

## FRANCHISE DISCLOSURE DOCUMENT

LINE-X FRANCHISING LLC  
(a California limited liability company)  
301 James Record Road, Suite 250  
Huntsville, Alabama 35824  
(800) 831-3232

[www.linex.com](http://www.linex.com)  
[www.ownalinex.com](http://www.ownalinex.com)



We offer for sale a franchise to operate a business that applies LINE-X brand polyurethane and polyurea based spray-on coatings that cover and protect truck beds and other light industrial products, and sells truck accessories, including TRUCK GEAR by LINE-X™, an exclusive accessory line.

The total investment necessary to begin operation of a LINE-X Franchised Business ranges from \$130,263 to \$373,296. This amount includes \$54,397 to \$103,780, which must be paid to the Franchisor or an affiliate.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 payments to the Franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 Lori Rigsby, Franchise Sales, LINE-X Franchising LLC, at 301 James Record Road, Suite 250, Huntsville, Alabama 35824, at (877) 330-1331, and at [lrigsby@linex.com](mailto:lrigsby@linex.com)

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 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, DC 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 listed on Exhibit A 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.

**THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS SEPTEMBER 24, 2019, AS AMENDED MARCH 6, 2020, AND MAY 6, 2020.**

The Payment Card Industry Data Security Standard ("PCIDSS") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCIDSS applies to all merchants, regardless of size or number of transactions that accept, transmit or store any cardholder data.

## **ITEM 2 BUSINESS EXPERIENCE**

### **BOARD OF MANAGERS**

#### **Manager: James D. Scott**

Mr. Scott has served on our Board of Managers and our parent LINE-X LLC's Board of Managers since August 21, 2014. On August 3, 2014, he became the CEO of our indirect parent IXS Holdings, Inc. He has been a Member of the Board of Directors for IXS Holdings, Inc. since July 2015. Since February 1988, he has held the position of President for our affiliate Ground Effects LTD. All positions listed here for Mr. Scott are located in Windsor, Ontario, Canada.

### **OFFICERS AND EXECUTIVES**

#### **President: Barry J. McConway**

Mr. McConway has been our President since April 2020. He is also the Executive Vice President of our indirect parent IXS Intermediate Holdings, LLC and the Vice President of our affiliate Ultimate Linings, LLC and has held those positions since December 2017 and April 2008, respectively. All positions listed here for Mr. McConway are located in Houston, Texas.

#### **Executive Vice President of Operations: George S. Lezon**

Mr. Lezon has been our Executive Vice President of Operations since December 2008, at our headquarters in Huntsville, Alabama. From April 2007 to November 2008, he was Vice President of Operations for our predecessor LFDC, located in Santa Ana, California and Huntsville, Alabama.

#### **Vice President of Finance: Loyal O. Hartman III**

Mr. Hartman has been our Vice President of Finance since April 2020. He also serves as Vice President of Finance for our parent LINE-X LLC and has held that position since April 2020. From April 2012 to April 2020, he was the Finance Director for our parent LINE-X LLC. All positions listed here for Mr. Hartman are located in Huntsville, Alabama.

#### **Senior Vice President of Product Development: Isidor (Terry) Pe**

Mr. Pe has been our Senior Vice President of Product Development since July 1, 2018, in our Huntsville, Alabama office. From January 7, 2014 to June 30, 2018, he was our Vice President of Product Development, in Huntsville, Alabama. Prior to that, he was our Director of Product Development from July 2010 to January 2014, located in Santa Ana, California. From January 2007 to June 2010, he held the position of Senior Product Development Associate for us and our predecessor LFDC, in Santa Ana, California.

#### **Vice President of Franchise Operations: Samantha C. Styger**

Ms. Styger has been our Vice President of Franchise Operations since July 9, 2018. From December 2014 to July 2018, she was our Director of Franchise Operations and, from March 2013 to

In the last three fiscal years, no franchisees have entered into confidentiality agreements that restrict their ability to speak openly about their experience with our franchise system.

