

FRANCHISE DISCLOSURE DOCUMENT



www.schoolspiritvending.com

SSV FRANCHISING LLC
A Texas limited liability company
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We offer franchises for the operation of a business that provides elementary schools and their PTAs, PTOs and other clubs and organizations a way to raise money for their operations by allowing you to place and service vending machines on their premises. Through the vending machines, you sell to elementary school students stickers with school logos and other items that are appropriate and appealing to school children, including professional team logos, Disney characters, Dress Up Animals and the like. The school, club or organization, which you solicit, keeps 25% of the revenue from product sales through the vending machines in their schools.

The total investment necessary to begin operation of a School Spirit Vending franchise is \$9,175 to \$22,675. This includes \$3,600 to \$12,000 that you must pay to us or our affiliates.

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.**

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 Matt Miller at SSV Franchising LLC, 2792A W. Washington, Box 109, Stephenville, TX 76401, telephone 1-800-778-9702.

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, 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.

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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 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN HARRIS COUNTY, TEXAS. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR DEFEND A LAWSUIT IN TEXAS THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE AGREEMENT. TEXAS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE, MAKING YOUR SPOUSE JOINTLY AND INDEPENDENTLY LIABLE FOR YOUR OBLIGATIONS UNDER THE AGREEMENT, WHICH PLACES YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

4. THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME, SINCE MARCH 26, 2015. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.

5. THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND THE FRANCHISOR'S PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.

6. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN INITIAL INVESTMENT RANGING FROM \$9,175 TO \$21,175. THIS AMOUNT MAY EXCEED THE FRANCHISOR'S NET ASSETS OF \$17,540 AS OF SEPTEMBER 30, 2015.

7. YOU MUST PLACE VENDING MACHINES IN FIVE SCHOOLS EACH YEAR UNTIL YOU ATTAIN A MARKET PENETRATION OF AT LEAST 50% IN YOUR TERRITORY (I.E., 100 SCHOOLS WITH VENDING MACHINES IN A TERRITORY OF 200 SCHOOLS). IF YOU FAIL TO MEET AND MAINTAIN THIS QUOTA, WE WILL HAVE THE RIGHT EITHER TO MAKE THE TERRITORY NONEXCLUSIVE OR TO REDUCE THE SIZE OF YOUR EXCLUSIVE TERRITORY, IN OUR DISCRETION.

8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

See the next page for state effective dates.

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:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	10/22/2015
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	9/28/2015
Wisconsin	

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