

## FRANCHISE DISCLOSURE DOCUMENT



Express Oil Change, L.L.C.  
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Birmingham, Alabama 35244  
(205) 945-1771  
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[www.expressoil.com](http://www.expressoil.com)

The franchise offered is for an Express Oil Change Center ("Center") specializing in quick oil change and lubrication, transmission service, air conditioning service, brake repair, tune-ups, and tire rotation and balance service.

The total investment necessary to begin operation of an Express Oil Change franchise is \$1,400,500 - \$1,883,500. This includes an initial fee of \$35,000 for your first Center and \$17,500 for any additional Center that must be paid to the franchisor or its affiliate(s). If you sign an Area Development Agreement to develop a number of Centers, you must pay us a development fee of \$35,000 for your first Center and a non-refundable deposit of \$7,500 for each additional Center to be developed.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all 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.**

The terms of your contract will govern your franchise relationship. Do not 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 as Amended: May 24, 2013  
Non-Registration States

### Item 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits us to provide information about the actual or potential financial performance of our franchised and/or company-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) we provide the actual records of an existing outlet you are considering buying; or (2) we supplement the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Except for the historical data relating to certain average sales & expenses set forth in Exhibit I, we do not make any financial performance representations.

Most EOC Centers offer substantially the same products and services to the public. None of the franchised EOC Centers have customarily received services not generally available to other franchisees and substantially the same services will be available to you.

Your EOC franchised Center average may vary from averages of Company-operated and other franchised centers. The results of the first 6-18 months of operation will vary greatly depending on your involvement, advertising, location, size of market, awareness in the market and other factors. Results also differ greatly between conforming and non-conforming markets. We feel you should anticipate a negative cash flow for a minimum of 6 months.

These results are averages of specific Express Oil Change Centers and should not be considered as the actual or probable results that will be realized by you. Some Centers have sold and earned the amounts set forth in Exhibit I. Your individual results may differ. There is no assurance that you will sell or earn as much. You are urged to consult with appropriate financial, business and legal advisors in connection with this historical information. Substantiation of data used in preparing this Item 19 will be made available to you upon reasonable request. However, we will not disclose the identity or sales data of any particular Center without the consent of that franchisee, except to any applicable state registration authorities or except in connection with the sale of a Company-owned Center.

None of our officers or employees is authorized to make any other claims or statements as to the financial performance, sales or profits or prospects or chances of success that you can expect or that have been experienced by present or past Centers. We have specifically instructed our officers and employees that they are not permitted to make other claims or statements as to the financial performance, sales or profits or the prospects or chances of success, nor are they authorized to represent or estimate dollar figures as to any particular Center or any particular site for a Center. You should not rely on any unauthorized representations as to financial performance, sales, profits or prospects or chances of success. If you receive any other financial performance information or projections of your future income you should report it to the Company's management by contacting our Chief Executive Officer, Richard A. Brooks at 1880 Southpark Drive, Birmingham, Alabama 35244, (205) 945-1771, the Federal Trade Commission and the appropriate state regulatory agencies.

