

## FRANCHISOR'S COSTS AND SOURCE OF FUNDS

- 1 Disclose the Franchisor's total costs for performing its pre-opening obligations to provide goods or services in connection with establishing each franchise, including real estate, improvements, equipment, inventory, training and other items stated in the offering

<u>Category</u>	<u>Costs</u>
Real Estate	\$0
Improvements	\$0
Equipment	\$0
Inventory	\$0
Training	\$3,000 -- \$5,000
Other (describe)	
<u>Travel</u>	\$1,500 -- \$9,000
<u>Printing &amp; supplies</u>	<u>\$ 500 -- \$1,000</u>
Totals	\$5,000 -- \$15,000

- 2 State separately the sources of all required funds

General operating revenues

Royalty income

Initial franchise fees

Working capital

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## FRANCHISE SELLER DISCLOSURE FORM

1 List the persons who will solicit, offer or sell franchises for the Franchisor in this state For each person state

A Name **Curtis L Nelson**

B Business address and telephone number **4909 Rondo Drive  
Fort Worth, Texas 76106  
817-626-2885**

C Present employer **K & N Mobile Franchises, Inc**

D Present title **President and CEO**

E Employment during the past five years For each employment, state the name of the employer, position held, and beginning and ending dates

**Mr Nelson has been our President and CEO in Fort Worth, Texas since our inception in February 2007 He has also been President and CEO of K & N Electric, Inc in Fort Worth, Texas since April 1994**

2 State whether any person identified in 1 above

A Has any administrative, criminal or material civil action pending against that person alleging a violation of franchise, antitrust or securities law, or alleging fraud, unfair or deceptive practices, or any comparable allegations?

YES \_\_\_\_\_ NO  X

If you answered "yes", please provide

1 Names of the parties

2 Forum, nature and current status of the pending actions

3 Case or proceeding identification numbers

B Had during the 10-year period immediately before the disclosure document's issuance date been convicted of or pleaded nolo contendere to a felony charge, or been held liable in a civil action by final judgment or been the subject of a material action involving an alleged violation of a franchise, antitrust or securities law, or allegations of fraud, unfair or deceptive practices, or comparable allegations?

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YES \_\_\_\_\_ NO  X

If you answered "yes", please provide

- 1 Names of the parties
- 2 The forum
- 3 Case or proceeding identification number

**C** Is subject to a currently effective injunction or restrictive order or decree resulting from a pending or concluded action brought by a public agency and relating to the franchise, or to a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law

YES \_\_\_\_\_ NO  X

If you answered "yes", please provide

- 1 Name of the person
- 2 Public agency or court
- 3 Case or proceeding identification number

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