

A HIGH-PERFORMANCE VEHICLE.

J.D. BYRIDER®
FRANCHISING



A man in a white dress shirt and light blue tie is smiling and holding a clipboard with a line graph. He is standing in front of a white car, with the grille and headlights visible in the foreground. The background is a bright, clean setting.

HAVE THE DRIVE TO SUCCEED AND CONTROL YOUR FUTURE?

"I'm a new car dealer in Columbia, South Carolina . . . and we do very well. The opportunity, though, to have the J.D. Byrider franchise just fit in perfectly . . . for a number of reasons. We're able to cater to ALL levels of the customer . . . I'd recommend J.D. Byrider to anyone." J.T. Gandolfo, new car dealer, Columbia, S.C.



ENORMOUS MARKET + FRAGMENTED INDUSTRY TREMENDOUS OPPORTUNITY

Here's a business opportunity based on an enormous market and a fragmented industry, solidified with the support and know-how of J.D. Byrider, the nation's leading used car and finance franchise.

Millions of Americans rely on their car to get to work. J.D. Byrider sells cars to those who need reliable transportation and financing to afford a decent ride. When they can't get it, they're forced to deal with a variety of unsophisticated independent used car lots that, historically, have not provided very good vehicles. To make matters worse, those dealers provide little to no protection for the customer... and even worse service.

The J.D. Byrider system enables these consumers to get quality cars, financing, service and protection. When they're successful, you're successful.

Market size

The most constant demand for vehicles is in the 5- to 10-year-old market segment. In fact, 74 percent of used car buyers end up purchasing cars that are 5 to 10 years old. J.D. Byrider offers the largest collective supply of vehicles in this high-demand category.

What are J.D. Byrider's strengths?

- + National brand image backed by a successful business model
- + Incomparable information technology
- + Expert training
- + Solid marketing

GET TO KNOW US

Privately held J.D. Byrider was founded by the late new car dealer Jim DeVoe, Sr., more than 20 years ago. He saw a need for customer service and professionalism unmatched in the industry and used his background in the car AND finance businesses to propel J.D. Byrider into America's number one used car and finance franchise.

In 2011, J.D. Byrider was acquired by private equity firm Altamont Capital Partners, which provides strategic direction, experienced resources, and additional capital to support the company's growth and franchisee expansion initiatives.

Experience has taught us that no business will be successful without putting the customer first. That attitude is best summed up in our Purpose and Values statements:

The J.D. Byrider Purpose:

To provide a program that exceeds the customers' expectations and maximizes their opportunity for advancement.

The Values of J.D. Byrider:

- 1 Integrity in all we say and do.
- 2 Caring attitude toward customers and team members.
- 3 Excellence to stay ahead of the competition and ensure long-term opportunity.
- 4 Teamwork to most effectively serve customers and solve problems.

If this sounds like an organization that has the values you're looking for, please call **800-947-4532** to schedule your Discovery Day at our corporate headquarters in Carmel, Indiana.



“With my history with other franchise businesses, I do know the level of involvement you usually get. Byrider gives you a lot more.”

Rich Stutts, multi-unit franchise owner, Indianapolis

WHY FRANCHISE WITH J.D. BYRIDER?

As current franchisees can attest, J.D. Byrider has built a solid business based on Experience, Expertise, Solutions and Community.

EXPERIENCE

We’ve sold and financed nearly 1 million vehicles in our more than 22 years in business. We’ve provided customers at more than 140 locations in 31 states with better cars, affordable payments and better car care — including warranties and other money-saving benefits — more than anyone else in the market. Our systems and standards for collections of receivables, as well as our underwriting tools, are second to none. With J.D. Byrider, you simply gain access to the most experienced group of used car sales and finance professionals in the world.

EXPERTISE

We have a deep bench of talent, with years of industry experience, backed by Altamont Capital Partners. From franchisees to corporate leadership, you’ll have access to superior knowledge in car buying, reconditioning, sales lead sourcing, sales management, underwriting, service and collections. Working with these pros and adhering to the system can put you on the road to maximum profitability.