There are no independent trademark-specific franchisee organizations associated with the franchise system being offered that have asked to be included in this Disclosure Document.

## **ITEM 21 FINANCIAL STATEMENTS**

Attached as **Exhibit C** are our audited financial statements for our fiscal years 2019, 2018, and 2017, and our unaudited financial statements for the period from July 1, 2019 to March 31, 2020. Our fiscal year ends on June 30.

## **ITEM 22 CONTRACTS**

The following agreements are attached to this Disclosure Document:

|                  |                                                                    |
|------------------|--------------------------------------------------------------------|
| <b>Exhibit B</b> | Franchise Agreement (with Exhibits)                                |
| <b>Exhibit D</b> | Statement of Prospective Franchisee                                |
| <b>Exhibit F</b> | General Release                                                    |
| <b>Exhibit L</b> | Franchise Data Release Authorization and Confidentiality Agreement |
| <b>Exhibit M</b> | Equipment Purchase, Loan and Security Agreement                    |

## **ITEM 23 RECEIPTS**

Our and your copies of the Uniform Franchise Disclosure Document Receipt are located on the last two pages of this Disclosure Document.

**UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM JULY 1, 2019 TO MARCH 31, 2020**

**THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.**

**LINE-X Franchising LLC**  
**Balance Sheet**  
**As of March 31, 2020**

| Financial Row                              | Jul 2019<br>Amount       | Aug 2019<br>Amount       | Sep 2019<br>Amount       | Oct 2019<br>Amount       | Nov 2019<br>Amount       | Dec 2019<br>Amount       | Jan 2020<br>Amount       | Feb 2020<br>Amount       | Mar 2020<br>Amount       |
|--------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                              |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| <b>Current Assets</b>                      |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| <b>Bank</b>                                |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| 1042 - LINE-X Franchising Checking Account | (\$0.00)                 | (\$0.00)                 | (\$0.00)                 | (\$0.00)                 | (\$0.00)                 | (\$0.00)                 | (\$0.00)                 | (\$0.00)                 | (\$0.00)                 |
| <b>Total Bank</b>                          | <b>(\$0.00)</b>          | <b>(\$0.00)</b>          | <b>(\$0.00)</b>          | <b>(\$0.00)</b>          | <b>(\$0.00)</b>          | <b>(\$0.00)</b>          | <b>(\$0.00)</b>          | <b>(\$0.00)</b>          | <b>(\$0.00)</b>          |
| <b>Accounts Receivable</b>                 |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| 1240 - Allow-Doubtful Accts Ar Trade       | \$0.44                   | \$0.44                   | \$0.44                   | \$0.44                   | \$0.44                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   |
| 1260 - N/R - Note Receivable               | \$9,166.69               | \$8,333.36               | \$7,500.03               | \$7,500.03               | \$5,833.37               | \$5,000.04               | \$4,166.71               | \$3,333.38               | \$2,500.05               |
| 1305 - A/R - Related Party - Franchising.  | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   |
| <b>Total Accounts Receivable</b>           | <b>\$9,167.13</b>        | <b>\$8,333.80</b>        | <b>\$7,500.47</b>        | <b>\$7,500.47</b>        | <b>\$5,833.81</b>        | <b>\$5,000.04</b>        | <b>\$4,166.71</b>        | <b>\$3,333.38</b>        | <b>\$2,500.05</b>        |
