

FRANCHISE DISCLOSURE DOCUMENT



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Kwik Kar businesses provide oil changes and preventive maintenance services for cars and trucks to the general public (“Kwik Kar Centers”).

The estimated total investment necessary to begin operation of a Kwik Kar franchise at a brownfield location ranges from \$254,816 to \$821,052. The estimated total investment necessary to begin operation of a Kwik Kar franchise at a build-to-suit greenfield location ranges from \$251,816 to ~~\$821,052,~~ including 657,052, This includes between \$20,000 and \$49,900 which must be paid to the franchisor or its affiliates.

Kwik Kar multi-unit franchisees acquire the right to open multiple franchises at reduced franchise fees, with a commitment to open a minimum of three Kwik Kar Centers. If you sign a Multi-Unit Agreement for a three Center development, then in addition to the investments noted above for the first Center, you must pay the franchisor a Multi-Unit Fee of \$35,000. The fee increases by \$15,000 for each additional Center you commit to develop.

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 our Franchise Development Support Manager (Franchiseinfo@fullspeedautomotive.com) at 5575 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111, (303) 308-1660.

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 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, DC 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: April 5, 2024

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit M.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and multi-unit agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Colorado. 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 Colorado than in your own state.
2. Short Operating History. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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.

and one monument sign. The estimated cost in the chart may increase due to zoning or installation factors.

8. Initial Training – Travel & Lodging Expenses. The estimated amount in the chart represents the travel and living expenses you will incur to attend our initial training program. This amount will vary depending on the number of people attending, the length of your instruction, the distance you must travel and the standard of living you desire while you attend the program.
9. Computer Hardware and Software; POS Maintenance Fee. The estimated initial investment includes costs related to the purchase of computer hardware and software and the ongoing POS Maintenance Fee for the first three months of operations. We reserve the right to require that you purchase hardware and proprietary software from a vendor approved by us and which has been developed for use in the operation of Kwik Kar Centers.
10. Prepaid Expenses. This estimated amount includes utility deposits, fees for city, state and local business licenses, a 25 percent deposit of the first year’s insurance premiums for liability, replacement property, garage-keepers liability and umbrella insurance, and other prepaid expenses.
11. Additional Funds. This amount includes estimated operating expenses you should expect to incur during the first three months of operations. It includes payroll costs (but not a draw or salary for you), taxes, utilities, advertising, rent, accounting and other professional fees, and other operational expenses that are not covered by sales revenue. You may have additional expenses starting your business. Your costs depend on several factors, including how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for our products and services, the prevailing wage rate, competition and the sales level reached during the initial period. ~~This is only an estimate, there is no guarantee that the amounts specified will be adequate or that additional investment will not be necessary during the first three months of operations or afterwards. There is no assurance that you will have reached “break-even” or any other financial level by the end of three months and you may need additional capital.~~
12. Total Estimated Initial Investment. Because the ranges in the chart are only estimates and are subject to economic and inflationary conditions, it is possible both to reduce and exceed the estimated range of costs listed in each item of the chart. In certain major metropolitan areas, actual costs may substantially exceed the high range estimates in the chart. You should review these figures carefully with a business advisor or other professionals before making any decision to purchase a franchise.

MULTI-UNIT AGREEMENT^{(1), (2), (3)}

Type of Expenditure ^{(1), (2)}	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Multi-Unit Fee ⁽¹⁾	\$35,000	\$35,000	Lump Sum	When You Sign the Multi-Unit Agreement	Us

Purchases from Designated or Approved Sources

We have designated or approved vendors and suppliers for the following items: (a) premium and promotional merchandise; (b) dispensing equipment, storage tanks, and certain other equipment; (c) hand tools; (d) printed materials; (e) vacuums; (f) advertising materials in electronic format or otherwise; (g) uniforms; (h) auto parts; (i) insurance; (j) lenders; (k) employment; (l) lubricants; and (m) filters. We, or our affiliate, GMI, is a designated or approved vendor of some of these items. We and our affiliates reserve the right to designate additional suppliers for other products, equipment, and services. You must purchase 90% of all products from approved vendors. Approved vendors and suppliers may change from time to time based on availability and pricing.

As of the date of this Franchise Disclosure Document, none of our officers own an interest in any approved or designated supplier, although they reserve the right to do so.

You will purchase or lease the rest of your product needs, equipment, supplies, and services used, sold, or leased through your Center only from suppliers designated or approved by us in advance. As of the date of this Franchise Disclosure Document, we and our affiliates are not the sole approved supplier of any products, equipment, supplies, or services. We reserve the right to designate a single approved supplier for certain products, equipment, supplies, and services, including us and our affiliates. If there is no designated or approved supplier for a particular item, you may purchase, lease, sell, or use merchandise, equipment, supplies, and services that meet our standards and specifications from any source approved by us. After you sign the Franchise Agreement, we give you a list of our approved suppliers, if any, the standards and specifications for products and services to be purchased, used, sold, or leased by you through your Kwik Kar Center, as well as our criteria for approving a supplier, if any.

Our affiliates sell and lease products, equipment, supplies, and services to franchisees and derive revenue from such sales. We reserve the right to sell or lease, and our affiliates reserve the right to sell or lease, other products, equipment, supplies, and services to franchisees and to derive revenue from such sales. Since we did not offer franchises until February 12, 2024, we had no revenues from franchisee purchases or leases in fiscal year 2023. During the fiscal year ending December 31, 2023, our affiliate, GMI, had no revenues from items sold to Kwik Kar franchisees and real estate leases although it will have revenues from Kwik Kar franchisees in the future.

The revenue figure for items sold to franchisees and real estate leases does not include our affiliates' costs.

We estimate that the cost of your purchases from designated or approved sources, or according to our standards and specifications may range from 60 percent to 80 percent of the total cost to establish your Center and 20 percent to 30 percent to operate your Center.

If you want to purchase or lease any products, equipment, supplies, or services not previously approved by us, or use a new supplier of these items not previously approved by us, you must first notify us and obtain our written approval. Each request must be in writing and contain the description of the product, equipment, supply, or service, together with its manufacturer and supplier, along with its specifications, cost, and uses. We may require you to submit to us sufficient specifications, photographs, drawings, supplier information, or other information and samples to determine whether the items or the supplier meet our specifications. We may conduct testing on samples provided by you, and you may be required to pay the actual cost of these tests. [No additional fee is required.](#) Your request is reviewed by our operations and marketing personnel. Although we are not required to respond within any time period or in any particular manner, we will attempt to notify you in writing as soon as possible after we receive