

### Housekeeping

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## **Your Speakers**



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We will put ten common FDD clauses under the spotlight. You will vote on whether each one is "risky" or "ready to go," then we will break down why it matters and how to reframe it for scalability, compliance, and credibility. Whether you are creating your first FDD or refining an existing one, you will leave with practical insights to strengthen your document and support long-term growth.





## READY?





#### #1 Risky or Ready to Go?

**Item 2 Leadership Disclosure –** 

Include your full leadership team in Item 2, not just the officers and sellers required by the FTC.





#### #2 Risky or Ready to Go?

#### **Item 5 Deposits –**

Accept an application/territory reservation fee as deposit prior to signing, applied to franchise fee at signing.





#### #3 Risky or Ready to Go?

**Item 6 Fees –** 

Charge flat monthly fees instead of percentages.





#### #4 Risky or Ready to Go?

**Item 7 Initial Costs –** 

Include *all* possible initial costs, even those that may not be obvious (ie, rent for a home-based concept).





#### #5 Risky or Ready to Go?

**Item 7 Initial Costs –** 

Require working capital for the full first year, not just the required three months.





#### #6 Risky or Ready to Go?

**Item 8 Required Purchases –** 

Require all major products and supplies to be purchased directly from the franchisor or an approved supplier.





#7 Risky or Ready to Go?

**Item 11 Operations Manual –** 

List as few details as possible in the FDD and put all operational details in the Operations Manual.





#### #8 Risky or Ready to Go?

**Item 12 Territory –** 

Offer large, exclusive territories to build franchisee confidence and sales momentum.





#### #9 Risky or Ready to Go?

**Item 19 Corporate Unit Disclosure –** 

An emerging brand with one corporate unit should publish those results, even if the location is unique or non-traditional.





#### #10 Risky or Ready to Go?

**Item 19 Transfers –** 

Include resale prices in Item 19 to demonstrate potential equity/exit value for candidate knowledge.





# Thank you for participating!