| <b>Other Current Asset</b>                 |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| 1270 - Interest Receivable                 | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   |
| 1305 - A/R - Related Party - Franchising   | (\$16,657,986.42)        | (\$16,888,880.84)        | (\$17,175,358.00)        | (\$17,550,949.96)        | (\$17,782,851.27)        | (\$17,957,475.04)        | (\$18,284,516.24)        | (\$18,472,964.93)        | (\$20,141,512.54)        |
| 1360 - A/R Related Party - IXS             | \$2,165,088.67           | \$2,165,088.67           | \$2,165,088.67           | \$2,165,088.67           | \$2,165,088.67           | \$2,165,088.67           | \$2,165,088.67           | \$2,165,088.67           | \$2,165,088.67           |
| 1380 - A/R - Related Party - LX Retail LLC | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   |
| 1600 - Prepaid: Other                      | \$348.00                 | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   |
| <b>Total Other Current Asset</b>           | <b>(\$14,492,549.75)</b> | <b>(\$14,723,792.17)</b> | <b>(\$15,010,269.33)</b> | <b>(\$15,385,861.29)</b> | <b>(\$15,617,762.60)</b> | <b>(\$15,792,386.37)</b> | <b>(\$16,119,427.57)</b> | <b>(\$16,307,876.26)</b> | <b>(\$17,976,423.87)</b> |
| <b>Total Current Assets</b>                | <b>(\$14,483,382.62)</b> | <b>(\$14,715,458.37)</b> | <b>(\$15,002,768.86)</b> | <b>(\$15,378,360.82)</b> | <b>(\$15,611,928.79)</b> | <b>(\$15,787,386.33)</b> | <b>(\$16,115,260.86)</b> | <b>(\$16,304,542.88)</b> | <b>(\$17,973,923.82)</b> |
| <b>Other Assets</b>                        |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| 2850 - Goodwill                            | \$3,221,721.00           | \$3,221,721.00           | \$3,221,721.00           | \$3,221,721.00           | \$3,221,721.00           | \$3,221,721.00           | \$3,221,721.00           | \$3,221,721.00           | \$3,221,721.00           |
| 2858 - Accumulated Amortization - Goodwill | (\$1,584,013.32)         | (\$1,610,861.00)         | (\$1,637,708.68)         | (\$1,664,556.36)         | (\$1,691,404.04)         | (\$1,718,251.72)         | (\$1,745,099.40)         | (\$1,771,947.08)         | (\$1,798,794.76)         |
| <b>Total Other Assets</b>                  | <b>\$1,637,707.68</b>    | <b>\$1,610,860.00</b>    | <b>\$1,584,012.32</b>    | <b>\$1,557,164.64</b>    | <b>\$1,530,316.96</b>    | <b>\$1,503,469.28</b>    | <b>\$1,476,621.60</b>    | <b>\$1,449,773.92</b>    | <b>\$1,422,926.24</b>    |
| <b>Total ASSETS</b>                        | <b>(\$12,845,674.94)</b> | <b>(\$13,104,598.37)</b> | <b>(\$13,418,756.54)</b> | <b>(\$13,821,196.18)</b> | <b>(\$14,081,611.83)</b> | <b>(\$14,283,917.05)</b> | <b>(\$14,638,639.26)</b> | <b>(\$14,854,768.96)</b> | <b>(\$16,550,997.58)</b> |
| <b>LIABILITIES &amp; EQUITY</b>            |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| <b>Current Liabilities</b>                 |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| <b>Other Current Liability</b>             |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| 3300 - Accrued Payroll                     | \$90,649.62              | \$80,990.04              | \$83,420.71              | \$5,141.83               | \$38,989.74              | \$54,615.67              | \$75,421.81              | \$103,639.44             | \$95,667.17              |
| 3310 - Accrued 401k                        | \$35,079.82              | \$52,570.55              | (\$13,608.98)            | \$4,121.71               | \$24,470.30              | \$5,703.32               | \$10,487.32              | \$36,007.09              | \$56,654.94              |
| 3320 - Accrued Payroll Taxes               | \$42,931.66              | \$31,687.22              | \$32,337.15              | \$1,706.29               | \$14,707.26              | \$20,653.66              | \$31,178.15              | \$41,551.57              | \$38,356.82              |
