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Department of
Business Oversight



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® Businesses which are retail businesses that sell LED technology based products and services and related products and services to commercial and residential customers.

The total initial investment necessary to begin operation of a LED Source® Business ranges from \$91,100 to \$423,900. This includes \$57,000 to \$61,000 that must be paid to us or our affiliates.

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: May 6, 2016

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 "H" 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/ARBITRATION/MEDIATION ONLY IN PALM BEACH COUNTY, FLORIDA. OUT-OF-STATE LITIGATION/ARBITRATION/MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE/ARBITRATE/MEDIATE 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. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$120,600 TO \$423,900. THIS AMOUNT EXCEEDS THE FRANCHISOR'S TOTAL EQUITY AS OF DECEMBER 31, 2015, WHICH IS REPORTED TO BE \$17,389. OUR DECEMBER 31, 2015 AUDITED FINANCIAL STATEMENTS SHOW THAT WE HAD A LOSS FROM OPERATIONS OF \$329, 201. YOU MUST PAY US MINIMUM ROYALTY FEES OF \$500 PER MONTH DURING THE FIRST YEAR, \$1,000 PER MONTH DURING THE SECOND YEAR, INCREASING TO \$1,500 PER MONTH EACH YEAR THEREAFTER, EVEN IF FRANCHISEE HAS NO REVENUE.

4. WE AND OUR AFFILIATES MAY ESTABLISH OTHER FRANCHISED OR COMPANY-OWNED OUTLETS AND OTHER CHANNELS OF DISTRIBUTION AND SELL AND DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC, UNDER THE SAME AND/OR DIFFERENT TRADEMARK IN COMPETITION WITH FRANCHISEES.

5. THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE.

We may 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	_____
Hawaii	_____
Illinois	_____
Indiana	_____
Maryland	_____
Michigan	_____
Minnesota	_____
New York	_____
North Dakota	_____
Rhode Island	_____
South Dakota	_____
Virginia	_____
Washington	_____
Wisconsin	_____

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