

## FRANCHISE DISCLOSURE DOCUMENT

**kitchentune-up**

**Sears Home Appliance Showrooms, LLC**  
a Delaware limited liability company  
5500 Trillium Blvd, Suite 501  
Hoffman Estates, IL 60192  
(847) 286-3074  
SHOFranchises@shos.com  
www.ownasearsstore.com

We offer franchises for the right to independently own and operate a business that provides wood restoration and repair services along with offering replacement cabinet doors, cabinet refacing materials, replacement cabinet hardware, new cabinets, granite sealing, closet and shelf organizers, and other services and products generally relating to home improvement and remodeling, to be operated either (a) out of a kiosk at your existing Sears Hometown Store, Sears Home Appliance Showroom, Sears Appliance and Hardware Store, or Sears Outlet Store (each, a “Sears Store”) (a “Standard Kiosk subfranchise”); (b) from outside of a Sears Store (a “Standard Outside Market subfranchise”); or (c) out of a kiosk at an existing Sears Store owned by us, our affiliate, or one of our dealers or franchisees (a “Third-Party, In-Store” subfranchise”).

The total investment necessary to begin the operation of a Standard Kiosk subfranchise or a Third-Party, In-Store subfranchise is \$30,300 to \$69,550. This includes \$25,300 to \$51,000 that must be paid to the franchisor. The total investment necessary to begin the operation of a Standard Outside Market subfranchise is \$56,400 to \$67,050. This includes \$50,300 to \$51,000 that must be paid to the franchisor.

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 payments 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 Laura May, Sears Home Appliance Showrooms, LLC, 5500 Trillium Boulevard, Suite 501, Hoffman Estates, Illinois 60192, (847) 286-2978.

The terms of your contract will govern your franchise relationship. Don’t rely on this 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 the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://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.

**ISSUANCE DATE: July 27, 2017**

Sears Home Appliance Showrooms, LLC

## 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 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:

1. THE SUBFRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION, OR LITIGATION ONLY IN ILLINOIS. OUT-OF-STATE MEDIATION, ARBITRATION, OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE, OR LITIGATE WITH US IN ILLINOIS THAN IN YOUR OWN STATE.
2. THE SUBFRANCHISE AGREEMENT STATES THAT ILLINOIS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. YOU MUST MAKE MINIMUM ROYALTY OR ADVERTISING FUND PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR SUBFRANCHISE AND LOSS OF YOUR INVESTMENT.
4. ALL THE OWNERS OF THE SUBFRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES, AND THEIR SPOUSES WILL BE REQUIRED TO ACKNOWLEDGE THE EXECUTION OF THE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE SUBFRANCHISE OWNER(S) AT RISK.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

### 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 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
Hawaii	Pending
Illinois	Pending
Indiana	July 28, 2017
Michigan	July 27, 2017
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	July 28, 2017
Virginia	Pending
Washington	Pending
Wisconsin	July 28, 2017

In all other states that do not require registration, the effective date of this Disclosure Document is the issuance date of July 27, 2017.

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