



*In The Pursuit
Of Excellence*

Thank you for requesting information about our ATM franchise business. ACFN® is the largest provider of ATM services to hotels in the US and North America's only ATM franchise. In addition to hotels services are also provided to other travel based and entertainment focused businesses.

ACFN® has been very successful providing services to this niche in the market with its unique "turnkey & hassle free" marketing philosophy combined with a "fair and friendly" approach. With ATM services since 1996 and a franchise system since 2003 ACFN now has 2,700+ ATMs owned and operated by 250+ Franchisees in the US and Canada.



Testimonials:

“It is a rare occasion in one's life to find an investment opportunity that reaps great rewards coupled with the possibility of a semi-retirement lifestyle. With your commitment to our success, we have either met or surpassed all of our goals during this first year.”

- John & Lea Anne, ACFN of Dallas Forth Worth

“ACFN is much more of a rewarding and lucrative experience than we ever anticipated! From the moment we made the commitment to become franchise owners, the entire ACFN staff assisted us in putting together a very well run business.”

- The Dorsey and Dorris Family, ACFN of San Diego

“ACFN is a perfect fit for our lifestyle. The initial costs are low compared to other franchises. The business is very efficient since you don't need employees or retail space, and we can still work our full time jobs while doing this on the side. We were amazed that the work was so easy, and that we grew so fast.”

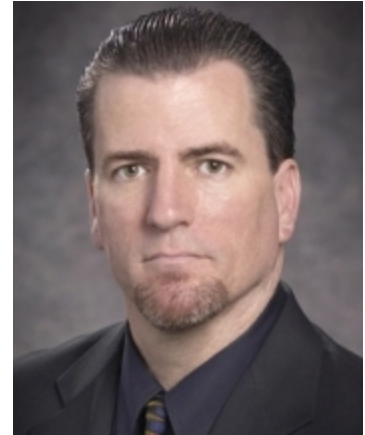
- Bryan & Bonnie, ACFN of Mechanicsville

“Each installation has reinforced our belief in the business and with ACFN. Not only did we get sites from dropping off our marketing packets, but also from ACFN's efforts on locations they pursued independently for us. We have enjoyed all the aspects of the business from the marketing, setting and servicing the machines, and building relationships with our customers and with the ACFN staff.”

- Lee & Shirley, ACFN of Sacramento

Dear Prospective Franchisee,

Have you ever been in need of cash and thought, "It would be great if I had access to an ATM right here on-site and didn't have to physically go to my bank to get cash." At that moment, did you feel you would be willing to pay a *convenience* fee to avoid the hassle and loss of time associated with driving across town to your bank? If your answer is yes, you are in good company.



When I founded American Consumer Financial Network ("ACFN®") in 1996, I felt very strongly that customers in travel and entertainment based businesses valued their time at a premium and would appreciate the convenience of "On-Site" services. 20+ years' later customers in these niche markets continue to overwhelmingly confirm our value proposition by agreeing to pay fees willingly and repeatedly. In 2017 ACFN provided **5.43 million** customers with **437 million** in cash increasing spending and supporting sales growth for our business partners.

Building on our success in California we decided to develop the ACFN Franchise Business to gain access to new markets. We obtained all necessary regulatory approvals to allow expansion of our network throughout the US and Canada and in May of 2003 with the help of Avi Blankroth, our Executive Vice President, we started actively marketing our new franchise program. We now have more than 250+ franchises that own and operate more than **2,700** ATMs throughout the US and Canada and are looking for additional qualified, motivated entrepreneurial people to join the ACFN® network.

I believe the ACFN® franchise program is the best investment available today and represents a great business opportunity for the accomplished individual looking to grow and/or add to their business interests. If you work hard and earn good money and want your money to work harder for you, I invite you to fully and thoroughly investigate the ACFN® franchise opportunity. I am confident that you will find ACFN® to be a remarkable and worthy business opportunity to enhance your financial future.

Jeff Kerr

President and CEO
ACFN Franchised Inc.

If you have questions related to any of the information provided within this document or need additional information to make your decision please contact our franchise development team at (888) 444-ACFN (2236).

We appreciate your interest in the ACFN® franchise opportunity.