| 3400 - Accrued Bonus: Corporate            | \$90,100.00              | \$35,500.00              | \$53,250.00              | \$5,950.00               | \$37,031.25              | \$80,419.64              | \$34,921.03              | \$78,309.42              | \$121,697.81             |
| 3410 - Accrued Vacation: Corporate         | \$166,111.38             | \$161,253.44             | \$159,149.84             | \$174,637.90             | \$179,674.11             | \$175,991.49             | \$181,338.50             | \$197,574.40             | \$193,646.27             |
| 3700 - Accrued Expenses Other              | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   |
| 3760 - Accrued Audit Fees                  | (\$0.00)                 | (\$0.00)                 | (\$0.00)                 | (\$0.00)                 | (\$0.00)                 | (\$0.00)                 | (\$0.00)                 | (\$0.00)                 | (\$0.00)                 |
| 3850 - Deferred Revenue                    | \$308,075.00             | \$339,500.00             | \$191,000.00             | \$199,500.00             | \$204,500.00             | \$203,425.00             | \$173,425.00             | \$213,425.00             | \$223,425.00             |
| <b>Total Other Current Liability</b>       | <b>\$732,947.48</b>      | <b>\$701,501.25</b>      | <b>\$505,548.72</b>      | <b>\$391,057.73</b>      | <b>\$499,372.66</b>      | <b>\$540,808.78</b>      | <b>\$506,771.81</b>      | <b>\$670,506.92</b>      | <b>\$729,448.01</b>      |
| <b>Total Current Liabilities</b>           | <b>\$732,947.48</b>      | <b>\$701,501.25</b>      | <b>\$505,548.72</b>      | <b>\$391,057.73</b>      | <b>\$499,372.66</b>      | <b>\$540,808.78</b>      | <b>\$506,771.81</b>      | <b>\$670,506.92</b>      | <b>\$729,448.01</b>      |
| <b>Equity</b>                              |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| 4100 - Paid In Capital                     | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   |
| 4300 - Retained Earnings                   | (\$2,962,072.83)         | (\$2,962,072.83)         | (\$2,962,072.83)         | (\$2,962,072.83)         | (\$2,962,072.83)         | (\$2,962,072.83)         | (\$2,962,072.83)         | (\$2,962,072.83)         | (\$2,962,072.83)         |
| 4600 - Member Contributions                | \$0.37                   | \$0.37                   | \$0.37                   | \$0.37                   | \$0.37                   | \$0.37                   | \$0.37                   | \$0.37                   | \$0.37                   |
| Retained Earnings                          | (\$10,249,492.42)        | (\$10,249,492.42)        | (\$10,249,492.42)        | (\$10,249,492.42)        | (\$10,249,492.42)        | (\$10,249,492.42)        | (\$10,249,492.42)        | (\$10,249,492.42)        | (\$10,249,492.42)        |
| Net Income                                 | (\$367,057.54)           | (\$594,534.74)           | (\$712,740.38)           | (\$1,000,689.03)         | (\$1,369,419.61)         | (\$1,613,160.95)         | (\$1,933,846.19)         | (\$2,313,711.00)         | (\$4,068,880.71)         |
| <b>Total Equity</b>                        | <b>(\$13,578,622.42)</b> | <b>(\$13,806,099.62)</b> | <b>(\$13,924,305.26)</b> | <b>(\$14,212,253.91)</b> | <b>(\$14,580,984.49)</b> | <b>(\$14,824,725.83)</b> | <b>(\$15,145,411.07)</b> | <b>(\$15,525,275.88)</b> | <b>(\$17,280,445.59)</b> |
| <b>Total LIABILITIES &amp; EQUITY</b>      | <b>(\$12,845,674.94)</b> | <b>(\$13,104,598.37)</b> | <b>(\$13,418,756.54)</b> | <b>(\$13,821,196.18)</b> | <b>(\$14,081,611.83)</b> | <b>(\$14,283,917.05)</b> | <b>(\$14,638,639.26)</b> | <b>(\$14,854,768.96)</b> | <b>(\$16,550,997.58)</b> |