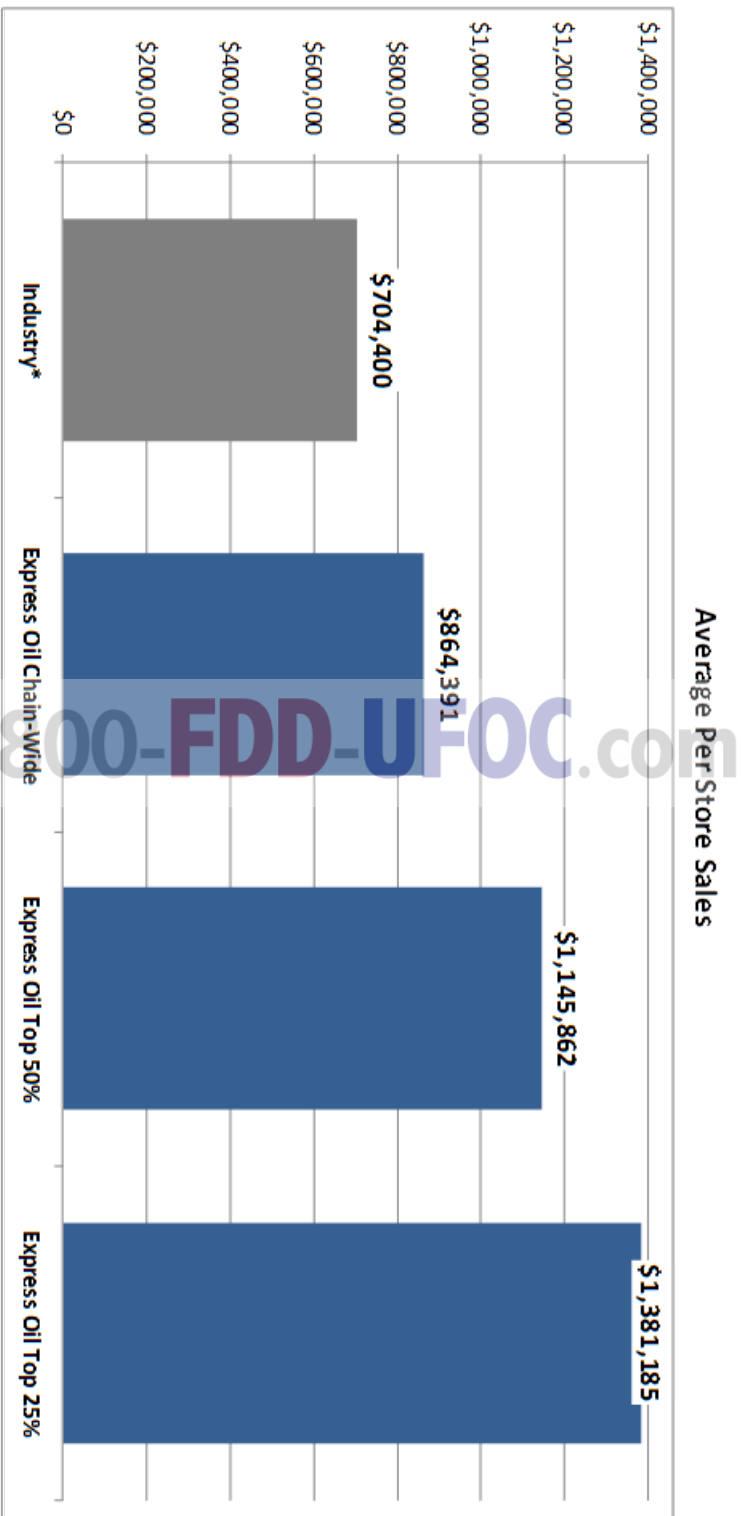
Written substantiation for the financial performance representation will be made available to you upon reasonable request.

