

## FRANCHISE DISCLOSURE DOCUMENT

Paramount Franchising LLC  
A Nevada limited liability company  
12481 South Fort St., Suite 200  
Draper, Utah 84020  
801-341-2300  
[Jon@Paramount.tax](mailto:Jon@Paramount.tax)  
[www.paramount.tax](http://www.paramount.tax)



The franchised business is to operate a federal and state tax return preparation, tax resolution, accounting and related accounting and financial services business under the service mark Paramount.

The total investment necessary to begin operation of a Paramount Tax & Accounting franchise is \$73,700 to \$166,000. This includes \$60,100 to \$67,000 that must be paid to the franchisor or its affiliate(s). If you enter into a Multi-Unit Development Agreement (“MUDA”) to develop multiple franchises, you must commit to develop at least 2 franchises, and you are required to pay the initial franchise fee in full for each unit to be developed—\$40,000 for your first unit and \$25,000 per additional unit.

The total investment necessary to begin operation of 2 Paramount Tax & Accounting franchises is \$132,400 to \$317,000. This includes \$105,200 to \$119,000 that must be paid to the franchisor or its affiliate(s).

The total investment necessary to begin operation of 3 Paramount Tax & Accounting franchises is \$191,100 to \$468,000. This includes \$150,300 to \$171,000 that must be paid to the franchisor or its affiliate(s).

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 disclosures in different formats, please contact Jon Wilhelm, CPA at [Jon@Paramount.tax](mailto:Jon@Paramount.tax); 12481 South Fort St., Suite 200, Draper, Utah 84020; and 801-341-2300.

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.

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, D.C. 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 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.

Issuance date: July 30, 2025



## How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit “H.”
<b>How much will I need to invest?</b>	Items 5 and 6 list fees that you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit “F” includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Paramount Tax and Accounting business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a Paramount Tax and Accounting franchisee?</b>	Item 20 or Exhibit “H” lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need to Know About Franchising *Generally*

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

**Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

**Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

## Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit “A.”

Your state may also have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

## Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement and multi-unit development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Utah. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Utah than in your own state.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

**(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY  
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.**

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General  
G. Mennen Williams Building, 1st Floor  
525 W. Ottawa Street  
Lansing, Michigan 48913  
Telephone Number: (517) 373-7117

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**Item 1**  
**THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

In this disclosure document, “we,” “us,” or “our” refers to Paramount Franchising LLC. “Franchise” or “you” means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all the franchise agreement’s provisions also will apply to your owners.

**(1) Us, Any Parents, and Certain Affiliates**

Our name is Paramount Franchising LLC. Our principal business address is 12481 South Fort St., Suite 200, Draper, Utah 84020.

Our parent is Paramount Tax & Accounting CPAS PLLC, a Nevada limited liability company located at 6980 O’Bannon Dr., Las Vegas, Nevada 89117. It was organized on July 7, 2022 in the state of Nevada. Our parent does not offer franchises and has not offered franchises in the past.

We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

**(2) Our Predecessors**

Our predecessor was Paramount Franchising, LLC, a Florida limited liability company located at 2121 Vista Parkway, West Palm Beach, Florida 33411. It offered franchises from February 10, 2017 until May 1, 2018 and sold 6 franchises during that time. This entity was dissolved in order to finalize the separation of a partnership which co-owned the LLC.

**(3) Our Business Name**

We use the names “Paramount Franchising LLC,” “Paramount Tax & Accounting” and “Paramount.” We do not intend to use any other names to conduct business.

**(4) Agent for Service of Process**

Our agent for service of process in Nevada is Jeffrey Whitehead, and his principal business address is 6980 O’Bannon Dr., Las Vegas, Nevada 89117. Our agents for service of process in other states are disclosed in Exhibit A.

**(5) Business Organization**

We were organized as a Utah limited liability company on September 23, 2016. On February 7, 2022, we redomesticated our limited liability company to Nevada to become a Nevada limited liability company.

**(6) Information About Our Business and the Franchises Offered**

(i) We do not operate businesses of the type being franchised, but our affiliate, Paramount Tax & Accounting CPAs, PC, has operated a business similar to the franchise being offered in Salt Lake County, Utah since 2008.

(ii) We do not have any other business activities other than franchising. We began offering Paramount Tax & Accounting franchises in 2018. We have not offered franchises in other lines of business.

(7) Franchises Offered

(i) If you sign a franchise agreement with us, you will develop and operate a federal and state tax return preparation, tax resolution, accounting and related accounting and financial services business under the trade name “Paramount.” Your principal executive or another employee of your Paramount Tax & Accounting business must be a licensed professional defined as: a certified public accountant (a “CPA”), an enrolled agent (an “EA”), chartered accountant (a “CA”) or an attorney, or as otherwise required by state law, and must spend at least 10 hours a week engaged in your Paramount Tax & Accounting business. Additionally, your office must be open at least 30 hours per week (except for the week between Christmas and New Year’s).

(ii) In the future, we may develop a program which may allow you to sell financial products through an affiliate company that we form, but that program has not yet been finalized.

(iii) The market for your business will be individuals and businesses in your territory. You will experience competition from local, regional and national businesses that operate under well-known brands, including other franchised brands. You will also experience competition from bookkeepers, independent CPAs and national, regional and local tax preparers.

(iv) The tax preparation business is seasonal with many returns being required to be filed by April 15th. However, there are multiple tax deadlines throughout the year, and there are opportunities to provide accounting services to businesses on a monthly basis.

(8) Laws and Regulations Specific to the Industry

(i) There are laws and regulations that are specific to our industry. As noted above, your principal executive, or another employee of your Paramount Tax & Accounting business, must be a licensed professional (as mentioned above), and must be authorized to communicate with the Internal Revenue Service and state taxing authorities to provide tax return preparation and resolution services. Your business will be subject to a state Board of Accountancy that oversees the licensing and regulation of accountants related to ethical standards governed by a professional board of conduct.

(ii) The industry is governed by the Internal Revenue Code which outlines the rules and regulations governing the assessment and collection of federal taxes as well as similar state tax laws. Circular 230 also sets forth the rules and regulations governing practice before the Internal Revenue Service and applies to tax practitioners, including tax return preparers and accountants. There are also tax preparer regulations the IRS has implemented for tax return preparers and registration requirements with the IRS to obtain a Preparer Tax Identification Number (“PTIN”) as well as eligibility for obtaining and maintaining an Electronic Filing Identification Number (an “EFIN”) and similar matters. You must secure and maintain an EFIN number for your franchise business. You cannot file taxes electronically if you do not pass the Internal Revenue Services’ “suitability” screening required to obtain an EFIN. Additionally, IRS Requirements of WISP (per Pub 4557 and IRS e-file regulations) you must maintain a written and formal WISP (Written Information Security Plan) for each of your offices, and you must notify us in the event of a security breach.

(iii) The industry is also subject to civil fiduciary duties owed to clients and state and federal regulations on confidentiality of client financial information, including electronic financial information and data security and breach of data notification laws.

(iv) There may also be state laws, rules and regulations regarding the ownership structure of accounting and tax firms and limitations on what individuals may have ownership stakes in firms providing accounting and tax services and may affect what type of legal entity you may be able to create or name you will be able to use.

(v) Your state may also have specific laws that regulate advertising that may limit certain terms or phrases that require truthful advertising and may require you to include information about licensed professionals in their advertisements.

(vi) There are also state and local laws that may impact the operation of your business including registration requirements and zoning laws. You must investigate local zoning rules because they may limit where you can locate your franchise business and may affect the design features including the building façade and signs. In many jurisdictions, you will also be required to obtain a sign permit. Some jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage than what is required under federal law, which laws may disproportionately affect franchised businesses. The details of state, county and local laws and regulations vary from place to place. It is your responsibility to research these matters. Please be aware that the changes in these laws may increase the cost of operating your business. You are solely responsible to determine what local or state regulations, permits, and licenses you will need to comply with and/or obtain to conduct the franchise business in a particular state, city, or town. You should consult with an attorney regarding these laws.

(vii) At your cost and expense, you must investigate and ensure that you comply with all payment card industry (“PCI”) and data security standard (“DSS”) standards, regulations, and requirements. You are not permitted to collect, store, transfer, etc., any unnecessary customer information. Additional information can be found at <https://www.pcisecuritystandards.org/>.”

#### (9) Prior Business Experience

We have offered franchises since 2018. Outside of our predecessor, none of our affiliates has offered franchises in other lines of business. None of our affiliates provides products or services to our franchisees.

#### (10) Multi-Unit Development

We generally only sell single-unit franchises. However, in certain circumstances when a franchisee shows it has the experience and capabilities to open and operate multiple units, we may allow a franchisee to enter into a multi-unit development agreement with us for the development of additional franchise units (see Exhibit C). We require multi-unit developers to open at least 2 units. However, the size of the territory, the number of units to be developed, and the development schedule are negotiable. If you are allowed to sign a multi-unit development agreement, you would be required to sign our then-current franchise agreement for each unit as developed, which terms may differ from the current franchise agreement included with this FDD. Unless specifically stated otherwise, the disclosures for a multi-unit are the same as for a single unit.

**Item 2**  
**BUSINESS EXPERIENCE**

**Jon Wilhelm, CPA: CEO, CFO and Chief Franchise Development Officer**

Jon Wilhelm, CPA has served as our CEO, CFO and Chief Franchise Development Officer since our inception. He also is the owner of Paramount Tax & Accounting CPAs, PC in Draper, Utah, which he has owned since October 2008. Both of these positions are held in Utah.

**William Baxter: Chief Operating Officer**

William has served as our COO since November 2020. From March 2015 until November 2020, William was a director with United Franchise Group, a franchise systems service company based out of West Palm Beach, Florida.