**LINE-X Franchising LLC**  
**Income Statement**  
**From July 1, 2019 to March 31, 2020**

| Financial Row                                    | Jul 2019<br>Amount    | Aug 2019<br>Amount    | Sep 2019<br>Amount  | Oct 2019<br>Amount    | Nov 2019<br>Amount    | Dec 2019<br>Amount    | Jan 2020<br>Amount    | Feb 2020<br>Amount    | Mar 2020<br>Amount    | Total<br>Amount         |
|--------------------------------------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| <b>Ordinary Income/Expense</b>                   |                       |                       |                     |                       |                       |                       |                       |                       |                       |                         |
| <b>Income</b>                                    |                       |                       |                     |                       |                       |                       |                       |                       |                       |                         |
| <b>5599 - Sales</b>                              |                       |                       |                     |                       |                       |                       |                       |                       |                       |                         |
| <b>5690 - Franchise Fee Revenue</b>              |                       |                       |                     |                       |                       |                       |                       |                       |                       |                         |
| 5300 - Fees                                      | \$0.00                | \$0.00                | \$157,000.00        | \$17,500.00           | \$0.00                | \$31,075.00           | \$0.00                | \$0.00                | \$30,000.00           | \$235,575.00            |
| <b>Total - 5690 - Franchise Fee Revenue</b>      | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>\$157,000.00</b> | <b>\$17,500.00</b>    | <b>\$0.00</b>         | <b>\$31,075.00</b>    | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>\$30,000.00</b>    | <b>\$235,575.00</b>     |
| <b>Total - 5599 - Sales</b>                      | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>\$157,000.00</b> | <b>\$17,500.00</b>    | <b>\$0.00</b>         | <b>\$31,075.00</b>    | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>\$30,000.00</b>    | <b>\$235,575.00</b>     |
| <b>Total - Income</b>                            | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>\$157,000.00</b> | <b>\$17,500.00</b>    | <b>\$0.00</b>         | <b>\$31,075.00</b>    | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>\$30,000.00</b>    | <b>\$235,575.00</b>     |
| <b>Gross Profit</b>                              | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>\$157,000.00</b> | <b>\$17,500.00</b>    | <b>\$0.00</b>         | <b>\$31,075.00</b>    | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>\$30,000.00</b>    | <b>\$235,575.00</b>     |
| <b>Expense</b>                                   |                       |                       |                     |                       |                       |                       |                       |                       |                       |                         |
| <b>5999 - Expenses</b>                           |                       |                       |                     |                       |                       |                       |                       |                       |                       |                         |
| <b>6699 - Selling Expense</b>                    |                       |                       |                     |                       |                       |                       |                       |                       |                       |                         |
| 6700 - Commissions                               | \$106,914.30          | \$1,285.70            | \$2,850.00          | \$11,050.00           | \$4,825.00            | \$6,425.00            | \$22,800.00           | \$4,800.00            | \$9,650.00            | \$170,600.00            |
| <b>Total - 6699 - Selling Expense</b>            | <b>\$106,914.30</b>   | <b>\$1,285.70</b>     | <b>\$2,850.00</b>   | <b>\$11,050.00</b>    | <b>\$4,825.00</b>     | <b>\$6,425.00</b>     | <b>\$22,800.00</b>    | <b>\$4,800.00</b>     | <b>\$9,650.00</b>     | <b>\$170,600.00</b>     |
| <b>6899 - General and Administrative</b>         |                       |                       |                     |                       |                       |                       |                       |                       |                       |                         |
