

FRANCHISE DISCLOSURE DOCUMENT



Evans Garment Restoration II, LLC
A Tennessee Limited Liability Company
1750 Transport Avenue
Memphis, TN 38116
www.lyonsrestores.com
www.evansgr.com
lyonsrestores.com
franchise@lyonsrestores.com
(866) 933-8267

We offer franchises for the right to convert an existing dry-cleaning facility that provides restoration with regards to garments, textiles, and/or other personal property contents into a franchised business operating under our proprietary marks LYONS RESTORES™ and EVANS GARMENT RESTORATION® and system of operations.

The total investment necessary to begin operation of a LYONS RESTORES™ and EVANS GARMENT RESTORATION® franchise is \$83,975 to \$302,200. This includes \$47,590 to \$50,316 that must be paid to the franchisor or affiliate.

Once you have established and commenced operations of your franchise, we may also offer you the right to operate one (1) or more “depot” locations. A franchised depot location may be a conversion of an existing building that provides certain of our approved services, or it may be built out and otherwise established from a third-party premises we approve.

The total investment necessary to begin operation of a LYONS RESTORES™ and EVANS GARMENT RESTORATION® depot location franchise is \$123,900 to \$333,700. This includes \$44,012 to \$46,212 that must be paid to the franchisor or affiliate.

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 fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, 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 our corporate office at 1750 Transport Avenue, Memphis, Tennessee 38116.

The terms of your Franchise Agreement will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contracts. Read all of your contracts carefully. Show your contracts and this disclosure document to an advisor, like a lawyer or an accountant.

Special Risk(s) to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Tennessee. Out-of-state mediation, arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate, or litigate with franchisor in Tennessee than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or 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.
3. **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.
4. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.
5. **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.

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

State	Year	Outlets At The Start Of The Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold To Franchisees	Outlets At End Of The Year
TOTALS	2023	5	0	0	2	0	3

TABLE 5

Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected Company Owned Outlet in the Next Fiscal Year
CA	0	1	0
CO	1	0	0
GA	0	0	1
NY	0	1	0
WI	0	1	0
TOTALS	<u>0</u>1	<u>4</u>3	1

This Franchise Disclosure Document contains the following list that will be updated: (i) a list of our franchisees is attached as Exhibit G-1 to this Franchise Disclosure Document; and (ii) a list of franchisees who have left the System within the past fiscal year or who have not communicated with us within 10 weeks of the Issue Date is attached as Exhibit H to this Franchise Disclosure Document. We have not terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business with any franchisee during the most recently completed fiscal year, nor has any franchisee not communicated with us within the 10-week period immediately following the effective date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the System.

There are no trademark specific franchisee organizations that require disclosure in this Item as of the Issue Date.

We have not required any franchisee to sign a confidentiality agreement within the past three (3) years that would restrict their ability to speak openly about their experience with us.

ITEM 21
FINANCIAL STATEMENTS

Exhibit D of this Franchise Disclosure Document contains our audited financial statements as of December 31, 2021, December 31, 2022, and December 31, 2023. Our fiscal year end is December 31 of each year.

ITEM 22
CONTRACTS

**EVANS GARMENT RESTORATION II, LLC
CALIFORNIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT**

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 *et seq.* the Franchise Disclosure Document (“FDD”) for Evans Garment Restoration II, LLC for use in the State of California shall be amended as follows:

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

Item 3 of the FDD is supplemented to include the following:

Neither Evans Garment Restoration II, LLC, nor any person or franchise broker listed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the securities exchange act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.

Item 6 of the FDD is supplemented to include the following:

The highest interest rate we can charge in California is 10% annually.

Item 17 of the FDD, and the Franchise Agreement shall be supplemented to include the following:

California Business & Professions Code Sections 20000 through 20043 provides rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. Those provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).

The Franchise Agreement contains covenants not to compete which extend beyond the termination of those respective agreements. Those provisions may not be enforceable under California law.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as the Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provision of a Franchise Agreement restricting venue to a forum outside the state of California.

The Franchise Agreement requires application of the law of the State of Tennessee. This provision may not be enforceable under California law.

Section 31125 of the California Corporation Code requires the Franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

You must sign a general release of claims if you transfer or renew your Franchise Agreement. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business Professions Code 2000 through 20043).

Item 17 of the FDD is amended by the addition of the following:

The Franchise Agreement is hereby amended by removing Sections 19 (Representations) 23 (Acknowledgments) in the State of California.

Exhibit I of the FDD is amended by the addition of the following:

Any franchisees being sold a franchise that is subject to compliance with the California Franchise Investment Law will not be required to execute this Exhibit I.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of law.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

No statement, questionnaire, or acknowledgement signed 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.~~

Any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- d) Violations of any provision of this division.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

OUR WEBSITE, WWW.LYONSRESTORES.COM HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

**EVANS GARMENT RESTORATION II, LLC
CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT**

ADDENDUM REQUIRED BY THE STATE OF CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

The California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer and non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

You must sign a general release if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of law.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

THE FRANCHISE AGREEMENT REQUIRES APPLICATION OF THE LAW OF TENNESSEE AND A FORUM WHERE FRANCHISOR'S HEADQUARTERS IS LOCATED. THESE PROVISIONS MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW.

The Franchise Agreement requires non-binding mediation. The mediation will occur at Franchisor's headquarters, with the prevailing party's costs and expenses to be borne by the other party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Mediation Act) to any provisions of a franchise agreement restricting venue to a forum outside

the State of California.

Section 3 of the Franchise Agreement is amended, in compliance with California Corporations Code § 310.113, to require that Franchisor may only collect the Initial Franchise Fee after Franchisor has completed all of its initial obligations under the Franchise Agreement.

The Franchise Agreement is hereby amended by removing Sections 19 (Representations) 23 (Acknowledgments) in the State of California.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- e) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- f) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- g) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- h) Violations of any provision of this division.

No statement, questionnaire, or acknowledgement signed 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~**Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.**~~

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

EVANS GARMENT RESTORATION II, LLC

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date Signed: _____

Date Signed: _____

EXHIBIT K
TO EVANS GARMENT RESTORATION II, LLC
FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending Registration
Florida	September 14, 2023
Hawaii	Not registered
Illinois	Not registered
Indiana	Pending Registration <u>April 29, 2024</u>
Kentucky	Effective (one-time filing)
Maryland	Pending Registration
Michigan	Pending Registration <u>May 2, 2024</u>
Minnesota	Pending Registration
Nebraska	Effective (one-time filing)
New York	Pending Registration
North Dakota	Not registered
Rhode Island	Not registered
South Dakota	Not registered
Texas	Effective (one-time filing)
Utah	Not registered
Virginia	Not registered
Washington	Pending Registration
Wisconsin	Pending Registration <u>Not registered</u>

Other states may require registration, filing, or exemption of a franchise under other laws,