SOLUTIONS

J.D. Byrider’s proprietary Discover™ Software System sets J.D. Byrider apart from all the rest. Discover™ can help guide you to the correct solutions in this complex business, while allowing you to easily adhere to the standards and procedures required within our operating manuals and contractual agreements. Our industry-leading management reporting tools will allow you to keep tight control and provide you tools to train your team members very effectively.

COMMUNITY

Among the most valuable offerings to any prospective franchisee is our culture of sharing from all levels of the organization and our family of franchisees. You will find a community of highly skilled professionals who understand the team philosophy and its positive impact on the brand.

“One of the things that I have found to be most advantageous as a Byrider dealer has been the openness and good communication between the franchise company and the franchisee . . . somebody to look over my shoulder and make sure I was doing the right thing . . .”

Gary Tillery, new car dealer, Albuquerque, N.M.

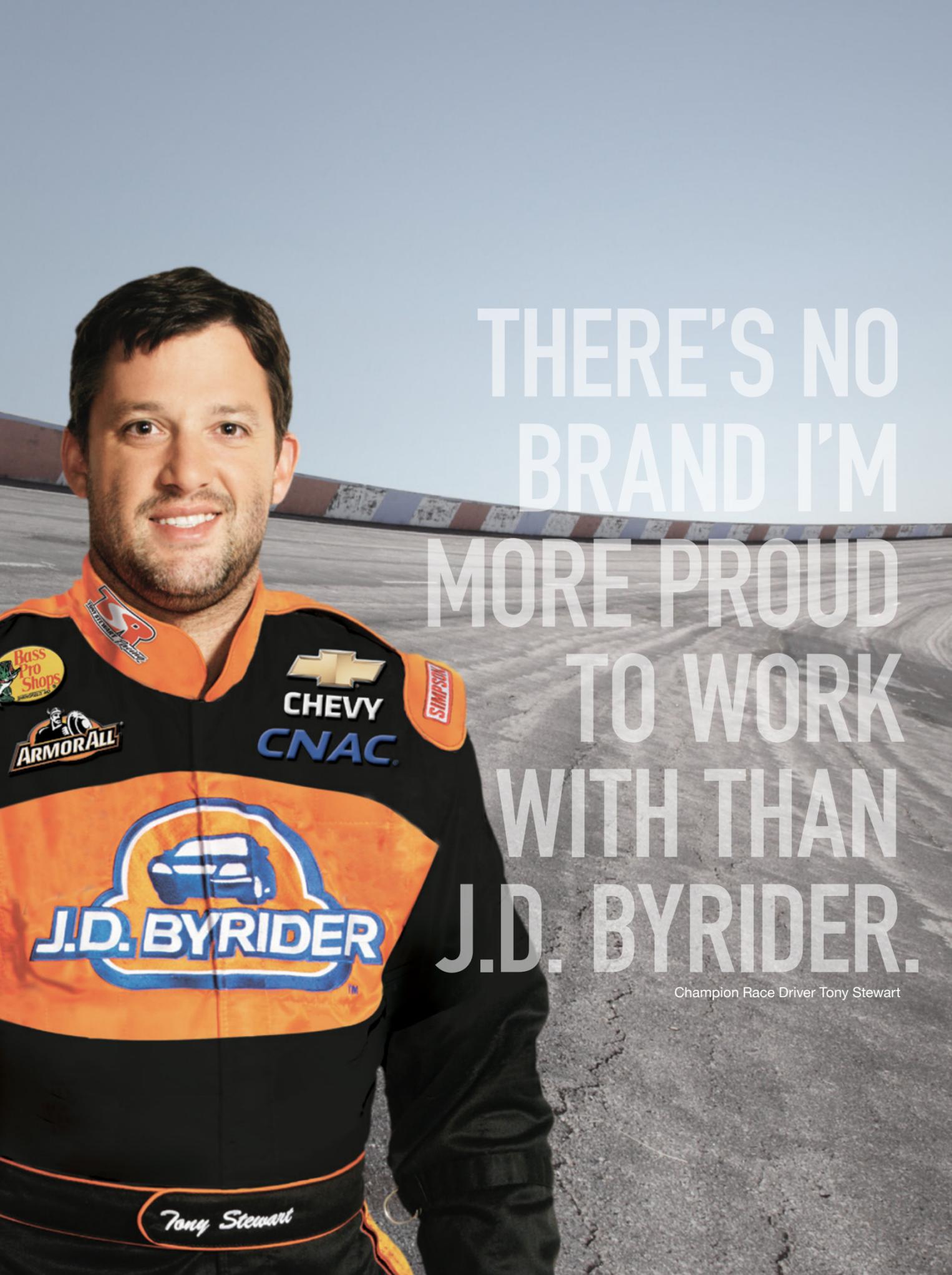
WE SUPPORT YOU

When you sign up to become a J.D. Byrider franchisee, you are not alone. You have our support in all areas of the business — from real estate and financing to underwriting and collections. One of our Franchise Consultants will serve as your personal business coach and adviser. With access to the performance data of all other dealerships in the system, they help you see the full picture of how the business is operating, discover ways to improve profitability and learn best practices from other franchisees.

Other support occurs with:

- + Formal meetings three times per year to review our businesses and discuss ways to improve. Two of these meetings are focused, comparative operational reviews. The third is an annual convention where the corporate management team reviews the business as a whole, and franchisees and corporate staff are offered workshops and opportunities to build relationships with one another.
- + A fully staffed help desk for software and computer questions.
- + A marketing team ready to customize advertising for individual franchisees.
- + Our public relations agency that keeps an eye on the industry and helps publicize your new store opening and other milestones.
- + Our entire senior management team, including the CEO, are always available to every franchisee by phone or email.
