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FLOOR COVERINGS

international

CECTIVED LOS ANGELES OFFICE

APR 03 2015

Floorcoverings International, Ltd 5250 Triangle Parkway, Suite 100 Norcross, Georgia 30092 800-955-4324 www.floorcoveringsinternational.com

The franchisee will conduct a mobile retail floor covering and window treatment business. The total investment necessary to begin operation of a Floor Coverings International franchise is \$137,500 to \$310,000. This includes \$74,500 to \$99,500 that must be paid to franchisor or its affiliates.

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 to you. To discuss the availability of disclosures in different formats, contact Denise James at 5250 Triangle Parkway, Suite 100 Norcross, Georgia 30092 and 800-955-4324

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 <u>www ftc gov</u> 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 March 27, 2015



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 fianchise administrator listed in Exhibit I 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

I THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION ONLY IN ATLANTA, GEORGIA 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 GEORGIA THAN IN YOUR OWN STATE

2 ANY DISPUTES WITH US NOT SUBJECT TO MEDIATION MUST BE RESOLVED BY LITIGATION IN GEORGIA IT MAY COST YOU MORE TO LITIGATE WITH US IN GEORGIA THAN IN YOUR OWN STATE

3 THE FRANCHISE AGREEMENT STATES THAT GEORGIA LAW GOVERNS THE AGREEMENT THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

4 IT IS IMPORTANT TO NOTE THAT THE FRANCHISE COMPANY, INC LIABILITIES EXCEED ITS TANGIBLE ASSETS, WHICH MAY ENTAIL ADDITIONAL RISK OF FINANCIAL LOSS

5 PLEASE NOTE THAT 54 5% OF THE GUARANTOR'S ASSETS ARE INTANGIBLE YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY

6 We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our fianchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring your to us You should be sure to do your own investigation of the franchise

7 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

The effective dates for this Franchise Disclosure Document in the registration states are listed on the following page



STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration California Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota New York, North Dakota Rhode Island, South Dakota, Virginia, Washington, and Wisconsin

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

STATE	EFFECTIVE DATE
California	Pending Registration
Florida	Aprıl 2, 2014
Hawan	Pending Registration
Illinois	Pending Registration
Indiana	Pending Registration
Maryland	Pending Registration
Michigan	Aprıl 12, 2014
Minnesota	Pending Registration
New York	Pending Registration
North Dakota	Pending Registration
Rhode Island	Pending Registration
South Dakota	Pending Registration
Utah	Aprıl 22, 2014
Virginia	Pending Registration
Washington	Pending Registration
Wisconsin	Pending Registration

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of March 27, 2014

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