The highlights & key terms of 23 specific Franchise Disclosure Document Items

The Franchisor and any Parents, Predecessors, and Affiliates

- This section provides a description of the company and its history.

Business Experience

- This section provides biographical and professional information about the franchisor and its officers, directors, and executives.

Litigation

- This section provides relevant current and past criminal and civil litigation for the franchisor and its management.

Bankruptcy

- This section provides information about the franchisor and any management who have gone through a bankruptcy.

Initial Fees

- This section provides information about the initial fees and the range and factors that determine the amount of the fees.

Other Fees

- This item provides a description of all other recurring fees or payments that must be made.

Estimated Initial Investment

- This item is presented in table format and includes all the expenditures required by the franchisee to make to establish the franchise.

Restrictions on Sources of Products and Services

- This section includes the restrictions that franchisor has established regarding the source of products or services.

Franchisee’s Obligations

- This item provides a reference table that indicates where in the franchise agreement franchisees can find obligations they have agreed to.

Financing

- This item describes the terms and conditions of any financing arrangements offered by the franchisor.

Franchisor’s Assistance, Advertising, Computer Systems, and Training

- This section describes the services that the franchisor will provide to the franchisee.

Territory

- This section provides the description of any protected territory and whether territories will be modified.

Trademarks

- This section provides information about the franchisor's trademarks, services and trade names.

Patents, Copyrights, and Proprietary Information

- This section gives information about how the patents and copyrights can be used by the franchisee.

Obligation to Participate in the Actual Operations of the Franchise Business

- This section describes the obligation of the franchisee to participate in the actual operation of the business.

Restrictions on what the Franchise May Sell

- This section deals with any restrictions on the goods and services that the franchisee may offer its customers.

Renewal, Termination, Transfer, and Dispute Resolution Procedures

- This section tells you when and whether your franchise can be renewed or terminated and what your rights and restrictions are when you have disagreements with your franchisor.

Public Figures

- If the franchisor uses public figures (celebrities or public persons), the amount the person is paid is revealed in this section.

Financial Performance Representations

- Here the franchisor is allowed, but not required, to provide information on unit financial performance. There is no assurance your business will achieve the same results.

Outlets and Franchise Information

- This section provides an outline of the company's franchised locations from the previous three years. This item of the FDD gives prospective franchisees an idea of the size and growth of the franchisor.

Financial Statements

- Audited financial statements for the past three years are included in this section.

Contracts

- This item provides of all the agreements that the franchisee will be required to sign.

Receipts

- The last two pages of every Disclosure Document are acknowledgements that you received the Disclosure Document (as required by Federal Law). Franchisors will request that you sign and return the receipts pages upon receiving the documents. Franchisors are required at minimum to provide you 14 days to review the FDD in full.

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