

## MASTER FRANCHISE DISCLOSURE DOCUMENT



**Cartridge World North America, LLC**  
Nevada Limited Liability Company  
3917 Mercy Drive  
McHenry, Illinois 60050  
(815) 321-4400  
[www.cartridgeworld.com](http://www.cartridgeworld.com)  
[www.cartridgeworld.com/home/contactus](http://www.cartridgeworld.com/home/contactus)

This Disclosure Document is for the offer of Cartridge World® franchises to Master Franchisees (“Master Franchises”) that are awarded Master Franchise Territories within which to offer, award and support the operation of franchised Cartridge World® businesses (“Unit Franchises”). Unit Franchises will provide products and services related to printer (and other) cartridges, inkjet cartridges, laser cartridges, toner, computer hardware (including printers) and software, ancillary products and services, and such additional products and services as we may specify.

The total investment necessary to begin operation of a Master Franchise is \$80,000 to \$670,000. This includes the Initial Master Franchise Fee which may range from \$35,000 to \$500,000 that must be paid to us.

This Disclosure Document summarizes certain provisions of your Master 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 Disclosure 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 Ms. Michelle Keck, our Director of Operations, at 3917 Mercy Drive, McHenry, Illinois 60050; (815) 321-4400.

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](http://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.

Date of Issuance: March 31, 2017.

## STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit C for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

### Risk Factors:

Please consider the following RISK FACTORS before you buy this franchise:

1. THE MASTER FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION OR LITIGATION ONLY IN THE STATE OF ILLINOIS. OUT-OF-STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN ILLINOIS THAN IN YOUR OWN STATE.
2. THE FRANCHISOR DOES NOT GRANT AN EXCLUSIVE TERRITORY TO THE MASTER FRANCHISEE (SEE ITEM 12).
3. THE MASTER FRANCHISEE MUST SELL UNIT FRANCHISES IN ITS MASTER FRANCHISE TERRITORY IN COMPLIANCE WITH THE DEVELOPMENT REQUIREMENTS IN THE MASTER FRANCHISE AGREEMENT. TO DO SO, THE MASTER FRANCHISEE MUST COMPLY WITH FEDERAL AND STATE REGISTRATION AND DISCLOSURE LAWS APPLICABLE TO THE SALE OF UNIT FRANCHISES IN ITS MASTER FRANCHISE TERRITORY. THE CONSEQUENCES OF NOT ACHIEVING THE DEVELOPMENT REQUIREMENTS FOR THE MASTER FRANCHISE TERRITORY CAN INCLUDE THE TERMINATION OF THE MASTER FRANCHISE AGREEMENT (SEE ITEMS 7 AND 12).
4. YOUR SPOUSE OR DOMESTIC PARTNER MUST SIGN A SPOUSAL CONSENT WHICH PLACES YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR MASTER FRANCHISE FAILS.
5. THE FRANCHISOR WILL USE THE REASONABLE BUSINESS JUDGMENT STANDARD IN ITS RELATIONSHIP WITH FRANCHISEES. THIS MEANS THAT THE FRANCHISOR IS NOT REQUIRED TO CONSIDER YOUR PARTICULAR ECONOMIC AND OTHER BUSINESS INTERESTS WHEN EXERCISING ITS JUDGMENT.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Some of these provisions may be superseded by certain state laws. Refer to any addendum applicable to your state.

We may use the services of one or more franchise brokers or referral sources to assist us in selling our franchise in certain states. A franchise broker or referral source is our agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

**EFFECTIVE DATES**

The following states require that the Franchise Disclosure Document be registered or filed with the state, 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

<b>STATES</b>	<b>EFFECTIVE DATE</b>
California	_____, 2017
Hawaii	_____, 2017
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

In the other states in the Direct Franchising Area, the effective date of this Franchise Disclosure Document is the issuance date of March 31, 2017.

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