

FRANCHISE DISCLOSURE DOCUMENT

APR 1 1 2012



TIRE PROS FRANCORP
A California Corporation
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This Disclosure Document is for the offer of a franchise for the conversion of an existing retail tire sales and service store to a TIRE PROS center.

The total investment necessary to begin operation of a TIRE PRO center is \$82,485 to \$330,485. This includes between \$4,000 to \$104,000 that must be paid to the franchisor or an affiliate of the franchisor.

This Disclosure Document summarizes certain provisions of your license 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 and payment 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 Jason Davis at 12200 Herbert Wayne Court, Suite 150, P.O. Box 3145, Huntersville, North Carolina 28070-3145 and (704) 805-6860

The terms of your contract will govern your franchise relationship. Do not 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 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.

The date of issuance of this Disclosure Document is March 28, 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 <u>Exhibit K</u> for information about the franchisor, or about franchising in your state

MANY LICENSE 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 LICENSE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION ONLY IN NORTH CAROLINA. 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 NORTH CAROLINA THAN IN YOUR OWN STATE
- 2. THE LICENSE AGREEMENT STATES THAT NORTH CAROLINA LAW GOVERNS THE AGREEMENT, AND THIS LAW MIGHT NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MIGHT WANT TO COMPARE THESE LAWS.
- 3 YOU MUST PAY US A MINIMUM LICENSE FEE OF \$495 EACH MONTH AND A MINIMUM MARKETING FEE OF \$250 EACH MONTH, EVEN IF YOU HAVE NO REVENUE THESE MONTHLY FEES MAY INCREASE AT OUR DISCRETION.
- 4 YOUR FRANCHISE BUSINESS HAS NO TERRITORIAL PROTECTION WHATSOEVER, AND WE AND OUR AFFILIATES HAVE THE RIGHT WITHOUT ANY RESTRICTION AT ALL TO ENGAGE IN ANY AND ALL ACTIVITIES WE AND THEY DESIRE, IN COMPETITION WITH YOUR FRANCHISE
- 5. PLEASE NOTE THAT AS OF DECEMBER 31, 2011, 76% OF OUR TOTAL ASSETS ARE INTANGIBLE. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE

6 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

The effective dates of this Disclosure Document in the states with franchise registration laws in which we have sought registration appear on the following page



ATTACHMENT 1

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.

State	Effective Date
California	
Florida (exemption)	June 16, 2011
Hawaii	
Illinois	
Indiana	
Kentucky (exemption)	July 17, 2009
Maryland	
Michigan	
Minnesota	
Nebraska (exemption)	July 17, 2009
New York	
North Dakota	
Rhode Island	
South Dakota	
Texas (exemption)	March 26, 2001
Utah (exemption)	July 7, 2011
Virginia	
Washington	
Wisconsin	

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