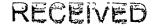


FRANCHISE DISCLOSURE DOCUMENT ATAX FRANCHISE, INC. A New York Corporation One Executive Boulevard, Suite 178 Yonkers, New York 10701 (914) 920-5060 www.atax.com ralvarez@atax.com





APR 2 9 2013

Department of Corporations Los Angeles

The franchisee will operate an Atax tax return preparation business, consisting of one or more Offices (which may be developed over time under an Area Development Agreement) that will provide tax preparation services and related products to individuals and businesses

The total investment necessary to begin operation of one Atax Franchise that is a New Business is from \$37,450 to \$76,800, including \$17,499 plus \$8,500 for each additional Business that you agree to open under an Area Development Agreement that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of an Atax franchise that is a Converted Business is from \$12,650 to \$36,000, including \$2,500 to \$7,500 plus \$8,500 for each additional Business that you agree to open under an Area Development Agreement that must be paid to the franchisor or its affiliate agree to open under an Area Development Agreement that must be paid to the franchisor or its affiliate.

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 **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact Mr Rafael Alvarez, President and CEO, Atax Franchise, Inc, One Executive Boulevard, Suite 178, Yonkers, New York 10701, (914) 920-5060

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 Issuance Date April 30, 2013



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 E 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN THE STATE, COUNTY AND JUDICIAL DISTRICT IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS THEN LOCATED, WHICH IS CURRENTLY WESTCHESTER COUNTY IN THE STATE OF NEW YORK OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN THE STATE, COUNTY AND JUDICIAL DISTRICT IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS THEN LOCATED THAN IN YOUR OWN STATE
- 2 THE AREA DEVELOPMENT AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY NONBINDING MEDIATION ONLY, AT OUR PRINCIPAL PLACE OF BUSINESS (WHICH IS CURRENTLY IN WESTCHESTER COUNTY, NEW YORK), PRIOR TO COMMENCING ANY LEGAL ACTION OUT OF STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN NEW YORK THAN IN YOUR OWN STATE
- 3 THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT NEW YORK 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 AS PER THE AUDITED BALANCE SHEET DATED JUNE 30, 2012, THE FRANCHISOR HAD A NET WORTH DEFICIENCY OF (\$8,693)
- 4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We 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

Effective date See next page for state effective dates



State Effective Dates

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

State	Effective Date
California	
Hawaıı	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsın	

In all other states, the effective date of this Franchise Disclosure Document is the Issuance Date of April 30, 2013

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