ACFN® is your “Part-time franchise for a full-time retirement”

Many of our franchisees say that the ability to start the business without interfering with or interrupting current income generating activities was one of the main reasons they decided to join ACFN. Our business model can in most cases be scaled and adjusted to fit an individual’s specific situation allowing franchise owners to start with different levels of time and financial investment. Franchisees join ACFN for different reasons and from varying backgrounds. Some join us after retiring from a lengthy career, while others are fresh out of college and eager to make their footprint in the financial world. Many are looking simply to supplement their existing income and others are looking to add a franchise into their existing business or investment portfolio. Whatever situation brings you to ACFN, our proven business model can work for you.

Our Customers



The ACFN® business model appeals to the mobile segment of society and to the individual’s sense of convenience. We work with businesses which cater to clientele who are least likely to have the time or inclination to search for their personal bank when in need of cash. This type of client is usually glad to pay a fee for the convenience of On-Site services. The ACFN® program is designed to address the growing need for cash on-the-go. Our “On-Site ATM” services are very popular with hotels, travel and entertainment based businesses.

Our Franchisees ATMs are placed in many high profile hotels across the country including the Ritz Carlton, Four Seasons, Fairmont, Marriott, Hilton, Sheraton, Doubletree, Embassy Suites, Renaissance, Wyndham, Best Western, Radisson and many more. ATMs are also placed in Hospitals, Theatres, Sports Bars, Night Clubs, Billiards Places, Breweries, national parks and city properties such as museums and Convention Centers.

How it works

The ACFN® program invites qualified individuals to provide customers with the convenience of performing financial transactions “on-site”. As an ACFN® franchisee, you will enter the electronic financial services market with a unique and very profitable approach. You will be taught how to own and operate a network of privately owned ATMs which will be placed in travel based environments and entertainment oriented businesses creating a recurring monthly residual income. The ACFN® business model targets specific locations with certain parameters and qualifications where the need for our services is proven.

While the ACFN® program operates its network of ATMs within the premises of qualified businesses each franchisee retains full ownership and control of his or her business and equipment. The host facility is not charged any fees to incorporate our program which represents a significant departure from the practices of most other companies in the industry. Most of our competitors earn their revenue by selling or leasing the equipment to host facilities. We don’t sell or lease the equipment to the Host business! ACFN® removes that obstacle for the host by providing services and equipment at no cost. In fact, the program ACFN offers guarantees the host a share of revenues generated as compensation for space utilized while delivering the primary benefit of additional spending and increased profitability at no cost. This unique approach enables businesses to offer its clientele the convenience of “On-Site ATM” services without requiring the usual financial commitment. From the point of view of the owner or manager of the Host business this is a low risk highly advantageous business opportunity. As a franchisee we will work with you to build and operate your own network of ATMs within Host businesses and develop a significant recurring monthly revenue stream.

As part of the ACFN® financial network, you will benefit from extensive site research, professional and experienced advice on proper placement within a host establishment to maximize transactions, centralized processing, industry specific training, monitoring services, an ongoing revenue stream from each of your locations and much more.

Location Types and Qualifications

Even a professionally designed and supported ATM program such as the ACFN® model requires a qualified level of traffic and a specific type of clientele for optimum return on investment. Our network was built on the premise that, if placed in the proper setting, our ATMs would become a legitimate profit center independent of the business it was placed within.

The ACFN® model assures clients that their financial center will be maintained professionally and supported locally operating as a “Turnkey & hassle free” out-sourced solution to their ATM need. When compared with other programs that sell or lease the machines to businesses and then rely on Host participation or long-distance third party maintenance contracts ACFN® is the clear choice for upscale businesses. As an ACFN® franchisee you have a vested interest in their success.

The types of Host businesses* we target include:

- Hotels.
- City properties
- National Parks
- Museums
- Hospitals
- Sports bars
- Nightclubs
- Billiard Clubs
- Restaurants and breweries
- Theatres
- Large Gas Stations
- Super Markets



*We have developed specific qualifications for each of the business types listed above to significantly increase the chances of success. These qualifications will be explained in detail in your franchise operations manual.



