

## FRANCHISE DISCLOSURE DOCUMENT

PRO-TAX®

PRO-TAX USA LLC  
a Virginia limited liability company  
935 2nd Street, S.E., Suite B  
Charlottesville, VA 22902  
(434) 220-4705  
www.protaxfranchising.com



The franchisee will establish and operate a tax preparation business.

The total investment necessary to begin operation of a PRO-TAX® franchise is from \$41,000 to \$82,975. This includes a \$17,900 franchise fee that must be paid to the franchisor. The total investment necessary to convert an existing tax preparation business to a PRO-TAX® franchise is from \$32,050 to \$82,975. This includes a franchise fee that may be reduced and must be paid to the franchisor. The total investment necessary for an area developer is from \$34,325 to \$63,175. This includes a development fee of \$17,900 for the first franchise plus \$4,475 for each additional franchise that must be paid to the franchisor.

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 Blair Whitworth at 935 2nd Street, S.E., Suite B, Charlottesville, Virginia 22902 or (434) 220-4477.

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, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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.

Issuance Date: March 13, 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 FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A 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 AND OR ARBITRATION ONLY IN THE COMMONWEALTH OF VIRGINIA. OUT OF STATE LITIGATION AND/OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE AND/OR ARBITRATE WITH US IN THE COMMONWEALTH OF VIRGINIA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT VIRGINIA 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. YOU MUST PAY THE FRANCHISOR MINIMUM ANNUAL ROYALTY FEES OF \$2,500 FOR THE 1ST AND 2ND YEAR OF OPERATION, AND \$5,000 EACH YEAR THEREAFTER, EVEN IF THE FRANCHISED BUSINESS HAS NO REVENUE.
4. EACH OWNER OF THE FRANCHISE BUSINESS MUST SIGN A PERSONAL GUARANTY MAKING SUCH OWNER JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT THEY ARE INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISEE AND OWNERS AT RISK.
5. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$41,000-\$82,975. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2012, WHICH IS REPORTED AS \$3,152.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

EFFECTIVE DATE: SEE NEXT PAGE

**Effective date for the states listed below: March 13, 2013**

Alabama  
Alaska  
Arizona  
Arkansas  
Colorado  
Connecticut  
Delaware  
District of Columbia  
Georgia  
Idaho  
Iowa

Kansas  
Louisiana  
Maine  
Massachusetts  
Mississippi  
Missouri  
Montana  
Nebraska  
Nevada  
New Hampshire  
New Jersey

New Mexico  
North Carolina  
Ohio  
Oklahoma  
Pennsylvania  
South Carolina  
Tennessee  
Vermont  
West Virginia  
Wyoming

**Other effective dates:**

Florida  
Kentucky  
Maryland  
Texas  
Virginia

September 28, 2012  
October 6, 2006

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September 8, 2006

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