EXHIBIT I

**EXPRESS OIL CHANGE, L.L.C.  
HISTORICAL FINANCIAL INFORMATION**

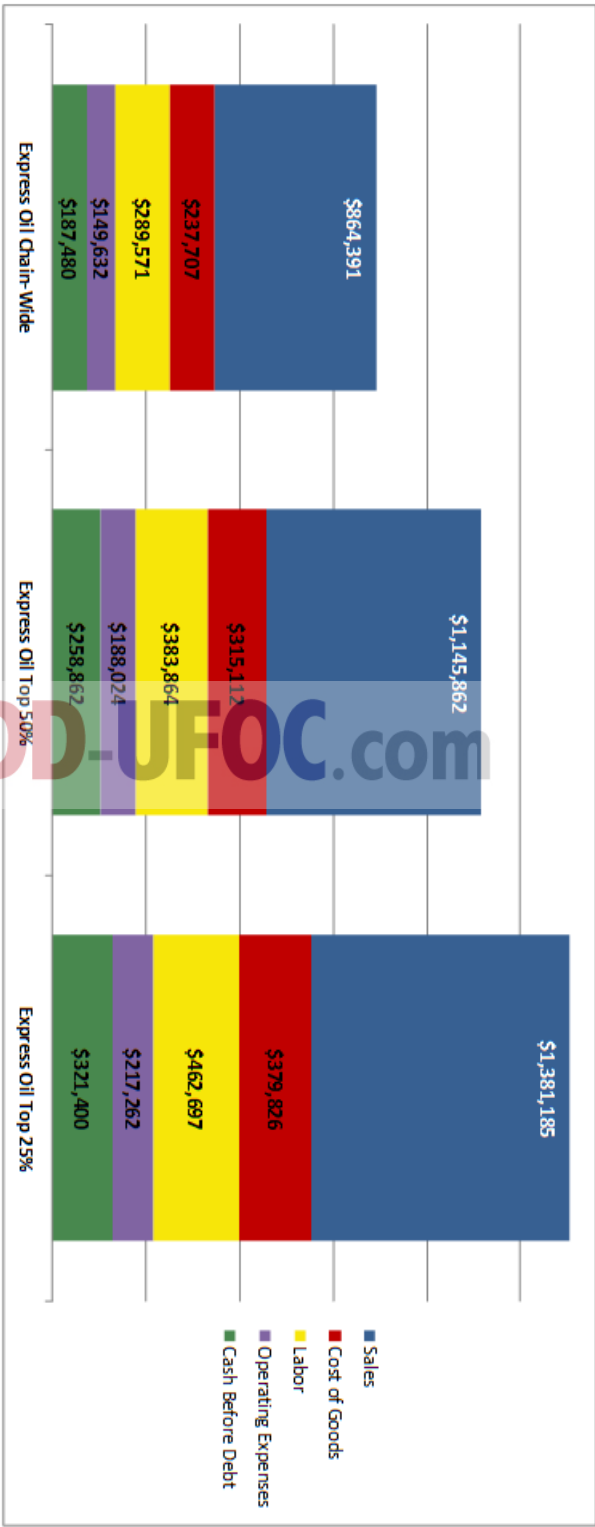
(See attached.)

1-800-FDD-UFOC.com



\* Note: Industry average of chains as reported by National Oil & Lube News.  
Express Oil Change average of all locations open at least 12 months.

# Typical Store Sales Expenses and Cost before Debt



Express Oil Change average of all locations open at least 12 months as of 12/31/12.

Cost of Goods estimated at 27.5% of sales, may decrease or increase depending on pricing in your market, business mix and operational management.

