

# Instant Imprints Area Representative Disclosure Document

# INSTANT IMPRINTS®

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## Franchise Disclosure Document

No Frill Franchising, Inc.  
a Delaware Corporation  
6615 Flanders Drive Suite B  
San Diego, CA 92121  
(858) 642-4848  
franchise@InstantImprints.com  
www.instantimprints.com

We offer area representatives the right to recruit Unit Franchisees to develop and operate Instant Imprint Centers (businesses that provide custom decorated apparel, embroidery, custom T-shirts, signage and banners, print services and promotional products under the name "Instant Imprints"); and provide training, on-going supervision and guidance to Instant Imprints Unit Franchisees in a specific Territory in accordance with the System and under the Marks.

The total investment necessary to begin operation of an Instant Imprint area representative is \$106,200 to \$307,400. This includes \$95,000 to \$285,000 that must be paid to us or our affiliates. These amounts do not include the investment you will need to make in order to open the required Pilot Center. Information on establishing an Instant Imprints Center is contained in a separate Franchise Disclosure Document.

This disclosure document summarizes certain provisions of our Area Representative Agreement and other information in plain English. Information about our unit franchise is described in a separate FDD. Read this disclosure 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 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 the 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 Manager of the Franchise Administration Department at 6615 Flanders Drive Suite B, San Diego, CA 92121, (858) 642-4848.

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 contracts carefully. Show your contract and this disclosure document to an advisor, 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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of informational franchising.

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

**Issuance Date: April 11, 2019**

## 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 E 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 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 TO RENEW.

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

1. THE AREA REPRESENTATIVE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND LITIGATION IN DELAWARE. OUT OF STATE 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 DELAWARE THAN IN YOUR HOME STATE.
2. THE AREA REPRESENTATIVE AGREEMENT STATES THAT DELAWARE LAW GOVERNS THE AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. WE HAVE LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND OUR PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES. OUR AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018, SHOWS THAT WE HAD A DEFICIT IN RETAINED EARNINGS OF \$2,672,888.
4. THE AUDITOR'S REPORT ON THE FRANCHISOR'S FINANCIAL STATEMENTS EXPRESSES SUBSTANTIAL DOUBT ABOUT THE FRANCHISOR'S ABILITY TO REMAIN IN BUSINESS. THIS MEANS THAT THE FRANCHISOR MAY NOT HAVE THE FINANCIAL RESOURCES TO PROVIDE SERVICES OR SUPPORT TO YOU.
5. YOU MUST MAINTAIN MINIMUM PERFORMANCE LEVELS. IF YOU FAIL TO DO SO, YOU COULD LOSE YOUR PROTECTED TERRITORY OR THE FRANCHISOR COULD TERMINATE YOUR AGREEMENT AND YOU COULD LOSE YOUR INVESTMENT.
6. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.

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