

FRANCHISE DISCLOSURE DOCUMENT



Decor & You, Inc.

A Delaware Corporation 900 Main Street South, Building No. 2 Southbury, Connecticut 06488

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Décor & You franchises operate businesses that provide interior decorating to residential and commercial customers ("<u>DY Business(es)</u>").

The total investment necessary to begin operation of a DY Business is between \$58,470 and \$352,770. This includes between \$41,170 and \$321,170 that must be paid to the franchisor or its affiliates.

Franchisees may also choose to become an area developer ("<u>Area Developer</u>"), earning the right to establish and operate a certain number of DY Businesses in a specified area ("<u>Area Development Business</u>"). The total initial investment necessary to begin operation of an Area Development Business is between \$88,470 and \$452,770. This includes between \$71,170 and \$421,170 that must be paid to the franchisor or its affiliate. The estimates for each Area Development Business also include the costs to open one (1) DY Business.

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 System Licensing Standards at 900 Main Street South, Building 2, Southbury, CT 06488, (203) 405-2126.

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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. In addition, there may be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: May 31, 2016



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 <u>Exhibit A</u> 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION, AND/OR LITIGATION ONLY IN CONNECTICUT. 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, AND/OR LITIGATE WITH US IN CONNECTICUT THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT CONNECTICUT LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. YOU MUST PAY US MINIMUM CONTINUING SERVICE FEES AND ADVERTISING FUND FEES EACH MONTH EVEN IF THE FRANCHISE BUSINESS HAS NO REVENUE.
- 4. YOUR FRANCHISE BUSINESS HAS NO TERRITORIAL PROTECTION, AND WE AND OUR AFFILIATES HAVE THE RIGHT, WITHOUT ANY RESTRICTIONS, TO ENGAGE IN ANY AND ALL ACTIVITIES WE AND THEY DESIRE, IN COMPETITION WITH YOUR FRANCHISE.
- 5. THE FRANCHISOR MAY ESTABLISH MAXIMUM, MINIMUM, OR OTHER PRICING REQUIREMENTS TO THE FULLEST EXTENT ALLOWED BY LAW.
- 6. THE FRANCHISEE'S SPOUSE MUST SIGN AN OWNER'S AGREEMENT MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, WHICH ALSO PLACES THE SPOUSE'S PERSONAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
- 7. 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 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 Dates: See the next page for state effective dates.

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