
FRANCHISE DISCLOSURE DOCUMENT

TAILORED LIVING, LLC
A California Limited Liability Company
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**DEPARTMENT OF CORPORATIONS
RECEIVED LOS ANGELES OFFICE**

JUN 12 2012



The franchised business is the mobile retail design, sale and installation of organizing units and storage and organizing accessories for closets, pantries, home offices, storerooms, utility rooms, basements, laundry rooms, attics and garages

The total investment necessary to begin operation of a TAILORED LIVING® franchised business ranges from \$85,630 to \$218,995 This includes \$44,950 to \$74,950 that must be paid to the franchisor

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 governmental agency has verified the information contained in this document.**

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, 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 JUNE 11, 2012

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Issued June 11, 2012

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 E-1 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 ONLY IN 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 OWN STATE.
- 2 THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3 DURING 2008 THROUGH 2010, 82% OF THE FRANCHISED OUTLETS OPERATING AT THE BEGINNING OF 2008 CLOSED.
- 4 FRANCHISEES MUST PAY ROYALTIES OF \$300 PER MONTH FOR MONTHS 1 THROUGH 6, \$700 PER MONTH FOR THE MONTHS 7 THROUGH 12, \$1,100 PER MONTH FOR MONTHS 13 THROUGH 24, \$1,500 FOR MONTHS 25 THROUGH 36 AND \$2,000 PER MONTH FOR EACH MONTH AFTER THAT, EVEN IF THE FRANCHISED BUSINESS HAS NO REVENUE. IN ADDITION, ADVERTISING FEES ARE \$300 PER MONTH AND WILL INCREASE EACH TIME THERE ARE 100 MORE FEE-PAYING TERRITORIES UP TO \$2,000 PER MONTH WHEN THERE ARE 500 FEE-PAYING TERRITORIES.
- 5 THE FRANCHISEE'S SPOUSE IS REQUIRED TO SIGN A PERSONAL GUARANTY OF THE FRANCHISEE'S OBLIGATIONS, MAKING THE SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL DEBTS TO THE FRANCHISOR EVEN IF THE SPOUSE IS NOT INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE SPOUSE AT RISK.
- 6 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 DATES See next page

STATE EFFECTIVE DATES

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

The franchise disclosure document is registered, on file or exempt from registration in the following states having franchise registration disclosure laws, with the following effective dates

	Amended
California	April 17, 2012
Illinois	April 2, 2012
Indiana	March 30, 2012
Maryland	April 30, 2012
Michigan	April 2, 2012
Minnesota	April 24, 2012
New York	April 17, 2012
North Dakota	April 24, 2012
Rhode Island	April 30, 2012
South Dakota	April 2, 2012
Virginia	April 20, 2012
Washington	April 9, 2012
Wisconsin	March 29, 2012

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