

## FRANCHISE DISCLOSURE DOCUMENT



SHH Group, LLC  
A Delaware Limited Liability Company  
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The franchise offered is to operate a business offering auditing services for bars, nightclubs, restaurants and other hospitality establishments to monitor the loss of liquor, wine and beer due to theft, spillage, shrinkage and other factors under the trade name Sculpture Hospitality and other names, marks and commercial symbols we designate.

The total investment necessary to begin operation of a Sculpture Hospitality franchise will depend on the number of Establishments with liquor licenses located within the geographic boundaries of your franchise territory. We offer four sizes of territories with varying numbers of Establishments and a varying total initial investment, as follows:

(i) Approximately 150 Establishments: total investment necessary to begin operations ranges from \$40,900-\$45,600, which includes \$37,400 that must be paid to the Franchisor or its affiliate(s);

(ii) Approximately 250 Establishments: total investment necessary to begin operations ranges from \$55,900-\$59,600, which includes \$52,400 that must be paid to the Franchisor or its affiliate(s);

(iii) Approximately 500 Establishments: total investment necessary to begin operations ranges from \$65,900-\$69,600, which includes \$62,400 that must be paid to the Franchisor or its affiliate(s);

(iv) Approximately 750 Establishments: total investment necessary to begin operations ranges from \$75,900-\$79,600, which includes \$72,400 that must be paid to the Franchisor or its affiliate(s);

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 the 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 SHH Group, LLC, Global Office, 505 Consumers Road, Suite 601, Toronto, Ontario, Canada M2J 4V8 and (416) 490-6266.

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](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 of this Franchise Disclosure Document: April 15, 2019.**

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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 G 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 ARBITRATION IN CHICAGO, ILLINOIS OR LITIGATION IN DELAWARE. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CHICAGO, ILLINOIS OR TO LITIGATE WITH US IN DELAWARE THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT DELAWARE 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. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.
4. YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. YOUR INABILITY TO MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF TERRITORIAL RIGHTS, TERMINATION OF YOUR FRANCHISE, AND LOSS OF YOUR INVESTMENT.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We do not use the services of any franchise brokers or referral sources to assist us in selling our franchise.

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

### STATE EFFECTIVE DATES

This Franchise Disclosure Document is registered, on file, exempt from registration, or otherwise effective in the following states with franchise registration and disclosure laws, with the following effective dates:

| State        | Effective Date |
|--------------|----------------|
| California   |                |
| Hawaii       |                |
| Illinois     |                |
| Indiana      |                |
| Maryland     |                |
| Michigan     | June 29, 2018  |
| Minnesota    |                |
| New York     |                |
| North Dakota |                |
| Rhode Island |                |
| South Dakota |                |
| Virginia     |                |
| Washington   |                |
| Wisconsin    | April 16, 2019 |

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of April 15, 2019.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/sculpture-hospitality>