**Scott Witter: Vice President of Sales**

Scott has served as our Vice President of Sales since February 2023. From March 2016 to February 2023, Scott was the National Sales Director for Westmatic Corporation, a large vehicle wash systems company based out of Buffalo, New York.

**David Southwick: Officer**

David has served as an officer in Paramount Franchising LLC since January 2019. David has also served in various positions for our affiliate's Paramount Tax and Accounting location in Draper, Utah from February 2018 to the present, but he has been a managing partner since January 2020.

**Item 3**  
**LITIGATION**

Administrative Proceeding before the Securities Commissioner of Maryland; Case No. 2023-0005. On February 14, 2023, Paramount Franchising LLC entered into a consent order with the Securities Commissioner of Maryland for the alleged sale of a franchise to a resident of Maryland at a time when Paramount Franchising's registration in Maryland had expired in violation of §§14-214, 14-216, and 14-231 of the Maryland Franchise Registration and Disclosure Law. In accordance with the consent order, Paramount Franchising offered the franchisee rescission of the franchise agreement, but the franchisee elected to remain in the franchise system.

No other litigation is required to be disclosed in this Item.

**Item 4**  
**BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

## **Item 5**

### **INITIAL FEES**

#### Initial Franchise Fee

All franchisees purchasing a new Paramount Tax & Accounting franchise pay an initial franchise fee of \$40,000. This amount is due in full in a lump sum at the time of signing the franchise agreement. To honor those men and women who have served our country in the U.S. Armed Forces, we offer a 20% discount off the initial franchise fee, contingent upon verification of honorable separation.

#### Deposit Fee “Binder”

At least 14 days after we provide you with a copy of this disclosure document, but prior to signing the franchise agreement, you will be required to pay a \$5,000 deposit, commonly referred to as a “binder.” This binder is fully refundable if you do not purchase a Paramount Tax & Accounting franchise. After we receive your binder, we begin the search for your specified territory. When you enter into your franchise agreement, the binder is applied against the franchise fee leaving a remainder of \$35,000, which must be paid at the time of signing the franchise agreement.

#### Partial Refund of the Initial Franchise Fee

If (1) you fail to complete the initial training program to our satisfaction, or (2) we conclude, no more than 10 days after you complete the initial training program that you do not have the ability to satisfactorily operate your franchise, then we have the right to terminate your franchise agreement. If we do so, we will refund your franchise fee less any out-of-pocket costs we have incurred, subject to your signing a general release of our liability.

#### Multi-Unit Development

If you and we agree that you will develop multiple franchises, then you will be required to sign our Multi-Unit Development Agreement (“MUDA”) in the form of Exhibit C to this disclosure document. The initial franchise fee for the first franchise unit is \$40,000, and the initial franchise fee for each additional franchise to be developed is \$25,000 per franchise. You must commit to developing at least 2 franchises. You will pay all franchise fees upon signing the MUDA. These franchise fees are refundable only under the same circumstances as described above under “Partial Refund of the Initial Franchise Fee.”

#### Startup Package

We will supply you with a startup package that includes computers, a server (which we can require to be a cloud-based server), monitors, scanners, modem, printers, video conferencing equipment, software, branded tax folders, pens, interior office sign, and Paramount branded candy, “Paramints.” Depending on your needs and preferences, this startup package costs between \$20,000 and \$25,000. This amount must be paid in a lump sum at the time of ordering.

#### Supply Inventory

You are required to purchase folders and business cards from us at our cost. The cost will range from \$100 to \$2,000.

### Uniformity and Refunds

Unless otherwise set forth above, all fees and costs payable to us are uniform and non-refundable. However, we did provide discounts to three franchisees in 2024 from 50% to 100% off the initial franchise fee, and we also allowed some franchisees to pay their initial franchise fee and startup package costs in installments rather than all upfront, but these were special circumstances, and we do not plan to offer such deals in the future.

The initial franchise fee is refundable if you fail to complete the initial training program to our satisfaction or we conclude within 10 days of your completion of initial training, that you do not have the ability to operate your franchise and you sign a general release of our liability.

### **Item 6 OTHER FEES<sup>3</sup>**

Type of Fee	Amount	Due Date	Remarks
Royalty	10% of your gross sales	Monthly, on the 5 <sup>th</sup> day of the following month	See Note 1.
Local marketing	5% of your gross sales	Determined on an annual basis at year end	You are required to spend this money throughout the year in your local market, according to our marketing guidelines. However, once your location reaches \$1,000,000 in annual gross sales this obligation will be waived, so long as your annual gross sales exceed \$1,000,000. However, you must again spend 5% of your annual gross sales on local marketing if your annual gross sales later drop below \$1,000,000.
Marketing, SEO (search engine optimization), and website management	\$300 monthly or the then-current fee	Monthly, on the 1 <sup>st</sup> of the month	We can require this fee to be paid to us or to be paid directly to a third-party vendor. This fee/payment counts toward your local marketing contribution mentioned above.
Email accounts	\$5 to \$30 monthly (currently)	Paid annually: upon creation and annual renewal of the email address(es)	We can require that this fee be paid to us or to the supplier.
Market cooperative contribution	As determined by co-op but at least 1% of gross sales	Monthly, on the 5 <sup>th</sup> day of the following month	We have the right to establish local or regional advertising cooperatives. See Note 2.

Type of Fee	Amount	Due Date	Remarks
Post-opening training	A reasonable fee (currently, \$1,500 per person)	Upon demand	We may at any time require that your principal executive or other personnel complete training programs in any format and at any location as determined by us. You will also be responsible to pay all applicable travel, living and other expenses of your attendees or our representatives as applicable.
Non-compliance fee	\$250	Upon demand	We may charge you \$250 for any non-compliance with our system specifications or your franchise agreement. If such non-compliance is ongoing, we may charge you \$250 per week until you cease such non-compliance. Non-compliance is also considered a default of the franchise agreement.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Late fee	\$100, plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	Upon demand	Charges begin to accrue after the due date of any required payment or report.
Insufficient funds fee	\$50 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	Upon demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Special support fee	Our then-current fee, plus our expenses. Currently, \$600 per day.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

Type of Fee	Amount	Due Date	Remarks
Interim management fee	Our then-current fee, plus our expenses. Currently, \$600 per day.	On demand	Payable if we elect to operate your business during your unapproved closing, unapproved absence, incapacity, death, after you have been given a notice of default and failed to cure. You must also pay the travel, lodging, food, and other expenses for our representative(s) and other expenses that may be incurred by us to perform such services, plus royalties, advertising fees, and other applicable fees. The interim management period will not last more than 6 months unless otherwise agreed between us.
Client complaint resolution	Our expenses	As incurred	We may take any action we deem appropriate to resolve a client complaint about your business. If we respond to a client complaint, you are required to reimburse us for our expenses.
Records audit	Our actual cost	Upon demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported gross sales by more than 3% for any 4-week period.
Inspection fee	Currently, \$300, plus our out-of-pocket costs	Upon demand	Payable only if we conduct an inspection of your business because of a governmental report, client complaint or other client feedback, or your default or non-compliance with any system specification.
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance of an obligation to a third party on your behalf (for example, if you do not have required insurance, we may (but are not obligated to) purchase insurance for you), and you will owe our costs, plus a 10% administrative fee.
Transfer fee	50% of the then-current franchise fee	When transfer occurs	Payable if you sell your business or your rights under the multi-unit development agreement. You only need to reimburse our legal fees if you transfer less than 25% and your current owners maintain control. However, all guarantors will remain guarantors unless replaced by another personal guarantor. Subject to state law.

Type of Fee	Amount	Due Date	Remarks
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend us (with counsel reasonably acceptable to us) and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence). See Note 4.
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses.
Territory division fee	\$10,000, plus the startup package for the new location	At the time of signing the new franchise agreement for the additional territory	Once you reach 3,500 clients or maintain an average of 3,000 clients over a 12-month period, we can require you to open a second outlet in your territory, and your original territory will be divided into two separate territories. In such case, you would be required to sign a new franchise agreement for the additional location and purchase an additional startup package.
Conference or seminar fee	Currently, \$0 to \$2,000 per attendee	At time of registering for the conference or seminar	You will also be required to pay all travel, lodging, food, and other expenses for each of your attendees. Attendance at conferences and seminars is optional at this time, but we reserve the right to make a conference or seminar mandatory for your principal executive.

### Notes

1. "Gross sales" is defined in our franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit and the value of any services bartered or done on trade. Gross sales do not include (i) bona fide refunds to clients, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in gross sales).

2. Marketing Cooperatives. The amount you must contribute to the cooperative will be determined by the majority vote of the members but not less than 1% of gross sales. There is no cap to member contributions if we control voting. Contributions to the marketing cooperative will be counted towards your local marketing contribution.

3. Except as described in the table above, all fees are imposed by us and collected by us. All fees payable to us are not refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate.

4. Indemnification. You must indemnify us from damages and costs related to your acts, errors or omissions in the operation of your franchise business or your franchise business generally and including any allegation that you are our employee, or that we are a joint employer or otherwise responsible for the acts or omissions relating to your employees, and other laws regarding public accommodations for persons with disabilities. You are not required to indemnify us for liability caused by our willful misconduct, gross negligence, breach of fiduciary duty, strict liability, or fraud.

