

FRANCHISE DISCLOSURE DOCUMENT



Cartridge World USA, LLC., a Limited Liability Corporation

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You will operate a franchised Cartridge World® business (a “Unit Franchise”), either Retail or Executive Office Model, which 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. For all purposes disclosed in this document a (“Unit Franchise”) by definition shall refer to Retail and Executive Office Model unless stated otherwise.

The total investment necessary to begin operation of a traditional business (“Retail Store and Executive Office Model”) Unit Franchise is from \$58,900 to \$178,800. This includes an Initial Franchise Fee of \$40,000 and a Training Fee of \$8,000 that must be paid to us. If you sign a Multi-Retail Unit Agreement, the total investment to begin the operation of your second and, if applicable, your third Unit Franchise is from \$117,800 to \$351,600. This includes an Initial Franchise Fee of \$40,000 that must be paid to us.

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 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 Tina Ricchio at tricchio@cartridgeworld.com or (815) 321-4406.

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.

Date of Issuance: May 28th, 2021

2021 CW USA Retail/Executive Office
FDD

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 FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION OR LITIGATION ONLY IN 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 MEDIATE OR LITIGATE WITH US IN ILLINOIS THAN IN YOUR OWN STATE.
2. YOUR SPOUSE OR DOMESTIC PARTNER **MUST** SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND OUR SPOUSE'S MARITAL AND PERSONAL ASSETS (PERHAPS INCLUDING YOUR HOUSE) AT RISK IF YOUR FRANCHISE FAILS.
3. MANDATORY MINIMUM PAYMENTS.
YOU MUST MAKE MANDATORY MINIMUM ROYALTY PAYMENTS OR ADVERTISING CONTRIBUTIONS REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THESE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
4. SUPPLIER CONTROL.
YOU MUST PURCHASE ALL OR NEARLY ALL OF THE INVENTORY & SUPPLIES NECESSARY TO OPERATE YOUR BUSINESS FROM FRANCHISOR, ITS AFFILIATES, OR FROM SUPPLIERS THAT FRANCHISOR DESIGNATES AT PRICES THAT 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 FRANCHISED BUSINESS.

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

STATE EFFECTIVE DATES



The following states require 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 State, and Wisconsin. Florida and Utah require the Franchise Disclosure Document to be filed annually.

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:

STATES	EFFECTIVE DATE
California	Did not register 2020
Hawaii	Did not register 2020
Illinois	September 23 rd , 2020
Indiana	Did not register 2019
Maryland	Did not register 2019
Michigan	July 8 th , 2019
Minnesota	Did not register 2020
New York	Did not register 2019
North Dakota	Did not register 2020
Rhode Island	April 16 th , 2019
South Dakota	Did not register 2020
Virginia	Did not register 2019
Washington State	Pending
Wisconsin	Did not register 2020

This Franchise Disclosure Document is exempt from the following states having business opportunities laws, with the following effective dates:

STATES	EFFECTIVE DATE
Florida	October 14 th , 2020
Kentucky (one-time filing)	Did not register in 2020
Nebraska (one-time filing)	-
Texas (one-time filing)	-
Utah	- Did not register 2020

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of May 28th, 2021.

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