- + Informal team-building outings, attended by smaller groups of franchisees, throughout the year. These provide additional training and opportunities to develop lasting relationships between corporate staff and fellow franchisees.





THERE'S NO
BRAND I'M
MORE PROUD
TO WORK
WITH THAN
J.D. BYRIDER.

Champion Race Driver Tony Stewart

“We get a lot of support. In our advertising, we’re telling our story... we want to give you a good, dependable car... help you get to the finish line and help you get to higher ground.”

Jeff Lee, former new car sales manager, Des Moines, Iowa

MARKETING AND ADVERTISING YOUR BUSINESS

J.D. Byrider provides complete end-to-end marketing and advertising support for all franchisees. This support includes a package of pre-produced advertising materials that runs the gamut from TV to print to the Internet and more, as well as in-store branding and marketing materials that promote sales, financing and service.

You do not need to spend additional funds creating materials in your market. The J.D. Byrider Advertising Group, Inc., has produced a complete library of materials to promote the brand and drive traffic to your dealership.

The Ad Group is a separate company operated and managed by its own President, who reports to a Board of Directors comprised of six franchisees and three corporate representatives. This allows franchisees to have a greater voice in the direction of the franchise and its marketing efforts. As a franchisee, you have the option to seek the votes of your fellow franchisees and be elected to serve on this board. If your spirit so moves you, this is your chance to take an active role in defining the direction and creative aspects of our entire marketing effort.

A Champion Race Driver as your spokesperson

In the true spirit of competition, J.D. Byrider brings NASCAR, IRL AND USAC champ Tony Stewart to the front of our branding materials as a celebrity spokesperson. The relationship with Tony is managed by the J.D. Byrider Advertising Group, Inc., and garners much additional brand exposure through Tony's efforts with NASCAR, The World of Outlaws, dirt late-model racing and wherever else Tony goes.

This relationship has landed the J.D. Byrider brand on national television and in national print publications, such as USA Today and the cover of Sports Illustrated.

“The systems, the data, the community of the dealers, and having access to that, allowed us to double in size. . .”