| <b>6999 - Salary &amp; Benefits</b>              |                       |                       |                     |                       |                       |                       |                       |                       |                       |                         |
| 7000 - Hourly Wages                              | (\$490.40)            | \$11,260.50           | (\$5,189.43)        | \$865.69              | \$332.10              | \$304.36              | \$309.81              | \$298.91              | \$251.93              | \$7,943.47              |
| 7005 - Salaries                                  | \$118,415.42          | \$138,616.79          | \$134,386.33        | \$127,986.98          | \$162,251.43          | \$151,769.59          | \$160,414.08          | \$164,010.59          | \$137,425.07          | \$1,295,276.28          |
| 7025 - Vacation Wages                            | (\$4,686.58)          | (\$3,274.17)          | (\$1,234.07)        | \$10,096.98           | \$3,414.91            | (\$2,483.35)          | \$6,371.60            | \$10,614.39           | (\$2,668.17)          | \$16,151.54             |
| 7045 - Bonus: Corporate Employees                | \$17,750.00           | \$17,750.00           | \$17,750.00         | \$17,750.00           | \$52,681.25           | \$43,388.39           | \$43,388.39           | \$43,388.39           | \$43,388.39           | \$297,234.81            |
| 7055 - Deferred Comp Match                       | \$6,953.69            | \$3,326.97            | \$3,596.81          | \$3,593.01            | \$4,352.26            | \$16,309.31           | \$11,740.66           | \$5,540.79            | \$4,559.54            | \$59,973.04             |
| 7065 - Workers Compensation                      | \$0.00                | \$0.00                | \$0.00              | \$0.01                | (\$0.01)              | \$0.00                | \$0.00                | \$0.00                | \$0.00                | \$0.00                  |
| 7070 - Payroll Taxes                             | \$12,962.82           | \$13,408.19           | \$8,925.76          | \$14,517.31           | \$11,006.28           | \$10,387.96           | \$22,520.35           | \$12,426.31           | \$10,349.32           | \$116,504.30            |
| <b>Total - 6999 - Salary &amp; Benefits</b>      | <b>\$150,904.95</b>   | <b>\$181,088.28</b>   | <b>\$158,235.40</b> | <b>\$174,809.98</b>   | <b>\$234,038.22</b>   | <b>\$219,676.26</b>   | <b>\$244,744.89</b>   | <b>\$236,279.38</b>   | <b>\$193,306.08</b>   | <b>\$1,793,083.44</b>   |
| <b>7119 - Telephone</b>                          |                       |                       |                     |                       |                       |                       |                       |                       |                       |                         |
| 7125 - Telephone - Car/Mobile Phones             | \$0.00                | \$0.00                | \$0.00              | \$0.00                | \$0.00                | \$0.00                | \$2,623.66            | \$2,194.42            | \$2,106.64            | \$6,924.72              |
| <b>Total - 7119 - Telephone</b>                  | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>\$0.00</b>       | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>\$2,623.66</b>     | <b>\$2,194.42</b>     | <b>\$2,106.64</b>     | <b>\$6,924.72</b>       |
| <b>Total - 6899 - General and Administrative</b> | <b>\$150,904.95</b>   | <b>\$181,088.28</b>   | <b>\$158,235.40</b> | <b>\$174,809.98</b>   | <b>\$234,038.22</b>   | <b>\$219,676.26</b>   | <b>\$247,368.55</b>   | <b>\$238,473.80</b>   | <b>\$195,412.72</b>   | <b>\$1,800,008.16</b>   |
| <b>Total - 5999 - Expenses</b>                   | <b>\$257,819.25</b>   | <b>\$182,373.98</b>   | <b>\$161,085.40</b> | <b>\$185,859.98</b>   | <b>\$238,863.22</b>   | <b>\$226,101.26</b>   | <b>\$270,168.55</b>   | <b>\$243,273.80</b>   | <b>\$205,062.72</b>   | <b>\$1,970,608.16</b>   |
| <b>Total - Expense</b>                           | <b>\$257,819.25</b>   | <b>\$182,373.98</b>   | <b>\$161,085.40</b> | <b>\$185,859.98</b>   | <b>\$238,863.22</b>   | <b>\$226,101.26</b>   | <b>\$270,168.55</b>   | <b>\$243,273.80</b>   | <b>\$205,062.72</b>   | <b>\$1,970,608.16</b>   |
| <b>Net Ordinary Income</b>                       | <b>(\$257,819.25)</b> | <b>(\$182,373.98)</b> | <b>(\$4,085.40)</b> | <b>(\$168,359.98)</b> | <b>(\$238,863.22)</b> | <b>(\$195,026.26)</b> | <b>(\$270,168.55)</b> | <b>(\$243,273.80)</b> | <b>(\$175,062.72)</b> | <b>(\$1,735,033.16)</b> |
| <b>Net Income</b>                                | <b>(\$257,819.25)</b> | <b>(\$182,373.98)</b> | <b>(\$4,085.40)</b> | <b>(\$168,359.98)</b> | <b>(\$238,863.22)</b> | <b>(\$195,026.26)</b> | <b>(\$270,168.55)</b> | <b>(\$243,273.80)</b> | <b>(\$175,062.72)</b> | <b>(\$1,735,033.16)</b> |

