

FRANCHISE DISCLOSURE DOCUMENT

FRSTEAM, INC.
A California Corporation
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FRSTeam Franchisees will develop and operate businesses using FRSTeam's concept and system for the dry cleaning and restoration of clothing and fabrics under the names "*FRSTeam*" and "*Fabric Restoration Service Team*". These business services include providing specialty and emergency dry cleaning and laundry services to clothing and fabrics following a residential or commercial disaster involving smoke or fire damage, mold, water damage or other personal disasters involving clothing and fabrics.

The total investment necessary to begin operation of a FRSTeam franchise will range from \$32,000 to \$380,500. This includes \$25,000, the initial Franchise Fee that must be paid to the Franchisor or its affiliate. The Franchise Fee of \$25,000.00 is for a Territory of no more than 500,000 households. The Franchise Fee is increased to \$35,000.00 for a Territory with more than 500,000 households. These estimates assume that you already have an existing dry cleaning facility.

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.**

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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 licensing, 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 licensing.

There may also be laws on licensing in your state. Ask your state agencies about them.

ISSUANCE DATE: March 28, 2014

REGISTRATION OF THIS FRANCHISE WITH THE STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE STATE ADMINISTRATORS LISTED ON EXHIBIT E.

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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 E for information about the franchisor, or about licensing in your state.

SEE EXHIBIT C FOR CERTAIN DISCLOSURES REQUIRED BY THE STATE OF CALIFORNIA.

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 BINDING ARBITRATION ONLY IN 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 OWN 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 THESE LAWS.**
3. **YOU WILL BE REQUIRED TO MAKE AN INITIAL INVESTMENT RANGING FROM \$32,000 TO \$380,500. THE MAXIMUM ESTIMATED AMOUNT OF THIS INITIAL INVESTMENT EXCEEDS FRSTEAM'S EQUITY AS OF DECEMBER 31, 2013, WHICH IS \$161,923.**
4. **YOUR SPOUSE MUST EXECUTE A PERSONAL GUARANTY MAKING YOUR SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT YOUR SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS WHICH PLACES THE PERSONAL ASSETS OF YOU AND YOUR SPOUSE AT RISK.**
5. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

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