

FRANCHISE DISCLOSURE DOCUMENT



INTERSTATE BATTERY FRANCHISING
& DEVELOPMENT, INC.

www.allbatteryfranchise.com www.interstatebatteries.com/franchising

A Delaware Corporation
4301 121st Street
Urbandale, IA 50323
(515) 266-8207

The franchise relates to the development and operation of an Interstate All Battery Center retail store ("Center"). The Centers specialize in the sale of batteries and offer custom battery pack building, including battery packs for batteries that do not have a standard replacement. The general geographic area in which the franchisee will develop its Center will be determined by the franchisor, in consultation with the franchisee, before the franchise agreement is signed.

The total investment necessary to begin operation of ~~an Interstate All Battery Center~~ franchised business ranges from ~~approximately \$177,600 to \$338,800. (See Item 7). These figures exclude real estate costs, but include~~ 440,000. This includes \$36,600 to \$137,600 that must be paid to ~~us or our affiliates for the following: the initial license fee of \$37,500 (unless the Center is a Branch Center of an existing Center, as explained in Item 5); the first installment of an Existing Account acquisition payment, which installment is estimated to range from \$0 to \$29,000; the purchase of proprietary software and a hardware package from us costing approximately \$17,600 to \$32,000; the costs of implementing a grand opening marketing campaign, estimated to be between \$10,000 and \$15,000; an opening assistance fee ranging from \$4,000 to \$7,500 and a Center set up fee of \$5,000. (See Item 5);~~ the franchisor or its affiliate(s).

This Disclosure Document summarizes certain portions 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 or grant. **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 our franchise administration department at 17400 Northwest Freeway, Houston, Texas 77040 and (800) 730-7868.

The terms of your contract will govern your franchise relationship. Do not 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: July ~~3, 2013~~, 2, 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 A 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 FRANCHISE AGREEMENT PERMITS YOU TO FILE AN ARBITRATION DEMAND OR SUE US ONLY IN DALLAS COUNTY, TEXAS. OUT OF STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST YOU MORE TO SUE US OR ARBITRATE AGAINST US IN TEXAS THAN IN YOUR STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS YOUR RELATIONSHIP WITH US. TEXAS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
- ~~3. OUR INDIRECT PARENT COMPANY IS THE OWNER OF THE PRINCIPAL TRADEMARKS THAT YOU WILL USE TO IDENTIFY YOUR FRANCHISE. WE HAVE THE NON-EXCLUSIVE PERPETUAL RIGHT TO USE AND LICENSE OUR FRANCHISEES TO USE THE PRINCIPAL TRADEMARKS.~~**
YOUR MARKETING AREA MAY BE TERMINATED OR REDUCED IF YOU FAIL TO ACHIEVE A CERTAIN LEVEL OF GROSS SALES FOR TWO CONSECUTIVE YEARS. ~~SEE ITEM 12 FOR COMPLETE DETAILS~~
- 4. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY AND MAY FACE COMPETITION FROM US AND OTHER FRANCHISEES.**
- 5. ADDITIONAL CENTERS MAY BE ESTABLISHED IN YOUR MARKETING AREA.**
- 6. FAILURE TO ACHIEVE GROSS SALES EQUAL TO AT LEAST 75% OF THE AVERAGE GROSS SALES FOR ALL CENTERS FOR 2 CONSECUTIVE YEARS MAY RESULT IN THE REDUCTION OF YOUR TERRITORY.**
- 7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral sources 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.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/interstate-all-battery-center>