Benefits of the ACFN “On-Site ATM” program

As an ACFN® franchisee the benefits you offer to host sites are significant. When the owner of a prospective Host business is introduced to the ACFN® program the benefits to their business include the following:

- Your franchise will place the equipment on site at no cost to the host
- Your franchise will perform all services and maintenance required.
- The ATM will be monitored 24/7 to preempt service problems and maximize uptime.
- The ATM will be authorized with all major networks and able to process the vast majority of both debit and credit card transactions.
- Host businesses will get paid profit share from surcharge revenue generated by the ATM.
- Satisfaction is guaranteed to the Host business and the decision is easy. The ACFN® “On-Site ATM” program is introduced with a 6-month trial period to simplify the decision and allow businesses to join under fair and friendly terms.

ACFN® franchise owners will benefit from our reputation in the industry including a referral list with many prominent businesses to help inspire the confidence needed to successfully contract new locations.

As an ACFN® franchisee you will maintain ownership, control and service of the ATM making the program available to Host businesses with no risk and no financial investment while offering significant benefits and rewards.

Do business owners and operators have a need for our “On-Site ATM” service?



Increasing sales and reducing transaction costs is a fundamental pillar of success for every business. Enabling customers to access cash conveniently and without leaving the respective business helps achieve that goal.

20%

23%

Average increase in sales for a store that installed an ATM machine

Source:

<http://statisticbrain.com/atm-machine-statistics/>

As the manager of an upscale business you have considered installing an ATM for your guest's convenience, but the prospect of purchasing and then maintaining an ATM has prevented you from taking action. You are contacted by ACFN® offering a “Turnkey & Hassle free” program including a share of the fees and agree to an appointment. Incorporating the ACFN® program will promote on property spending, increase profits and pay you profit share without requiring any financial investment on your part. The program sounds good so you do your “due diligence” and find the company to be experienced, professional, highly recommended and customer friendly offering a no obligation 6-month trial period. Would your conclusion be that with the ACFN® “On Site ATM” program you have everything

to gain and nothing to lose?

The answer is invariably “yes!” You have a lot gain from adding the ACFN® “On Site ATM” program to increase on-property spending, profits and customer satisfaction while at the same time preventing the loss of goodwill and revenue from clients currently forced to go elsewhere for their financial transactions.

Support Services for franchisees

Our “On Site ATM” program brings banking services to the host site which supports their business by increasing customer spending at no cost to the host location. Our service doesn’t require a financial commitment but every business needs to market itself effectively to succeed and the ACFN® program is no exception. As an ACFN franchisee you will benefit from a strong network of support from the central office to help establish a successful business. Our marketing strategies and services provide the competitive edge that every beginning business needs. We support our franchisees’ efforts every step of the way including:

- ✓ Market research - we access national databases of businesses and do market research to identify businesses that meet the initial placement criteria. We help develop and provide franchisees with an appropriate list of these businesses within the agreed radius of operation as available.
- ✓ Professional marketing materials to help interest prospective businesses in our “On-Site ATM” program and maximize the chances of securing a contract for placement.
- ✓ After you as a franchisee preview these businesses and confirm that they should be approached you deliver the marketing materials referenced above for review by the businesses and update us with a list of the businesses you visited.
- ✓ Marketing – our marketing team works to contact & contract locations for placement of your ATMs.
- ✓ Access to our lead tracking software so you can view the progress with your leads.
- ✓ Support scheduling and completing installations after an agreement is signed.
- ✓ Support during installation to insure correct programming of all parameters, successful initialization of your ATM with all appropriate networks, legal compliance with network security procedures and setting up monitoring services.



- ✓ Complete monitoring and service support after installation along with the ongoing performance of processing and accounting functions.

To better understand how our business model works financially, please take the time to study the detailed financial performance information from our Franchise Disclosure Document ("FDD") provided below and don't hesitate to call us with any questions you may have. For answers to your specific questions you can reach a franchise specialist during business hours by calling (888) 794-ACFN (2236) and selection option 1.

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.

Possible Results of ACFN® Franchisee Operating 1 ATM, 5 ATMs and 10 ATMs

The following 3 tables (first, second and third tables) are presented to demonstrate possible results of an ACFN® franchisee operating 1 ATM, a small network of 5 ATMs, and a larger network of 10 ATMs, based on a combination of variables. The variables include the following: (i) Transactions Per Day; (ii) Total Transactions Per Day; (iii) Transactions Per Month; (iv) Fees Collected; (v) Transaction Fees; (vi) Profit Share; (vii) Administration Fees; and (viii) Estimated Funds.

