

FRANCHISE DISCLOSURE DOCUMENT

DCAP MANAGEMENT CORP.
a New York corporation
956 South Broadway
Hicksville, New York 11801
516-822-4848
www.dcapinsurance.com



The Franchise is for the operation of an insurance brokerage center from your existing insurance agency office (“Conversion DCAP Center”), or for those people interested in becoming a full service insurance broker operating from a retail location (“Start-Up DCAP Center”). We also offer franchises for a retail tax return preparation and electronic tax return filing business under the “The Tax Zone Tax Service” name and marks (“The Tax Zone Tax Service Office”).

The estimated initial investment ranges from \$60,500 to \$107,500 for a Start-Up DCAP Center. This includes \$25,000 that must be paid to the franchisor or its affiliate. The estimated initial investment ranges from \$17,750 to \$24,500 for a Conversion DCAP Center. This includes \$12,500 that must be paid to the franchisor or its affiliate. The estimated initial investment for the Tax Zone Tax Office franchise ranges from \$40,000 to \$89,000. This includes \$17,000 to \$34,000 that must be paid to the franchisor or its affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and area development agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive the 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 Abe Weinzimer at 956 South Broadway, Hicksville, New York 11801 and 516-822-4848.

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 an 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 A 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 you buy this franchise:

1. THE FRANCHISE AGREEMENTS REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN NEW YORK. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN NEW YORK THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENTS STATE THAT NEW YORK LAW GOVERNS THE AGREEMENTS, 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 DECEMBER 31, 2015, THE FRANCHISOR HAD A CASH OVERDRAFT DEFICIENCY OF (\$3,121).
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: October 21, 1994, amended as of May 17, 2016
THE STATE OF NEW YORK

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