



**FRANCHISE DISCLOSURE DOCUMENT
LED FRANCHISING, LLC**

**A Florida Limited Liability Company
3281 Fairlane Farms Rd., Suite 1
Wellington, Florida 33414
(561) 273-1000
www.LEDSource.com
Marcel@LEDSource.com**

The franchises offered are for the operation of LED Source® Business unit franchises which are retail businesses that sell LED technology based and related products and services to commercial customers, as well as Area Development Businesses which acquire the right to develop multiple LED Source® Businesses.

The total initial investment necessary to begin operation of an LED Source® Business ranges from \$134,700 to \$353,200. This includes \$93,500 to \$200,800 that must be paid to the franchisor or affiliates as an initial fee. The total initial investment necessary to begin our Area Development Program for LED Source® Businesses ranges from \$159,700 to \$818,200. This includes \$118,500 to \$665,800 that must be paid to the franchisor or affiliates as an initial fee.

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 payments 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 a different format, contact the Franchise Administration Department, Attn: Marcel Fairbairn, 3281 Fairlane Farms Rd., Suite 1, Wellington, Florida 33414, (561) 273-1000; Marcel@LEDSource.com.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract in this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. 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, N.W., Washington, D.C. 20580. You can also visit the FTC 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 be other laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: April 29, 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 FRANCHISOR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrator listed in Exhibit "K" 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN PALM BEACH COUNTY, FLORIDA. 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 FLORIDA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT REQUIRES THAT FLORIDA 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. OUR DECEMBER 31, 2011 AUDITED FINANCIAL STATEMENTS SHOW THAT WE HAD A WORKING CAPITAL DEFICIENCY OF \$168,571 AND A LOSS FROM OPERATIONS OF \$289,627.

4. YOU MUST MAINTAIN AT ALL TIMES AN INVENTORY OF OUR PRODUCTS AS WE SPECIFY, EVEN IF YOU CANNOT SELL SUCH INVENTORY. YOU MUST ALSO SELL AT LEAST \$25,000 OF OUR PRODUCTS AND SERVICES EACH MONTH DURING THE FIRST 6 MONTHS, INCREASING TO \$50,000 PER MONTH THEREAFTER.

5. WE AND OUR AFFILIATES MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCTS OR SERVICES TO THE GENERAL PUBLIC, UNDER THE SAME AND/OR DIFFERENT TRADEMARK, IN COMPETITION WITH THE FRANCHISE.

6. THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise(s). A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise(s) or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

STATE SPECIFIC 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.....	December 4, 2012
Hawaii.....	N/A
Illinois.....	April 30, 2012
Maryland.....	N/A
Michigan.....	June 12, 2012
Minnesota.....	May 4, 2012
Virginia.....	August 27, 2012
New York.....	June 6, 2012
Washington.....	May 12, 2012

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