The possible results included in the tables below are solely based on our estimates of the variables, and are not the actual results of any particular ACFN® franchisee or ACFN® ATM. Actual results, as well as the actual amounts used for each of the variables, will vary from franchisee to franchisee, ATM to ATM, area to area, and market to market.

To give the information presented in these tables a reasonable basis, however, we used averages based on every ATM surcharge transaction that took place at all operational ACFN® ATMs during our 2017 fiscal year (January 1, 2017, to December 31, 2017) in calculating several of the estimated variables. A detailed description of our estimates and the material assumptions underlying this financial performance representation are included in the notes following the tables.

[Remainder of page intentionally left blank]

# ATMs	Tran. per day	Total per day	Tran. per month	Fees collected	Tran. fees	Profit share	Admin fee	Paid to franchisee	Annual total	Estimated funds	10 year total
1	1	1	30	\$ 96.00	\$ 2.40	\$ 35.10	\$12	\$ 46.50	\$558	\$ 787	\$6,367
1	2	2	60	\$ 192.00	\$ 4.80	\$ 70.20	\$12	\$ 105.00	\$1,260	\$ 1,573	\$14,173
1	3	3	90	\$ 288.00	\$ 7.20	\$ 105.30	\$12	\$ 163.50	\$1,962	\$ 2,360	\$21,980
1	4	4	120	\$ 384.00	\$ 9.60	\$ 140.40	\$12	\$ 222.00	\$2,664	\$ 3,147	\$29,787
1	5	5	150	\$ 480.00	\$ 12.00	\$ 175.50	\$12	\$ 280.50	\$3,366	\$ 3,933	\$37,593
1	6	6	180	\$ 576.00	\$ 14.40	\$ 210.60	\$12	\$ 339.00	\$4,068	\$ 4,720	\$45,400
1	7	7	210	\$ 672.00	\$ 16.80	\$ 245.70	\$12	\$ 397.50	\$4,770	\$ 5,506	\$53,206
1	8	8	240	\$ 768.00	\$ 19.20	\$ 280.80	\$12	\$ 456.00	\$5,472	\$ 6,293	\$61,013
1	9	9	270	\$ 864.00	\$ 21.60	\$ 315.90	\$12	\$ 514.50	\$6,174	\$ 7,080	\$68,820
1	10	10	300	\$ 960.00	\$ 24.00	\$ 351.00	\$12	\$ 573.00	\$6,876	\$ 7,866	\$76,626
1	11	11	330	\$ 1,056.00	\$ 26.40	\$ 386.10	\$12	\$ 631.50	\$7,578	\$ 8,653	\$84,433
1	12	12	360	\$ 1,152.00	\$ 28.80	\$ 421.20	\$12	\$ 690.00	\$8,280	\$ 9,440	\$92,240
5	1	5	150	\$ 480.00	\$ 12.00	\$ 175.50	\$60	\$ 232.50	\$2,790	\$ 3,933	\$31,833
5	2	10	300	\$ 960.00	\$ 24.00	\$ 351.00	\$60	\$ 525.00	\$6,300	\$ 7,866	\$70,866
5	3	15	450	\$ 1,440.00	\$ 36.00	\$ 526.50	\$60	\$ 817.50	\$9,810	\$ 11,800	\$109,900
5	4	20	600	\$ 1,920.00	\$ 48.00	\$ 702.00	\$60	\$1,110.00	\$13,320	\$ 15,733	\$148,933
5	5	25	750	\$ 2,400.00	\$ 60.00	\$ 877.50	\$60	\$1,402.50	\$16,830	\$ 19,666	\$187,966
5	6	30	900	\$ 2,880.00	\$ 72.00	\$1,053.00	\$60	\$1,695.00	\$20,340	\$ 23,599	\$226,999
5	7	35	1050	\$ 3,360.00	\$ 84.00	\$1,228.50	\$60	\$1,987.50	\$23,850	\$ 27,532	\$266,032
5	8	40	1200	\$ 3,840.00	\$ 96.00	\$1,404.00	\$60	\$2,280.00	\$27,360	\$ 31,466	\$305,066
5	9	45	1350	\$ 4,320.00	\$108.00	\$1,579.50	\$60	\$2,572.50	\$30,870	\$ 35,399	\$344,099
5	10	50	1500	\$ 4,800.00	\$120.00	\$1,755.00	\$60	\$2,865.00	\$34,380	\$ 39,332	\$383,132
5	11	55	1650	\$ 5,280.00	\$132.00	\$1,930.50	\$60	\$3,157.50	\$37,890	\$ 43,265	\$422,165
5	12	60	1800	\$ 5,760.00	\$144.00	\$2,106.00	\$60	\$3,450.00	\$41,400	\$ 47,198	\$461,198
10	1	10	300	\$ 960.00	\$ 24.00	\$ 351.00	\$120	\$ 465.00	\$5,580	\$ 7,866	\$63,666
10	2	20	600	\$ 1,920.00	\$ 48.00	\$ 702.00	\$120	\$1,050.00	\$12,600	\$ 15,733	\$141,733
10	3	30	900	\$ 2,880.00	\$ 72.00	\$1,053.00	\$120	\$1,635.00	\$19,620	\$ 23,599	\$219,799
10	4	40	1200	\$ 3,840.00	\$ 96.00	\$1,404.00	\$120	\$2,220.00	\$26,640	\$ 31,466	\$297,866
10	5	50	1500	\$ 4,800.00	\$120.00	\$1,755.00	\$120	\$2,805.00	\$33,660	\$ 39,332	\$375,932
10	6	60	1800	\$ 5,760.00	\$144.00	\$2,106.00	\$120	\$3,390.00	\$40,680	\$ 47,198	\$453,998
10	7	70	2100	\$ 6,720.00	\$168.00	\$2,457.00	\$120	\$3,975.00	\$47,700	\$ 55,065	\$532,065
10	8	80	2400	\$ 7,680.00	\$192.00	\$2,808.00	\$120	\$4,560.00	\$54,720	\$ 62,931	\$610,131
10	9	90	2700	\$ 8,640.00	\$216.00	\$3,159.00	\$120	\$5,145.00	\$61,740	\$ 70,798	\$688,198
10	10	100	3000	\$ 9,600.00	\$240.00	\$3,510.00	\$120	\$5,730.00	\$68,760	\$ 78,664	\$766,264
10	11	110	3300	\$10,560.00	\$264.00	\$3,861.00	\$120	\$6,315.00	\$75,780	\$ 86,530	\$844,330
10	12	120	3600	\$11,520.00	\$288.00	\$4,212.00	\$120	\$6,900.00	\$82,800	\$ 94,397	\$922,397



