



Broker Disclosure Document- Who We Are and What We Do:

FranNet was founded in 1987 by Howard Bassuk, who began offering franchise consulting services through his company, Hobassco. In 2006, a group of established FranNet office owners bought FranNet from Mr. Bassuk.

FranNet's services consist of providing guidance, information, and support to prospective franchise owners (candidates) and assisting them through a process in which the consultant outlines a profile of the type of franchise most suitable for the candidate. This profile is based on the candidate's interests, goals, and skill sets. FranNet Consultants presents the candidate with franchise opportunities that fit their profile and a process that outlines the steps to research the prioritized franchise opportunities. This enables the candidate to make an educated decision and allows the franchisor to be presented with prequalified candidates that fit its franchisee profile. FranNet Consultants do not sell franchises. The Franchisor controls the sales process, and the candidate ultimately decides to buy or reject each franchise presented to them.

FranNet, LLC is a franchise company and annually files a Franchise Disclosure Document, which includes three-year audited financial statements and all other required information. Our principal business address is 6844 Bardstown Road, Unit 645, Louisville, KY 40291.

FranNet's Franchisees and Associates (Consultants) are well-connected in the industry. We can refer the franchise candidates to franchise attorneys, CPAS, and funding sources. We can also refer the candidates to the local SCORE or SBDC counselor for assistance with business plans if needed because we have a working relationship with these organizations.

FranNet Executive Leadership

- **Chairman of the Board of Directors: Jack Armstrong**
 - Mr. Armstrong has been Chairman of the Board of Directors of FranNet since June 2012. He has been on the Board of Directors since 2006, serving as Chief Executive Officer from June 2012- January 2015 and Vice Chairman of the Board of Directors from November 2006 until June 2012.
- **Chief Executive Officer and Director: Jania Bailey**

- Ms. Bailey was appointed Chief Executive Officer of FranNet on January 16, 2015; she was promoted from the position of Chief Operations Officer and presiding President. She has served on the Board of Directors since joining the company in 2006.

- **Vice Chairman of the Board of Directors: Blair Nicol**

- Mr. Nicol was appointed Vice Chairman of the Board of Directors on June 8, 2012. Mr. Nicol has served as a Director of FranNet since November 2006. Blair Nicol is also the Managing Partner of Nicol Holdings, LLC.

FranNet Franchisees & Associates

We are very proud of the professionalism and integrity of our consultants. These individuals are focused on providing the best possible service to their clients. FranNet currently has four second-generation consultants in the ranks, which speaks volumes to the commitment and longevity of our consultants.

The FranNet Certified Franchise Consultant (FCFC) Certification is a testament to the exceptional expertise and dedication FranNet consultants bring to their work. For our clients, this means working with professionals who are deeply committed to maintaining the highest standards of service and integrity when connecting you with the right franchisors.

FCFC-certified consultants are equipped with advanced industry knowledge and adhere to a structured approach to guide entrepreneurs effectively. This level of preparation ensures that trusted advisors present clients with franchise opportunities and prioritize aligning clients with opportunities that fit their unique skills, goals, and preferences.

The certification also underscores FranNet consultants' dedication to upholding the values of transparency, professionalism, and ethical practices, building further trust in the relationships they form with franchisors and candidates.

By working with FranNet-certified consultants, franchisors can be assured that their brand is represented by individuals who understand the franchise industry's intricacies and value providing a consistent and superior service experience. Trust that with FranNet consultants, you are in excellent hands.

FranNet Franchisees and Associates Registration

As of June 2018, all FranNet Franchisees and Associates must be registered in New York, regardless of whether the Franchisee or Associate operates in those states. At FranNet, we believe all appropriate disclosures should be available to the candidates we work with.

FranNet Mission

- We are committed to providing continuous marketing, business, and operational support to our Franchisees & Associates so that they are the industry's most knowledgeable, professional, and

successful Franchise Consultants.

- We are committed to providing focused attention to the franchisors we represent.
- We are committed to representing franchisors that our Franchisees & Associates can be proud to present to their prospects.
- We are committed to honesty, integrity, and responsiveness to every Franchisee, Associate, Franchisor, and candidate whom we have the privilege to serve.
- We are committed to helping our Franchisees & Associates achieve financial success.
- We are committed to protecting and enhancing the FranNet brand and reputation.
- Our culture is based on our values; as a result, we expect everyone in our organization to promote, integrate, and exhibit these values daily.

