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FRANCHISE DISCLOSURE DOCUMENT CALIFORNIA TOM McVEY 2004 QUALITY TUNE-UP SHOPS, LLC a Delaware Limited Liability Company dba QUALITY TUNE-UP SHOPS

2018

TOM McVEY 2004 QUALITY TUNE-UP SHOPS, LLC ("TM, LLC." or the "Franchisor") dba QUALITY TUNE-UP SHOPS ("QTS"), intends to offer franchises utilizing the QTS business system TM, LLC's principal business address is 3031 Stanford Ranch Road, Suite 2, #144, Rocklin, CA 95765 and telephone number is (916) 801-0829

TM, LLC offers to prospective franchisees (referred to as "you") a system and method for promoting and operating a retail automotive center providing tune-up, lube, oil and filter, smog related services and specific automotive repair products and services The franchised business includes a marketing system, business organization and guidelines for providing services relating to the repair and servicing of new and used automobiles (together referred to as the "QTS System") The initial fee for a new franchise is \$25,000 which is paid to TM, LLC in cash at the time TM, LLC has satisfied its training and assistance obligation to you pursuant to your Franchise Agreement The initial fee is \$12,500 paid to TM, LLC if you are converting an existing automobile repair/service facility to a QTS System Franchise The total investment required to begin operation of a QTS System Franchise would range from approximately \$234,000 to \$282,750

This Disclosure Document summarizes certain provision 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 Tom McVey, 3031 Stanford Ranch road, Suite 2, #144, Rocklin, CA 95765, (916) 801-0829

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 "<u>A Consumer's Guide to Buying a Franchise</u>," 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 <u>www ftc gov</u> for additional information Call you 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

Issue Date July ____, 2018

The Effective Date for this Franchise Disclosure Document is July ____, 2018



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 Attachment A for information about the franchisor, or about franchising in your state Any complaint about this Disclosure Document or our website may be directed to the California franchise administrator listed in Attachment A

The total investment required to begin operation of a QTS System Franchise would range from approximately \$234,000 to \$282,750 This amount exceeds the Franchisor's Member's equity as of December 31, 2017, which was a negative \$2,870

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

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THIS FRANCHISE DISCLOSURE DOCUMENT

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES THAT MOST DISPUTES BE SUBMITTED TO ARBITRATION IN PLACER COUNTY, 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 HOME STATE

2 THE FRANCHISE AGREEMENT STATES THAT CALIFORIA LAW GOVERNS THE AGREEMENT, AND CALIFORNIA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW YOU MAY WANT TO COMPARE THESE LAWS

3 THE FRANCHISEE WILL BE REQUIRED TO PROVIDE A FEE DEPOSIT OF UP TO \$50,000 WITH THE AVERAGE BEING \$15,000 TO \$25,000 SUCH FEE DEPOSIT WILL BE HELD BY FRANCHISOR FOR THE TERM OF THE FRANCHISE TO COVER ANY UNPAID FEES OR EXPENSES OWED TO FRANCHISOR AT THE TIME THIS FRANCHISE AGREEMENT EXPIRES, IS NOT RENEWED OR IS OTHERWISE TERMINATED This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: https://franchisepanda.com/franchises/quality-tune-up-shops