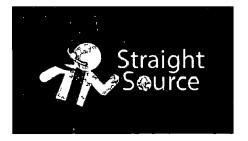


FRANCHISE DISCLOSURE DOCUMENT



2015 APR 28 AM 10 26

DEPARTMENT OF BUSINESS OVERSIGHT SAN FRANCISCO

StraightSource Franchising, LLC a Nevada limited liability company 500 North Rainbow Blvd, Suite 300 Las Vegas, Nevada 89107 312-376-8111 jesse@straightsource com www.straightsource.com

As a franchisee you will operate a StraightSource Business where you will have sales agents who will specialize in the sale of various Services such as lead generation, recruitment processing outsourcing services, business consulting, training, call center services, financial services, record management, and Avatar or recording assistance, under the Marks and according to the System

The total investment necessary to begin operations of a StraightSource Business franchise is between \$79,600 and \$83,500 This includes \$75,000 that must be paid to the franchisor and/or its affiliate

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 governmental 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 Jesse Hahn, Straight Source Franchising, Inc, 500 North Rainbow Blvd, Suite 300, Las Vegas, Nevada 89107, 312-376-8111

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 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





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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  $\underline{\text{Exhibit } G}$  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 IN NEVADA OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN NEVADA THAN IN YOUR HOME STATE

2 THE FRANCHISE AGREEMENT STATES THAT NEVADA 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** YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDEPENDENTLY LIABLE FOR THE FINANCIAL OBLIGATIONS UNDER THE AGREEMENT THE GUARANTEE PLACES YOUR SPOUSE'S MARITIAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS

4 THE FRANCHISOR HAS BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME (JUNE 2014) THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT

**54** YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS WE CONTROL

6------WE DO NOT HAVE FEDERAL REGISTRATIONS FOR OUR MARKS—THEREFORE, OUR TRADEMARKS DO NOT HAVE AS MANY LEGAL BENEFITS AND RIGHTS AS A FEDERALLY REGISTERED TRADEMARK—IF YOUR RIGHT TO USE A TRADEMARK IS CHALLENGED, YOU MAY HAVE TO CHANGE TO AN ALTERNATIVE TRADEMARK, WHICH MAY INCREASE YOUR EXPENSES-

**75** THE FRANCHISOR'S AFFILIATE, LOCATED IN HONG KONG, WILL BE PROVIDING ALL OF THE SERVICES YOU WILL SELL AND CONTRACT WITH THE CUSTOMERS YOU WILL SELL TO, AND IN TURN, THEY WILL PAY YOU A COMMISSION SHOULD ANY DISPUTE ARISE, THIS AFFILIATE IS NOT A PARTY TO

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