

## FRANCHISE DISCLOSURE DOCUMENT



HealthSource Chiropractic, LLC  
an Ohio limited liability company  
P.O. Box 770050  
Lakewood, OH 44107  
(440) 934-5858  
Email: [kwallace@healthsourcechiro.com](mailto:kwallace@healthsourcechiro.com)  
[www.healthsourcechiro.com](http://www.healthsourcechiro.com)  
[www.HSFranchising.com](http://www.HSFranchising.com)

HealthSource Chiropractic clinics are business-to-consumer franchises with an easy operating system that provide “progressive rehabilitation,” by offering physical therapy and chiropractic services together as a comprehensive solution for pain relief, restoration of function, wellness care, and other related services and products. We offer individual Clinic franchises for the right to develop and operate a single Clinic offering all of our franchised services and products in a designated area.

The total investment necessary to begin operation of a single, new start-up Clinic franchise ranges from **\$435,932.00 to \$635,932,078.00**. This includes the initial franchise fee of \$60,000 that must be paid to the franchisor. The total investment necessary to begin operation of an existing chiropractic clinic converted to a HealthSource Chiropractic Clinic franchise ranges from **\$83,447.00 to \$400,005.00**. This includes the initial franchise fee of \$35,000 that must be paid to the franchisor.

The total investment necessary to begin operation of a multi-unit development agreement for two to three start-up Clinic franchise ranges from **\$485,932.00 to \$710,078.00**. This includes the initial franchise fee of \$110,000 to \$135,000 that must be paid to the franchisor. The minimum of number of units offered for a multi-unit development agreement is two.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this 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 payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental 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 disclosure in different formats, contact HealthSource Chiropractic, LLC at P.O. Box 770050 Lakewood, OH 44107, (440) 934-5858.

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 an accountant.

believe that HealthSource Chiropractic Clinics will appeal to customers because of the specific services offered, the pricing model, unique brand awareness, expert and family-friendly environment, and other distinctive characteristics. While you will provide your products and services to the general public, your target market will be persons suffering from back or neck pain, headaches, arm or leg pain, carpal tunnel, or fibromyalgia, regardless of age. HealthSource Chiropractic Clinics are typically located in high-traffic strip malls.

### **Industry-Specific Laws and Regulations**

Many states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your HealthSource Chiropractic franchise. For example, state licensing and certification requirements may apply to persons who perform services for you or at your Clinic location, or to the legal structure of your business. These laws and regulations may also impose restrictions on referrals for designated health services to entities with which you have financial relationships. Also, you must comply with any and all federal, state and/or local privacy laws pertaining to your care recipients, including but not limited to HIPAA and the HI-TECH Act and related laws, rules and regulations. In all cases, you must also comply with laws that apply generally to all businesses. You should investigate these laws and consult with a legal advisor about whether these and/or other requirements apply to your franchise. Violations of these laws and regulations may result in substantial civil or criminal penalties for individuals or entities.

### **Item 2**

#### **BUSINESS EXPERIENCE**

##### **Chief Executive Officer and Chairman: Chris Tomshack, D.C.**

Dr. Tomshack has served as our President and Chief Executive Officer since our incorporation in November 2005. Dr. Tomshack also presently serves as Chairman since February 2012. [We are located in Lakewood, Ohio.](#)

##### **Executive Vice President: Treasurer: Lisa Tomshack**

Ms. Tomshack has been the Treasurer of HealthSource Chiropractic since its inception in November 2005. Mrs. Tomshack was named Executive Vice President in 2016. [We are located in Lakewood, Ohio.](#)

##### **Chief Operating Officer: Cris Casazza**

Mr. Casazza has been the Chief Operating Officer since September 2024. [We are located in Lakewood, Ohio.](#) Prior to joining HealthSource, he was a Senior Vice President of Operations for Empire Portfolio Group (d/b/a Orangetheory Fitness) from November 2016 to June 2024, located in Woodland Park, New Jersey.

