

FRANCHISE DISCLOSURE DOCUMENT



ProColor Collision USA LLC
a Delaware limited liability company

650 Pelham Boulevard, Suite 100
St. Paul, Minnesota 55114
952-944-8000
www.ProColorUSA.com

The franchise offered is for the operation of a full-service auto collision repair facility under the “ProColor Collision” service mark that provides certain automotive repair and replacement products and services using Franchisor’s proprietary methods of operation.

The total investment necessary to begin operation of a ProColor Collision franchise that is converted from an existing auto repair facility is \$38,300 to \$199,500. This includes \$10,000 to \$20,000 that must be paid to Franchisor or our affiliates. The total investment necessary to begin operation of a new ProColor Collision franchise is \$316,800 to \$3,129,500. This includes \$10,000 to \$20,000 that must be paid to Franchisor or our affiliates.

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 Kevin Beane at 650 Pelham Boulevard, Suite 100, St. Paul, Minnesota 55114 and 952-944-8000.

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: March 29, 2024, as amended November 8, 2024

ITEM 21.
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit E is a copy of our audited financial statements as of December 31, 2023, December 31, 2022 and December 31, 2021. [We have also included in Exhibit E our unaudited financial statements as of September 30, 2024.](#)

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ProColor Collision USA LLC
Unaudited Financial Statements
As of September 30, 2024

UNAUDITED

ProColor Collision USA LLC

Balance sheet

[In U.S. dollars]

As at September 30, 2024 (Unaudited)

	Unaudited 2024 (Sep) \$	2023	2022 \$
Assets			
Current			
Cash	585,008	726,343	691,669
Cash in Trust or otherwise reserved	3,793	46,308	57,624
Accounts receivable	680,370	271,118	264,333
Accounts receivable – company under common control	—	—	1,107
Promissory note receivable from parent company, non-interest bearing	—	—	600,000
Prepaid expenses	98,455	67,662	11,774
Total current assets	1,367,626	1,111,431	1,626,507
Advances to a company under common control	406,321	523,038	—
Property and equipment	13,941	9,480	8,177
Deposits and other long term assets	61,625	55,967	—
	1,849,513	1,699,916	1,634,684
Liabilities and net membership's interest			
Current			
Accounts payable and accrued liabilities	234,576	242,443	177,291
Accounts payable and accrued liabilities – ultimate parent company	261,105	615	—
Amounts to be remitted to franchisees	3,793	46,308	57,624
Deferred revenue	564,493	439,313	142,007
Total current liabilities	1,063,968	728,679	376,922
Advances from a company under common control	0	187,408	134,842
Deferred revenue	234,500	128,167	81,000
Total liabilities	1,298,468	1,044,254	592,764
Net membership's interest			
Net investment from the parent company, since inception	4,825,100	4,825,100	4,550,100
Deficit	(4,274,055)	(4,169,438)	(3,508,180)
Total net membership's interest	551,045	655,662	1,041,920
	1,849,513	1,699,916	1,634,684

UNAUDITED

ProColor Collision USA LLC

Statement of comprehensive loss and deficit

[In U.S. dollars]

Nine months ended September 30, 2024 (Unaudited)

	Unaudited 2024 (Sep) \$	2023	2022 \$
Revenue			
Royalties	857,629	692,720	311,725
Product Sales	—	—	—
Allowances and discounts from vendors	453,429	480,878	171,226
Contributions received from franchisees for various services	613,349	213,038	24,333
Other revenues	—	—	—
	<u>1,924,407</u>	<u>1,386,636</u>	<u>507,284</u>
Expenses			
Direct operating expenses	686,828	303,137	144,743
Selling and administrative expenses	1,337,978	1,740,995	1,695,924
Cost of products sold	—	—	—
Amortization of property and equipment	4,497	3,116	2,597
Loss on foreign exchange	(279)	646	637
	<u>2,029,024</u>	<u>2,047,894</u>	<u>1,843,901</u>
Income before income taxes	(104,617)	(661,258)	(1,336,617)
Income taxes expense	—	—	—
Net loss and comprehensive loss	<u>(104,617)</u>	<u>(661,258)</u>	<u>(1,336,617)</u>
Deficit, beginning of period	(4,169,438)	(3,508,180)	(2,171,563)
Deficit, end of period	<u>(4,274,055)</u>	<u>(4,169,438)</u>	<u>(3,508,180)</u>

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If ProColor Collision USA LLC (“ProColor”) offers you a franchise, ProColor must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, ProColor or an affiliate in connection with the proposed franchise sale. Iowa and New York require that ProColor give you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that ProColor give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If ProColor Collision USA LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit B.

The franchisor is ProColor Collision USA LLC, 650 Pelham Boulevard, Suite 100, St. Paul, Minnesota 55114. Its telephone number is 952-944-8000. The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Issuance Date: March 29, [2024, as amended November 8, 2024](#).

ProColor Collision USA LLC authorizes the respective parties identified on Exhibit B to receive service of process for us in the particular state.

I have received a Disclosure Document with an Issuance Date of March 29, [2024, as amended November 8, 2024](#), that included the following Exhibits:

Exhibit A.	State Specific Addenda to Disclosure Document
Exhibit B.	List of State Agencies and Agents for Service of Process
Exhibit C.	Table of Contents of Operations Manuals
Exhibit D-1.	List of Current Franchisees
Exhibit D-2.	List of Former Franchisees
Exhibit E.	Financial Statements
Exhibit F.	Franchise Agreement, Personal Guaranty, Payment Authorization, and State Specific Addenda to Franchise Agreement
Exhibit G.	Electronic Transfer of Funds Authorization
Exhibit H.	Franchisee Questionnaire

Indicate the date on which you received this Disclosure Document, sign, indicate the date you signed this Receipt, and promptly return one completed copy of the Receipt to ProColor Collision USA LLC, at 650 Pelham Boulevard, Suite 100, St. Paul, Minnesota 55114. Keep the second copy of the Receipt for your records.

Date Disclosure Document Received

Prospective Franchisee’s Signature

Date Receipt Signed

Print Name

RECEIPT

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Date Disclosure Document Received

Prospective Franchisee’s Signature

Date Receipt Signed

Print Name

Address: _____

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