5. Uniformity. These fees are applied uniformly to all our franchisees.

**Item 7**  
**ESTIMATED INITIAL INVESTMENT**  
**YOUR ESTIMATED INITIAL INVESTMENT**

Type of expenditure	Amount			Method of payment	When due	To whom payment is to be made
Initial franchise fee (see Note 1)	\$40,000	-	\$40,000	Check or wire transfer	Upon signing the franchise agreement	Us
Real Estate / Rent (see Note 2) (3 months of rent, plus a security deposit)	\$0	-	\$12,000	Check	Upon signing lease	Landlord
Utilities (initial setup plus 3 months)	\$0	-	\$3,000	Check, debit, and/or credit	Upon ordering service	Utility providers
Leasehold Improvements (see Note 3)	\$0	-	\$10,000	Check	As incurred or when billed	Contractors
Initial Marketing	\$0	-	\$5,000	Check, debit, and/or credit	As incurred or when billed	Suppliers
Startup Package (see Note 4)	\$20,000	-	\$25,000	Lump sum	Upon ordering	Us
Furniture, Fixtures, and Equipment	\$0	-	\$5,000	Check, debit, and/or credit	As incurred	Suppliers
Insurance	\$500	-	\$3,500	Check, debit, and/or credit	Upon ordering	Insurance company
Signage (see Note 5)	\$0	-	\$3,000	Check, debit, and/or credit	Upon ordering	Suppliers

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Office Expenses	\$0 - \$2,000	Check, debit, and/or credit	As incurred	Suppliers
Supply Inventory	\$0 - \$2,000	Check, debit, and/or credit	Upon ordering	Us
Licenses and Permits	\$0 - \$1,000	Check	Upon application	Government
Dues and Subscriptions	\$700 - \$2,000	Check, debit, and/or credit	As incurred	Suppliers, trade organizations
Professional Fees (lawyer, accountant, etc.)	\$0 - \$3,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms
Travel, lodging and meals for initial training (see Note 6)	\$2,500 - \$4,000	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) (see Note 7)	\$10,000 - \$45,500	Varies	Varies	Employees, suppliers, utilities
Total (Note 8)	\$73,700 - \$166,000			

### Notes

1. **Initial Franchise Fee.** The initial franchise fee is refundable only as described in Item 5. To honor those men and women who have served our country in the U.S. Armed Forces, we offer a 20% discount off the initial franchise fee, contingent upon verification of honorable separation. Veteran ID cards, DD-214, and other documentation will be required to provide proof of honorable discharged status. If you enter into a multi-unit development agreement with us, you will be required to pay the initial franchise fee for each franchise to be developed at the time of signing the multi-unit development agreement. We expect multi-unit developers to generally commit to open between 2 and 5 franchise units. Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. None of the other expenditures in this table will be refundable. Neither we nor any affiliate finances any part of your initial investment.

2. **Real Estate / Rent.** We allow our franchisees to work from a home office, so long as the home office is a separate office space closed off from the remainder of the home, the office space is at least 10' x 10', the office space is quiet and professional looking, and the office is equipped with all the necessary equipment and technology to provide clients with the same quality services as if the franchisee were leasing a commercial space. Our estimates in this table range from a home office to leasing commercial space. If you lease commercial space, the above table assumes you pay a security deposit equal to one-month's rent and that you begin paying rent when (or shortly before) you open for business. For this to occur, you would need to negotiate a "free rent" period for the time it takes to build out your business. You may be able to negotiate additional free rent or reduced rent periods after opening as well. If you choose to purchase real

estate instead of renting, your costs will be significantly different. We have not included an estimate for the cost to purchase and build a location in the table above, but we estimate the cost of your buildout to range between \$200 and \$300 per square feet, depending on your market.

3. Leasehold Improvements. If you choose to operate from a commercial space, you may incur costs build out your location according to our specifications. Costs of improvements vary widely based on location, terms of the lease, the total area of your space, as well as construction and material costs. Your landlord may provide you with a tenant improvement allowance as part of your lease, which has not been included as part of these estimates. You should review these costs with a local contractor, commercial real estate agent and other professionals. We do not provide standard design plans and specifications for construction and improvements. If you locate your center to a newly constructed space, the landlord may require significantly greater additional expenditures to cover leasehold improvements. You are not required to lease newly constructed space.

4. Startup Package. We will supply you with a startup package that includes computers, a server (which we can require to be a cloud-based server), monitors, scanners, modem, printers, video conferencing equipment, and software. This amount must be paid in a lump sum at the time of ordering. The startup package also includes folders, mints, and pens. This is only an initial supply and will require replenishment on a regular, on-going basis depending on your volume of sales.

5. Signs. At least 1 exterior sign displaying the trademark (when possible) and 1 interior sign is required. You will receive 1 interior sign with your startup package. These signs may be made locally. All signs must conform to our specifications. All purchase agreements or leases must be negotiated with your suppliers.

6. Initial Training. We will pay for 1 hotel room for up to 5 nights during the initial training. However, you are responsible for all other costs associated with attending the initial training, including travel, lodging (to and from training, if applicable), extra hotel rooms, food, and other expenses for your attendees during training, and you must pay these expenses directly to the supplier (hotels, airlines, restaurants, rental car companies, etc.). We estimate that you will have two people attend training. These costs will vary widely as a function of the distance traveled and the choice of accommodations, meals and transportation.

7. Additional Funds. This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, rent, and other operating expenses in excess of income generated by the business. In formulating the amount required for additional funds, we relied on: the development experience of a Paramount Tax & Accounting business by our affiliates since 2008, our experience in franchising since 2016, and the experience of our 90 franchisees that were in operation as of the end of 2024, and our general knowledge of the industry.

8. Total. Other than the initial franchise fees, the figures listed in the table above are estimates for the development of a single franchise unit territory, and we cannot guarantee that you will not have additional expenses starting your franchise business. If you enter into a multi-unit development agreement, then you can expect similar costs for each unit to be developed, but we anticipate you will develop your units over time according to the development schedule rather than all at once. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not.

## YOUR ESTIMATED INITIAL INVESTMENT (2 to 3 Unit Development)

If you enter into a multi-unit development agreement with us, you must commit to develop at least 2 franchises. And although multi-unit developers are expected to develop their units over time rather than all at once, we have included the total estimated costs to develop 2 to 3 franchise units below.

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
2-Unit Development <sup>1,3</sup>	\$132,400 - \$317,000	As incurred	Part upon signing the multi-unit development agreement and the remainder paid as the second unit is developed	Us and suppliers
3-Unit Development <sup>2,3</sup>	\$191,100 - \$468,000	As incurred	Part upon signing the multi-unit development agreement and the remainder paid as each unit is developed	Us and suppliers

### NOTES

<sup>1</sup> 2-Unit Development. The range is the estimate to build out 2 units based on the Item 7 table.

<sup>2</sup> 3-Unit Development. The range is the estimate to build out 3 units based on the Item 7 table.

<sup>3</sup> Total. These figures are estimates for the development of 2 or 3 units, and we cannot guarantee that you will not have additional expenses starting your development business. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not.

## Item 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

### Approved Suppliers, Proprietary Products and Required Purchases

You must operate your franchise business according to our system, including purchasing or leasing certain items or services according to our specifications and/or from approved suppliers. You must not deviate from our methods, standards, and specifications without our prior written consent.

You must purchase or lease the following products and services from us, other sources designated or approved by us, or according to our specifications as set forth in the manuals:

Item or Service	Is the franchisor or an affiliate an approved supplier of this item?	Is the franchisor or an affiliate the only approved supplier of this item?
Tax Folders	No	No
Signs	No	No
Business Cards	No	No
Real Estate	No	No
Insurance	No	No
Startup Package	Yes	Yes
Supply Inventory	Yes	Yes
POS, Computer Equipment, Software and Hardware	No	No
Office Supplies	No	No
Website	No	No
SEO Services	No	No

We may also require you to purchase advertising materials only from approved suppliers. We reserve the right for us or an affiliate to be an approved supplier or the only approved supplier of any of the items listed in the above table. Additionally, we reserve the right to require that all items used in the operation of your business be purchased from sources approved by us.

A. Insurance.

You must at all times during the entire term of the franchise agreement and at your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from a company rated “A-” or better by A.M. Best & Company, Inc., which minimums may be adjusted from time to time in our sole discretion:

Type of Insurance	Minimum Required Amount(s)
Commercial General Liability Insurance	\$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit
Umbrella Insurance	Not less than \$1,000,000
Errors and Omissions	\$1,000,000 or as required by state law
Data Breach Coverage	\$250,000
Government Required Insurances	All workers’ compensation and employment insurance on your employees that is required under all federal and state laws

These policies (excluding workers’ compensation) will insure you, us, our parent (Paramount Tax & Accounting CPAS PLLC, a Nevada limited liability company), and our officers, directors, and nominees as additional insureds against any liability that may accrue by reason of your ownership, maintenance or operation of the franchise business. These policies will stipulate that we will receive a 30-day written notice prior to cancellation or termination, and we must receive a 30-day notice of any modification. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable

to us must be furnished to us together with proof of payment prior to you beginning operations. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate.

If you fail to obtain or maintain insurance, we may obtain insurance for you, and you will pay us our reimbursement fee which is the amount we pay for the premium costs plus 10% of that cost. We may periodically modify or adjust the amounts of coverage required and/or require different or additional coverage. You must also provide certificates of the required insurances to us prior to opening your franchise business or on annual renewal of the coverage or upon our request. We have the right to require that you obtain from your insurance company, and subsequently provide to us for our review, a report of claims made and reserves set against Your insurance (commonly known as “loss runs”).

You may also purchase audit protection insurance from our approved supplier. The current cost of this insurance is typically \$10 per return and \$75 per corporate return.

#### Approved Suppliers

We may enter into contracts with suppliers for items or services purchased by our franchisees. Pursuant to these contracts, you must purchase items or services from approved suppliers.

All currently approved suppliers and specifications are made available to you before the beginning of operations. We consider our approved suppliers and specifications to be of critical importance to the success of the system. You must receive our prior written approval to deviate in any manner from our specifications.

