

Sears

FRANCHISE DISCLOSURE DOCUMENT

DEPARTMENT OF CORPORATIONS
RECEIVED LOS ANGELES OFFICE

APR 27 2012

Sears Home & Business Franchises, Inc.
a Delaware corporation
8472 Cotter Street
Lewis Center, Ohio 43035
www.searsgaragedoors.com
(614) 883-6201

The franchise offered is to operate a service business that provides the sale and installation of garage doors and openers and the repair of garage doors and other related products and services

The total investment necessary to begin operation of a Sears Garage Door Business ranges from \$11,025 to \$97,475, including typically between \$3,375 and \$66,625 which must be paid to the franchisor ~~—(See Item 5)~~

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 payments to, the franchisor or an affiliate in connection with the proposed franchise sale **Note, however, that no government 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 Josephine Thal, Sears Home & Business Franchises, Inc., 8472 Cotter Street, Lewis Center, Ohio 43035, (740) 201-3009.

The terms of your contract will govern your franchise relationship. Don't rely on this 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 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: April 29, 2011 ~~26~~, 2012

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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. WE MAY NOT BE ABLE TO MEET OUR CURRENT OBLIGATIONS DUE TO THE FACT THAT OUR CURRENT LIABILITIES EXCEED OUR CURRENT ASSETS.
2. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN CHICAGO, ILLINOIS. 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 OR LITIGATE WITH US IN ILLINOIS THAN IN YOUR HOME STATE.
3. THE FRANCHISE AGREEMENT STATES THAT ILLINOIS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MIGHT WANT TO COMPARE THESE LAWS.
4. IF YOU ARE A BUSINESS ENTITY, YOUR OWNERS WILL HAVE TO GUARANTY YOUR OBLIGATIONS AND BE BOUND BY THE PROVISIONS OF OUR FRANCHISE AGREEMENT. THE SPOUSES OF SUCH OWNERS MAY ALSO HAVE TO CONSENT TO THE GUARANTY, WHICH PLACES THE SPOUSES' MARITAL ASSETS AT RISK.
5. 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 represents us, 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.

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

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STATE EFFECTIVE DATES

The following states require that the 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 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	May 5, 2011 __, 2012
Hawaii	May 6, 2011 __, 2012
Illinois	April 29, 2011 __, 2012 <u>27, 2012</u>
Indiana	April 29, 2011 __, 2012 <u>27, 2012</u>
Maryland	May 17, 2011 __, 2012
Michigan	April 29, 2011 __, 2012 <u>27, 2012</u>
Minnesota	May 5, 2011 __, 2012
New York	May 31, 2011 __, 2012
North Dakota	May 26, 2011 __, 2012
Rhode Island	June 2, 2011 __, 2012
South Dakota	April 29, 2011 __, 2012 <u>27, 2012</u>
Virginia	June 15, 2011 __, 2012
Washington	May 9, 2011 __, 2012
Wisconsin	April 29, 2011 __, 2012 <u>27, 2012</u>

In all other states that do not require registration, the effective date of this disclosure document is the issuance date of April 29, 2011 ~~__, 2012~~ 26, 2012.

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