##### **Chief Financial Officer: Kristen Wallace**

Ms. Wallace has been the Chief Financial Officer for HealthSource Chiropractic since June 2019. Prior to that position, she was the controller for HealthSource Chiropractic from February 2012 until June 2019. [We are located in Lakewood, Ohio.](#)

**Director of Operations: Nicole Gleason-Hughes**

Ms. Gleason-Hughes has been the Director of Operations since July 2019. [We are located in Lakewood, Ohio.](#)

**Director of Training: Anne Winters**

Ms. Winters has been the Director of Training since March 2017. [We are located in Lakewood, Ohio.](#)

**Vice President of Marketing: Nora McGillicuddy**

Mrs. McGillicuddy has been the Vice President of Marketing since September 2022. [We are located in Lakewood, Ohio.](#) Mrs. McGillicuddy was previously the Vice President of Marketing for Zoup! Eatery, located in Southfield, Michigan from 2021 to 2022.

**Director of Clinical Operations and Training: Dr. Brady Schuyler, D.C.**

Dr. Schuyler has been the Director of Clinical Operations and Training since July 2019. [We are located in Lakewood, Ohio.](#) Prior to this position, Dr. Schuyler was employed by HealthSource Chiropractic as part of its operations and franchisee support team from January 2018 until July 2019.

**Director of Development and Global Expansion: Dr. Maziar Nejad, D.C.**

Dr. Nejad has served as the Director of Development and Global Expansion since August 2021. [We are located in Lakewood, Ohio.](#) Dr. Nejad is also part-time adjunct faculty at Cuyahoga County Community College, located in Cleveland, Ohio, in its business department and has served in this role since September 2021. Dr. Nejad is also a Realtor with Howard Hanna, located in Rocky River, Ohio, since October 2020. Prior to joining HealthSource Chiropractic, Dr. Nejad owned and operated chiropractic clinics located in Vermilion, Ohio, from January 2008 to October 2020, in Lorain, Ohio, from January 2012 to October 2020, and in Sandusky, Ohio from August 2009 to October 2020.

The necessary business experience of our franchise brokers, sales agents and regional developers is contained in Exhibit F of this Disclosure Document.

**Item 3**

**LITIGATION**

The following litigation involves us:

**Public Agency Orders**

[Commonwealth of Virginia v HealthSource Chiropractic, Inc. and Bernard Brozek; Case No. SEC-2019-00058.](#) On January 29, 2020, we entered into and delivered a Settlement Order with the Virginia State Corporation Commission's Division of Securities and Retail Franchising (the "Division"). The Division alleged that our 2017 and 2018 disclosure documents failed to disclose a prior personal bankruptcy one of our officers, Bernard Brozek, and therefore, violated the Virginia Retail Franchising Act. We do not admit or deny the Division's allegation. In order to resolve this matter without the further cost and expense of formal proceedings, we agreed to

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 9.3 and 17.8	<u>Subject to applicable state law,</u> <del>Ne</del> ither you, your Principal Owners, General Managers, nor any immediate family members of you or your Principal Owners may perform services for or have any interest in any competitive business.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	Not applicable, <u>subject to applicable state law.</u>
s. Modification of the agreement	Section 20	No modifications to Franchise Agreement unless you and we agree in writing; we may amend Operations Manual at any time.
t. Integration/merger clause	Section 20	Only the Franchise Agreement applies (subject to state and federal law); all other agreements or promises not enforceable, except that nothing in the Franchise Agreement will operate to waive or disclaim your right to rely on the representations and claims asserted in this FDD.
u. Dispute resolution by arbitration or mediation	Section 17.9	<p>Except for certain claims, we and you must arbitrate all disputes in Lorain County, Ohio (subject to state law) before a single arbitrator with the American Arbitration Association.</p> <p>Except as we elect to enforce the Franchise Agreement or to seek temporary or permanent injunctive relief, before either party commences an arbitration, the parties agree that, as a condition precedent to the filing or commencement of any arbitration, they will attempt to resolve any dispute through internal mediation between the parties to be conducted in a mutually agreeable location, or if no such location is agreed upon within 10 days after a request for mediation, then at our corporate headquarters. In the event that no settlement or resolution between the parties can be</p>