#### Ownership of Suppliers

Other than ownership of the franchisor company, none of our officers owns an interest in any supplier to our franchisees.

#### Non-Approved Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier’s capacity, quality, financial stability, reputation, and reliability; inspections; product testing; and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing and we grant approval. We do not charge a supplier evaluation fee, and we will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our manual.

#### Issuing Specifications and Standards

We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to do so) issue new or revised specifications only after thorough testing in our headquarters, through our affiliate outlets, and/or a limited market test in multiple outlets.

Other than as stated above, there is no obligation for you under the terms of the franchise agreement to purchase or lease any goods or services regarding the establishment or operation of the franchise business from approved sources

#### Revenue to Us and Our Affiliates from Required Purchases

We or our affiliates may derive income from required purchases or lease of goods or services made by our franchisees from approved sources. In the year ending December 31, 2024, our revenues from the sale or lease of these products and services to franchisees was \$143,052 or 7.56% of our total revenues of \$1,892,016. Our affiliate did not derive any revenue from the sale of goods or services to our franchisees in 2024.

#### Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 45% to 60% of your total purchases and leases to establish your business. We estimate that the required purchases and leases of goods and services to operate your business are 5% to 25% of your total purchases and leases of goods and services to operate your business.

#### Payments by Designated Suppliers to Us

We reserve the right to receive payments from any designated suppliers based on purchases by you or other franchisees. These payments are for reasonable overhead costs.

#### Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists; however, we reserve the right to join into such agreements to cover reasonable overhead costs.

#### Negotiated Arrangements

We do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. However, we may do so in the future.

#### (9) Benefits Provided to You for Purchases

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

### **Item 9 FRANCHISEE'S OBLIGATIONS**

**This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.**

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	§ 6.1 and 6.2 of the Franchise Agreement and § 1 and 6 of the MUDA	Item 11
b. Pre-opening purchase/leases	§ 6.2, 6.3, 7.15, 8.5 and Franchise Agreement Attachment 5	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6 of the Franchise Agreement and § 1 of the MUDA	Items 5, 7, 8 and 11
d. Initial and ongoing training	§ 6.4, 5.4 and 7.6 of the Franchise Agreement	Items 5, 6, 8 and 11
e. Opening	§ 6.5, 6.6 of the Franchise Agreement and § 2 of the MUDA	Items 7, 8 and 11
f. Fees	Article 4, § 6.8, 7.6, 7.8, 7.15(a), 8.5, 10.5, 11.2, 11.3, 11.10, 15.2, 16.1, 17.6 of the Franchise Agreement and § 1 and 6 of the MUDA	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	§ 6.3, 7.1, 7.3, 7.5, 7.9 – 7.13, 7.15, 10.1, 10.4, 11.1 of the Franchise Agreement	Items 8, 11 and 14
h. Trademarks and proprietary information	Article 12, § 13.1 of the Franchise Agreement	Items 13 and 14
i. Restrictions on products/services offered	§ 7.3 of the Franchise Agreement	Items 8, 11 and 16
j. Warranty and client service requirements	§§ 7.7, 7.8, 7.9 of the Franchise Agreement	Item 8
k. Territorial development and sales quotas	§ 1 of the MUDA	Item 12
l. Ongoing product/service purchases	Article 8 of the Franchise Agreement	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	§§ 7.12, 7.13 of the Franchise Agreement	Items 6, 7 and 8
n. Insurance	§ 7.15 of the Franchise Agreement	Items 6, 7 and 8

Obligation	Section in agreement	Disclosure document item
o. Advertising	Article 9 of the Franchise Agreement	Items 6, 7, 8 and 11
p. Indemnification	Article 16 of the Franchise Agreement	Items 6 and 8
q. Owner's participation/management/staffing	§ 2.4 of the Franchise Agreement	Items 15
r. Records and reports	Article 10 of the Franchise Agreement	Item 11
s. Inspections and audits	§ 10.5, 11.2 of the Franchise Agreement	Items 6 and 11
t. Transfer	Article 15 of the Franchise Agreement and § 7 of the MUDA	Items 6 and 17
u. Renewal	§ 3.2 of the Franchise Agreement	Items 6 and 17
v. Post-termination obligations	Article 13, § 14.3 of the Franchise Agreement and § 7 of the MUDA	Item 17
w. Non-competition covenants	§ 13.2 of the Franchise Agreement and § 7 of the MUDA	Item 17
x. Dispute resolution	Article 17 of the Franchise Agreement and § 7 of the MUDA	Items 6 and 17

## Item 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligations.

## Item 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

(1) Our Pre-Opening Obligations

Before you open your business:

A. *Site Location.* We will designate your territory in which you can find a location. (Franchise Agreement, Summary Page). We do not select your location. Your location is subject to our approval (Franchise Agreement Paragraph 6.1(i)).

(i) We will approve your site location. However, we do not assist in locating a site. Finding a suitable location that conforms to local ordinances, building codes, and our guidelines is your responsibility. We must approve of your site before a lease is entered into or you begin construction. Our approval is based upon the following general criteria: traffic patterns, parking, access, size, physical characteristics of existing buildings, and lease terms and, in addition to the general territorial criteria discussed in Item 12, such factors as square footage, rent and other lease terms, accessibility, profile of neighboring businesses and the ability to build out the site in accordance with the brand image are factors considered in determining whether the site is acceptable. We will provide you with general guidance regarding our standards for selecting a site, but we do not prepare demographic studies or otherwise determine a need for our services or products within your territory evaluate or guarantee the potential success of your proposed site. (We are not obligated to further assist you in locating a site or negotiating purchase or lease of the site. It is your responsibility to find a suitable location that conforms to local ordinances, building codes, and our guidelines. (Franchise Agreement Section 6.1).

(ii) We generally do not own your premises or lease properties to you. We may allow you to work from a home office, so long as the home office is a separate office space closed off from the remainder of the home, the office space is at least 10' x 10', the office space is quiet and professional looking, and the office is equipped with all the necessary equipment and technology to provide clients with the same quality services as if you leased a commercial space. (Franchise Agreement Paragraph 6.1(iii)).

(iii) Site approval or disapproval should be completed by us and notice provided to you in writing within 30 days or less after you have submitted a proposed site for our review. If we do not accept your proposed location in writing within 30 days of submission, then the proposal is deemed rejected. (Franchise Agreement Section 6.1). Failure to find an approved location may result in termination of the franchise agreement without a refund to you. (Franchise Agreement Paragraph 6.1(iv)).

(iv) Lease. We have the right to review and approve or disapprove of your lease prior to execution. You must send us a copy of the lease 15 days after signing. You are required to include our standard lease rider and assignment of lease which is attached to the franchise agreement as part of your lease. If you own your location, you agree to lease the facilities to us upon termination of the franchise agreement not to exceed its fair market rental value (Franchise Agreement Section 6.2 and Exhibit D).

B. *Constructing, Remodeling, or Decorating the Premises.* We will provide you with a set of our standard building plans and specifications and/or standard recommended floor plans, and our specifications for required décor, and unless otherwise approved by us, you must construct or remodel your premises in conformity with those plans. You may not begin construction or remodeling without first obtaining our prior approval, and we can inspect the construction or remodeling at any time (Franchise Agreement and Section 6.3). You must give us at least 30 days' notice before you intend to open your business to the public, and we must give our written approval for you to open (Franchise Agreement Section 6.5). We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility. (Franchise Agreement Section 6.3).

C. *Employment Matters.* We do not assist you with the hiring, firing, discipline, scheduling, management, compensation, supervision, assignment of duties, work rules, safety, or working conditions of your employees. That is your responsibility. We may provide you with a sample employee guide or manual and suggested staffing levels, but if we do, it will only be an example of certain employment matters that you may adopt or not. It is your responsibility to comply with state and federal employment laws. (Franchise Agreement Sections 5.2 and 5.3 and Paragraph 7.d(d)). In order to maintain uniformity of our systems and services and to protect our confidential information, you cannot allow an employee or contractor to perform bookkeeping, tax or accounting work other than through your business while employed or contracted by you. (Franchise Agreement Paragraph 7.5(c)).

D. *Necessary Equipment, Signs, Fixtures, Opening Inventory, and Supplies.* We will provide you with a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items. You must look to the respective manufacturers or suppliers for issues related to warranties, defective products, training, and support for any goods purchased from third parties. (Franchise Agreement Section 8.1, 7.1 and paragraph 7.3(a)).

E. *Initial Training Program.* We will conduct our initial training program. (Franchise Agreement Section 6.4).

F. *Operating Manual.* We will give you access to our manual. (Franchise Agreement Section 5.1).

G. *Business Plan Review.* If you request, we will review your pre-opening business plan and financial projections. (Franchise Agreement Paragraph 7.1(a)).

H. *Market Introduction Plan.* We will advise you regarding the planning and execution of your market introduction plan. (Franchise Agreement Paragraph 7.1(b)).

## (2) Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is one month. Factors that may affect the time period include your ability to obtain a lease, obtaining financing, obtaining business permits and licenses, hiring employees, shortages, or delayed installation of equipment, fixtures, and signs.

## (3) Assistance During Operation

During the operation of your franchise business:

A. *Developing Products or Services You Will Offer to Your Clients.* Although it is our intent and practice to refine and develop products or services that you will offer to your clients, the franchise agreement does not obligate us to do so.

B. *Employment Matters.* We do not assist you with the hiring, firing, discipline, scheduling, management, compensation, supervision, assignment of duties, work rules, safety, or working conditions of your employees. That is your responsibility. We may provide you with a sample employee guide or manual and suggested staffing levels, but if we do, it will only be an example of certain employment matters that you may adopt or not. It is your responsibility to comply with state and federal employment laws. (Franchise Agreement Section 7.5). In order to maintain uniformity of our systems and services and to

protect our confidential information, you cannot allow an employee or contractor to perform bookkeeping, tax or accounting work other than through your business while employed or contracted by you. (Franchise Agreement Paragraph 7.5(c)).