FranNet Core Values

- Integrity
 - Do the right thing- every day, every time.
- Forward Thinking
 - Willingness to try new things to become future-ready.
- Self-Starters
 - Leaders, not followers.
- Problem Solvers
 - Confronts problems and looks for solutions.
- Customer Focused
 - Customer satisfaction and success are the #1 goals.
 - Provide the customer with the best possible client experience.

FranNet Value to Franchisors

- Franchisors are presented with candidates who know the fundamentals of their business and are interested in their brand, thereby wasting less time and resources.
- We mitigate the franchisor's risk because our candidates have been educated about choices, completed due diligence, and are encouraged to do intensive research and employ professional advisors.

FranNet Value to the Candidates

- We provide guidance, information, and support as candidates seek their personal goals.
- We assist the candidates by providing research tools and information.
- We also help the candidate find other professionals, including franchise attorneys, financial institutions, and business advisors.

- We introduce candidates to various franchisors so that rather than going from place to place to learn about specific businesses, they can learn the basics about several concepts in one place.

FranNet Client Bill of Rights

The following information is provided to every client/candidate of FranNet when they begin the relationship with a FranNet Consultant.

1. FranNet Consultants will assist you in determining if franchise ownership is right for you.
2. FranNet Consultants adhere to the International Franchise Association's Code of Ethics and the FranNet code of conduct.
3. FranNet Consultants will not pressure you or “talk you” into an opportunity that does not fit your goals, budget, or skill set.
4. FranNet Consultants listen to you and will take into consideration your expressed personal and professional concerns and/or interests when discussing potential franchise opportunities.
5. FranNet Consultants can coach and help you through the investigative process. You are accountable for your commitments, such as timelines, appointments, tasks, etc.
6. You may freely associate with any company or broker group you believe is in your best interest.
7. FranNet Consultants will help you find the best resources to answer questions or concerns if they cannot answer them. You can disagree with or question the consultant at any time during the process.
8. If you decide franchise ownership is not for you, you are not obligated to continue the process. You can discontinue your work with FranNet at any time.

FranNet’s Role in Your Business Ownership Journey At FranNet, we aim not to convince you that franchise ownership and new business opportunities are appropriate for you. Instead, we will help you understand the pros and cons of owning your own business and guide you through a process that allows you to make an informed decision.

Your Responsibilities in the Business Ownership Journey The choice to buy a franchise, or any particular franchise, is yours and yours alone. You should conduct a thorough independent investigation of each franchise you consider. Once you decide to enter into a franchise agreement, your relationship is governed by that contract, and FranNet cannot resolve any issues or disputes you may have with your franchisor. In addition, FranNet does not represent that you can or will attain any particular level of revenue, costs, or expenses or that you will generate income that exceeds the initial payment of, or investment in, the franchise. Therefore, we strongly suggest you consult your legal and financial advisors or personal accountant before entering any franchise agreement.



Voluntary Disclosure Document

Item 1 - The FranNet Certified Franchise Consultant



The FranNet Certified Franchise Consultant (FCFC) Certification is a testament to the exceptional expertise and dedication FranNet consultants bring to their work. For our clients, this means working with professionals who are deeply committed to maintaining the highest standards of service and integrity when connecting you with the right franchisors.

FCFC-certified consultants are equipped with advanced industry knowledge and adhere to a structured approach to guide entrepreneurs effectively. This level of preparation ensures that trusted advisors present you with franchise opportunities and prioritize aligning you with opportunities that fit your unique skills, goals, and preferences.

The certification also underscores FranNet consultants' dedication to upholding the values of transparency, professionalism, and ethical practices, building further trust in the relationships they form with franchisors and candidates.

By working with FranNet-certified consultants, franchisors can be assured that their brand is represented by individuals who understand the franchise industry's intricacies and value providing a consistent and superior service experience. Trust that you are in excellent hands with FranNet consultants.