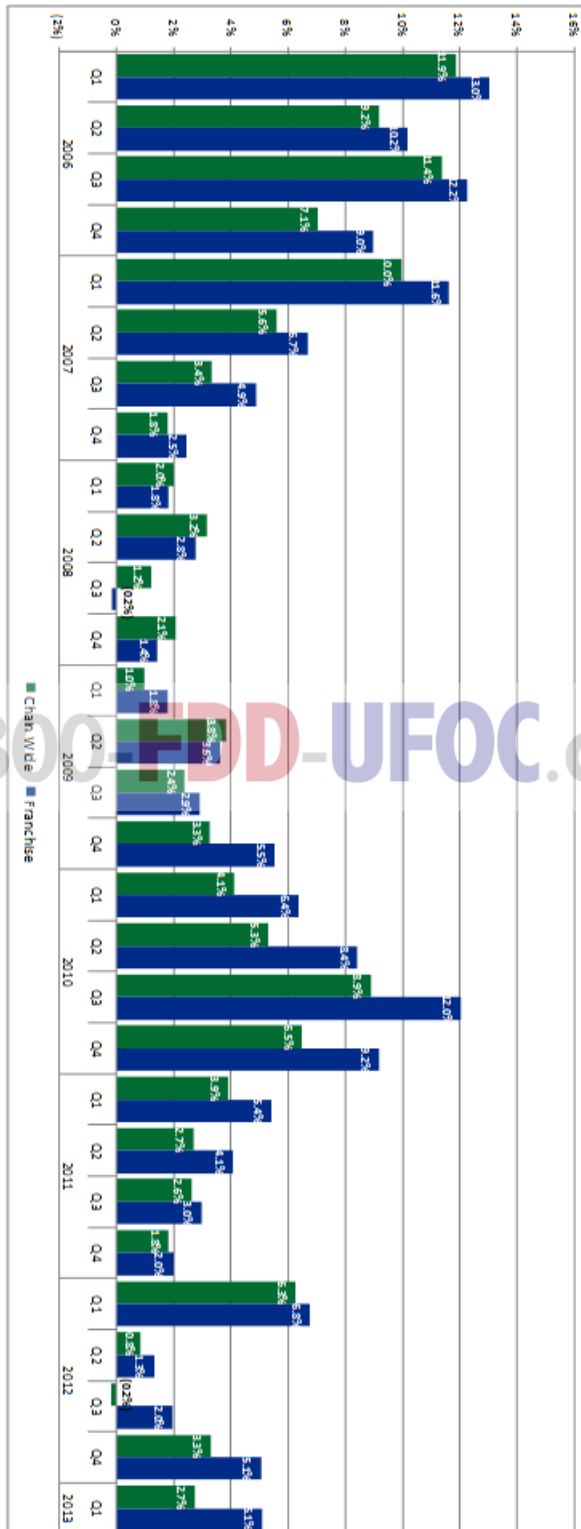
It is recommended that you invest in your labor to build early sales. A typical location will spend \$16,000 to \$20,000 per month including a 15% burden in labor costs. Once sales reach approximately \$50,000 per month, labor should move as a percentage of sales with a target of 32% to 35%. We strongly recommend use of a third-party payroll service, with an estimated annual cost of \$4,200 to \$7,200 for a six person crew, which has been included in operating expenses below. In the illustration above, labor has been calculated at 33.5% of sales.

We divide operating expenses into two categories:

- A) Variable Costs - are items directly related to store sales, which include: royalty fee at 5%, advertising at 3%, credit card fees at 1.4% and shop supplies at 0.9%.
- B) Non-Variable Costs - Although these costs are not truly fixed, they do have a controlled aspect, and include accounting, insurance, bank fees, computer expense, dues and subscriptions, office supplies, repair and maintenance, small tools, uniforms, utilities, miscellaneous items and the use of a payroll service. We estimate non-variable costs to be begin around \$50,000 to \$60,000 with a marginal annual increase. In the illustration above we have estimated these expenses at \$60,000, \$70,000 and \$80,000, respectively, per year to account for sales volume increases. This estimate does not include property tax. Please check with local authorities for estimated cost.

*Note: These expenses should not be considered as the actual or probable results that will be realized by you. Your own financial results are likely to differ from these results. You are urged to consult with appropriate financial, business and legal advisors in connection with this historical information. Substantiation of data used in preparing this analysis will be made available to you upon reasonable request.*

# Quarterly Same Store Sales Growth



\* Note: Same Store Sales (SSS) defined as aggregate revenue for all stores open at least 13 months at the end of indicated quarter. Percent change represents growth/decline over the same quarter for the previous year.

### Store Count by Revenue Brackets

2012 Total Revenue		
<i>Range</i>	<i># of Stores</i>	<i>% of Total</i>
Minimum		\$316,193
\$300k - \$500k	29	15.8%
\$500k - \$700k	41	22.4%
\$700k - \$900k	42	23.0%
\$900k - \$1.1M	27	14.8%
\$1.1M - \$1.3M	21	11.5%
\$1.3M - \$2.0M	21	11.5%
> \$2.0M	2	1.1%
Maximum		\$2,108,983
<b>TOTAL</b>	<b>183</b>	<b>100.0%</b>

\* Note: 2011 Total Revenue for all stores open at least one year as of 12/31/12.

