

**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.

## USA Mobile Drug Testing Business Proforma

	Adding Two (2) New Companies Per Month			Adding Three (3) New Companies Per Month		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
<b><u>OPERATING REVENUE</u></b>						
Lab Testing Revenues	\$19,968.00	\$56,832.00	\$93,696.00	\$29,952.00	\$85,248.00	\$140,544.00
Instant Testing Revenues	\$3,088.80	\$8,791.20	\$14,493.60	\$4,633.20	\$13,186.80	\$21,740.40
Retail Post Accident/Emergency Testing @\$393 per	\$3,065.40	\$8,724.60	\$14,383.80	\$4,598.10	\$13,086.90	\$21,575.70
TPA Post Accident @ \$300.00 per event	\$7,800.00	\$14,400.00	\$14,400.00	\$7,800.00	\$14,400.00	\$14,400.00
TPA Mobile Collection	\$1,575.00	\$5,292.61	\$16,610.48	\$1,575.00	\$5,292.61	\$16,610.48
BAT Revenues	\$2,808.00	\$7,992.00	\$13,176.00	\$4,212.00	\$11,988.00	\$19,764.00
Shield Program	\$3,900.00	\$11,100.00	\$18,300.00	\$5,850.00	\$16,650.00	\$27,450.00
Avg Mobile Fee Per Test	\$15,600.00	\$44,400.00	\$73,200.00	\$23,400.00	\$66,600.00	\$109,800.00
<b>Total Gross Revenue</b>	<b>\$57,805.20</b>	<b>\$157,532.41</b>	<b>\$258,259.88</b>	<b>\$82,020.30</b>	<b>\$226,452.31</b>	<b>\$371,884.58</b>
<b><u>OPERATING EXPENSES</u></b>						
Labor/ Collector(s) for Drug Testing	\$4,305.60	\$12,254.40	\$20,203.20	\$6,458.40	\$18,381.60	\$30,304.80
Labor / Retail Post Accident / Triple Time Pay	\$968.76	\$2,757.24	\$4,545.72	\$1,453.14	\$4,135.86	\$6,818.58
Labor / TPA Post Accident / Triple Time Pay	\$3,229.20	\$5,961.60	\$5,961.60	\$3,229.20	\$5,961.60	\$5,961.60
Labor / BAT Testing	\$430.56	\$1,225.44	\$2,020.32	\$645.84	\$1,838.16	\$3,030.48
Shield Training Fees	\$780.00	\$2,220.00	\$3,660.00	\$1,170.00	\$3,330.00	\$5,490.00
Payroll Fees	\$828.00	\$828.00	\$828.00	\$828.00	\$828.00	\$828.00
Telephone	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00
Email / Technology Fee	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00
Auto Expenses, Fuel, Insurance, Misc.	\$8,960.00	\$16,640.00	\$24,320.00	\$11,040.00	\$22,560.00	\$34,080.00
Advertising/ Marketing	\$9,000.00	\$12,000.00	\$12,000.00	\$9,000.00	\$12,000.00	\$12,000.00
Lab Test Costs	\$6,864.00	\$19,536.00	\$32,208.00	\$10,296.00	\$29,304.00	\$48,312.00
Instant Test Costs	\$514.80	\$1,465.20	\$2,415.60	\$772.20	\$2,197.80	\$3,623.40
Miscellaneous Supplies	\$780.00	\$2,220.00	\$3,660.00	\$1,170.00	\$3,330.00	\$5,490.00
MRO/ Professional Svcs.	\$1,872.00	\$5,328.00	\$8,784.00	\$2,808.00	\$7,992.00	\$13,176.00
Insurance Prof Liability	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
USAMDT Drug Test Results/Processing	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00
Royalty 6.5%	\$3,993.30	\$10,239.61	\$16,786.89	\$5,002.26	\$14,719.40	\$24,172.50
<b>Total Operating Expenses</b>	<b>\$49,198.22</b>	<b>\$99,347.49</b>	<b>\$144,065.33</b>	<b>\$60,545.04</b>	<b>\$133,250.42</b>	<b>\$199,959.36</b>
<b>NET PROFIT</b>	<b>\$8,606.98</b>	<b>\$58,184.92</b>	<b>\$114,194.55</b>	<b>\$21,475.26</b>	<b>\$93,201.89</b>	<b>\$171,925.22</b>

