

FRANCHISE DISCLOSURE DOCUMENT



THE KASE PARTNERS USA INC.
A Delaware corporation
3 Columbus Circle, Fl. 15
New York, NY 10019
623-444-5203
usa.franchise@thekase.com
www.thekase.com

We offer franchises for the operation retail stores that sell a wide range of cases, headsets and other accessories for cell phones, tablet and laptop computers and related electronic products. A central feature of The Kase business is that we can customize our cases by imprinting on them an image selected by the customer. The customer can choose one of the thousands of graphic images offered by our community of participating artists or the customer can use his or her own photo or image.

The total investment necessary to begin operation of a The Kase franchise is \$234,800 to \$413,250 for a traditional in-line store, and \$125,300 to \$192,250 for a “pop-up” store, which is our kiosk. This includes \$90,000 to \$105,500 that you must pay to us or our affiliate for a traditional in-line store, and \$57,000 to \$77,000 that you must pay to us or our affiliate for a pop-up store.

If you sign a multi-unit agreement (covering three units to ten units), your total initial investment will be \$259,800 to \$570,750. This includes \$125,000 to \$263,000 that you must pay to us or our affiliate, or less if we permit you to open pop-up stores to meet any portion of your development obligation.

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 Richard Basch at The Kase Partners USA Inc., 905 West 175th Street, Suite 2 SW, Homewood, IL 60430, telephone 623-444-5203.

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 NEW YORK. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO DEFEND A LAWSUIT IN NEW YORK THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT NEW YORK LAW GOVERNS THE AGREEMENT. NEW YORK 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 17, 2015. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.

5. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN INITIAL INVESTMENT RANGING FROM \$125,300 TO \$413,250 FOR A UNIT FRANCHISE AND \$259,800 TO \$570,750 FOR A MULTI-UNIT FRANCHISE. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF MAY 14, 2015, WHICH IS \$100,000.

6. THE AREA REPRESENTATIVE WHO MAY HAVE NEGOTIATED THE FRANCHISE AGREEMENT WITH YOU IS NOT A PARTY TO YOUR FRANCHISE AGREEMENT. WE HAVE DELEGATED LIMITED AUTHORITY TO THE AREA REPRESENTATIVE TO ASSIST US. WE REMAIN RESPONSIBLE FOR PERFORMING OUR OBLIGATIONS UNDER YOUR FRANCHISE AGREEMENT.

7. 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.

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	7/31/2015
Hawaii	
Illinois	7/20/2015
Indiana	7/2/2015
Maryland	
Michigan	6/30/2015
Minnesota	
New York	7/30/2015
North Dakota	
Rhode Island	7/7/2015
South Dakota	
Virginia	
Washington	8/3/2015
Wisconsin	7/2/2015

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