

FRANCHISE DISCLOSURE DOCUMENT

ZAGG INC
a Nevada corporation
910 W. Legacy Center Drive, Ste. 500
Midvale, UT 84047
(801) 263-0699
www.zagg.com



The franchisee will operate a retail outlet under the ZAGG name and sell products approved by us, including protective films and covers, audio products and accessories, power solutions for consumer electronics and hand-held devices (collectively, the “Products”). The Products sold at your ZAGG franchise are designed, manufactured and distributed under our direction.

The total investment necessary to begin operation of a ZAGG franchise by a new franchisee (“New Franchisee”) is \$51,000 - \$60,000 (exclusive of real estate costs as described in Item 7). This includes \$30,000 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation of a ZAGG franchise by an existing franchisee opening an additional franchise location (“Expanding Franchisee”) is \$37,000 - \$46,000 (exclusive of real estate costs as described in Item 7). This includes \$14,000 that must be paid to the franchisor or affiliate.

The total investment necessary for a ZAGG franchise by an existing franchisee who is seeking to continue its existing franchise operation at the same location following the end of the term of such franchisee’s original franchise agreement, or a successor to an existing franchisee’s rights and obligations under such franchisee’s original franchise agreement approved by franchisor in accordance with the terms of such original franchise agreement (each a “Continuing Franchisee”) is \$5,000.

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Aaron Johnson, Dennis Ferguson, Chad Wilcoxon or Michael Krawitz at 910 W. Legacy Center Drive, Ste. 500, Midvale, Utah 84047, and (801) 263-0699.

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 any affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

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, NW, 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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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 D for information about the franchisor, about other franchisors, 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 your buy this franchise.

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION AND/OR ARBITRATION ONLY IN UTAH. OUT OF STATE LITIGATION AND/OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT OF DISPUTES. IT MAY ALSO COST MORE TO SUE US IN UTAH THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT UTAH 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 ARE AN ENTITY, WE WILL REQUIRE ALL BENEFICIAL HOLDERS OF YOUR OWNERSHIP INTERESTS TO BECOME PARTIES TO THE FRANCHISE AGREEMENT.
4. 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/zagg>