## USA Mobile Drug Testing Business Proforma (Continued)

	Adding Four (4) New Companies Per Month			Adding Five (5) New Companies Per Month		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
<b><u>OPERATING REVENUE</u></b>						
Lab Testing Revenues	\$39,936.00	\$113,664.00	\$187,392.00	\$49,920.00	\$142,080.00	\$234,240.00
Instant Testing Revenues	\$6,177.60	\$17,582.40	\$28,987.20	\$7,722.00	\$21,978.00	\$36,234.00
Retail Post Accident/Emergency Testing @\$393 per	\$6,130.80	\$17,449.20	\$28,767.60	\$7,663.50	\$21,811.50	\$35,959.50
TPA Post Accident @ \$300.00 per event	\$7,800.00	\$14,400.00	\$14,400.00	\$7,800.00	\$14,400.00	\$14,400.00
TPA Mobile Collection	\$1,575.00	\$5,292.61	\$16,610.48	\$1,575.00	\$5,292.61	\$16,610.48
BAT Revenues	\$5,616.00	\$15,984.00	\$26,352.00	\$7,020.00	\$19,980.00	\$32,940.00
Shield Program	\$7,800.00	\$22,200.00	\$36,600.00	\$9,750.00	\$27,750.00	\$45,750.00
Avg Mobile Fee Per Test	\$31,200.00	\$88,800.00	\$146,400.00	\$39,000.00	\$111,000.00	\$183,000.00
<b>Total Gross Revenue</b>	<b>\$106,235.40</b>	<b>\$295,372.21</b>	<b>\$485,509.28</b>	<b>\$130,450.50</b>	<b>\$364,292.11</b>	<b>\$599,133.98</b>
<b><u>OPERATING EXPENSES</u></b>						
Labor/ Collector(s) for Drug Testing	\$8,611.20	\$24,508.80	\$40,406.40	\$10,764.00	\$30,636.00	\$50,508.00
Labor / Retail Post Accident / Triple Time Pay	\$1,937.52	\$5,514.48	\$9,091.44	\$2,421.90	\$6,893.10	\$11,364.30
Labor / TPA Post Accident / Triple Time Pay	\$3,229.20	\$5,961.60	\$5,961.60	\$3,229.20	\$5,961.60	\$5,961.60
Labor / BAT Testing	\$861.12	\$2,450.88	\$4,040.64	\$1,076.40	\$3,063.60	\$5,050.80
Shield Training Fees	\$1,560.00	\$4,440.00	\$7,320.00	\$1,950.00	\$5,550.00	\$9,150.00
Payroll Fees	\$828.00	\$828.00	\$828.00	\$828.00	\$828.00	\$828.00
Telephone	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00
Email / Technology Fee	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00
Auto Expenses, Fuel, Insurance, Misc.	\$13,120.00	\$28,480.00	\$43,840.00	\$15,200.00	\$34,400.00	\$53,600.00
Advertising/ Marketing	\$9,000.00	\$12,000.00	\$12,000.00	\$9,000.00	\$12,000.00	\$12,000.00
Lab Test Costs	\$13,728.00	\$39,072.00	\$64,416.00	\$17,160.00	\$48,840.00	\$80,520.00
Instant Test Costs	\$1,029.60	\$2,930.40	\$4,831.20	\$1,287.00	\$3,663.00	\$6,039.00
Miscellaneous Supplies	\$1,560.00	\$4,440.00	\$7,320.00	\$1,950.00	\$5,550.00	\$9,150.00
MRO/ Professional Svcs.	\$3,744.00	\$10,656.00	\$17,568.00	\$4,680.00	\$13,320.00	\$21,960.00
Insurance Prof Liability	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
USAMDT Drug Test Results/Processing	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00
Royalty 6.5%	\$6,011.23	\$19,199.19	\$31,558.10	\$7,020.19	\$23,678.99	\$38,943.71
<b>Total Operating Expenses</b>	<b>\$71,891.87</b>	<b>\$167,153.35</b>	<b>\$255,853.38</b>	<b>\$83,238.69</b>	<b>\$201,056.29</b>	<b>\$311,747.41</b>
<b>NET PROFIT</b>	<b>\$34,343.54</b>	<b>\$128,218.86</b>	<b>\$229,655.90</b>	<b>\$47,211.81</b>	<b>\$163,235.82</b>	<b>\$287,386.57</b>

