

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
Tennessee	0	2	0
Texas	0	5	0
Utah	0	1	0
Virginia	0	1	0
TOTAL	1	20	6

A list of the names, addresses and telephone numbers of our current franchisees as of the Issuance Date of this Disclosure Document is attached as **Exhibit H**.

A list of the names, addresses and telephone numbers of our franchisees who have had a franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date of this franchise disclosure document, is attached as **Exhibit I**.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Clauses

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Detail Garage Franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. During the last three fiscal years, two of our franchisees has signed an agreement that included a confidentiality clause.

Trademark-Specific Franchisee Organizations

There are no trademark-specific franchisee organizations.

ITEM 21 FINANCIAL STATEMENTS

Attached to this disclosure document as **Exhibit C** are our audited financial statements for our fiscal years ended December 31, 2020, December 31, 2019, and December 31, 2018, [and our unaudited financial statements for the period ended March 31, 2021](#).

ITEM 22 CONTRACTS

The following agreements are attached to this Disclosure Document:

- Exhibit A Franchise Agreement and Exhibits
 - Exhibit 1 Authorized Location Addendum
 - Exhibit 2 Electronic Funds Transfer Agreement
 - Exhibit 3 Electronic Debit Authorization
 - Exhibit 4 Guarantee

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

DETAIL GARAGE, LLC

BALANCE SHEET

ASSETS

March 31, 2021

CURRENT ASSETS

Cash	\$ 111,975
Accounts receivable, net	175,662
Current portion of inventory loans receivable	207,010
Prepaid expenses and other assets	202,737
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	697,383

OTHER ASSETS

Inventory loans receivable, net of current portion	417,504
Property and equipment	93,854
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	511,358

TOTAL ASSETS

\$ 1,208,741

LIABILITIES AND MEMBER'S DEFICIT

CURRENT LIABILITIES

Accounts payable	\$ 68,631
Deferred revenue, current	131,463
Due to Smart LLC	1,563,409
Other liabilities	248,548
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	2,012,051

NONCURRENT LIABILITIES

Deferred revenue, net of current portion	975,825
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MEMBER'S DEFICIT

(1,779,135)

TOTAL LIABILITIES AND MEMBER'S DEFICIT

\$ 1,208,741

**UNAUDITED
DETAIL GARAGE, LLC**

STATEMENTS OF OPERATIONS AND MEMBER'S DEFICIT

	March 31,2021
REVENUES	\$ 617,326
OPERATING AND ADMINISTRATIVE EXPENSES	<u>455,427</u>
NET INCOME	161,898
MEMBER'S DEFICIT AT BEGINNING OF YEAR	(1,941,033)
MEMBER'S DEFICIT AT END OF YEAR	\$ (1,779,135)

MINNESOTA

ADDENDUM TO DISCLOSURE DOCUMENT

In accordance with the requirements of the state of Minnesota the following disclosure should be read in conjunction with the Disclosure Document. Any inconsistency with the information contained in the Disclosure Document will be resolved in favor of this Minnesota Addendum.

1. Item 13 **Trademarks** is amended by adding the following:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any of your costs incurred in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and are given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. Item 17 **Renewal, Termination, Transfer and Dispute Resolution** is amended by adding the following:

- A. **Renewal and Termination**

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement.

- B. **Choice of Forum**

Nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- C. **Releases**

A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.22.

These franchises have been registered under the Minnesota Franchise Act, registration does not constitute approval, recommendation, or endorsement by the Commissioner of Commerce of Minnesota or a finding by the Commissioner that the information provided herein is true, complete, and not misleading.

The Minnesota Franchise Act makes it unlawful to offer or sell any franchise in this state which is subject to registration without first providing to the franchisee, at least 7 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 7 days prior to the payment of any consideration, by the franchisee, whichever occurs first, a copy of this Disclosure Document, together with a copy of all proposed agreements relating to the franchise. This Disclosure Document contains a summary only of certain material provisions of the Franchise Agreement. The contract or agreement should be referred to for an understanding of all rights and obligations of both the franchisor and the franchisee.

3. Item 5 **Initial Fees** and Item 7 **Estimated Initial Investment** are amended by adding the following:

Despite the payment provisions noted in Items 5 and 7, payment of all initial fees is postponed until after all of Franchisor's initial obligations are complete and Franchisee is open for business.

MINNESOTA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et seq., the parties to the attached Franchise Agreement (“Agreement”) agree as follows:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Agreement.

As required by Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), Franchisor will reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee’s right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Section 80C.22.

Nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Pursuant to Minnesota Statutes, Section 80C.17, Subd. 5., Section 16.1, regarding Limitation of Claims, shall be supplemented by the following additional language: “Provided, however, no action may be commenced more than three years after the cause of action accrues.”

[Section 5.1, Initial Franchise Fee, shall be supplemented by the following additional language:](#)

[“Despite the payment provisions noted in this Section 5.1, payment of all initial fees is postponed until after all of Franchisor’s initial obligations are complete and Franchisee is open for business.”](#)

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Detail Garage, LLC

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

VIRGINIA

ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Detail Garage, LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following statement is added to Item 17.h:

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause”, as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

The following risk is added to the “**Special Risks to Consider About *This Franchise***” page:

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from ~~\$131,575 to~~ 150,975 to ~~\$230,450~~ 260,450. This amount exceeds the franchisor’s stockholders’ negative equity as of December 31, ~~2019~~ 2020, which is ~~\$-939,788~~ 1,941,033.

The following language is added to Item 5, INITIAL FEES, as the last paragraph:

“The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.”