

FRANCHISE DISCLOSURE DOCUMENT



MICHELIN RETREAD TECHNOLOGIES, INC.

A Delaware corporation

632 Inglesby Parkway
Duncan, South Carolina 29334-9607
(864) 627-5631

www.michelintruck.com/michelintruck/tires-retreads/retreads-technology.jsp

The franchise offered is for a Michelin Retread Shop that will provide high-quality truck tire retreading services.

The total investment necessary to begin operation of a Michelin Retread Shop franchise is \$1,534,985 to \$10,673,150. This includes the franchise fee of \$2,500, pre-opening purchases from us of specially-formulated rubber and retreading equipment ranging from \$900,000 to \$5,100,000, and pre-opening purchases of MRTI Rubber Products ranging from \$50,000 to \$250,000.

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 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 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: March 20, 2014

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 THE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit E** 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 FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN THE STATE IN WHICH WE ARE HEADQUARTERED (CURRENTLY SOUTH CAROLINA). OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN THE STATE IN WHICH WE ARE HEADQUARTERED (CURRENTLY SOUTH CAROLINA) THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT REQUIRES THAT SOUTH CAROLINA 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. TERRITORIAL EXCLUSIVITY DEPENDS ON YOU ACHIEVING MINIMUM PURCHASE AND SALE REQUIREMENTS.
4. THE FRANCHISOR DOES NOT OWN THE PRINCIPAL MARK.
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 Franchise Disclosure Document is registered or on file in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date	State	Effective Date
California		North Dakota	
Hawaii		Rhode Island	
Illinois		South Dakota	
Indiana		Virginia	
Maryland		Washington	
Minnesota		Wisconsin	

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

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