C. *Provide Continuing Assistance.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently, \$600 per day), plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Franchise Agreement Paragraph 7.6(a)).

D. *Establishing Prices.* Upon your request, we will provide recommended prices for products and services. (Franchise Agreement Paragraph 7.4).

E. *Establish and Use Administrative, Bookkeeping, Accounting, and Inventory Control Procedures.* We will provide you our recommended or required procedures for administrative, bookkeeping, accounting, and inventory control. (Franchise Agreement Paragraph 7.1(c)).

F. *Website.* We will maintain a website for the Paramount brand, which will include your business information and telephone number. We have the right to designate the vendor for the website and any SEO services that we or our franchisees use. (Franchise Agreement Section 9.5).

#### (4) Advertising and Promotion

A. *Your Own Advertising Material.* You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you. (Franchise Agreement Section 9.1).

B. *Advertising Council.* We do not have an advertising council composed of franchisees.

C. *Local or Regional Advertising Cooperatives.* We do not currently have any local or regional advertising cooperatives, but we have the right to require you to participate in a local or regional advertising cooperative. We will define the area of the cooperative based on media markets, or other geographic criteria that we deem appropriate. The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% of gross sales. We do not anticipate that we or an affiliate of ours would ever control voting of an advertising cooperative, but in such a case, there is no cap to member contributions. Your contributions to the marketing cooperative will be counted towards your local marketing contribution. If our own outlets are members of a cooperative, they must contribute to the fund on the same basis as franchisees. Unless otherwise determined by us, the activities of a cooperative will be determined by a majority vote of its members in good standing. We have the right to require the cooperative to operate from written bylaws or other governing documents that we determine. The documents are not currently available for you to review. Cooperatives are not required to prepare annual financial statements or make such statements available to its members for review. We have the power to require cooperatives to be formed, changed, dissolved, or merged. (Franchise Agreement Section 9.3).

D. *Market Introduction Plan.* You must develop a market introduction plan and obtain our approval of the plan at least 30 days before the projected opening date of your business. (Franchise Agreement Section 7.1(b)).

E. *Required Spending.* After you open, you must spend at least 5% of gross sales each month on marketing your business until your location reaches \$1,000,000 in annual gross sales. If your annual gross sales later drop below \$1,000,000, you must again spend 5% of your annual gross sales on local marketing. This requirement will continue until your annual gross sales again exceeds \$1,000,000. (Franchise Agreement Section 9.4).

F. *Internet Marketing.* We have the exclusive right to own, conduct and manage all marketing and commerce on the Internet or other electronic medium, including all websites and “social media” marketing related to the brand, but we may provide you access to the social media account for your location for certain management responsibilities and functions. You cannot change any login/password information without our prior written approval, and you must supply us with all changed/updated login/password information. You cannot conduct such marketing or commerce, nor establish any website or social media presence independently, except as we may specify, and only with our consent. We retain the right to approve any linking to or other use of the Paramount Tax & Accounting website. You must comply with any Internet, online commerce and/or social media policy that we may prescribe. (Franchise Agreement Section 9.6).

G. *Our Rights and Obligations to Market.* Under the terms of the franchise agreement, we are not obligated to conduct advertising for the franchise system, or to spend any amount on advertising in your territory. However, we may use any marketing materials or campaigns developed by or on behalf of you and other franchisees, and you will grant us an unlimited, royalty-free license to do so. (Franchise Agreement Section 9.2).

#### (5) Point of Sale and Computer Systems

We require you to buy (or lease) the following software, hardware and peripheral equipment:

*Drake Software – POS and Tax Preparation Software.* There is no upfront cost to purchase the software because it is subscription based. The ongoing cost is currently \$1,500 per year, subject to change, for unlimited use and unlimited users per physical location. The cost includes support, updates and maintenance. The software calculates the price per form and generates an invoice for the client. Drake Software is for individual, business, trust, fiduciary, and non-profit tax returns. It stores complete tax information, including the returns. It also stores the amount of time spent by each operator, along with data about that client that may be entered. You are required to grant us master access to your account.

*Employee Payroll Tracking Software* – Initial cost of \$500. This software is only required if you have employees or independent contractors working for your business. This software generates reports that allow for percentage payments to employees for services performed and payment collected. This one-time cost includes support, updates and maintenance. It is an online program. (Franchise Agreement Section 8.5; Attachment 5 to the Franchise Agreement)

*Microsoft Office Suite* – Monthly subscription cost of \$10 to \$15 per user. The basic subscription provides access to Word, Excel, Outlook and other capabilities. This price includes maintenance and upgrades as released by Microsoft. (Franchise Agreement Section 8.5; Attachment 5 to the Franchise Agreement)

*QuickBooks Online – Accounting Software* – Cost is approximately \$50 monthly (or less) which includes updates and maintenance. (Franchise Agreement Section 8.5)

*Computer Hardware and Software* – Depending on your current equipment and computer hardware, some or all of the following may be included in the startup package at a cost of \$20,000 to \$25,000:

- a. A laptop or desktop computer (Microsoft protocol workstation).
- b. A server computer (Microsoft protocol) for each office. This server should not substitute as a personal computer for one user. We can also require that this server be a cloud-based server.
- c. A large screen monitor (40 inches to 60 inches) is required at each tax preparation station to be hung on the wall in full view of the client(s). Docking stations may be needed to handle the additional screens.
- d. Two desktop monitors are required in addition to the large screen monitor for each tax preparation station. A laptop screen may count as one of these monitors (if applicable).
- e. One Scanner at each workstation – Currently, Twain based scanners to help provide a paperless office.
- f. An HP laser jet printer is required for every 2 preparers.
- g. Wireless modem and router though hardwire is preferred.
- h. High-speed Internet access.
- i. Camera, microphone, and speakers for video meetings.
- j. Anti-virus software and backup services are required.

You must upgrade or update the required computer software or hardware as we require. We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates to your hardware or software. (Franchise Agreement Section 8.5; Attachment 5 to the Franchise Agreement). We do not require you enter into any such contract with a third party, but we anticipate the annual costs to maintain, repair, upgrade and update these systems to be between \$100 and \$3,000 per year.

You must give us independent access to the information that will be generated or stored in these systems. There is no contractual limitation on our right to access the information. The information that we may access will include sales, client data, and reports. For this, you may be required to obtain a static IP address from your internet provider. All data collected or provided by you, downloaded from your POS system, or otherwise collected from you by us or provided to us, is and will be owned exclusively by us, and we have the right to use the data in any manner without compensation to you. (Franchise Agreement Section 8.5 and 10.6; Attachment 5 to the Franchise Agreement)

#### (6) Operating Manual

We will loan you a copy or provide electronic access to our confidential manuals, containing mandatory policies, operating procedures and other information. (Franchise Agreement Section 5.1). The manuals are confidential, will remain our property and may be used only in association with the Paramount Tax & Accounting franchise business and only during the term of the franchise agreement. You must keep the contents of the manuals confidential. The table of contents of the operating manual is included as Exhibit

“G” to this disclosure document and is approximately 192 pages. You may not copy any part of the manuals, either physically or electronically. (Franchise Agreement Sections 11.5 and 13.1).

#### (7) Multi-Unit Development Agreement

Your rights under the multi-unit development agreement are territorial only and do not give or imply a right to use our trademarks or system. Our only obligation is to provide a territory where you have the option to develop Paramount Tax & Accounting franchise businesses provided in the multi-unit development agreement. After you have identified a potential site for a location, we must approve the location. Our approval will be based on our then-current standards for that franchise business pursuant to your franchise agreement. (Franchise Agreement Section 6.1 and Paragraph 5.4(a); and Multi-Unit Development Agreement Section 2).

#### (8) Training Program

Your principal executive must attend training. You may send any additional persons to the initial training that you want (up to the maximum described below). The length of training depends on the prior experience of your attendees but should last approximately 4 days (not including the optional tax software instruction and educational videos). You must complete training to our satisfaction at least 2 weeks before opening your business. If (1) you fail to complete the initial training program to our satisfaction, or (2) we conclude, no more than 10 days after you complete the initial training program, that you do not have the ability to satisfactorily operate your franchise, then we have the right to terminate your franchise agreement. If we do so, we will refund your franchise fee less any out-of-pocket costs we have incurred, subject to your signing a general release of our liability. (Franchise Agreement Section 6.4).

Each participant in training must sign a non-compete and confidentiality agreement with us.

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training classes once per month. Training will be held at our offices and business location in Salt Lake County, Utah or held virtually over video conferencing software at our discretion. Some training materials may be pre-recorded. At least 10 hours of the online educational videos (those specifically related to Paramount Tax & Accounting) are required to be watched by you. The other online videos provided to you are optional, but we encourage you to watch them. (Franchise Agreement Section 6.4). There is no fee for your principal executive and up to 2 additional persons to attend the initial training; however you shall be responsible for all travel, food, lodging and expenses of your attendees, but we will pay for a single hotel room for up to 5 nights for 1 of your attendees for initial training. We estimate the cost to attend training is estimated to be \$2,500 to \$4,000. Each participant in training must sign a non-compete and confidentiality agreement with us.

The instructional materials consist of our manuals and other materials, lectures, discussions, and on-the-job demonstration and practice. The manuals will detail all aspects of franchise operations presented in training and serve as an ongoing reference. Updates to the manuals will be made available to you through various means including online.

