

FRANCHISE DISCLOSURE DOCUMENT

Bundy American, LLC, A Maryland Limited Liability Company
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www.rentawreck.com

<http://www.rentawreck.com/franchises.htm>



The primary purpose of the franchised business will be the rental of motor vehicles to the general public.

The total investment necessary to begin operation of a Rent-A-Wreck franchised business ranges from \$159,104.50 - \$459,607. This includes an initial franchisee fee of \$18,000 to \$75,000 that must be paid to the franchisor or affiliate.

This Disclosure Document summarizes information about Rent-A-Wreck and certain provisions of the franchise agreement in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive the Disclosure Document at least 14 calendar days before you sign a binding agreement with us, or make any payment to us or an affiliate of ours in connection with the proposed franchise sale or grant. **Note, however, that no government 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 Sales Department at 13900 Laurel Lakes Avenue, Suite 100, Laurel, MD 20707, or Franchise@Rent-A-Wreck.com, or by telephone at 240-455-0672.

The terms of your contract will govern the franchise relationship between you and us. Don't rely on the Disclosure Document alone to understand the franchise agreement. Read all of the franchise agreement carefully. Show your contract and this Disclosure Document to a trusted 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, DC 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.

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Rent-A-Wreck FDD

November 12, 2015

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 IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit D 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 REQUIRES YOU TO RESOLVE MOST DISPUTES WITH RENT-A-WRECK BY ARBITRATION OR LITIGATION ONLY IN WASHINGTON, D.C. OR MARYLAND. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARTIBRATE OR LITIGATE WITH US IN WASHINGTON, D.C. OR MARYLAND THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT MARYLAND 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. IF YOU PURCHASE A SINGLE POINT FRANCHISE, YOU WILL NOT BE GRANTED AN EXCLUSIVE TERRITORY. REGARDLESS OF THE TYPE OF FRANCHISE YOU PURCHASE, WE AND OUR AFFILIATES MAY ESTABLISH COMPANY-OWNED AND FRANCHISED LOCATIONS AND OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC UNDER THE SAME TRADEMARK OR A DIFFERENT TRADEMARK IN COMPETITION WITH YOUR FRANCHISE.
4. YOU MUST PAY US MINIMUM CONTINUING FRANCHISE FEES OF \$408 PER MONTH AND MINIMUM MONTHLY MARKETING AND ADVERTISING FEES OF \$96 PER MONTH, EVEN IF THE FRANCHISE HAS NO REVENUE.
5. YOU MUST MAINTAIN A MINIMUM NUMBER OF VEHICLES IN YOUR FLEET OR WE MAY TERMINATE YOUR FRANCHISE AGREEMENT.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. 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 make sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates

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STATE EFFECTIVE DATES

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:

<u>State</u>	<u>Effective Date</u>
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

The Effective Date in all other states is November 12, 2015.

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