

FRANCHISE DISCLOSURE DOCUMENT



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This Disclosure Document provides information regarding the operation of a Matco Distributorship. Matco is a manufacturer and distributor of professional quality mechanics' tools and service equipment (the "Products"). If you enter into a Distributorship Agreement with Matco, you will purchase, resell, and service the Products, which currently consist of more than 15,000 items, as a mobile distributor under the Matco System.

The total investment necessary to begin operation of a Matco Distributorship ranges from \$91,785 to \$269,665. This includes the following payments to Matco or its affiliates: the initial franchise fee of \$7,000; approximately \$63,000 to \$86,000 for the minimum inventory; \$899 for the initial software license fee and \$145 license fees for the credit card and signature pad processing software; \$450 for the software support and maintenance fee; \$195 for the webpage set-up fee; \$99 for a document processing fee; and approximately \$22,000 for the Time Payment Reserve Account (if you do not participate in a Matco financing program).

This Disclosure Document summarizes certain provisions of your distributorship 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 Matco's National Franchise Sales Department at 4403 Allen Road, Stow, OH 44224; phone: 330-929-4949.

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-FTCHELP 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.

ISSUANCE DATE: March 6, 2018

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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 Appendix F for information about the franchisor, about other franchisors, 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 DISTRIBUTORSHIP AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN THE STATE OF OHIO. OUT OF STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE OR ARBITRATE WITH MATCO IN OHIO THAN IN YOUR HOME STATE.
- *2. THE DISTRIBUTORSHIP 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.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

*State laws may supersede these distributorship agreement provisions. Certain states require the superseding provisions to appear in an addendum to this disclosure document (See Appendix H).

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

Effective Date: See next page for state effective dates.

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STATE EFFECTIVE DATES

The effective dates of this Franchise Disclosure Document in the states listed below are:

STATE	EFFECTIVE DATE
CALIFORNIA	October 13, 2017
FLORIDA	February 3, 2018
HAWAII	
ILLINOIS	March 6, 2018
INDIANA	March 6, 2018
LOUISIANA	March 7, 2018
MAINE	March 7, 2018
MARYLAND	
MICHIGAN	March 7, 2018
MINNESOTA	
NEW YORK	March 6, 2018
NORTH CAROLINA	
NORTH DAKOTA	
RHODE ISLAND	
SOUTH DAKOTA	March 7, 2018
UTAH	December 4, 2017
VIRGINIA	
WASHINGTON	
WISCONSIN	March 6, 2018

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