Provision	Section in Development Agreement	Summary
		obligations under the Development Agreement is terminated or subject to termination by us, pursuant to the terms of that Franchise Agreement.
i. Developer's obligations on termination/ nonrenewal	Not Applicable	Not Applicable
j. Assignment of contract by franchisor	Section 8	We have the right to transfer or assign the Development Agreement and all or any part of our rights, duties or obligations to any person or legal entity without your consent.
k. "Transfer" by developer – definition	Section 8	Any transfer in you (if you are an entity) or your rights/obligations under the Development Agreement.
l. Developer's approval of transfer by developer	Section 8	You may not transfer any rights or obligations under the Development Agreement without our prior written consent.
m. Conditions for franchisor's approval of transfer	Not Applicable	Not Applicable
n. Franchisor's right of first refusal to acquire developer's business	Not Applicable	Not Applicable
o. Franchisor's option to purchase developer's business	Not Applicable	Not Applicable
p. Death or disability of developer	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	Not Applicable	Nothing additional, <a href="#">subject to applicable state law</a> . Please see non-competition covenants set forth in your Franchise Agreement(s), <a href="#">subject to applicable state law</a> , entered into under the Development Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Nothing additional, <a href="#">subject to applicable state law</a> . Please see non-competition covenants set forth in your Franchise Agreement(s), <a href="#">subject to applicable state law</a> , entered into under the Development Agreement.
s. Modification of the agreement	Section 27	Your Development Agreement may not be modified, except by a writing signed by both parties.
t. Integration/merger clause	Section 27	Only the terms of the Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of

IN	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	<b>2025</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
IA	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	<b>2025</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
KS	2023	1	0	0	0	0	0	1
	2024	1	1	<del>0</del> <u>1</u>	0	0	<del>1</del> <u>0</u>	1
	<b>2025</b>	<b>1</b>	<b>0</b>	<del>1</del> <u>0</u>	<b>0</b>	<b>0</b>	<del>0</del> <u>1</u>	<b>0</b>
LA	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	<b>2025</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
MD	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	<b>2025</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
MA	2023	3	0	0	1	0	0	2
	<b>2024</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
	<b>2025</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
MI	2023	2	1	0	0	0	0	3
	<b>2024</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
	<b>2025</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>
MN	2023	28	1	0	3	0	1	25
	2024	25	2	0	1	0	1	25
	<b>2025</b>	<b>25</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>23</b>
MO	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	1	3
	<b>2025</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>

MS	2023	1	0	0	1	0	0	0	0	Inserted Cells
	2024	0	0	0	0	0	0	0	0	Inserted Cells
	2025	0	0	0	0	0	0	0	0	Inserted Cells
MT	2023	2	0	0	0	0	0	0	2	Inserted Cells
	2024	2	0	0	0	0	0	0	2	Inserted Cells
	2025	2	0	0	0	0	0	0	2	Inserted Cells
NJ	2023	1	0	0	0	0	0	0	1	Inserted Cells
	2024	1	0	0	0	0	0	0	1	Inserted Cells
	2025	1	1	0	0	0	0	0	2	Inserted Cells
NC	2023	5	0	0	0	0	0	0	5	Inserted Cells
	2024	5	0	0	0	0	0	0	5	Inserted Cells
	2025	5	0	0	0	0	0	0	5	Inserted Cells
ND	2023	4	0	0	1	0	0	0	3	Inserted Cells
	2024	3	0	0	0	0	0	0	3	Inserted Cells
	2025	3	0	1	0	0	0	0	2	Inserted Cells
NV	2023	0	0	0	0	0	0	0	0	Inserted Cells
	2024	0	0	0	0	0	0	0	0	Inserted Cells
	2025	0	1	0	0	0	0	0	1	Inserted Cells
OH	2023	6	0	0	0	0	0	0	6	Inserted Cells
	2024	6	0	0	0	0	0	0	6	Inserted Cells
	2025	6	1	0	1	0	0	0	6	Inserted Cells
OR	2023	3	0	0	0	0	0	0	3	Deleted Cells
	2024	3	0	0	2	0	0	0	1	Deleted Cells
	2025	1	0	0	0	0	0	0	1	Deleted Cells
PA	2023	4	0	0	0	0	0	0	4	Deleted Cells
	2024	4	0	0	0	0	0	0	4	Deleted Cells
	2025	4	0	0	0	0	0	0	4	Deleted Cells
SC	2023	4	0	0	0	0	0	0	4	Deleted Cells
	2024	4	0	0	0	0	0	0	4	Deleted Cells

