[**www.tooldealersassociation.com**](http://www.tooldealersassociation.com)

**WARNING - - DON’T FRANCHISE !!!**

Mac Tools has been deceptive to its distributors for years by telling them Mac is not a franchise.  Mac is now trying to cover its deception by “converting” Mac distributors to franchisees.

Present Mac Tools distributors should not convert to the franchise agreement as not only will it cost you more and you will lose rights. Mac will charge a distributor an annual fee of $990 every year they are a franchisee.

Mac distributors are presently protected by various state laws. You may lose these protections if you sign a franchise agreement. For example, certain states provide protections to distributors against termination and the Mac franchise agreement has a very short time - only one year from the time the dispute arises in which to bring arbitration- not suit in New York City! Distributors have nothing to gain by becoming franchisees, they can only lose.

Also Mac’s requirement that a distributor purchase 80% of the national purchase average is illegal. It is a hidden franchise fee because it forces a distributor is to buy more tools than he can resell to his list of calls.

Finally, Mac’s franchise documents do not list the number, names, addresses and phone numbers of distributors who left Mac last year. That again is deceptive because it hides how many distributors failed in business.

According to the Small Business Administration, more than 31% of the SBA loans granted to Mac distributors have already ended in default (http://www.bluemaumau.org/sba\_loan\_failure\_rates\_franchise\_brand\_2011). The actual failure rate of Mac Tools distributors, including those without SBA funding, is likely much higher.

Mac distributors should join the Tool Dealers Association to make sure that what they worked to build up is not taken away from them!

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