Item 2 - Franchisors Standards and Diversity

Franchisor Selection Criteria

FranNet goes through a selection process similar to the due diligence process we advise our clients to follow when reviewing franchisors. The FranNet Selection Process is summarized below:

- Initial conversation/interview with the franchisor to obtain an overview of the concept.
- After the initial call, the franchisor is asked to complete a full application for consideration and to submit their FDD and financial statements for review.
- The FDD and financials are thoroughly reviewed.
- FranNet's Inventory Committee reviews and evaluates all documentation. Upon approval by the Inventory Committee, the concept is advanced to the validation phase. Specifically, FranNet contacts a sampling of franchisees at the concept to learn more about the culture and support from the franchisor to the franchisees.
- After a satisfactory review, FranNet proposes and agrees to a contract before the franchisor is considered inventory for the FranNet system.

Franchisor Diversity

As of January 2025, FranNet's current list of franchisors covers 114 different SIC (Standard Industry Classification) codes. No single SIC group accounted for over 5.3% of the franchisors on the list.

FranNet Inventory 2024 SIC Codes and Percentages

SIC	Industry	Percentage
7349	Janitorial Services	5.37%
7231	Beauty Salons	4.39%
8082	Home Health Care Services	3.90%
1721	Painting and Wall Covering Contractors	2.93%
5999	Pet and Pet Supplies Stores	2.93%
7299	Barbershop, Beauty Parlor, or Hair Styling Salon	2.93%
7991	Fitness and Recreational Sports Centers	2.44%
8299	Exam Preparation and Tutoring	2.44%
1711	Plumbing, Heating, and Air Conditioning Contractors	1.95%
7231	Nail Salons	1.95%
7349	Other Services to Buildings and Dwellings	1.95%
0782	Landscaping Services	1.95%
1761	Other Building Finishing Contractors	1.95%
8322	Services for the Elderly and Persons with Disabilities	1.46%
7299	All Other Personal Services	1.46%
7999	Sports and Recreation Instruction	1.46%

8351	Child Day Care Services	1.46%
2434	Wood Kitchen Cabinet and Countertop Mfg.	1.46%
1799	All Other Specialty Trade Contractors	1.46%
3993	Sign Mfg.	1.46%
1521	Residential Remodelers	1.46%
8641	Child and Youth Services	1.46%
7342	Exterminating and Pest Control Services	1.46%
5531	Automotive Parts and Accessories Stores	0.98%
5999	All Other Health and Personal Care Stores	0.98%
7311	Advertising Agencies	0.98%
5714	Window Treatment Stores	0.98%
1761	Roofing Contractors	0.98%
	Cosmetics, Beauty Supplies, and Perfume	
5999	Stores	0.98%
7699	Locksmiths	0.98%
7536	Automotive Glass Replacement Shops	0.98%
	Home and Garden Equipment Repair and	
7699	Maintenance	0.98%
7999	Fitness and Recreational Sports Centers	0.98%
5812	Limited-Service Restaurants	0.98%
7331	Direct Mail Advertising	0.98%
7997	Fitness and Recreational Sports Centers	0.98%
	Administrative Management and General	
8742	Management Consulting Services	0.98%
	Professional and Management Development	
8299	Training	0.98%
7699	Other Services to Buildings and Dwellings	0.98%
	Commercial Printing (Except Screen and	
2759	Books)	0.49%
3949	Sporting and Athletic Goods Mfg.	0.49%
1796	Other Building Finishing Contractors	0.49%
8361	Assisted Living Facilities for the Elderly	0.49%
	Promoters of Performing Arts, Sports, and	
7941	Similar Events without Facilities	0.49%
5699	Other Clothing Stores	0.49%
3648	Other Lighting Equipment Mfg.	0.49%
7389	Other Services to Buildings and Dwellings	0.49%
8211	Elementary and Secondary Schools	0.49%
8361	Other Residential Care Facilities	0.49%
7539	All Other Automotive Repair and Maintenance	0.49%
5093	Recyclable Material Merchant Wholesalers	0.49%
7389	All Other Business Support Services	0.49%
1311	Crude Petroleum and Natural Gas Extraction	0.49%
5461	Retail Bakeries	0.49%
	Metal Coating, Engraving (Except Jewelry and	
3479	Silverware), and Allied Services to	0.49%

