

**FRANCHISE OFFERING CIRCULAR
FOR PROSPECTIVE FRANCHISEES**

EQUIPMENT MANAGEMENT, SERVICE AND REPAIR, INC.
DOING BUSINESS AS EMSAR®
(AN OHIO CORPORATION)
1032 WEST MAIN STREET
WILMINGTON, OHIO 45177
(800) 73-EMSAR
(800) 733-6727

This EMSAR® Franchise involves the sale of services for equipment management, service and/or repair of certain medical and related products. The Franchisor may, but is not required to, develop a list of medical and related products, and you shall offer equipment management, service and/or repair services for these products. In some cases, a manufacturer may authorize Franchisor and its franchisees to perform equipment management, service and/or repair on that manufacturer's medical and related products. You shall offer to sell these services to the owners and users of all medical and related products ("Medical Products") that become subject to this franchise. In other cases, a manufacturer may not authorize you to service its products.

An EMSAR® Equipment Management, Service and Repair Franchise is the right within a non-exclusive area to perform equipment management, service and repair on Medical Products. An EMSAR® Equipment Management and Service-Only Franchise is the right within a non-exclusive area to perform equipment management and service on Medical Products. The franchise grant is for the right within a non-exclusive area to use certain registered marks and certain proprietary copyrights, service marks, tradenames and distinctive methods of operation of a business to perform equipment management, service and/or repair on Medical Products.

The initial Franchise Fee is \$20,000 for an Equipment Management, Service and Repair Franchise and \$8,000 for an Equipment Management and Service-Only Franchise, payable in one lump sum.

Your initial investment will vary depending upon a number of factors and local conditions. The initial investment for an Equipment Management, Service and Repair Franchise is approximately \$70,735 to \$71,985 and the initial investment for an Equipment Management and Service-Only Franchise is approximately \$50,050 to \$51,300.

RISK FACTORS:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT F OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION.

REGISTRATION OF THIS FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS OFFERING CIRCULAR. IF YOU LEARN THAT ANYTHING IN THE OFFERING CIRCULAR IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION.

THE SUCCESS OF AN EMSAR® FRANCHISE IS CONDITIONED ON MANUFACTURERS OF MEDICAL PRODUCTS AUTHORIZING THE FRANCHISOR AND ITS FRANCHISEES TO PERFORM EQUIPMENT MANAGEMENT, SERVICE AND REPAIR ON THOSE MANUFACTURERS' MEDICAL PRODUCTS AND YOUR SELLING THOSE SERVICES TO OWNERS AND USERS OF THOSE MEDICAL PRODUCTS.

AS OF THE DATE OF THIS OFFERING CIRCULAR, FERNO-WASHINGTON, INC. ("FERNO"), WHICH IS AN AFFILIATE OF FRANCHISOR, IS THE MAJOR MANUFACTURER THAT HAS AUTHORIZED FRANCHISOR AND ITS FRANCHISEES TO PERFORM EQUIPMENT MANAGEMENT, SERVICE AND REPAIR ON ITS MEDICAL PRODUCTS. FRANCHISOR MAY, BUT IS NOT REQUIRED TO, SOLICIT ADDITIONAL MANUFACTURERS TO BECOME AN AUTHORIZED EQUIPMENT MANAGEMENT, SERVICE AND REPAIR DEALER FOR THOSE MANUFACTURERS. IF ADDITIONAL MANUFACTURERS DO NOT GRANT THIS AUTHORIZATION, OR FERNO OR ANY OTHER MANUFACTURER(S) WHO HAS PREVIOUSLY AUTHORIZED FRANCHISOR AND YOU TO PERFORM THESE SERVICES TERMINATES ITS AUTHORIZATION, THE FRANCHISE BUSINESS CONDUCTED BY YOU MAY BECOME LIMITED OR NON-EXISTENT. THE AUTHORIZATION FOR ANY OR ALL FRANCHISEES TO PERFORM THESE SERVICES MAY BE TERMINATED FOR ANY REASON, INCLUDING, BUT NOT LIMITED TO: (i) EXPIRATION OF THE TERM OF THE AUTHORIZATION; (ii) A FAILURE BY FRANCHISOR TO PERFORM IN ACCORDANCE WITH THE AUTHORIZATION; (iii) FAILURE BY ANY FRANCHISEE TO PERFORM IN ACCORDANCE WITH THE AUTHORIZATION; OR (iv) BANKRUPTCY OF THE MANUFACTURER.

FRANCHISOR MAY CHANGE, LIMIT OR DENY YOU THE RIGHT TO PERFORM EQUIPMENT MANAGEMENT, SERVICE AND/OR REPAIR ON ANY MEDICAL PRODUCT FOR ANY REASON REGARDLESS OF WHETHER FRANCHISOR PREVIOUSLY HAS BEEN AUTHORIZED TO PERFORM EQUIPMENT MANAGEMENT, SERVICE AND/OR REPAIR ON THIS PRODUCT AND REGARDLESS OF WHETHER OTHER FRANCHISEES OF FRANCHISOR ARE

PERMITTED TO PERFORM EQUIPMENT MANAGEMENT, SERVICE AND/OR REPAIR ON THIS PRODUCT.

THE FRANCHISE AGREEMENT REQUIRES THE FRANCHISEE TO ARBITRATE MOST DISPUTES WITH THE FRANCHISOR IN CLINTON COUNTY, OHIO. ARBITRATION MAY BE LESS OR MORE FAVORABLE TO A FRANCHISEE THAN LITIGATION AS A MEANS OF RESOLVING DISPUTES WITH THE FRANCHISOR. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH THE FRANCHISOR IN OHIO THAN IN YOUR HOME STATE.

THE FRANCHISE AGREEMENT STATES THAT OHIO 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.

THERE MAY BE OTHER RISK FACTORS CONCERNING THIS FRANCHISE.

The Effective Date of this Offering Circular is **August 15,2006**

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