

# Funding Options and Education



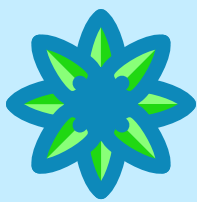
## Debt-Free Funding

Because Franchises are viewed as solid investments, many people use assets from their retirement funds to launch their new business. Debt-free funding can help you leverage a 401(k) rollover (also known as Rollover for Business Startup ROBS or Entrepreneurial Stock Ownership Programs) and other retirement accounts to fund new business opportunities. It allows you to borrow from yourself without early distribution taxes or penalties.



### What are the advantages:

Debt-free funding allows you to use your reactive 401(k) investment and leverage it into a business with a ROI you can control.



## Equity Loans



**Equity Loans:** Many people will use the equity from their homes or other properties to fund their new franchise.

### What are the advantages:

Equity loans allow you to use only the resources you require when you need it and can have great tax advantages.



## Unsecured Loans

Individuals with strong credit ratings can obtain unsecured signature loans for up to \$100,000 or more without pledging your home or personal assets. Companies with strong credit ratings may be able to obtain unsecured loans for \$150,000 or more. Unsecured loans are simple to obtain, usually within a matter of days.



### What are the advantages:

Unsecured loans with a good credit rating are readily available and can be processed quickly and easily.



## Angel Investor

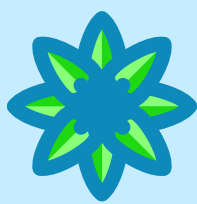


An Angel Investor is someone willing to lend you money in exchange for ownership equity or a convertible debt. Sometimes Angels will organize themselves into groups or networks that seek to lend money to solid, proven and profitable opportunities like franchises.



## Family and Friends

When you share your excitement about the proven franchise concept you've targeted, don't be surprised if people close to you want to help out. Family and friends want to provide support because they are confident in your work ethic, combine this with a proven franchise concept and your chances of success are boundless.

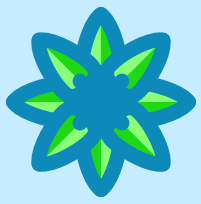


## Small Business Administration (SBA) Funding



Many local community and regional banks, credit unions, and national lenders participate in the SBA loan programs. They are actively seeking opportunities to provide financing for franchise operators to start up a new businesses. With SBA funding, all project cost is eligible for financing, such as the franchise fees, tenant improvements, equipment, inventory, training, travel expenses, pre-marketing costs, working capital, and closing costs.

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## Tax Benefits

As a small business owner, you will have numerous tax advantages and generous retirement options. There are also tax deductions only available to companies such as home offices, business travel, car usage, and educational and business seminars. Beyond these financial advantages, how you create your company will establish personal protection from the liabilities of your company.



## Veterans

Special funding is available for Veterans. Many Franchisors will offer discounts off their Franchise Fee. Veterans also get incentives through the SBA and other lenders. If you are a veteran, you can also use your thrift savings plan to self-fund a business. Additionally, there are certain state and federal grants which can be researched and found through your local Veteran Business Outreach Center.



## Franchises have better success rates over independent businesses for a variety of reasons:

- Franchisees utilize proprietary tools and effective systems to put time-tested business methods into action to help achieve positive financial results for themselves and their families.
- Proven business models, in conjunction with a specific brand, hold tremendous value for people who can operate these systems within their given marketplace.
- People invest in a franchise to be in business for themselves, but not by themselves. Franchisors can only succeed when you succeed, so there is a dedicated team there to help you grow your business. This team is available to answer all of your questions and help you with areas of opportunity.
- In a franchise you have a community of peers that will support you and help you learn from their experience. The success of your franchise adds value to the entire brand.