Manufacturers		
7363	Professional Employer Organizations	0.49%
7641	Reupholstery and Furniture Repair	0.49%
5713	Floor Covering Stores	0.49%
8748	Other Management Consulting Services	0.49%
8641	Civic and Social Organizations	0.49%
8049	Offices of All Other Misc. Health Practitioners	0.49%
1793	Glass and Glazing Contractors	0.49%
4959	Exterminating and Pest Control Services	0.49%
1522	New Multifamily Housing Construction (Except For-Sale Builders)	0.49%
7692	Other Personal and Household Goods Repair and Maintenance	0.49%
5812	Snack and Nonalcoholic Beverage Bars	0.49%
8041	Offices of Chiropractors	0.49%
7389	Building Inspection Services	0.49%
8011	Offices of Physicians (Except Mental Health Specialists)	0.49%
3086	Polystyrene Foam Product Mfg.	0.49%
5023	Home Furnishing Merchant Wholesalers	0.49%
0783	Landscaping Services	0.49%
7216	Drycleaning and Laundry Services (Except Coin-Operated)	0.49%
0742	Veterinary Services	0.49%
2038	Frozen Specialty Food Mfg.	0.49%
7623	Appliance Repair and Maintenance	0.49%
1731	Electrical Contractors and Other Wiring Installation Contractors	0.49%
7922	Musical Groups and Artists	0.49%
7629	Consumer Electronics Repair and Maintenance	0.49%
5047	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers	0.49%
7819	Teleproduction and Other Postproduction Services	0.49%
8721	Other Accounting Services	0.49%
7699	Commercial and Industrial Machinery and Equipment (Except Automotive and Electronic) Repair and Maintenance	0.49%
7699	Other Personal and Household Goods Repair and Maintenance	0.49%
5211	Other Building Material Dealers	0.49%
7363	Temporary Help Services	0.49%
3442	Metal Window and Door Mfg.	0.49%
6531	Other Activities Related to Real Estate	0.49%
3711	Automobile Mfg.	0.49%
3724	Aircraft Engine and Engine Parts Mfg.	0.49%

1752	Flooring Contractors	0.49%
5661	Shoe Stores	0.49%
7217	Carpet and Upholstery Cleaning Services	0.49%
6553	Cemeteries and Crematories	0.49%
7389	Other Services Related to Advertising	0.49%
4213	Used Household and Office Goods Moving	0.49%
2396	Commercial Screen Printing	0.49%
5421	Meat Markets	0.49%
8811	Private Households	0.49%
	Other Professional Equipment and Supplies	
5049	Merchant Wholesalers	0.49%
7549	Automotive Oil Change and Lubrication Shops	0.49%
1799	Other Building Finishing Contractors	0.49%
	Air Conditioning and Warm Air Heating Equipment and Commercial and Industrial	
3585	Refrigeration Equipment Mfg.	0.49%
0752	Pet Care (Except Veterinary) Services	0.49%
1771	Masonry Contractors	0.49%
	All Other Misc. Ambulatory Health Care	
8099	Services	0.49%
7922	Dance Cos.	0.49%
	Water and Sewer Line and Related Structures	
1623	Construction	0.49%
	Lessors of Miniwarehouses and Self-Storage	
4225	Units	0.49%
	Warm Air Heating and Air-Conditioning	
5075	Equipment and Supplies Merchant Wholesalers	0.49%
5812	Full-Service Restaurants	0.49%
2426	All Other Misc. Wood Product Mfg.	0.49%
7389	Other Specialized Design Services	0.49%
	Water and Sewer Line and Related Structures	
1781	Construction	0.49%

Item 3 - Fees Paid by Candidate/Client

The client/candidate never pays FranNet a fee. There is no exception to this rule. We do not charge the candidate for our time or services. The franchisor pays all costs. This arrangement is like an Executive Recruiter in the job search process.

Item 4 - Fees Paid by Franchisors to FranNet for Successful Placement

The fees paid by franchisors for the successful placement of a candidate vary due to several factors, such as the demand for the concept or specific industry and the number of units sold in a package. The fee paid by the franchisor to FranNet does not affect the candidate's investment in the franchise business. Fees paid to FranNet are consistent with industry standards.

Item 5 - Prohibited Practices

FranNet Consultants provides the candidate with an overview of the franchisors being presented for consideration.

FranNet consultants do not

- Provide or review the Franchise Disclosure Document.
- Provide any franchise sales materials to the candidate for the franchisor.
- Discuss or project earnings claims or Item 19 information.
- Guarantee any type of earnings or return on investment.

Please acknowledge your receipt of this document:

Received this _____ day of _____, 20____

Candidate/Client Signature