

FRANCHISE DISCLOSURE DOCUMENT

Unishippers Global Logistics, LLC

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A Unishippers franchise permits you to promote, establish, bill, and collect on customer accounts for transportation services offered by one or more domestic and international carrier companies.

The total investment necessary to begin operation of a Unishippers franchise can range from \$45,024 to \$1,178,791 depending on the number of sales territories within the specific market area and the type of franchise being purchased. This amount includes between \$7,500 to \$77,500 that must be paid to Franchisor and/or its affiliates. As further explained below, Unishippers offers for sale three different types of franchises: (1) a Multi Select franchise; (2) a Single Select franchise; and (3) a National franchise. Single Selected Protected franchises exist, but are not offered for sale by Unishippers. The initial franchise fee for a Multi Select franchise is \$30,000 (base fee) plus \$10,000 per Sales Territory within the marketing area. The initial franchise fee for a National franchise is \$30,000.

In certain market areas, Unishippers has sold all available sales territories. In such cases, the fee paid to the Franchisor for franchises transferred from existing Franchisees to franchisees new to the Unishippers System is \$7,200 per sales territory. The purchase price for franchises transferred from existing franchisees or purchased from Unishippers will depend upon the franchise area You purchase and the price You negotiate with the reselling Franchisee or Unishippers. For those franchises that have reached the end of their term, or for those existing Unishippers Franchisees acquiring an additional franchise, transferred from another existing Franchisee, a fee of \$5,000 will be assessed in connection with the execution of the new franchise agreement.

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 or grant. Note, however, that no governmental agency has verified the information contained in this document.

If You are viewing this Disclosure Document on a computer, or it is an electronic version, You will need a PC, Windows 7 or higher, Word version 2010 or higher, and Adobe Reader version 10.0 or higher. You may wish to receive your Disclosure Document in another format, including paper, whichever is more



convenient for You. To discuss the availability of disclosures in different formats, contact us at the address and telephone number listed above.

The terms of Your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read your entire 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-FRC-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 THAT ALL DISAGREEMENTS BE SETTLED BY MEDIATION, FOLLOWED BY BINDING ARBITRATION HELD AT UNISHIPPERS' OFFICES IN SALT LAKE CITY, UTAH. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH UNISHIPPERS IN UTAH THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT UTAH LAW GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS. CERTAIN OTHER STATES PROHIBIT CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS.
- 3. IN THE EVENT OF A BREACH OF THE AGREEMENT BY YOU, YOU WILL BE REQUIRED TO PAY US THE PRESENT VALUE OF THE ROYALTIES, ADVERTISING CONTRIBUTIONS, AND OTHER AMOUNTS WHICH WOULD NORMALLY HAVE BEEN PAID IF YOU HAD CONTINUED IN EXISTENCE FOR THE FULL TERM OF THE AGREEMENT, TOGETHER WITH ANY PAST DUE PAYMENTS OWED.
- 4. THE FAILURE TO MEET MINIMUM PERFORMANCE REQUIREMENTS IS A DEFAULT UNDER THE FRANCHISE AGREEMENT AND GROUNDS FOR TERMINATION OF THE AGREEMENT WITHOUT ADVANCE NOTIFICATION OR OPPORTUNITY TO CURE.
- 5. IN THE EVENT YOU TAKE ANY LEGAL ACTION AGAINST US AND DO NOT PREVAIL, WE HAVE THE OPTION TO TERMINATE THE FRANCHISE AGREEMENT.
- 6. THE VOLUME, PROFIT, AND POSSIBLE SUCCESS OF YOUR FRANCHISE ARE PRIMARILY DEPENDENT ON YOUR ABILITY AND EFFORTS AS AN INDEPENDENT BUSINESS OPERATOR, YOUR SALES ABILITY, AS WELL AS THE DEGREE TO WHICH YOU FOLLOW THE UNISHIPPERS SYSTEM.

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