General Notes Relating to 3 Tables Above

The 3 tables above are based on information compiled using every surcharge transaction that took place at all operational ACFN® ATMs located in the United States during our 2017 fiscal year. These ACFN® ATMs are referred to in this financial performance representation as the “2017 ATMs.” There were 2,680 2017 ATMs, located in 47 different states, that were operating for at least some portion of our 2017 fiscal year. The length of time each 2017 ATM was operational during our 2017 fiscal year varied as follows: 2,369 were operational for 12 full months; 26 were operational for more than 9 months, but less than 12 months; 170 were operational for more than 6 months, but less than 9 months; 66 were operational for more than 3 months, but less than 6 months; and 49 were operational for less than 3 months. The 2017 ATMs are primarily located in hotels and other travel and entertainment based businesses.

While the Transaction Fee and the Administrative Fee (as defined below) are the same for each ATM, other fees and averages described in this Item 19 may vary from state to state.

The information provided in this Item 19 regarding the 2017 ATMs is based on third-party processor network reports. We collected this information, but have not independently audited or verified it. All numbers in the above tables are rounded to the nearest dollar.

Using the information described above, we calculated the following averages and medians:

Average Disperse – Represents the average amount of money withdrawn in a single surcharge transaction from a 2017 ATM. This average was calculated by dividing the total amount of cash withdrawn from all 2017 ATMs during our 2017 fiscal year by the total number of cash withdrawals. The average for our 2017 fiscal year was \$98.33. Of the 2,680 2017 ATMs, 1,376 or 51% were below this average, and 1,304 or 49% were at or above this average. The median for our 2017 fiscal year was \$97.72.