	2025	4	1	0	0	0	0	5
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SC	2023	4	0	0	0	0	0	4	Inserted Cells
	2024	4	0	0	0	0	0	4	Inserted Cells
	2025	4	1	0	0	0	0	5	Inserted Cells
SD	2023	5	0	0	0	0	0	5	Inserted Cells
	2024	5	0	0	0	0	0	5	Inserted Cells
	2025	5	0	0	0	0	0	5	Inserted Cells
TN	2023	3	1	0	1	0	0	3	Inserted Cells
	2024	3	0	0	0	0	0	3	Inserted Cells
	2025	3	1	0	0	0	0	4	Inserted Cells
TX	2023	8	1	0	0	0	0	9	Inserted Cells
	2024	9	4	0	1	0	0	12	Inserted Cells
	2025	12	3	0	1	0	2	12	Inserted Cells
UT	2023	0	0	0	0	0	0	0	Inserted Cells
	2024	0	1	0	0	0	0	1	Inserted Cells
	2025	1	1	1	0	0	0	1	Inserted Cells
WA	2023	5	0	0	1	0	0	4	Inserted Cells
	2024	4	0	1	1	0	0	2	Inserted Cells
	2025	2	0	0	0	0	0	2	Inserted Cells
WV	2023	1	0	0	0	0	0	1	Inserted Cells
	2024	1	0	0	0	0	0	1	Inserted Cells
	2025	1	0	0	0	0	0	1	Inserted Cells
WI	2023	1	0	0	0	0	0	1	Deleted Cells
	2024	1	0	0	0	0	0	1	Deleted Cells
	2025	1	0	0	0	0	0	1	Deleted Cells
WY	2023	3	0	0	0	0	0	3	Deleted Cells
	2024	3	0	0	0	0	0	3	Deleted Cells
	2025	3	0	0	1	0	0	2	Deleted Cells
Totals	2023	138	5	0	11	0	2	130	Deleted Cells
	2024	130	14	12	7	0	43	132	Deleted Cells

	2025	132	<del>112</del>	5	6	0	<del>35</del>	1298
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**Table 4  
Status of Company-Owned Franchised Outlets  
For Years 2023 - 2025**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
All States	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	<b>2025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	<b>2025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 5  
Projected Openings  
as of December 31, 2025**

State	Franchise Agreements Signed but Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
AL	2	1	0
AZ	0	1	0
CA	4	3	0
CO	2	1	0
FL	10	3	0
IL	0	1	0
MI	1	0	0
MO	2	0	0
MS	1	0	0
NC	5	2	0
NJ	1	1	0
NV	2	0	0
OH	0	2	0
OR	3	1	0
PA	2	0	0
RI	2	2	0

**VIRGINIA**

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR THE COMMONWEALTH OF VIRGINIA**

**Additional Disclosures Required in Virginia**

With respect to the disclosures in Item 17 of the Disclosure Document, the following provisions apply for franchises in Virginia:

Pursuant to Section 13.1 – 564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement do not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

### **State Effective Dates**

The following states have franchise laws that require that the Franchise Disclosure Document 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	
Illinois	<a href="#">April 8, 2026</a>
Indiana	<a href="#">April 9, 2026</a>
Maryland	
Michigan	<a href="#">April 14, 2026</a>
Minnesota	
New York	
North Dakota	<a href="#">April 8, 2026</a>
Rhode Island	<a href="#">March 27, 2026</a>
South Dakota	<a href="#">April 8, 2026</a>
Virginia	<a href="#">May 4, 2026</a>
Washington	
Wisconsin	<a href="#">April 8, 2026</a>

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.