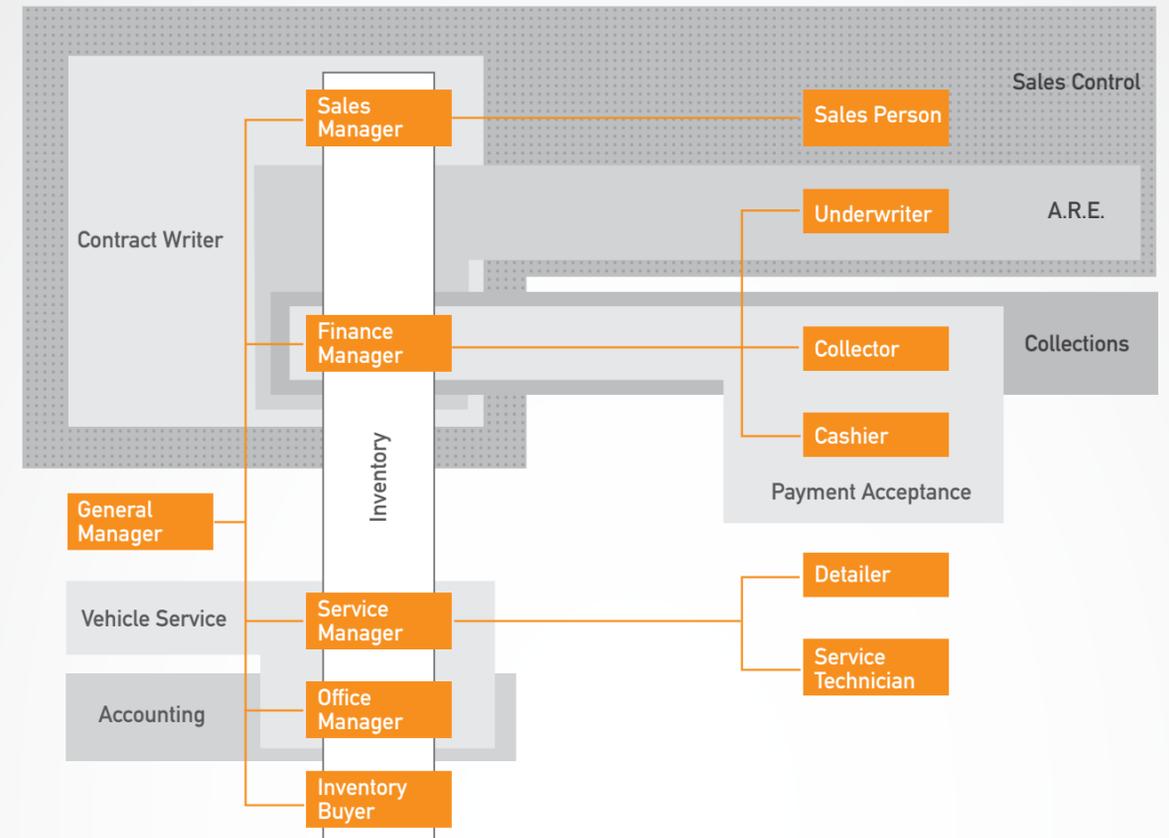
Derre Buike, former new car dealer, Cleveland

DISCOVER™ — OUR PROPRIETARY SOFTWARE SYSTEM

Quite simply, what sets J.D. Byrider apart from the competition: Our information systems are the best. Built on more than 20 years' experience, the sale of nearly 1 million cars and origination of more than \$7 billion of retail installment contracts, our proprietary Discover™ Software System fully integrates and automates information gathering from all aspects of the business, including outside sources such as banks and credit bureaus. Data is collected into a centralized data warehousing facility where it is verified, sorted and retransmitted to our franchisees as a set of useful management tools and reports.

Discover™ manages every aspect of your business . . . accounting, sales, customer relations management, underwriting, service department management, collections management, comparative national car buying reports, overhead cost management and more. The Automated Risk Evaluator (A.R.E.) tool is built into the underwriting module and helps you make accurate, on-the-spot underwriting decisions to improve the performance of your portfolio of contracts.