Average Surcharge Collected – Represents the average fee collected by a 2017 ATM for a single surcharge transaction, and was calculated by dividing the total surcharge collected by all 2017 ATMs during our 2017 fiscal year by the total number of surcharge transactions. The average surcharge for our 2017 fiscal year was \$3.20. Of the 2,680 2017 ATMs, 1,613 or 60% were below this average, and 1,067 or 40% were at or above this average. The median surcharge for our 2017 fiscal year was \$3.00.

Average Profit Share – Represents the average amount paid per surcharge transaction to the location owner of each of the 2017 ATMs, and was calculated by dividing the total paid to all 2017 ATM location owners during our 2017 fiscal year by the total number of surcharge transactions. The average profit share during our 2017 fiscal year was \$1.17. Of the 2,680 2017 ATMs, 1,884 or 70% paid at or below this average, and 780 or 30% paid above this average. The median profit share during our 2017 fiscal year was \$0.75.



Specific Notes Relating to Each Column on 3 Tables Above

<u>Column</u>	<u>Heading</u>	<u>Description</u>
1	# ATMs	The total number of ACFN® ATMs a franchisee owns and has placed in operation.
2	Tran. per day (Surcharge Transactions Per Day)	The average number of surcharge transactions performed at each of a franchisee's ACFN® ATMs each day. While the tables include information for average daily surcharge transactions ranging from 1 to 12 surcharge transactions, we would generally recommend that an ACFN® ATM producing less than 4 surcharge transactions per day be moved to a new location for better results, unless the ACFN® ATM is part of a MLA Program we establish.
3	Total per day (Total Surcharge Transactions Per Day)	The average number of surcharge transactions performed at each of a franchisee's ACFN® ATMs each day multiplied by the number of ACFN® ATMs in a franchisee's network. The result represents an estimate of the total number of surcharge transactions for a franchisee's ACFN® ATM network that day.
4	Tran. per mo. (Surcharge Transactions Per Month)	The estimated number of surcharge transactions performed each month by a franchisee's ACFN® ATM network based on a 30-day month.
5.	Fees Collected (Per Month)	Fees collected each month by a franchisee as owner of the ATM based on the Average Surcharge Collected for our 2015 fiscal year (as described above) of \$2.98 per surcharge transaction.
6	Tran. Fees (Transaction Fees Per Month)	\$0.08 per surcharge transaction for communications and other transaction-related costs. This is the amount currently set in the Franchise Agreement, although we periodically may reasonably increase it.
7	Profit Share (Per Month)	Paid to the ACFN® ATM location owner for participating in our "On Site ATM" program and based on our Average Profit Share for our 2015 fiscal year (as described above) of \$1.05 per surcharge transaction.
8	Admin. Fee (Administration Fee Per Month)	\$12 per ACFN® ATM per month for processing, reporting and accounting. This is the amount currently set in the franchise agreement, although we may increase it by up to 10% every 12 months.



<u>Column</u>	<u>Heading</u>	<u>Description</u>
9	Paid to Franchisee (Amount Paid to Franchisee Per Month)	The Fees Collected, less the Transaction Fees, Profit Share and Administration Fee, each month.
10	Annual Total (Annual Amount Paid to Franchisee)	The amount paid to a franchisee annually for an ACFN® ATM performing at this level based on the averages described above.
11	Estimated Funds	This represents the estimated amount of money needed by a franchisee to operate (that is, provide adequate cash) the franchisee's ACFN® ATM(s) with service calls performed once each week, and is calculated by multiplying the number of surcharge transactions per month times the Average Dispense of \$96.41, divided by 30 to calculate the daily average then multiplied by 8 so the ATM will have extra cash to prevent it from running out of cash before the next service call.
12	10 Year Total	10 times the Annual Total, plus the Estimated Funds (as these terms are described above). If a franchisee ceases operating the ACFN® ATM business at the end of 10 years, a franchisee will have received 10 times the Annual Total. In addition, the franchisee will be able to retrieve the Estimated Funds used to operate the franchisee's ACFN® ATM(s) since the funds are no longer needed.

