MAR 1 2 2018

Department of **Business Oversight**



Evans Garment Restoration II, LLC A Tennessee Limited Liability Company 1750 Transport Avenue Memphis, TN 38116 www.evansgr.com (866) 933-8267

Evans Garment Restoration II, LLC ("Franchisor") franchises the right to operate garment restoration businesses utilizing Franchisor's proprietary operating system and marks, including the mark Evans[®] (each, a "Tier 1 Business"). The total investment necessary to begin operating a Tier 1 Business ranges from \$92,130 to \$232,515 which includes \$40,000 that must be paid to us before opening.

FRANCHISE DISCLOSURE DOCUMENT

Franchisor also offers existing textile restoration businesses the right to offer services utilizing Franchisor's proprietary operating system and marks alongside independent services (each, a "Tier 2 Business"). The total investment necessary to begin operating a single Tier 2 Business ranges from \$91,630 to \$232,515 which includes \$40,000 that must be paid to us before opening the Tier 2 Business. Current franchisees of Tier 1 and Tier 2 Businesses also have the option to operate satellite depots (each, a "Depot") in an adjacent available territory. The total investment necessary to open a Depot ranges from \$117,239 to \$237,082 which includes a \$40,000 initial fee. To simplify the terms of this disclosure document, the designation "Business" or "Franchised Business" refer collectively and interchangeably to all three categories of franchises described above.

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 fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, 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 our corporate office at 1750 Transport Avenue, Memphis, Tennessee 38116.

The terms of your Franchise Agreement will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contracts. Read all of your contracts carefully. Show your contracts 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.

The Issue Date of this Franchise Disclosure Document ("FDD") is: December 8, 2017

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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 to this Franchise Disclosure Document for information about the franchisor, about other franchisors, 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. AT OUR OPTION, THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION ONLY IN MEMPHIS, TENNESSEE. OUT-OF-STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN TENNESSEE THAN IN YOUR OWN STATE. ANY DISPUTES WITH US NOT SUBJECT TO MEDIATION MUST BE RESOLVED BY LITIGATION IN MEMPHIS, TENNESSEE. IT MAY COST YOU MORE TO LITIGATE WITH US IN TENNESSEE THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT TENNESSEE LAW GOVERNS THEM. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.
- 4. THE AUDITOR'S REPORT ON THE FRANCHISOR'S FINANCIAL STATEMENTS EXPRESSES SUBSTANTIAL DOUBT ABOUT THE FRANCHISOR'S ABILITY TO REMAIN IN BUSINESS. THIS MEANS THAT THE FRANCHISOR MAY NOT HAVE THE FINANCIAL RESOURCES TO PROVIDE SERVICES TO YOU.
- 5. 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 <u>our</u> 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.



STATE EFFECTIVE DATES

CALIFORNIA	PENDING (DIFFERENT FORM OF FDD)
FLORIDA	Not Registered
HAWAII	Not Registered
ILLINOIS	PENDING
INDIANA	Not Registered
KENTUCKY	EFFECTIVE (one-time filing)
MARYLAND	FEBRUARY 14, 2018
MICHIGAN	Not Registered
MINNESOTA	PENDING
NEBRASKA	EFFECTIVE (one-time filing)
NEW YORK	PENDING
NORTH DAKOTA	Not Registered
RHODE ISLAND	Not Registered
SOUTH DAKOTA	Not Registered
TEXAS	EFFECTIVE (one-time filing)
UTAH	Not Registered
· VIRGINIA	Not Registered
WASHINGTON	Not Registered
WISCONSIN	Not Registered

In all other states, the effective date of this Franchise Disclosure Document is the Issuance Date of: December 8, 2017

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