

## FRANCHISE DISCLOSURE DOCUMENT



## Hawkinson Treading, Inc.

A Minnesota Corporation 12155 43rd Street NE, Suite A St. Michael, MN 55376 Telephone: (763) 424-5098 www.hawkinson.com crs@braniekhawkinson.com

The franchisee will own and operate a Hawkinson® tire retreading business from which the franchisee will offer high quality tire retreading services.

The total investment necessary to begin operation of an authorized Hawkinson® Tread Service business is from \$236,100241.100 to \$860,000.865,000. This includes an Initial Service Fee of \$10,000.15,000, which must be paid to the franchisor, Hawkinson Treading, Inc. ("HTI").

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 Cal Sperr at Hawkinson Treading, Inc., 12155 43rd Street NE, Suite A, St. Michael, Minnesota 55376, (763) 424-5098 or at ers@branick.comcrs@hawkinson.com.

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 complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "<u>A Consumer's Guide to Buying a Franchise</u>," 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 <u>www.ftc.gov</u> for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: May 30, 2013 April 15, 2014



## 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 D** 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.

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

- 1. THE LICENSE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH HTI BY ARBITRATION ONLY IN MINNESOTA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH HTI IN MINNESOTA THAN IN YOUR OWN STATE.
- 2. THE LICENSE AGREEMENT STATES THAT THE LAWS OF THE STATE IN WHICH YOUR LICENSED LOCATION IS LOCATED GOVERN THE THE EQUIPMENT SALES AGREEMENT STATES THAT AGREEMENT. MINNESOTA LAW GOVERNS THAT AGREEMENT. FOR DISPUTES THAT ARE NOT SUBJECT TO ARBITRATION, LITIGATION MUST BE CONDUCTED ONLY IN MINNESOTA. IT MAY COST MORE TO LITIGATE WITH HTI IN MINNESOTA THAN IN YOUR OWN STATE.
- 3. HTI IS NOT OBLIGATED UNDER THE LICENSE AGREEMENT TO PROTECT YOUR RIGHTS TO USE HTI'S TRADEMARK.
- 4. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates



## STATE EFFECTIVE DATES

The following states require that the 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 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:

State	Effective Date	
California	<del>July 25, 2013</del>	
Illinois	<del>June 21, 2013<u>April 16.</u> 2014</del>	
Minnesota	June 3, 2013Pending	
<u>New York</u>	- <u>Pending</u>	

In the states listed below, the effective date (and issuance date) of this disclosure document is May 30, 2013.April 15, 2014.

Alabama	Kansas	New Mexico
Alaska	Kentucky	North Carolina
Arizona	Louisiana	Ohio
Arkansas	Maine	Oklahoma
Colorado	Massachusetts	Oregon
Connecticut	Mississippi	Pennsylvania
Delaware	Missouri	South Carolina
District of Columbia	Montana	Tennessee
Georgia	Nevada	Vermont
Idaho	New Hampshire	West Virginia
Iowa	New Jersey	Wyoming

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