These figures (in this Item 19) are only estimates of what we think you may earn. Your individual results may differ. There is no assurance that you'll earn as much.

Except for Estimated Funds described in the last 3 tables above, the figures in the tables above do not reflect the cost of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or net profit. You should conduct an independent investigation of the costs and expenses you incur in operating your franchised ACFN® business. Franchisees or former franchisees listed in this disclosure document may be one source of information. Other than Estimated Funds described in the last 3 tables above, costs relating to day-to-day operation are not included in the tables above and all costs, including Estimated Funds, will vary from one franchisee to another based on location and size of franchise. Actual Fees Collected, Profit Share paid, surcharge transaction count, Estimated Funds needed and Annual Franchisee Income paid will vary and may result in lower revenue and higher expenses.

Written substantiation of the information contained in this financial performance representation will be made available to you upon reasonable request.

A. Many factors, including the location of the ACFN® business, your arrangement with the location owner, local market conditions, and other factors, are unique to each location and may significantly impact the financial performance of your business.



B. As with other businesses, we anticipate that a newly operational ACFN® business will not achieve sales volumes or maintain expenses similar to an ACFN® business that has been operating for a number of years.

C. You are responsible for developing your own business plan for your ACFN® business, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances. We encourage you to consult with your own accounting, business and legal advisors to assist you to identify the expenses you likely will incur in connection with your ACFN® business, to prepare your budgets, and to assess the likely or potential financial performance of your business.

D. In developing the business plan for your ACFN® business, you are cautioned to make necessary allowance for changes in financial results to income, expenses or both that may result from operation of your business during periods of, or in geographic areas suffering from, economic downturns, inflation, unemployment, or other negative economic influences.

E. As further described above, the figures in the above tables do not reflect the cost of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income. You and your advisors should consider this in your due diligence and preparation of your business plan.

Other than the preceding financial performance representation, ACFN Franchised Inc. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jeffrey Kerr, ACFN Franchised Inc., 255 W. Jullian Street, Suite 600, San Jose, California 95110, (888) 794-2236, the Federal Trade Commission, and the appropriate state regulatory agencies.

Frequently asked questions:

Do I need business experience to run an ACFN® franchise?

Our training program and on-going support will teach you everything you need to know and our team will help you succeed with implementation. No experience is required.

How is an ACFN® franchise different from other franchise opportunities?

When asked why they selected ACFN® many of our franchisees responded that with most other opportunities you would basically wind up "buying yourself a job". We find that this is exactly what franchise owners don't want and a key element to the success of our franchise program. The ACFN® Franchise is your "part time franchise for a full time retirement" offering opportunity for significant long term residual income while requiring



little time to operate. ACFN® is the only franchise of its kind today and represents a great opportunity for individuals with the right qualifications.

How should I determine my area of operations?

You will need to service your host locations regularly (typically once a week) so make sure to choose an area you are comfortable servicing. You should also strive to have as much population and commercial development within your radius of operation as possible. This will affect the number of qualified Host businesses available and maximize your opportunity to grow your business.

The franchising concept: What are the advantages?

Potential franchisees sometimes wonder if franchising is a necessary process, and may ask why they couldn't simply go out and start a business independently.

The findings of the International Franchise Association, a membership organization of franchisors, franchisees and suppliers, suggest that franchisees enjoy a significant competitive edge over the stand-alone business operators.

They noted a study showing that 86% of franchise companies which opened in the previous five years were still in business under the same owner and only 3% of these businesses failed.

Conversely, a US Small Business Administration (SBA) Survey in that same article showed 62.2% percent of all new businesses started over a 10 year period dissolved within their first six years.

The percentages of success may vary with the study and while not all studies may reach the same conclusion most suggest that the franchised businesses are given a higher chance of success than independent, start-alone businesses. Reasons contributing to this include:

- ✓ A franchise is a "duplicate" of an already successful business. The real value of a franchise is the experience, know-how, and the operating plan that comes with it.
- ✓ With franchising, there is the value added advantage of name-brand recognition and a network of support.
- ✓ Franchisees avoid the costly trial-and-error period that causes so many start-up businesses to fail.



We'll hold you by the hand and together build your successful Franchise.



The **ATM Franchise Business**

1-888-444-ACFN (2236)
www.acfn.biz

Business

