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Department of Business Oversight
Los Angeles Office

FRANCHISE DISCLOSURE DOCUMENT



Detail Garage, LLC,
a California limited liability company
14108 S. Western Ave.
Gardena, California 90249
(310) 674-8135
www.detailgarage.com

Detail Garage, LLC (“we,” “us,” or “our”) offers for sale a franchise to establish and operate a distinctive automobile detailing supplies store under the “DETAIL GARAGE” marks.

The total estimated investment necessary to begin operations of a Detail Garage Store franchise ranges from \$92,575 to \$189,900. This amount includes \$45,100 to \$76,400 that must be paid to the franchisor or its affiliate. The total estimated investment necessary to begin operations of a Detail Garage Store franchise pursuant to an area development agreement ranges from \$145,075 to \$232,400. This amount includes \$97,600 to \$118,900 that must be paid to the franchisor or its affiliate.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 payments to the Franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 David Knotek at Detail Garage, LLC, 14108 S. Western Ave., Gardena, California 90249, and at (310) 674-8135.

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 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.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS MARCH 7, 2017.

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 THIS FRANCHISE WITH A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed on **Exhibit B** for information about the franchisor, or about franchising in your state. If you learn that anything in this disclosure document is untrue, contact the Federal Trade Commission and the state administrators listed on **Exhibit B**.

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 THE AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY, FIRST, A FACE-TO-FACE MEETING; SECOND, NON-BINDING MEDIATION; AND THIRD, BINDING ARBITRATION, IN THE COUNTY IN WHICH OUR THEN-CURRENT HEADQUARTERS IS LOCATED. OUT-OF-STATE MEDIATION/ARBITRATION MAY FORCE YOU TO ACCEPT LESS FAVORABLE SETTLEMENT DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE/ARBITRATE WITH US IN THE COUNTY IN WHICH OUR THEN-CURRENT HEADQUARTERS IS LOCATED THAN IN YOUR STATE. YOU AND WE WILL GENERALLY BEAR EACH OF OUR OWN COSTS IN ANY DISPUTE, BUT THE ARBITRATOR CAN ASSESS COSTS AGAINST A LOSING PARTY.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT PROVIDE THAT THE LAWS OF THE STATE OF CALIFORNIA GOVERN THE AGREEMENTS AND THAT LAW MAY NOT PROVIDE YOU WITH THE SAME RIGHTS AND PROTECTIONS AS YOUR LOCAL LAW. YOU MAY WANT TO CONSULT AN ATTORNEY REGARDING COMPARISON OF THESE LAWS.
3. IF YOU ARE A CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY, WE WILL REQUIRE EACH OWNER OF A 10% OR MORE INTEREST IN YOU AND HIS/HER SPOUSE TO SIGN A GUARANTY AND ASSUMPTION OF OBLIGATIONS OF YOUR OBLIGATIONS CAUSING EACH OWNER (AND THE OWNERS' SPOUSE) TO BECOME JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT (IF APPLICABLE). THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF OWNERS AND SPOUSES AT RISK.
4. AS A FRANCHISEE, YOU ARE REQUIRED TO MEET A MINIMUM SALES QUOTA AT THE END OF EACH YEAR OF THE STORE'S OPERATION UNDER THE FRANCHISE AGREEMENT. YOUR FAILURE TO MEET THE MINIMUM SALES QUOTA MAY RESULT IN YOU BEING REQUIRED TO ATTEND A CORRECTIVE TRAINING PROGRAM AND/OR PERFORM ADDITIONAL LOCAL MARKETING. IF YOU FAIL TO MEET THE MINIMUM SALES QUOTA FOR 24 CONSECUTIVE MONTHS, WE MAY TERMINATE YOUR FRANCHISE AGREEMENT.

5. IF YOU DO NOT COMPLETE TRAINING TO OUR SATISFACTION, WE MAY TERMINATE THE FRANCHISE AGREEMENT.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

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