### **State Effective Dates**

The following states have franchise laws that require that the Franchise Disclosure Documents be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

| <b>State</b> | <b>Effective Date</b>                                                  |
|--------------|------------------------------------------------------------------------|
| California   | October 16, 2019, as amended April 15, 2020, and as amended            |
| Hawaii       | October 16, 2019, as amended March 31, 2020, and as amended            |
| Illinois     | October 9, 2019, as amended March 19, 2020, and as amended             |
| Indiana      | October 14, 2019, as amended March 6, 2020, and as amended May 6, 2020 |
| Maryland     |                                                                        |
| Michigan     | October 3, 2019, as amended March 6, 2020, and as amended May 6, 2020  |
| Minnesota    |                                                                        |
| New York     | October 24, 2019, as amended                                           |
| North Dakota | October 19, 2019, as amended March 18, 2020, and as amended            |
| Rhode Island | October 10, 2019, as amended April 1, 2020, and as amended             |
| South Dakota | October 7, 2019, as amended March 6, 2020, and as amended May 6, 2020  |
| Virginia     | October 11, 2019, as amended March 30, 2020, and as amended            |
| Washington   | October 16, 2019, as amended April 2, 2020, and as amended             |
| Wisconsin    | October 1, 2019, as amended                                            |

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**ITEM 23**  
**RECEIPT**

This Disclosure Document summarizes provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If LINE-X Franchising LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, whichever comes first.

New York, Oklahoma and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement, or other agreement, or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon, and Wisconsin require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise agreement, or other agreement, or the payment of any consideration, whichever comes first.

If LINE-X Franchising LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency identified on Exhibit A.

The franchisor is LINE-X Franchising LLC, located at 301 James Record Road, Suite 250, Huntsville, AL 35824. The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Samantha C. Styger, Tim Wyatt, Bob Kenna, Patrick Logan, Richard Kent Henderson, Michael Tidd, William Scott Harmon, Kevin Mullen, Matthew Walther, Tim Tyrka, Lori Rigsby, Ian Dial, James R. Graham, Brian Stewart, Richard Ashe, Andrew Wilson, Greg Fields, Karen Flamm, and Jeff Dawson, all at 301 James Record Road, Suite 250, Huntsville, Alabama 35824, (800) 831-3232.

Issuance Date: September 24, 2019, as amended March 6, 2020, and May 6, 2020. LINE-X Franchising LLC authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a Franchise Disclosure Document dated September 24, 2019, as amended March 6, 2020, and May 6, 2020. This Disclosure Document included the following Exhibits:

- A. List of State Agents for Service of Process and State Administrators
- B. Franchise Agreement and Exhibits
- C. Financial Statements
- D. Statement of Prospective Franchisee
- E. Table of Contents of The Operations Manual
- F. General Release of All Claims
- G. State-Specific Addenda
- H. List of Franchisees and Their Outlets
- I. List of Franchisees Who Ceased to do Business under The Franchise Agreement
- J. Equipment Package List
- K. Initial Inventory List
- L. Franchise Data Release Authorization and Confidentiality Agreement
- M. Equipment Purchase, Loan and Security Agreement
- N. State Effective Dates
- O. Receipts

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Date

*Keep this copy for your records.*

**ITEM 23**  
**RECEIPT**

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- J. Equipment Package List
- K. Initial Inventory List
- L. Franchise Data Release Authorization and Confidentiality Agreement
- M. Equipment Purchase, Loan and Security Agreement
- N. State Effective Dates
- O. Receipts

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Date

*Please sign this copy of the receipt, date your signature, and return it to 301 James Record Road, Suite 250, Huntsville, AL 35824.*