

FRANCHISE DISCLOSURE DOCUMENT



TEMPLAR FRANCHISE COMPANY dba POSTAL CONNECTIONS OF AMERICA

A Nevada Corporation 6136 Frisco Square Boulevard, Suite 400 Frisco, Texas 75034 (619) 294-7550 (619) 294-4550 Fax

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The franchisee will operate a specialty postal and copy service center ("PCA Store") within a defined territory using the PCA service marks. The PCA Store provides retail customers with mailing, shipping, fax, copy, key duplication, mailbox rental, packaging, shipping, Federal Express and United Parcel Service, sale of stamps, related products and services, and in some cases, notary public and other authorized programs.

The total investment necessary to begin operation of a PCA Store ranges from \$119,665120,165 to \$155,200.500. This includes from \$95,71596,215 to \$104,850105,350 that must be paid to PCA.

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 format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Sales Administrator at at-6136 Frisco Square Boulevard, Suite 400, Frisco, Texas 75034, telephone (619) 294-7550.

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 homepage 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 is April 27 June 20, 2012.

CA



The Business We Offer

PCA is offering you a Franchise, which grants you the right to own and operate a specialty postal and copy service center ("PCA Store") in a defined territory and using the PCA service mark "Postal Connections of America" (the "Marks"). The PCA Store provides retail customers with mailing, shipping, fax, copy, key duplication, mail box rental, packaging, shipping, Federal Express and United Parcel Service, sale of stamps, computer rental stations, Internet access, e-mail access, and related products and services, and in some cases, notary public and other authorized programs (which may include an extensive e-commerce presents on the internet), under the Postal Connections of America marks. The PCA Store have distinctive formats and methods of doing business, including color schemes, signs, equipment, layouts, systems, methods, procedures, designs, and marketing and advertising standards and formats. In addition, with the consent and approval of PCA and GTFC, the PCA Store may also provide iSold It Services to customers over the Internet as an EBay, Amazon, Craigslist, etc. auction fulfillment center under the brand name iSold It.

The Franchise is a license for an initial term of 15 years (renewable for additional 10 15 year terms) permitting you to open, maintain and service a PCA Store under an assumed name containing service marks owned by PCA. The Franchise granted to you is exclusive within your territory ("Territory"), unless you are not in good standing under the Franchise Agreement.

Your customers will be the public and small to medium-sized businesses. The market for private postal and business services centers is developed and expected to continue to grow. The market for Internet access customers is rapidly expanding.

Competition

You will compete with other businesses offering similar products, including other national and regional chains and franchises, and specialty packaging stores. You may also compete with other providers of Internet access, e-mail, and similar technology, such as Internet cafes, large and small businesses and corporations involved in Internet technology services. Some competitors may have stores in the same mall or market area as you, or otherwise be in proximity to you. In some locations, sales may be seasonal, with a significant portion occurring during the holiday seasons.

Prior Experience

PCA offers franchises that specialize in the private postal and copy center business services in various states under the brand name Postal Connections of America and Postal Connections. Our predecessor PCAFC offered franchises from 1996 to 2006, but no longer does so, and does not offer products or services to PCA franchisees. Neither PCA nor PCAFC offers or has ever offered franchises in other lines of business. Under a separate disclosure document, our predecessor PCAFC offered to select persons or companies' area franchise agreements granting area franchisees the right to market unit franchises under the Marks and provides support to PCA Stores within a defined "Development Area". Neither PCA nor PCAFC is presently offering these area franchises, and neither we, nor any affiliate or predecessor, offers franchises in any other lines of businesses, but each has the right to do so.



Applicable Regulations

You must comply with postal regulations that may relate to your PCA Store. There is no industry-specific license required for you to operate a PCA Store. However, you must obtain any state and local business license, permits and other licenses that may be required to operate a postal service center in your state.

ITEM 2: BUSINESS EXPERIENCE

<u>Co-Owner, Chief Executive Officer, President, Treasurer and Managing Director: Clifford "Andy" Thompson, PhD</u>

Mr. Thompson was named Co-Owner, Chief Executive Officer, President, Treasurer and Managing Director of PCA in January 2007. Mr. Thompson also serves as Chief Executive Officer, President and Treasurer of PCAFC, since August 2004. He also serves as Co-Owner, Chief Executive Officer, President, Treasurer and Managing Director of GTFC, since July 2009. Previously, he served as PCAFC's Vice President Operations and Training (since September 2002).

Co-Owner, Chief Operating Officer, Secretary and Managing Director: Fred Morache

Mr. Morache was named Co-Owner, Chief Operating Officer, Secretary and Managing Director of PCA in January 2007. Mr. Morache also serves as Chief Operating Officer and Secretary of PCAFC, since August 2004. He also serves as Co-Owner, Chief Operating Officer, Secretary and Managing Director of GTFC, since July 2009. Previously, he served as PCAFC's Vice President Marketing (since July 2002).

Chief Financial Officer: Theresa J. Weil, PhD

Ms. Weil was named Chief Financial Officer of PCA in January 2007. She also serves as Vice President, Secretary and Treasurer of RMS Accounting, since 1990. Ms. Weil also serves as Chief Financial Officer of GTFC, since July 2009.

ITEM 3: LITIGATION

Pending Actions

On November 18, 2011, Templar Franchise Company dba Postal Connections of America Franchise Corp. filed suit against franchisees <u>John Branstetter, Jennie Edgerton and Postal Connections of North Texas, Inc.</u>, in the Superior Court of San Diego County, California (SDCSC Case No. 37-201100101323-CU-BC-CTL), for failure to pay royalties through the term of Franchise Agreement and for damages due in the amount of \$20,000 to the franchisee's unauthorized transfer of assets of the business to a third party. No trial date has been set yet, but <u>PCA has requested a hearing regarding</u> entry of default <u>judgment.</u> is scheduled for June 1, 2012.

On April 8, 2011, Templar Franchise Company dba Postal Connections of America Franchise Corp. filed suit against franchisees <u>Danny Allred, Mario Payne and Grady Enterprises</u>, in the Superior Court of San Diego County, California (SDCSC Case No. 37-2011-00089289-CL-BC-CTL), to collect unpaid royalties in the amount of \$16,000. Notice of Default was entered by the Court on July 29, 2011, <u>with a request for and a Default Judgment now pending was issued in favor of PCA for Templar Franchise Company to the superior of PCA for Templar Franchise Company to the </u>

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