

FRANCHISE DISCLOSURE DOCUMENT**PET SUPPLIES
PLUS.****PSP FRANCHISING, LLC**
A Delaware Limited Liability Company
17197 N. Laurel Park Dr. Suite 402
Livonia, MI 48152 (734) 793-6600
franchise@petsuppliesplus.com
<http://www.petsuppliesplus.com>

The franchise offered* is for the establishment and operation of retail stores offering pet food, pet supplies, pets, pet grooming and bathing services, and related products and services under the Pet Supplies Plus® mark and system.

The total investment necessary to begin operation of a Pet Supplies Plus® large store franchise is ~~\$394,500~~404,400 to ~~\$1,098,709~~108,609. This includes ~~\$110,000~~134,900 to ~~\$216,250~~226,400 that must be paid to the franchisor or an affiliate. The total investment necessary to begin operation of a Pet Supplies Plus® small store franchise is ~~\$294,000~~300,900 to ~~\$876,000~~885,900. This includes ~~\$92,500~~117,400 to ~~\$200,000~~209,900 that must be paid to the franchisor or an affiliate.

Franchisor also offers an Area Development Agreement for the establishment and operation of multiple Pet Supplies Plus® stores in a specified development area. The total investment necessary to begin operation of an Area Development Business is \$354,500 to \$1,058,709 for the first store, plus ~~\$40,000~~49,900 for each store to be developed under the Area Development Agreement. This includes ~~\$110,000~~134,900 to ~~\$216,250~~226,400 that must be paid to the franchisor or an affiliate.

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 Marcia Higgins at 17197 N. Laurel Park Dr., Suite 402, Livonia MI 48152 or at (734) 793-6600.

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 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-FTCHELP 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.

*This Disclosure Document is for franchise sales to new franchisees.

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Franchise Disclosure Document

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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 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 FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US, AT OUR OPTION, BY MEDIATION ONLY IN OAKLAND COUNTY, MICHIGAN. OUT-OF-STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN MICHIGAN THAN IN YOUR OWN STATE.
2. CERTAIN DISPUTES WITH US NOT SUBJECT TO MEDIATION MUST BE RESOLVED BY LITIGATION IN OAKLAND COUNTY, MICHIGAN. IT MAY COST YOU MORE TO LITIGATE WITH US IN MICHIGAN THAN IN YOUR OWN STATE.
3. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT THEY ARE GOVERNED BY MICHIGAN LAW, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
4. IF YOUR FINANCIALS ALONE DO NOT QUALIFY YOU FOR A FRANCHISE AND/OR AREA DEVELOPMENT AGREEMENT, WE MAY REQUIRE YOUR SPOUSE TO EXECUTE A PERSONAL GUARANTY TO BE LIABLE FOR ALL OF YOUR OBLIGATIONS UNDER THE FRANCHISE/AREA DEVELOPMENT AGREEMENT, WHETHER OR NOT YOUR SPOUSE IS INVOLVED IN THE OPERATION OF THE BUSINESS. THIS PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER AND THEIR SPOUSE AT RISK.
5. PLEASE NOTE THAT 7367.5% OF FRANCHISOR'S ASSETS ARE INTANGIBLE. YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
6. THE AREA DEVELOPMENT AGREEMENT MAY BE TERMINATED IF YOU FAIL TO MEET THE MANDATORY DEVELOPMENT SCHEDULE.
7. THE FRANCHISOR RESERVES THE RIGHT TO COMPETE WITH FRANCHISEES THROUGH ALTERNATIVE CHANNELS OF DISTRIBUTION.

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