**Notes:**

1. **Companies Testing.** When you first open your USAMDT franchise, you will probably not have any Companies Testing. It is your responsibility to acquire new Companies. The number of Companies you will have will depend on various factors, such as the demographics of your market area, the testing fees you charge, your marketing efforts and your ability. Ongoing networking and marketing will be critical to maintain and grow your business. It may take you several months (or even years) to reach the total number of companies being tested that are shown in these tables.
2. **Testing Fees.** You are free to set the amount of the monthly membership fees you will charge. The amounts you decide to charge will affect the profitability of your franchise.
3. **Owner Operated.** These tables are assuming an Owner Operated business model. If you meet the requirements and elect to operate on a more passive basis with a fulltime manager in place, their agreed upon compensation package is not reflected within these tables
4. **Advertising Expenses.** The amount shown in the tables reflects the minimum amount for advertising expenses, and do not include grand opening marketing expenses. You will want to expend more on advertising for the best chance to grow your business.
5. **Insurance Expense.** Your insurance costs may vary due to: your location, your insurance claims history, your ability to qualify for premium discounts and the level of insurance coverage required by your contractual obligations, such as a finance company.
6. **Gross Annual Revenues.** The gross annual revenues were calculated on four different levels of bringing on companies you'll be working with on a consistent basis and the suggested retail testing fees. USAMDT franchise headquarters does not represent, claim, warrant, guarantee or promise that you will have any of these levels of monthly growth or that you will be able to charge this level of testing and other fees. The amount of revenue you may receive is dependent on many factors which may include the amount of time investment you provide to your franchise, your ability to grow your business, the level of fees you can charge in your territory and the number of companies you are able to bring on.
7. **Depreciation Expenses.** These tables do not show any expenses for depreciation. You may want to consider depreciation expenses associated with any furniture, equipment and other assets relating to your USAMDT franchise.
8. **Debt Service.** These tables do not include any expenses for interest or other debt service for any financing you may have. This information can vary substantially among franchisees. You should consider your own financial situation in determining the amount of debt service expenses you may have.
9. **Sales or Use Tax.** These tables do not include any revenues or expenses relating to the collection or payment of state taxes.
10. **Income and Franchise Tax.** These tables do not include any provision for federal, state or local income tax or state franchising tax.
11. **Operating History.** USAMDT territories typically take some time to become established.
12. **Additional Revenue.** There may also be additional profit centers the franchisor will make available from time to time that are not included in these tables.

13. **Local Cost of Living.** The amount of revenues and the cost of expenses can be affected by the local cost of living from one city to another. If your cost of living is higher and you maintain the suggested retail pricing you will have a lower net profit. Your true net profit will also be affected by how well you control your expenses, the cost of living in your area, and how much you are able to charge for monthly membership fees.

14. **Addition Support Documents.** The documents that were used to calculate the monthly figures can be provided as a spreadsheet upon your request.

15. The information in this Item 19 should not be considered a representation or guaranty that you will or may achieve any level of revenue, sales or profits, or that you will experience the same or similar expenses or costs in the operation of your USA Mobile Drug Testing Business.

16. You are strongly encouraged to consult with your own financial advisors and other professionals, in reviewing the tables and, in particular, in estimating your sales as well as the categories and amounts of costs and expenses that are not included in the table that you will or may incur in operating your own USA Mobile Drug Testing Business.

17. **Actual results, including revenues, costs and expenses, vary from business to business, and from franchisee to franchisee. We cannot estimate or predict the results of any specific business or franchisee, or that you may experience as a franchisee. Results of a new franchisee's Franchised Business are likely to differ from those of established USA Mobile Drug Testing Businesses.**

USA Mobile Drug Testing, LLC 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 Joe Strom, our President and CEO at 15310 Amberly Drive, Suite 220, Tampa, Florida 33647, (800-851-2021), the Federal Trade Commission, and the appropriate state regulatory agencies.