to begin operation of a new Cottman Center franchise ranges from \$192,199 to \$230,499. This includes \$58,599 to \$70,099 that must be paid to the franchisor or its affiliate. The total investment necessary to renew a Cottman Center franchise that requires no refurbishing is \$0, since we do not charge a renewal fee. The total investment for a buyer of an existing Cottman Center will be \$14,000 (consisting of the initial fees that must be paid to us), plus the purchase price for the business payable to the seller, and the cost of any refurbishing. We cannot estimate if refurbishing will be required as that depends on the physical condition of the particular Cottman Center at the time of renewal or transfer.

This disclosure document summarizes certain provisions of your License 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, Michelle Stone, Cottman Transmission Systems, LLC, 201 Gibraltar Road, Horsham, PA 19044 (telephone: (267) 464 1601; e-mail: franchise@cottman.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-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](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 M for information about the franchisor or about franchising in your state.

**MANY LICENSE 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 LICENSE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN PENNSYLVANIA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN PENNSYLVANIA THAN IN YOUR OWN STATE.**
2. **THE LICENSE AGREEMENT STATES THAT PENNSYLVANIA 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 make sure to do your own investigation of the franchise.

**STATE EFFECTIVE DATES:** See the next page for state effective dates.

## COTTMAN TRANSMISSION SYSTEMS, LLC

### STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This Franchise Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

Illinois	_____, 2016
Maryland	_____, 2016
Michigan	_____, 2016
New York	_____, 2016
Virginia	_____, 2016
Washington	_____, 2016
Wisconsin	_____, 2016

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