J.D. Byrider contract portfolios have more than 23 percent lower charge-off rates (bad debts) than the rest of the industry¹. That can equate to hundreds of thousands of dollars per year per store in extra collections using Discover™ over other used car and finance options. A.R.E., quite literally, helps identify the most profitable potential sales to pursue.



The Discover™ Software System seamlessly integrates management of:

- Inventory
- Sales Control/CRM
- Credit bureau interface
- Risk management tools
- Vehicle service
- Deal structuring
- Contract receivables
- Collections/CRM
- Management reporting
- Bad debt recovery
- Accounting/financial system
- Virus protection
- Shared infrastructure
- Data warehousing and integrity
- Strong auditing controls

Additional features:

- Full-time help desk support
- Remote and mobile access to system and data
- PC purchase program

As a business leader, this system provides you complete control through real-time access to data. And, with mobile access, you can manage your business even when you're not in the store. As a business owner, you will be able to provide every manager and employee with the most advanced tools, allowing them to perform at levels they could not reach anywhere else. Discover™ keeps things under control for you.

¹Calculated from industry bad debts data collected and provided by Shilson, Goldberg, Cheung and Associates/Subprime Analytics presented at the 20011 NABD Annual Conference.

PUTTING YOU IN THE DRIVER'S SEAT.

THE J.D. BYRIDER BUSINESS MODEL

Our fully integrated business model gives you control — from purchasing all the way to providing your customers the financing they need to purchase your product. In other businesses, you are at the mercy of outside sources for product, capital and, many times, personnel.

We train your staff to be effective at:

- + Sourcing the product (buying cars, inspecting/reconditioning your inventory so you consistently put a quality product on your lot)
- + Caring for your customer (generating traffic, sourcing qualified buyers on-site and online, providing industry-leading auto service experience)
- + Banking the deal (making financing decisions with tools and information that help ensure your receivables will perform and deliver the profitability you expect, collecting with integrity)

The business model provides a remarkably strong return on investment. Vertical integration and direct management ties between our two distinct brands, J.D. Byrider — the “car sales” dealership — and CNAC (CarNow Acceptance Company) — the related finance company that services the retail installment contracts — put you in total control and allow you to make good business decisions and maximize profits.

We've sold nearly one million vehicles while establishing customer satisfaction ratings for both sales and service of at least 90 percent — the highest in the industry.

You have options

We do not limit the number of stores our franchisees can own as some franchise systems do. An Area Development Agreement allows you to purchase rights to a larger area where more than one store would be required to service customers. In fact, we have a number of multi-unit franchisees who are continuing to grow their businesses, income and net worth.

What about financing?

J.D. Byrider maintains relationships with numerous national and regional lenders in order to attract capital to our business to benefit our franchisees. Ultimately, you will need a credit line of approximately \$5 million when your portfolio of receivables reaches maturity (normally a three-year time frame).

The Franchise Disclosure Document provides detailed information regarding the fees, contractual relationship with Byrider Franchising, LLC and the profit experience of corporately owned units. Please refer to that information for a more detailed understanding of the franchise offering and business model.

The costs associated with franchising a J.D. Byrider dealership are:

Franchise fee

\$50,000 for your first unit; \$35,000 for each additional unit.

Royalty fee

2.5 percent of gross sales (vehicle sales price) and 1 percent of gross receipts (repayment of debt). Monthly royalties are capped at \$12,000. Royalty caps decline with the opening of additional locations.

Initial capital

We require franchisees to have a minimum of \$1 million in liquid capital to invest in the business.

Advertising fee

We require a monthly fee of \$1,500 for each location to be paid into the J.D. Byrider Advertising Group fund. For this fee, you receive an entire marketing and advertising support package which is constantly updated and made available to you.

YOU'RE WELL ON YOUR WAY.

Ready to get started? Please call or email the Franchising Department to take the next step.
(800) 947-4532 | franchise@jdbyrider.com

J.D. BYRIDER SYSTEMS, LLC | 12802 HAMILTON CROSSING BLVD., CARMEL, IN 46032 | franchise.jdbyrider.com