Our training consists of the following:

**TRAINING PROGRAM<sup>1</sup>**

Subject	Hour of Classroom Training	Hours of On the Job Training	Location
System and Introduction	1 Hour	—	Salt Lake County, Utah or via virtual video conference
Starting your Business and Strategic Planning	1 Hour	—	Salt Lake County, Utah or via virtual video conference
Approved Services	1 Hour	—	Salt Lake County, Utah or via virtual video conference
Approved Software for Preparing Taxes	2 Hours	2 Hours	Salt Lake County, Utah or via virtual video conference
Onsite Tax Preparation Practices and Introduction to Online Courses	1 Hour	3 Hours	Salt Lake County, Utah or via virtual video conference
Electronic Filing Requirements	1 Hour	—	Salt Lake County, Utah or via virtual video conference
Ethics, Due Diligence and Guidelines When Accepting Clients	1 Hour	1 Hour	Salt Lake County, Utah or via virtual video conference
Invoicing and Fee Guidelines	1 Hour	1 Hour	Salt Lake County, Utah or via virtual video conference
Systems, Checklists and How to Run the Office Effectively	—	4 Hours	Salt Lake County, Utah or via virtual video conference
Contracts, Forms and Legal Documents	1 Hour	—	Salt Lake County, Utah or via virtual video conference
Safety, OSHA Requirements and Quality Control	1 Hour	—	Salt Lake County, Utah or via virtual video conference
Computer and Software Training <sup>2</sup>	—	4 Hours	Salt Lake County, Utah or via virtual video conference
Customer Service and Handling Complaints	—	1 Hour	Salt Lake County, Utah or via virtual video conference
Marketing and Advertising Your Business	2 Hours	—	Salt Lake County, Utah or via virtual video conference

How to Hire Tax Preparers Staffing and Labor Costs	1 Hour	—	Salt Lake County, Utah or via virtual video conference
Processing Documents, Administrative, Accounting and Record Keeping Obligations	2 Hours	—	Salt Lake County, Utah or via virtual video conference
Paramount Tax & Accounting Instruction and Educational Videos (Required)	—	~10 Hours	Virtual/Online
Tax Software Instruction and Educational Videos (Optional)	—	~40 Hours	Virtual/Online
<b>TOTAL</b>	<b>16 Hours</b>	<b>26 – 66 Hours</b>	

<sup>1</sup> The training program may be changed due to updates in materials, methods, manuals, and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to you and personnel may vary based on the experience of those persons being trained.

<sup>2</sup> Software training programs will be provided to franchisees by our approved vendor once initial training above is completed.

**(9) Instructors**

<b>Trainers</b>	<b>Subject(s) Taught</b>	<b>Length of Experience in the Field</b>	<b>Length of Experience with the Franchisor</b>	<b>Experience Relevant to Subject(s) Taught and Franchisor's Operations</b>
Jon Wilhelm, CPA	All	25+ years	Since 2016	Jon is the founder of Paramount Tax and has operated his own CPA firm since 2008. Jon has also taught courses at the university level for approximately 10 years.

Trainers	Subject(s) Taught	Length of Experience in the Field	Length of Experience with the Franchisor	Experience Relevant to Subject(s) Taught and Franchisor's Operations
David Southwick, CPA	S-corps, c-corps, and partnerships	20+ years	Since 2019	Mr. Southwick is a licensed CPA and is currently a partner at our affiliate's Draper office.
William Baxter	1040s, Schedule Cs, scaling the business, bookkeeping, payroll basics,	8 years	Since 2020	Mr. Baxter has a degree in finance and an MBA with an emphasis in accounting.

All instructors and trainers will have at least 2 years' experience in the tax and accounting industry or will be a licensed CPA or Enrolled Agent.

**(10) Additional Training**

A. Post-Opening Training. We may at any time require that your principal executive or other personnel complete training programs in any format and at any location as determined by us. You will be required to pay a reasonable training fee (currently \$1,500 per person) and will be responsible to pay all applicable travel, living and other expenses of your attendees or our representatives as applicable. We may also require you to provide training programs to your employees. (Franchise Agreement Section 7.6).

B. Conferences and Seminars. At our discretion, we may conduct conferences and seminars, which may be through online webinars, videos, live video conferencing, phone conferences or in person, to discuss improvements, new developments, mutual concerns, business issues, sales, marketing, personnel training, bookkeeping, accounting, inventory control and performance standards. Attendance at conferences and seminars is optional at this time, but we reserve the right to make a conference or seminar mandatory for your principal executive. You are required to pay any applicable the registration fees, as well as travel, and living expenses for your attendees. In-person conferences and seminars will be held at locations chosen by us. (Franchise Agreement Section 5.6).

## Item 12 TERRITORY

**(1) Territory Protection**

We grant you an exclusive territory meaning that we will not open a Paramount Tax & Accounting outlet, nor license or franchise another party to open a Paramount Tax & Accounting outlet in your territory. The continuation of your territorial protection does not depend on achieving a certain sales volume, market penetration, or another contingency.

(2) Your Location

Your franchise is for a specific location approved by us.

(3) Grant of Territory

Your franchise agreement will specify a territory which will be determined by us. Your territory will be made up of one or more ZIP codes. We generally grant territories with a population base of approximately 100,000 people. We have the right to designate the name of each territory and to change the name designation of a territory. You may only provide services to clients at your location, virtually, or as otherwise directed by us. Unless otherwise approved or required by us, you may not make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the Internet, or at temporary or satellite locations.

(4) Territory Division

We have found that once an office reaches approximately 3,500 clients or an average of 3,000 clients, the service of that office can diminish due to the increased workload, and client attrition can be more widespread. Therefore, once you reach 3,500 clients or maintain an average of 3,000 clients over a 12-month period, we can require you to open a second outlet in your territory, and your original territory will be divided into two separate territories. In such case, you may have one or more territories with less than 100,000 people, but the culmination of the population for all your territories will still be approximately 100,000 people. You would also be required to sign a new franchise agreement for the additional location, but the initial franchise fee will only be \$10,000 for this additional franchise, and you would be required to purchase an additional startup package for that additional territory.

(5) Relocation; Establishment of Additional Outlets

You do not have the right to relocate your business, and we have no obligation to approve any request for relocation. Our policy is to approve relocation of a franchisee's business on case-by-case basis, considering factors such as changes in demographics, profitability of your current business, or a loss of your premises due to circumstances beyond your control.

You do not have the right to establish additional franchised outlets or expand into additional territories. If you desire to establish additional franchised outlets, you must (1) meet our then-current criteria for new franchisees as well as our then-current criteria for multi-unit franchisees, (2) be in compliance with your franchise agreement at all times since opening your business, (3) have demonstrated your capability to operate the franchise successfully, and (4) sign our then-current franchise agreement.

(6) Options to Acquire Additional Franchises

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

(7) Adjustment of Territory Boundaries

We reserve the right to adjust your territory boundaries if a government body revises the ZIP codes that make up your territory, or if the population in your territory increases to a population of more than 150,000 people. In such case, we may readjust the boundaries of your territory, including the assigned ZIP codes for your territory, but any adjustment will not result in your territory(ies) having less than a population base of approximately 100,000 people.

(8) Other

(i) Restrictions on Us from Soliciting or Accepting Orders in Your Territory.

There are no restrictions on us from soliciting or accepting orders from consumers inside your territory. We reserve the right to use other channels of distribution, such as the Internet, websites, social media, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks or using trademarks different from the ones you will use under your franchise agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your territory.

(ii) Soliciting by You Outside Your Territory

You can advertise outside your territory, so long as you do not advertise in another franchise or affiliate-owned territory. There are no restrictions on you accepting clients from outside of your territory. For example, direct referrals to other clients from existing clients or referral partners will be permitted anywhere in the country regardless of who owns the area. We reserve the right to control all Internet-based marketing.

(iii) Competition by Us Under Different Trademarks

Neither we, nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement does not prohibit us from doing so.

(9) Multi-Unit Development Agreements

As a multi-unit developer, you will be assigned a limited, non-exclusive development area over which you will have development authority. You may face competition from other franchisees, from units that we own, or from other channels of distribution or competitive brands that we control. The size of your development area is to be negotiated. The written boundaries will be included in your multi-unit development agreement. The schedule of units to be developed in your development area are negotiated between you and us. To maintain your territorial development rights, you must develop the number of franchise businesses by the deadlines listed in your development schedule. After you have identified a potential site for a location, we must approve the location. Our approval will be based on our then-current standards for that franchise business pursuant to your franchise agreement.


There are no restrictions on us from soliciting or accepting orders from consumers inside your development area. We reserve the right to use other channels of distribution, such as the Internet, websites, social media, catalog sales, telemarketing, or other direct marketing sales, to make sales within your development area using our principal trademarks or using trademarks different from the ones you will use under your franchise agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your development area.

**Item 13  
TRADEMARKS**

(1) – (4) Principal Trademark

The following are the principal trademarks and slogans that we license to you. These trademarks and slogans are owned by our affiliate, Paramount Tax & Accounting CPAs, PC. They are registered on the Principal Register of the United States Patent and Trademark Office, or a mark has not been filed for

registration, but we claim common law rights in the mark. All required affidavits and renewals have been filed.

Registration/ Serial Number	Mark	Registry	Registration/ Filing Date	Status
4941080	PARAMOUNT (word mark)	Principal	April 19, 2016	Active
5748253	 (composite mark)	Principal	May 14, 2019	Active
98590618	When it comes to your tax and accounting needs, choosing a great firm is Paramount! (word mark)	Principal	March 18, 2025	Active
N/A	Because we're tax professionals, and they're not (word mark)	N/A	N/A	Common Law Rights

#### (5) Determinations

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings.

