

FRANCHISE DISCLOSURE DOCUMENT

FASTFRAME U.S.A., INC.
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www.fastframe.com

DEPARTMENT OF CORPORATIONS
RECEIVED LOS ANGELES OFFICE

DEC 17 2012

FASTFRAME U.S.A., INC offers franchises for custom framing retail stores (“Outlets”) featuring fast, turn-around service and the sale of related items to the public using the trade names of “FASTFRAME”, and “FASTFRAME EXPERT PICTURE FRAMING ”

Currently, FASTFRAME offers four forms of agreement

- 1 A Franchise Agreement, which allows you to open a full service custom framing Outlet which does framing work on site, and one Satellite location within your Territory (see paragraph 2), which is typically a limited service Outlet which relies upon the full service outlet to produce the frames. The estimated total initial investment necessary to begin operation of a full service FASTFRAME Outlet ranges from \$105,700 to \$150,200. This includes the \$54,800 (\$44,800 for an existing franchisee) in initial fees (see Item 5), that must be paid to the franchisor or affiliate.
- 2 A FASTFRAME Satellite Addendum, which you sign for each limited service or full service custom framing Satellite in the same Territory as your existing FASTFRAME Outlet, including the conversion of an existing custom framing store to a FASTFRAME Outlet in your existing Territory. We offer Satellite Addendums only to existing franchisees who meet certain operational and financial criteria. The estimated total initial investment necessary to begin operation of a Satellite ranges from \$30,400 to \$50,900. This includes the \$10,000 in initial fees (see Item 5), that must be paid to the franchisor or affiliate.
- 3 A Conversion Addendum is used if you are converting an independent frame store to a “FASTFRAME” Outlet. Your estimated total initial investment necessary to convert an independent frame store to a “FASTFRAME” Outlet ranges from \$31,035 to \$95,200. This includes initial fees of \$27,300 (if your initial fee is deferred) to \$47,300 (if your initial franchise fee is paid on signing) (see Item 5), that must be paid to the franchisor or affiliate.
- 4 A Regional Development Agreement allows you to locate, qualify, train and act as our liaison with franchisees located in a specified geographic territory. The estimated total initial investment necessary to begin operations as a Regional Developer ranges from \$28,600 to \$1,020,500. This includes the initial regional development fee that must be paid to the franchisor or affiliate, which is \$12,500 multiplied by the number of FASTFRAME Outlets you or franchisees procured by you must open during the initial term of your Regional Development Agreement and typically ranges from \$25,000 to \$1,000,000. In addition, you must own and operate at least one FASTFRAME Outlet to be a Regional Developer. The estimated total initial investment above does not include the cost to open a FASTFRAME Outlet.

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.

or grant **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 to you. To discuss the availability of disclosures in different formats, contact Brenda Hales at 1200 Lawrence Drive, Suite 300, Newbury Park, California 91320 and (805) 498-4463

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 an attorney 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 administrators listed in Exhibit S 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 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN LOS ANGELES, CALIFORNIA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE
- 2 THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE LAWS
- 3 OUR WEB SITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEB SITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at www.corp.ca.gov
- 4 FASTFRAME WILL NOT OPERATE OR GRANT A FRANCHISE FOR ANOTHER FASTFRAME OUTLET IN YOUR TERRITORY, BUT IT RESERVES THE RIGHTS WITHIN AND OUTSIDE YOUR TERRITORY TO MANUFACTURE, PRODUCE, DISTRIBUTE AND LICENSE GOODS RELATED TO THE FRAMING BUSINESS UNDER NAMES OTHER THAN "FASTFRAME," AND TO DISTRIBUTE FRAMING GOODS AND SERVICES UNDER THE FASTFRAME MARKS VIA E-COMMERCE (BUT IT WILL GIVE YOU THE OPPORTUNITY TO PARTICIPATE AND SHARE PROGRAM REVENUES AND EXPENSES)
- 5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

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