

**FRANCHISE DISCLOSURE DOCUMENT
(Single/Multiple Unit Program)**

TES Franchising, LLC
A Connecticut limited liability company
900 Main Street South
Building No. 2
Southbury, Connecticut 06488
(203) 405-2171
www.theesource.com
lchurch@FranchisEsource.com

The franchisee will offer such services as: advice and coaching to persons desiring to own their own business, assisting them in our discovery process with a referral to a number of franchises and/or businesses, consultation to and development of businesses seeking to expand through franchising and providing services and products to existing business owners

The total investment necessary to begin operation of a TES single unit franchise is between \$66,175.00 and \$77,400 00 This includes \$55,000 00 (\$45,000 franchise fee and \$10,000 tuition) that must be paid to the franchisor or affiliate

The total initial investment necessary to begin operation of a TES Area Development business is between \$141,175.00 and \$152,400, which includes \$130,000 00 that must be paid to the franchisor or an affiliate, For a 5 Unit Area Development Agreement and one Unit Franchise Agreement; \$216,175.00 and \$227,400.00, which includes \$205,000.00 that must be paid to the franchisor or an affiliate, For a 10 Unit Area Development Agreement and one Unit Franchise Agreement, and \$266,175 00 and \$277,400 00, which includes \$255,000.00 that must be paid to the franchisor or an affiliate, For a 15 Unit Area Development Agreement and one Unit Franchise Agreement

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 Lorinda Church at 900 Main Street South, Building 2, Southbury, CT 06488, 203-405-2171.

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 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 1, 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 FRANCHISED 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION AND/OR LITIGATION ONLY IN CONNECTICUT OUT OF STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE AND/OR LITIGATE WITH US IN CONNECTICUT THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT CONNECTICUT LAW GOVERNS THE AGREEMENTS AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS
3. YOUR FRANCHISE BUSINESS HAS NO TERRITORIAL PROTECTION AND IS NOT EXCLUSIVE, AND WE AND OUR AFFILIATES HAVE THE RIGHT WITHOUT ANY RESTRICTIONS TO ENGAGE IN ANY AND ALL ACTIVITIES WE AND THEY DESIRE, IN COMPETITION WITH YOUR FRANCHISE
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Brokers

We 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. See the next page for state effective dates

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying, or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances

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Statement of Franchisee Annual Projected Revenues

The following are statements of annual projected revenues and earnings for TES Franchised Businesses. These are not historical financial performance representations about the system's existing outlets, or any subset of those outlets. They are a forecast of projected financial performance based on the factors stated below

The projection is based on industry factors including the economic and market conditions of your operation and includes franchisee sales based on our suggested minimum pricing, the cost of services, and operating expenses

Placement Coaching

Our franchisees offer placement coaching services. The average placement coaching fee received from our referral partners who are companies who contract with us and agree to make payment of a placement fee where a TES client purchases and pays for a franchised business from them, is \$20,000.00. This fee is the average for a single unit placement. Fees vary depending on the company with whom your clients place and the franchise being purchased.

Expenses

Royalties You pay us 25% of any placement coaching fee received from a referral partner. The average royalty per placement, based on the average placement coaching fee of \$20,000.00 is \$5,000.00.

Marketing You invest \$750.00 per month as described in this FDD and the Franchise Agreement. In addition, we recommend that you invest between 6% to 8% of gross revenue on local marketing efforts. We do not require any local marketing contribution, but if we do, we cannot exceed a requirement of \$1,000.00 per month. We have used the \$1,000.00 per month for the calculation of local marketing in the chart below

Miscellaneous Other expenses include equipment, professional services such as accounting and legal services, telephone, office supplies, insurance and other expenses of operating a home based business. We anticipate between \$7,000 and \$10,000 per year for these expenses.

Based on the average placement coaching fee and royalty and brand building fund fee, you must achieve the following number of placements to achieve the income levels in the chart below. This chart is for placement coaching revenue only. In our assumptions regarding expenses, we considered all mandatory monthly expenses. We did not factor in other expenses in Items 5, 6 and/or 7 which are not mandatory or unknown.

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