

One Stop Tax FRANCHISE DISCLOSURE DOCUMENT

One Stop Tax Franchise Systems, Inc.

A Texas corporation 9894 Bissonnet Street, Suite 914 Houston, TX 77036 Tel.: 855.408.2937

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www.onestoptax.com



The franchise that we offer is for a One Stop Tax tax preparation business (the "One Stop Tax" Franchise). The franchisee will establish, develop and operate a One Stop Tax Business that offers and provides tax return preparation and filing services for sale under the One Stop Tax trademark and brand.

The total investment necessary to begin operation of a Standard Market One Stop Tax Franchise ranges from \$33,000 to \$51,500. This includes \$15,000 that must be paid to the Franchisor or Franchisor's affiliate for the initial franchise fee and \$1,800 that must be paid to the Franchisor or Franchisor's affiliate for the initial one year tax preparation software license fee.

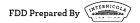
The total investment necessary to begin operation of a Preferred Market One Stop Tax Franchise ranges from \$39,500 to \$58,000. This includes \$20,000 that must be paid to the Franchisor or Franchisor's affiliate for the initial franchise fee and \$1,800 that must be paid to the Franchisor or Franchisor's affiliate for the initial one year tax preparation software license 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 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 form that is more convenient for you. To discuss the availability of disclosures in different forms, contact Dr. Charles Kinuthia, One Stop Tax Franchise Systems, Inc., 9894 Bissonnet Street, Suite 914, Houston, TX 77036.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire 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.

The Issuance Date of this Franchise Disclosure Document ("FDD") is: February 12, 2015 (*See*, the attached State Effective Dates for the specific effective date in your state).

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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 administration 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.

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.

Call the state franchise administrator listed in <u>Exhibit A</u> to this Franchise Disclosure Document for information about the franchisor, about other franchisors, or about franchising in your state.

Please consider the following RISK FACTORS before you buy this Franchise:

- 1. 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 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.
- 2. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.
- 3. THE FRANCHISE AGREEMENT PERMITS YOU TO SUE THE FRANCHISOR ONLY IN THE STATE OF TEXAS. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE THE FRANCHISOR IN THE STATE OF TEXAS.
- 4. THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND ITS PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.
- 5. THE FRANCHISOR IS A DEVELOPMENT-STAGE COMPANY WITH LIMITED FRANCHISE OPERATING HISTORY TO ASSIST A PROSPECTIVE FRANCHISEE IN DECIDING TO MAKE THIS INVESTMENT.