

FRANCHISE DISCLOSURE DOCUMENT



FranNet, LLC New Jersey limited liability company 10302 Brookridge Village Blvd., Suite 201 Louisville, Kentucky 40291 (502) 753-2380 E-Mail: <u>info@frannet.com</u> www.frannet.com

We grant franchises for the operation of FranNet Business. FranNet Businesses offer specialized franchise consulting services to franchisors, potential franchisors, licensors and other business opportunity companies in connection with the sale (or re-sale) of their franchises, licenses and business opportunities.

The total investment necessary to begin operation of a FranNet Business ranges from \$39,140.00 to \$71,390.00 (total amount in Item 7). This includes between \$15,000.00 and \$35,000.00 (total amount in Item 5) that must be paid to the franchisor or its affiliate prior to opening for business.

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 for you. To discuss the availability of disclosures in different formats, contact Todd Bingham at 10302 Brookridge Village Blvd., Suite 201, Louisville, Kentucky 40291 (502) 753-2380.

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 "<u>A Consumer's Guide to Buying a Franchise</u>," 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 <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.

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FRANNET 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 administrators listed in Exhibit "A" for information about the franchisor, about other franchisors, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONAL 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:

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN PHILADELPHIA COUNTY, PENNSYLVANIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT AS LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE AGAINST US IN PHILADELPHIA COUNTY, PENNSYLVANIA THAN IN YOUR HOME STATE.

THE FRANCHISE AGREEMENT STATES THAT PENNSYLVANIA 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 RISKS CONCERNING THE FRANCHISE.

The effective dates of this Disclosure Document in the states of California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin are disclosed on the following page.



FRANNET, LLC

State Effective Dates (if applicable)

State:	Effective Date:
California	April 16, 2009
Hawaii	April 17, 2009
Illinois	April 13, 2009
Indiana	June 11, 2009
Maryland	November 20, 2009
Michigan	September 26, 2008
Minnesota	April 13, 2009
New York	June 1, 2009
North Dakota	
Rhode Island	June 5, 2008
South Dakota	
Utah	September 29, 2008
Virginia	December 10, 2009
Washington	September 9, 2009
Wisconsin	April 13, 2009

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