

FRANCHISE DISCLOSURE DOCUMENT



Steven Haynes Consulting, LLC A Texas Limited Liability Company 2033 West McDermott Drive, Suite 320-138 Allen, Texas 75013 Phone: 214-909-9752 Info@SpecializedRisk.com / www.SpecializedRisk.com



As a franchisee, you will own and operate a security consulting and/or investigations agency, hereinafter known as "**Agency**", under the name Specialized Risk[®] that offers the ability to customize security programs and services for the unique needs of each client, including, but not limited to, the development, implementation and monitoring of an individualized custom security solution, appropriate consultation, training support, and a large range of investigative/consulting services and products.

We offer three types of Specialized Risk[®] Agencies. The initial investments are described below for the following:

- A. Security and Risk Management Agency (SRM)
- B. Private Investigations Agency (PI)
- C. Combination of both SRM and PI Agency (SRM/PI)

Specialized Risk[®] Security and Risk Management Agency: The total investment necessary to begin operation of a Security and Risk Management Agency, hereinafter known as "**SRM**," franchised business is from \$65,650 - \$107,175. This includes \$46,500 USD for one (1) SRM Franchised Agency; that must be paid to Franchisor.

Specialized Risk[®] Private Investigations Agency: The total investment necessary to begin operation of a Private Investigations Agency, hereinafter known as "**PI**," franchised business is from \$66,050 - \$107,625. This includes \$46,500 USD for one (1) PI Franchised Agency that must be paid to Franchisor.

Specialized Risk[®] Combined SRM/PI Agency: The total investment necessary to begin operation of a combined SRM/PI franchised business is from \$100,550 - \$143,125. This includes \$75,500 USD for one (1) SRM/PI Franchised Agency that must be paid to Franchisor.

Add-On Agency or Location: If you have purchased an SRM or PI Agency and are in good standing, you may choose to add either the SRM or PI services to your existing agency; or, you may choose to open a virtual or physical office location in a geographically separate area. The fee for either add-on service agency or separate virtual or physical office location is \$22,500 USD. If your original franchise is an SRM Agency, you must be pre-qualified and meet state-specific licensing and/or registration requirements as defined by Franchisor and state regulations, to be eligible for a combined SRM/PI franchise.



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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, 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 Administration Department of Steven Haynes Consulting, LLC, 2033 West McDermott Drive, Suite 320-138, Allen, Texas 75013 at 214-909-9752 or Info@SpecializedRisk.com.

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 home page at www.ftc.gov for additional information on franchising. 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: January 01, 2016

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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 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 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 ARBITRATION ONLY IN TEXAS. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN TEXAS THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT PROVIDES THAT TEXAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THIS FRANCHISOR IS A DEVELOPMENT STAGE COMPANY WITH LIMITED FRANCHISE OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

Effective Date: January 01, 2016 (in non-registration states; see the following page for the effective date, if any, in each registration state)

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