



FRANCHISE DISCLOSURE DOCUMENT

CREATIVE COLORS INTERNATIONAL, INC.

An Illinois corporation

19015 S. Jodi Road, Suite E

Mokena, Illinois 60448

(800) 933-2656

Terri@CreativeColorsIntl.com

www.CreativeColorsIntl.com

We offer a mobile-operated Franchised Business that specializes in repair, coloring, cleaning, protection and restoration of leather, cloth, vinyl, velour, plastics and other upholstery surfaces. We offer these franchises individually under the terms of a standard Franchise Agreement. We also offer (i) multi-unit opportunities under our Area Development Agreement and (ii) regional development rights under our Regional Development Agreement.

The total investment necessary to begin operation of a single Franchised Business is \$79,600 to \$107,250. This includes \$69,000 that you must pay to the Franchisor.

The total initial investment for an Area Development Agreement is \$139,100 to \$275,150, including \$128,500 you must pay the Franchisor. The fee paid to the Franchisor covers the initial area development fee for 3 Franchised Businesses you will own and operate plus the Start-Up Fee for the 1st Franchised Business you open. You will pay a Start-Up Fee in the amount of \$24,000 when you open your 2nd and 3rd Franchised Business. For each additional Franchised Business you open, your investment is an additional \$57,000 you must pay the franchisor.

The total initial investment for a Regional Development Agreement is \$209,800 to \$246,250 for the rights to own and operate 1 Franchised Business and to commit to recruit and develop 9 additional Franchised Businesses. This fee includes \$194,500 you must pay the Franchisor, which covers the initial franchise fee of 1 Franchised Business that you must open and operate, a territory of approximately 3,000,000 in people population which is equivalent to 10 Franchised Businesses and the Start-Up Fee for the 1st Franchised Business you must open. For the right to develop more than 9 Franchised Businesses, your investment is an additional \$16,500 in Regional Development Fee for each increment of Granted Territory per Franchised Business, all of which you must pay the franchisor. The Regional Developer is not a Subfranchisor.

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 franchise disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Terri L. Sniegolski at Creative Colors International, Inc., 19015 S. Jodi Road, Suite E, Mokena, Illinois, 60448, 1-800-933-2656 ext. 224.

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.

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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, 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, AREA DEVELOPMENT AGREEMENT AND REGIONAL DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN ILLINOIS. 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 ILLINOIS THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT AND REGIONAL DEVELOPMENT AGREEMENT STATE THAT ILLINOIS 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. CONTINUATION OF YOUR AREA IS DEPENDENT ON HAVING 2 VANS BEGINNING ON YOUR SECOND ANNIVERSARY. ALSO, THE FRANCHISOR MAY CONDUCT SURVEYS OF YOUR AREA, AND, IF REQUIRED, YOUR FAILURE TO ADD A VAN IS A MATERIAL BREACH OF THE FRANCHISE AGREEMENT.
4. LIQUIDATED DAMAGES WILL BE REQUIRED IF THE FRANCHISE AGREEMENT IS TERMINATED WITH CAUSE.

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