

## FRANCHISE DISCLOSURE DOCUMENT



### EmeraldPro Franchising, Inc. dba Paint EZ

A Utah Corporation  
258 W. Center Street, Suite #252  
Orem, UT 84057  
Phone: 833-Paint-EZ  
Email: info@paintEZ.com  
www.paintEZfranchise.com

We are EmeraldPro Franchising, Inc. dba Paint EZ, a Utah corporation. We offer franchises to qualified individuals and entities to own and operate a PaintEZ® franchise under our trademarks, trade name, program, and system under the name “PaintEZ®.” Our franchisees offer quality painting services to the public under the trademarks, programs, and systems (the “Method of Operation”).

The total investment necessary to begin operation of a single PaintEZ® franchise is \$87,700 to \$143,000. This includes \$70,500 that must be paid to us or an affiliate. Your initial investment and initial fees are more fully described in Items 5, 6 and 7 of this Disclosure Document.

~~Under this offering, you are permitted to purchase either a single unit or multiple units pursuant to an area developer agreement. If you enter into an area developer agreement, the number of units is negotiated between you and us, but you are required to purchase at least 2 units and currently there is no limit on the maximum units you can purchase, but typically it is not more than 3 units. You will be required to pay an upfront development fee based on the number of units to be developed. The total investment necessary to begin operation of 2 - 3 PaintEZ® franchises is \$143,200 - \$344,200. This includes \$131,000 - \$181,500 that must be paid to us or an affiliate. See Items 5, 6 and 7 [of this Disclosure Document.](#)~~

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 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 Jay D Mason at 258 W. Center Street, Suite #252, Orem, UT 84057, (833) PAINT-EZ, or info@paintEZ.com.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all 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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

## SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** This franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in Utah. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Utah than in your own state.
2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
3. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
4. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though 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.
- 4.5. **Mandatory Minimum Payments - You must make minimum advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.**

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

**ADDENDUM TO THE DISCLOSURE DOCUMENT  
FOR THE STATE OF ILLINOIS**

- For choice of law purposes, and for the interpretation and construction of the Franchise Agreement, the Illinois Franchise Disclosure Act, 815 ILCS 705 governs.
- No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire.
- In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
- Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
- No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ITEM 17 of the disclosure document is amended to add the following:

- The conditions under which a franchise can be terminated and your rights upon non-renewal, as well as the application by which you must bring any claims, may be affected by Sections 705/19 and 20 of the Illinois Franchise Disclosure Act of 1987, Ill. Rev. Stat. Ch. 815 Par. 705/1 – 705/44.

ITEM 5 of the disclosure documents is amended to add the following:

- All initial fees and payments to us, prior to your franchise opening will be deferred until all initial obligations owed to you under the Franchise Agreement or other documents have been fulfilled by the us and you have commenced doing business pursuant to the Franchise Agreement.
- The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.
- No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor, franchise seller or other

person acting on behalf of a Franchisor. This provision supersedes any other term of any document executed in connection with the franchise

*(Intentionally left blank; signatures to follow)*

**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF ILLINOIS**

Illinois Law governs the franchise agreements.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Section 3.1 of the Franchise Agreement is amended as follows:

- All initial fees and payments to us, prior to your franchise opening will be deferred until all initial obligations owed to you under the Franchise Agreement or other documents have been fulfilled by the us and you have commenced doing business pursuant to the Franchise Agreement. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor, franchise seller or other person acting on behalf of a Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**IN WITNESS WHEREOF**, the Franchisor and Franchisee have respectively signed and sealed this Addendum to the Franchise Agreement as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

FRANCHISOR:

FRANCHISEE:

**EMERALDPRO FRANCHISING, INC.**

\_\_\_\_\_, LLC/INC.

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

**ADDENDUM TO THE AREA DEVELOPER AGREEMENT  
FOR THE STATE OF ILLINOIS**

Illinois Law governs the franchise and area developer agreements.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise or area developer agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise or area developer agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Section 4.1 of the Area Developer Agreement is amended as follows:

- All initial fees and payments to us, prior to your franchise opening will be deferred until all initial obligations owed to you under the Franchise Agreement (or the fees in the Area Development Agreement to the extent it applies to each location), or other documents have been fulfilled by the us and you have commenced doing business pursuant to the Franchise Agreement. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.
  
- No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor, franchise seller or other person acting on behalf of a Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**IN WITNESS WHEREOF**, the Franchisor and Area Developer have respectively signed and sealed this Addendum to the Area Developer Agreement as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

FRANCHISOR:

AREA DEVELOPER:

**EMERALDPRO FRANCHISING, INC.**

\_\_\_\_\_, LLC/INC.

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_