

## FRANCHISE DISCLOSURE DOCUMENT



## INTERSTATE BATTERY FRANCHISING & DEVELOPMENT, INC.

A Delaware Corporation 4301 121<sup>st</sup> Street Urbandale, IA 50323 (515) 266-8207 www.interstatebatteries.com/franchising

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 \$172,600 to \$411,000. This includes \$55,100 to \$67,500 that must be paid to 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 Rich Panek, Senior Manager Franchise Operations, at 4301 121<sup>st</sup> Street, Urbandale, Iowa 50323.

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 <a href="https://www.ftc.gov">www.ftc.gov</a> 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 1, 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 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. YOUR MARKETING AREA MAY BE TERMINATED OR REDUCED IF YOU FAIL TO ACHIEVE A CERTAIN LEVEL OF GROSS SALES FOR TWO CONSECUTIVE YEARS.
- 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.

State registration effective dates are listed on the following State Registrations Page.



## INTERSTATE BATTERY FRANCHISING & DEVELOPMENT, INC. STATE REGISTRATIONS PAGE

The following states require that 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, and Wisconsin.

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:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

If this Franchise Disclosure Document is registered with a state that requires additional disclosures, the additional required disclosures for that state are contained in Exhibit E to this Franchise Disclosure Document.

In all other states, the Effective Date of this Franchise Disclosure Document is the issuance date of July 1, 2019.

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