## Start-Up Cost Summary

	Typical Range	
Land <sup>(1)</sup>	\$ 500,000 -	\$ 700,000
Building & Site <sup>(1)</sup>	\$ 575,000 -	\$ 675,000
Equipment, Signs, Furnishings <sup>(1)</sup>	\$ 150,000 -	\$ 200,000
Organization, Professional Fees	\$ 20,000 -	\$ 50,000
Loan Origination	\$ 20,000 -	\$ 35,000
<b>Sub-Total</b>	<b>\$ 1,265,000 -</b>	<b>\$ 1,660,000</b>

### Soft Costs

Franchise Fee * <sup>(2)</sup>	\$ 35,000
Pre-Opening <sup>(3)</sup>	\$ 33,500
Opening Inventory	\$ 27,500
Opening Advertising <sup>(4)</sup>	\$ 10,000
Working Capital <sup>(5)</sup>	\$ 70,000
<b>Sub-Total</b>	<b>\$ 176,000</b>
<b>Total</b>	<b>\$ 1,441,000 - \$ 1,836,000</b>

<sup>(1)</sup> The amounts set forth above for land, building and site work, and equipment include the cost of purchasing a 20,000 to 30,000 square foot site in a commercial or retail area and constructing a 6 to 8 bay facility on property which has all utilities to the site and does not require any excessive site preparation. The actual costs will vary materially depending on location, size and condition of lot, size of building and other factors. Many existing buildings (former service stations, automotive service centers, etc.) have been successfully converted at lower costs. To view a range of these costs, see Item 7 of this FDD.

<sup>(2)</sup> The initial franchise fee is \$35,000 for your first unit, and \$17,500 for any additional unit. Initial Franchise Fee is payable in a lump sum due at signing and is uniform to all franchisees currently purchasing a franchisee.

<sup>(3)</sup> Amounts set forth above for pre-opening include (a) the manager's and assistant manager's salaries during pre-opening; (b) payroll costs of the crew for pre-opening training; and (c) costs of transportation, lodging, and meals during the training at the franchisor's headquarters. Also includes amounts for change fund, utility deposits, uniforms and other discretionary purchases.

<sup>(4)</sup> Amount set forth covers the requirement under the franchise agreement for grand opening promotions.

<sup>(5)</sup> Amounts set forth above are for working capital and normal early operating losses.

**\*There are no other direct or indirect payments in connection with the purchase of the franchise.**

There are a variety of options available to pursue for financing the costs of starting the business, from conventional loans to Small Business Administration (SBA) financing. The example below is for an SBA 7-A loan for the hard and soft costs.

<u>Hard Costs</u>		<u>Soft Costs</u>	
<b>Debt Structure</b>	<b>SBA 504</b>	<b>Debt Structure</b>	<b>SBA 7-A</b>
Land	\$ 600,000	Franchise Fee	\$ 35,000
Building	\$ 625,000	Inventory	\$ 27,500
Equipment	\$ 175,000	Working Capital	\$ 113,500
Origination	\$ 35,000	Total Soft Costs	176,000
Professional Fees	\$ 35,000		
Total Hard Costs	\$1,470,000		
Loan to Value <sup>1</sup>	80%		
Financed Amount	\$1,316,800		
<b>Cash Injection</b>	<b>\$ 329,200</b>		
Loan Term	25 years		
Interest Rate <sup>2</sup>	6%		
Monthly Payment	\$ 8,442		
Annual Payment	\$ 101,303		

**Total Cash Injection for above example: \$ 329,200**

\* The actual interest rate, terms of amortization and other costs of financing may vary from these assumptions. Interest rates and lease rates are typically related to the Federal Reserve Board's Prime Rate.

<sup>1</sup> Loans to project cost will be determined by SBA and supporting lending institution. This percentage will differ based on applicant's experience, credit-worthiness and financial portfolio. The typical range is 75% to 90%.

<sup>2</sup> Interest rates are a blend of both the SBA and supporting lender rates. These rates will vary depending on applicant's experience, credit-worthiness and financial portfolio. We have estimated at the average of 6%.