

FRANCHISE DISCLOSURE DOCUMENT

2022



Cornwell Quality Tools Company
667 Seville Road
Wadsworth, Ohio 44281
(330) 336-3506
www.cornwelltools.com

The franchise offered in the following disclosure is a mobile tool dealership for which Cornwell Quality Tools Company ("Cornwell") will grant a license to purchase, resell, and service the products that are manufactured, sold and/or distributed by Cornwell.

The franchised dealership ("the Dealership") will be assigned a specific, but *non-exclusive* geographic territory ("the Territory"), which is agreed upon with Cornwell by the Dealership and its owner or owners (together, if applicable, "the Owners"). The Dealership will purchase products from Cornwell and resell them to individual mechanics and businesses throughout the assigned geographic area. The individual Owner who is primarily responsible for the operation of the Dealership ("the Operator") must devote his or her best, full-time efforts to the sale of Cornwell products in the Territory.

If the Dealership is new, it must purchase an initial inventory of Cornwell products in the amount of at least \$~~5540~~,000 at regular dealer net prices. If the Dealership is converting an existing tool business ("Converttee") and already has a suitable inventory and an approved vehicle, it must purchase an initial inventory in the amount of at least \$~~2540~~,000 from Cornwell, at regular dealer net prices. Cornwell charges no initial franchise fee or royalty fee. After the purchase of the initial inventory of Cornwell products, the Dealership will be required to maintain a certain level of purchases from Cornwell thereafter. However, the Dealership may also purchase products from other suppliers than Cornwell and may sell other than in the assigned geographic territory.

1. The total investment necessary to begin operation of a Cornwell franchised dealership ranges from \$~~59,525~~~~74,525~~ to \$277,825 for converttees and \$~~129~~~~14,525~~ to \$~~272~~~~77,825~~ for new dealers. This includes \$5540,000 for initial inventory that must be paid to the franchisor (Cornwell) or an affiliate by a new dealership, or at least \$2540,000 by a converttee. Refer to Items 5 through 7 inclusive of this Disclosure Document for a further explanation regarding the total investment.

2. 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 (Cornwell) or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 the Franchising Department of Cornwell Quality Tools Company at 667 Seville Road, Wadsworth, Ohio 44281 and 330-336-3506.

3. The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read your entire contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

4. 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 the agency listed for your state on Exhibit D or visit your public library for other sources of information on franchising.

5. There may also be laws on franchising in your state. Ask your state agencies about them. The agency for your state is listed on Exhibit D, if applicable.

Issued on: ~~April 4~~August 5, 2022.

The Effective Date for this disclosure document in your state is listed on the page immediately before Exhibit J attached hereto.

How to Use this Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the supplier you must have.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Cornwell business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Cornwell franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all exhibits in this disclosure document to better understand this franchise opportunity. See the Table of Contents.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/cornwell-quality-tools>