



FRANCHISE DISCLOSURE DOCUMENT

**Stanley Industrial & Automotive, LLC
A Delaware Limited Liability Company**

Through its Mac Tools Division

505 North Cleveland Avenue

Westerville, Ohio 43082

(614) 755-7000

www.mactools.com

www.mactoolsfranchises.com

ddc@sbdinc.com

Brief Description of the Franchised Business: The franchisee will receive the right to operate a business involving the mobile sale of professional automotive tools and similar products manufactured and/or distributed by Mac Tools and bearing the MAC Tools® trademarks. The franchisee may also be permitted to purchase and distribute certain other products sold by Mac Tools. The franchisee will be assigned a route of assigned stops with approximately 325 potential customers of Mac Tools products. The franchisee will regularly visit the stops with a truck equipped with displays of the tool inventory. The stops will include automotive aftermarket businesses, service stations, independent garages, car and truck dealerships, and non-automotive businesses such as cycle shops, lawn mower shops, airports, marinas, machine shops, factories, farm implement dealers or repairers, commercial agricultural businesses and other commercial users of tools and shop equipment. The customers at the stops are professional mechanics and others who will use the products in business. The franchise is granted for an initial term of 10 years with the right, upon compliance with certain conditions, to renew for one additional successive 10 year renewal term.

The total investment necessary to begin operation of a Mac Tools franchised business ranges from \$129,001 to \$283,155 (assuming that you operate one Route). This includes the \$93,000 to \$94,500 that must be paid to the franchisor or an affiliate. The estimated initial investment for an existing Mac Tools distributor converting to a Mac Tools franchised business ranges from \$9,200 to \$24,265 (assuming that you operate one Route). This includes the \$8,000 to \$12,700 that must be paid to the franchisor or an affiliate. The estimated initial investment for a distributor or franchisee of another mobile tool or mobile product distribution system, or an employee of Stanley Industrial & Automotive, LLC, converting to a Mac Tools franchised business ranges from \$126,525 to \$280,615 (assuming that you operate one Route). This includes the \$93,000 to \$94,500 that must be paid to the franchisor or an affiliate.

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.**

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 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, N.W., 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.

Issuance Date: February 27, 2018, as amended March 9, 2018, May 29, 2018
and September 19, 2018

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 T 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:

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN NEW YORK, UNLESS THE LOCATION IS OTHERWISE AGREED TO BY BOTH PARTIES. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN NEW YORK THAN IN YOUR HOME STATE.

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US THAT PROCEED TO LITIGATION BY LITIGATION ONLY IN OHIO. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN OHIO THAN IN YOUR HOME STATE.

THE FRANCHISE AGREEMENT STATES THAT OHIO 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.

IN SOME CIRCUMSTANCES, A FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, WHICH ALSO PLACES THE SPOUSE'S PERSONAL AND MARITAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

PLEASE NOTE THAT 64% OF THE GUARANTOR'S ASSETS ARE INTANGIBLE. YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for State Effective Dates.

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