

FRANCHISE DISCLOSURE DOCUMENT



SMASH BROTHERS, LLC
A Kentucky Limited Liability Company
9418 Norton Commons Blvd., Suite 235
Prospect, KY 40059
(502) 792-7788
K Scott Dennison <scott@wesmash-it.com>
www.wesmash-it.com

Smash Brothers, LLC (“we” or the “Franchisor”) offers franchisees (“you” or the “Franchisee”) the opportunity to operate a mobile commercial on-site trash compacting business under the trade name “Smash-It”, utilizing a proprietary mobile trash pulverizer unit.

The initial franchise fee for a “Smash-It” mobile trash compacting business is \$30,000.00. The estimated total investment necessary to begin operation of a Smash-It franchise ranges from \$279,950-\$314,500. This includes the initial franchise fee of \$30,000.00 that is paid to us.

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 this Disclosure Document in another format that is more convenient for you. To discuss this availability of disclosures in different formats, please contact K. Scott Dennison at 9418 Norton Commons Blvd., Suite 235, Prospect, KY 40059, (502) 792-7788.

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 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: September 15, 2017

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 F 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 ONLY IN KENTUCKY. OUT-OF-STATE PROCEEDINGS MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO PARTICIPATE IN PROCEEDINGS IN KENTUCKY THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT KENTUCKY 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. THE FRANCHISOR WAS FORMED IN MARCH 2016 AND DOES NOT HAVE A SIGNIFICANT OPERATING HISTORY WITH THE FRANCHISED BUSINESS. BECAUSE WE HAVE NOT BEEN IN BUSINESS FOR THREE OR MORE YEARS, WE CANNOT PROVIDE YOU ALL OF THE FINANCIAL STATEMENTS REQUIRED BY THE FEDERAL TRADE COMMISSION'S FRANCHISE RULE.
4. WE HAVE APPLIED FOR, BUT NOT YET RECEIVED A FEDERAL REGISTRATION FOR OUR PRINCIPAL TRADEMARK. THEREFORE, OUR TRADEMARK DOES NOT HAVE AS MANY LEGAL BENEFITS AND RIGHTS AS A FEDERALLY REGISTERED TRADEMARK. IF OUR RIGHT TO USE THE TRADEMARK IS CHALLENGED, YOU MAY HAVE TO CHANGE TO AN ALTERNATIVE TRADEMARK, WHICH MAY INCREASE YOUR EXPENSES.
5. OUR RIGHTS TO USE AND GRANT FRANCHISEES THE RIGHTS TO USE THE PRINCIPAL TRADEMARK AND THE MOBILE TRASH PULVERIZER ARE SUBJECT TO A LICENSE AGREEMENT, THE MATERIAL TERMS OF WHICH ARE DESCRIBED THROUGHOUT THIS DISCLOSURE DOCUMENT.

6. THE TERM OF THE LICENSE AGREEMENT IS FIVE YEARS, WHICH MAY BE EXTENDED FOR UP TO EIGHT ADDITIONAL FIVE-YEAR TERMS. OUR ABILITY TO RENEW THE LICENSE AGREEMENT FOR ADDITIONAL TERMS IS SUBJECT TO OUR MEETING CERTAIN MINIMUM PERFORMANCE STANDARDS AND OTHERWISE COMPLYING WITH THE TERMS OF THE AGREEMENT. IF WE FAIL TO MEET THE MINIMUM PERFORMANCE STANDARDS, THE TERM WILL BE EXTENDED IN AN ALTERNATIVE EXTENDED LICENSE PERIOD FOR A FIVE-YEAR TERM, WHICH MAY BE RENEWED FOR UP TO EIGHT ADDITIONAL FIVE-YEAR TERMS PROVIDED THAT WE MATERIALLY COMPLY WITH THE TERMS OF THE LICENSE AGREEMENT. IF WE ELECT NOT TO RENEW THE ALTERNATIVE EXTENDED LICENSE PERIOD OR THE LICENSE AGREEMENT IS TERMINATED (BECAUSE OF A MATERIAL BREACH BY EITHER PARTY), THEN OUR RIGHTS TO FRANCHISE THE SYSTEM WILL CEASE, BUT YOUR RIGHTS TO LICENSE THE MARKS AND THE MOBILE PULVERIZER, AND OUR OBLIGATION TO PROVIDE ONGOING SUPPORT TO YOU UNDER THE FRANCHISE AGREEMENT WILL BE FROZEN, MEANING THAT THEY WILL CONTINUE AS PROVIDED IN THE FRANCHISE AGREEMENT AND OTHER AGREEMENTS.

7. THE LICENSE AGREEMENT INCLUDES NOTICE REQUIREMENTS FOR THE LICENSOR AND US RELATING TO THE ESTABLISHMENT OF A NEW FRANCHISE TERRITORY, COMPANY-OWNED OUTLET, OR LICENSOR-OWNED OUTLET. IF WE FAIL TO PROVIDE NOTICE THAT A PROSPECTIVE LICENSOR-OWNED OUTLET INFRINGES ON YOUR TERRITORY IN ACCORDANCE WITH THE LICENSE AGREEMENT, THE LICENSOR COULD ESTABLISH A LICENSOR-OWNED OUTLET IN ALL OR PART OF YOUR TERRITORY.

8. 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 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.

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