

FRANCHISE DISCLOSURE DOCUMENT

PAK MAIL CENTERS OF AMERICA, INC.

(a Colorado corporation) 7173 South Havana Street, Suite 600 Centennial, Colorado 80112 Outside Colorado: (800) 778-6665 In Colorado: (303) 957-1000

www.pakmail.com

Received LA Mailroom

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Department of **Business Oversight**



Pak Mail Centers of America, Inc., a Colorado corporation, is offering franchises for the operation of a business which offers a variety of packaging, shipping, mailing, communications and information products and services.

The total estimated initial investment necessary to begin operation of a Pak Mail franchise ranges from \$132,050 to \$168,210. This includes \$103,660 to \$114,420 that must be paid to the franchisor.

We also grant qualified persons the rights to develop at least four Centers under a Development Agreement. If you sign a Development Agreement, you pay the initial franchise fee for the first Center and you also pay a Development Fee of \$10,000 for each additional Center to be developed. The Development Fee is later applied to the initial franchise fee due for each additional Center.

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 us at 7173 South Havana Street, Suite 600, Centennial, Colorado 80112, (303) 957-1000.

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 "Buying a Franchise: A Consumer Guide" 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 franchising.

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

ISSUANCE DATE:

March 4, 2016



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 <u>Exhibit A</u> 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 COLORADO. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE US IN COLORADO THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT COLORADO 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 NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

The effective dates of this Disclosure Document in the states with registration laws are on the following page.



STATE EFFECTIVE DATES --REGISTRATION STATES

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:

California:		North Dakota:		
Hawaii:		Rhode Island:		
Illinois:		South Dakota:		
Indiana:		Virginia:		
Maryland:		Washington:		
Minnesota:		Wisconsin:		
New York:		-		
		EXEMPTION STATES		
Connecticut:	Registered	_ Nebraska:	Registered	
Florida:	Registered	_ Texas:	Registered	
Kentucky:	Registered	_ Utah:	Registered	
Michigan:	Registered			

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of March 4, 2016.

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