#### (6) Litigation

There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

#### (7) Agreements

Our affiliate owns all the trademarks described in this Item 13. Under an intercompany license agreement between us and our affiliate entered into in 2018, we have been granted the exclusive right to sublicense the trademark to franchisees throughout the United States for 50 years with renewal periods of 25 years. It may be modified only by mutual consent of the parties. It may be terminated by our affiliate only if we materially misuse the trademarks and fail to correct the misuse within 60 days of notice. The intercompany license agreement specifies that if it is ever terminated, your franchise rights will remain unaffected.

#### (8) Protection of Rights

We protect your right to use the principal trademarks listed in this Item and protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section.

The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you.

If you use our trademarks in accordance with the franchise agreement, then (i) we shall defend you (at our expense) against any legal action by a third party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense.

**(9) Superior Prior Rights and Infringing Uses**

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks.

**Item 14**

**PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

**(1) Patents**

We do not own rights in, or licenses to, patents that are material to the franchise.

**(2) Copyrights**

All our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our operating manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for the purpose of your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

**(3) Agreements**

Our affiliate owns all of the copyrights described in this Item 14. Under an intercompany license agreement between us and our affiliate entered into in 2018, we have been granted the exclusive right to sublicense the copyrighted materials to franchisees throughout the United States for 50 years with renewal periods of 25 years. It may be modified only by mutual consent of the parties. It may be terminated by our affiliate only if we materially misuse the copyrights and fail to correct the misuse within 60 days of notice. The intercompany license agreement specifies that if it is ever terminated, your franchise rights will remain unaffected.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

(4) Protection of Rights

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights.

We do not know of any copyright infringement that could materially affect you.

(5) Proprietary Information

We have proprietary, confidential manuals and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, client data, information and know-how.

You must protect the confidentiality of our manuals and other proprietary information and use our confidential information only for your franchised business. We require your owners and key employees to sign confidentiality agreements.

(6) Improvements to the System

Any improvements you make to the system will be owned by us and considered a “work-made-for-hire” or will otherwise be assigned to us.

**Item 15**

**OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

(1) Your Participation

You must designate one person as your “principal executive.” If you as the franchisee are an individual, the principal executive is you personally, if you as the franchisee are an entity, the principal executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The principal executive must own at least 10% of the business.

Your principal executive is not required to participate personally in the direct operation of your business. However, we recommend that your principal executive participates in the direct operations and must also be your principal point of contact with us.

Your principal executive or another employee of your Paramount Tax & Accounting business must be a licensed professional (EA, CPA, CA, or attorney), or as required by state law, and must spend at least 10 hours a week engaged in your Paramount Tax & Accounting business and must work sufficient hours to operate your franchise or supervisor your managers so that your franchise business is operating at maximum capacity and efficiency. The principal executive must also complete any post-opening training programs that we develop in the future. The principal executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand

conferences, that we require. The principal executive cannot fail to attend more than 3 consecutive required meetings.

(2) “On-Premises” Supervision

Your principal executive is not required to personally conduct “on-premises” supervision (that is, act as general manager) of your business. However, we recommend on-premises supervision by your principal executive.

There is no limit on who you can hire as an on-premises supervisor.

If the franchise business is owned by an entity, we do not require that the general manager own any equity in the entity.

A licensed professional must e-file all tax returns and approve of all the work produced by the franchised firm.

(3) Restrictions On Your Manager

If we request, you must have your general manager sign a confidentiality and non-compete agreement. We do not require you place any other restrictions on your manager.

(4) Who Must Attend Initial Training

Your principal executive and your managers must attend the initial training program.

(5) Personal Guarantees

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 3 to Exhibit B).

(6) No Competing Enterprises

Neither you, your principal executive, nor your management employees can have an interest in or business relationship with any competing business during the term of the franchise agreement and must keep free from activities that would be detrimental to or interfere with the operation of your franchise business or detrimental to the franchise system. You, your partners, directors, members, shareholders, and principal executive must sign our standard principal brand protection agreement agreeing to protect and keep confidential our trade secrets and confidential information and to conform with the covenants not to compete described in Item 17. Your employees will also be required to sign a brand protection agreement, and that agreement also imposes certain non-competition restrictions on management employees. Some states may impose certain restrictions on non-competition agreements. We provide you with this form, but it is your responsibility to conform it to the laws and regulations of your state.

(7) Required Operations

You must operate the franchise business at least 30 hours per week throughout the year, except for the week between Christmas and New Years as designated by us (unless waived in writing by us).

**Item 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer for sale only goods and services that we have approved. You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes. You may not outsource any part of your services to a third party, including to another Paramount Tax & Accounting franchisee without our prior written approval.

Additionally, if you have the proper licensing as required by your state, we may approve of you providing auditing services and other types of consulting services to your clients. Depending on state law, these fees will be considered part of your gross sales, and thus, included in the calculation of your ongoing royalty payment.

We do not restrict your access to clients, and you may accept referrals from anywhere in the country, even if that client is in another franchisee's territory. However, you are not permitted to market in another franchisee's or affiliate- owned territory.

**Item 17**  
**RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**  
**THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.**

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	§ 3.1	20 years from date of franchise agreement
b. Renewal or extension of the term	§ 3.2	You may obtain a successor franchise agreement for up to 2 additional 5 year terms.
c. Requirements for franchisee to renew or extend	§ 3.2	<p>For our franchise system, “renewal” means that at the end of your term, you sign our successor franchise agreement for an additional 5 year term. You may be asked to sign a contract with materially different terms and conditions than your original contract.</p> <p>To renew, you must give timely advance notice to us (between 90 days and 180 days prior to the end of the term); be in compliance; renovate to then-current standard; sign the then-current form of our franchise agreement; and sign a general release (unless prohibited by applicable law).</p>

Provision	Section in franchise or other agreement	Summary
d. Termination by franchisee	§ 14.1	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 60 days after receiving written notice from you (subject to state law). Additionally, you may terminate under any grounds permitted by law.
e. Termination by franchisor without cause	Not Applicable	Termination always requires a valid cause.
f. Termination by franchisor with cause	§ 14.2	We can terminate if you materially breach and fail to cure. There are certain breaches for which we can terminate without giving you an opportunity to cure (see (h) below). Termination of the franchise agreement may result in the termination of your MUDA and vice versa.
g. “Cause” defined--curable defaults	§ 14.2(a) and (b)	Non-payment by you (10 days to cure); violation of the franchise agreement other than non-curable default (30 days to cure). Termination of the franchise agreement may result in the termination of your MUDA and vice versa.
h. “Cause” defined--non-curable defaults	§ 14.2(c)	Misrepresentation when applying to be a franchisee; intentionally submitting false information; bankruptcy; loss of possession of your location; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; libel or defamation of us; you cease operations for more than 5 consecutive days without our prior written approval; you commit 3 defaults in 12 months; cross-termination; charge or conviction of a felony, or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured. Termination of the franchise agreement may result in the termination of your MUDA and vice versa.

Provision	Section in franchise or other agreement	Summary
i. Franchisee's obligations on termination/non-renewal	§§ 14.3 – 14.6	Pay all amounts due; return our manuals and proprietary items; notify phone, Internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by us	§ 15.1	Unlimited
k. "Transfer" by franchisee – defined	Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) direct or indirect ownership interest of more than 25% of the business, or (iv) control of the business.
L. Franchisor's approval of transfer by franchisee	§ 15.2	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	§ 15.2	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer signs our then-current franchise agreement; you make all payments to us and are in compliance with the franchise agreement; buyer completes training program; you sign a general release; business complies with then-current system specifications.
n. Franchisor's right of first refusal to acquire franchisee's business	§ 15.5	If you want to transfer your business, we have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	Not Applicable	
p. Death or disability of franchisee	§ 15.4	If you die or become incapacitated, your executor must transfer the business to a third party within 9 months. We have the right to operate the business temporarily if you die or become incapacitated.

Provision	Section in franchise or other agreement	Summary
q. Non-competition covenants during the term of the franchise	§ 13.2	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, or be engaged or employed by, any competitor.
r. Non-competition and non-solicitation covenants after the franchise is terminated or expires	§ 13.2	<p>For 2 years, no ownership or employment by a competitor located within your former territory, or within 25 miles of your former territory or within 25 miles of the territory of any other Paramount business operating on the date of termination.</p> <p>For 3 years, you cannot directly or indirectly contact any then-current or former clients, or of other franchisees or ours or our affiliate's to solicit them to any business that is the same or substantially similar business as our system.</p>
s. Modification of the agreement	§ 18.4	No modification or amendment of the franchise agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the manuals or system specifications.
t. Integration/merger clause	§ 18.3	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, this does not disclaim the representations made by us in this disclosure document.
u. Dispute resolution by arbitration	§ 17.1	All disputes are resolved by arbitration (except for injunctive relief). Subject to applicable state law.
v. Choice of forum	§§ 17.1; 17.5	Arbitration will take place where our headquarters is located (currently, Salt Lake County, Utah). Any legal proceedings not subject to arbitration will take place in the district court of the United States in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to state law).

Provision	Section in franchise or other agreement	Summary
w. Choice of law	§ 18.8	Utah (subject to applicable state law).

## THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the multi-unit development agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

### Multi-Unit Development Agreement

Provision	Section in Multi-Unit Development Agreement	Summary
a. Length of the franchise term	§ 1	As negotiated
b. Renewal or extension of the term	Not Applicable	
c. Requirements for franchisee to renew or extend	Not Applicable	
d. Termination by franchisee	Not Applicable	There are no provisions in the multi-unit development agreement that permit you to terminate the multi-unit development agreement. However, you may terminate under any grounds permitted by law.
e. Termination by franchisor without cause	Not Applicable	Termination always requires a valid cause.
f. Termination by franchisor with cause	§ 4	We can terminate if you materially breach and fail to cure. There are certain breaches for which we can terminate without giving you an opportunity to cure (see (h) below). Termination of the MUDA may result in the termination of your franchise agreement and vice versa.
g. "Cause" defined--curable defaults	Not Applicable	

Provision	Section in Multi-Unit Development Agreement	Summary
h. “Cause” defined--non-curable defaults	§ 4	Failure to meet a development deadline, or you default and fail to cure a default under one of your franchise agreements. Termination of the MUDA may result in the termination of your franchise agreement and vice versa.
i. Franchisee’s obligations on termination/non-renewal	§§ 4 – 5	You will forfeit all deposits made and any contractual rights to develop or purchase additional franchises in the development area. However, you may continue as a franchisee pursuant to your signed franchise agreements in good standing.
j. Assignment of agreement by us	§ 7	Unlimited
k. “Transfer” by franchisee – defined	§ 7	You cannot transfer without our approval.
l. Franchisor’s approval of transfer by franchisee	§ 7	No transfers without our approval.
m. Conditions for franchisor’s approval of transfer	§ 7	You cannot transfer without our approval.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Not Applicable	
o. Franchisor’s option to purchase franchisee’s business	Not Applicable	
p. Death or disability of franchisee	Not Applicable	
q. Non-competition covenants during the term of the franchise	Not Applicable	
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	

Provision	Section in Multi-Unit Development Agreement	Summary
s. Modification of the agreement	§ 7	No modification or amendment will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the manuals or system specifications.
t. Integration/merger clause	§ 7	Only the terms of the multi-unit development agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and multi-unit development agreement may not be enforceable. However, this does not disclaim the representations made by us in this disclosure document.
u. Dispute resolution by arbitration	§ 7	All disputes are resolved by arbitration (except for injunctive relief). Subject to applicable state law.
v. Choice of forum	§ 7	Arbitration will take place where our headquarters is located (currently, Salt Lake County, Utah). Any legal proceedings not subject to arbitration will take place in the district court of the United States in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to state law).
w. Choice of law	§ 7	Utah (subject to applicable state law).

For additional disclosures required by certain states, refer to Exhibit I - State Addenda to Disclosure Document.

## Item 18 PUBLIC FIGURES

We do not use any public figure to promote our franchise. However, we reserve the right to use public figures in the future.

**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.

**Gross Sales/Expenses/Net Income**

The tables below represent an historic performance representation of our 2 affiliate owned outlets and 30 of our franchised outlets that completed at least one full tax season before 2024 and who operated for all of 2024.

We had 46 outlets that are not included because they did not complete at least one full tax season before the beginning of 2024 or did not operate for all of 2024. Franchisees typically have different start dates and experience other types of volatility in their first tax season; whereas franchisees that have completed at least one full tax season before the beginning of the year generally have more uniform operations in the reporting year.

We also had 15 outlets that are not included in this Item 19 because they did not operate on a full-time basis in 2024, and part-time franchisees are not included in our offered franchise model. Additionally, we did not include 7 franchisees that had signed franchise agreements but who had not yet opened as of the end of 2024.

[The table representing our affiliate-owned outlets is on the following page]

### Company Owned/Affiliate Outlets

The table below represents an historic performance representation of our 2 affiliate owned outlets in Draper, Utah and Port St. Lucie, Florida from January 1, 2024 to December 31, 2024. We only have 2 affiliate owned outlets. As of December 31, 2024, our Draper, Utah outlet had been operating for more than 10 years, and our Port St. Lucie, Florida outlet had been operating for less than 3 years.

Category	Combined Totals	High Range	Low Range	Average	Median	Number of Outlets that Attained or Surpassed the Average	Percentage of Outlets that Attained or Surpassed the Average
<b>Gross Sales<sup>1,2</sup></b>	<b>\$12,826,603</b>	<b>\$12,209,982</b>	<b>\$616,621</b>	<b>\$6,413,302</b>	<b>\$6,413,302</b>	<b>1</b>	<b>50%</b>
<i>Less Marketing Costs</i>	<i>\$148,578</i>	<i>\$144,800</i>	<i>\$3,778</i>	<i>\$59,289</i>	<i>\$59,289</i>	1	50%
<i>Less Other Expenses</i>	<i>\$5747,823</i>	<i>\$5,553,713</i>	<i>\$194,110</i>	<i>\$2,873,912</i>	<i>\$2,873,912</i>	1	50%
<i>Royalties<sup>2</sup> (10%)</i>	<i>\$163,376</i>	<i>\$101,714</i>	<i>\$61,662</i>	<i>\$81,688</i>	<i>\$81,688</i>	1	50%
<b>Net Income</b>	<b>\$6,766,826</b>	<b>\$6,409,755</b>	<b>\$357,071</b>	<b>\$3,398,413</b>	<b>\$3,398,413</b>	<b>1</b>	<b>50%</b>

<sup>1</sup> Draper Gross Sales. Most of the gross sales in 2024 for our affiliate's Draper, Utah outlet was from tax consulting. Our franchisees are allowed to provide tax consulting as well, but most of the tax consulting performed by our affiliate's Draper, Utah outlet involved mineral property donations and conservation easements for high income producing clients, and the IRS and state taxing authorities may phase out this deduction in the near future.

<sup>2</sup> Draper Royalties. Our Draper, Utah outlet pays us royalties on all tax and accounting work it performs but not tax consulting work. In 2024, gross sales generated from tax and accounting work was \$1,017,140.

[The table representing our franchised outlets is on the following page]

## Franchised Outlets

The table below represents an historic performance representation of our 30 franchised outlets that had completed at least one full tax season prior to the beginning of 2024 and who operated for all of 2024. These franchisees also operated on a full-time basis for the entire 2024 calendar year. The table represents figures from January 1, 2024 to December 31, 2024.

Category	Combined Totals	High Range	Low Range	Average	Median	Number of Outlets that Attained or Surpassed the Average	Percentage of Outlets that Attained or Surpassed the Average
<b>Gross Sales</b>	<b>\$14,934,410</b>	<b>\$3,322,740</b>	<b>\$57,003</b>	<b>\$497,814</b>	<b>\$204,162</b>	<b>9</b>	<b>30%</b>
<i>Less Marketing Costs</i>	<i>\$240,234</i>	<i>\$23,553</i>	<i>\$3,600</i>	<i>\$8,007</i>	<i>\$6,722</i>	11	37%
<i>Less Other Expenses</i>	<i>\$6,819,715</i>	<i>\$2,195,280</i>	<i>\$13,200</i>	<i>\$227,324</i>	<i>\$116,644</i>	9	30%
<i>Less Royalties</i>	<i>\$1,493,441</i>	<i>\$332,274</i>	<i>\$5,700</i>	<i>\$49,781</i>	<i>\$20,416</i>	9	30%
<b>Net Income</b>	<b>\$6,381,020</b>	<b>\$2,059,940</b>	<b>\$19,093</b>	<b>\$212,702</b>	<b>\$87,255</b>	<b>10</b>	<b>33%</b>

## Notes

1. Gross Sales. “Gross sales” means the total dollar amount of all sales generated by an outlet for a given period, including payment for any services or products sold, whether for cash or credit and the value of any services bartered or done on trade. Gross sales do not include (i) bona fide refunds to clients, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in gross sales).
2. Average. “Average” means the sum of all data points in a set, divided by the number of data points in that set.
3. Median. “Median” means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the 2 numbers in the middle, adding them together, and dividing by 2.
4. Outlet Characteristics. Our affiliate owned outlets and all franchised outlets listed in the tables above offer similar products and services to what new franchisees would offer. Each outlet is in a metropolitan area.
5. Other Expenses. The term “other expenses” includes general and administrative expenses along with direct costs that did not include sales and marketing expenses.

**Some outlets have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.**

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Paramount Franchising 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 Jon Wilhelm, CPA at [Jon@Paramount.tax](mailto:Jon@Paramount.tax), 12481 South Fort St., Suite 200, Draper, Utah 84020, and 801-341-2300, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table 1**  
**System Wide Outlet Summary**  
**For years 2022 to 2024**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	37	50	+13
	2023	50	77	+27
	2024	77	91	+14
Company-Owned <sup>1</sup>	2022	2	2	+0
	2023	2	2	+0
	2024	2	2	+0
Total Outlets	2022	39	52	+13
	2023	52	79	+27
	2024	79	93	+14

<sup>1</sup> "Company-Owned" units are owned and operated either by our affiliate or one of our principal officers.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2022 to 2024**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Florida	2022	0
	2023	0
	2024	3
Nevada	2022	0
	2023	1
	2024	2
Utah	2022	0
	2023	1
	2024	0
Total	2022	0
	2023	1
	2024	5

**Table 3**  
**Status of Franchised Outlets**  
**For years 2022 to 2024**

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Arizona	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
California	2022	3	5	0	0	0	0	8
	2023	8	5	0	0	0	0	13
	2024	13	2	1	0	0	0	14
Colorado	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
	2024	1	1	0	0	0	0	2
Connecticut	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	3	3	0	0	0	0	6
	2023	6	4	0	0	0	0	10
	2024	10	2	1	0	0	0	11
Idaho	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	2	0	0	0	0	4
Illinois	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Iowa	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
Kansas	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Maryland	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Massachusetts	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Missouri	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nevada	2022	5	0	0	0	0	0	5

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
New Hampshire	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
North Carolina	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Oklahoma	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Pennsylvania	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Tennessee	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Texas	2022	4	2	0	0	0	0	6
	2023	6	2	0	0	0	0	8
	2024	8	7	0	0	0	0	15
Utah	2022	13	1	0	0	0	0	14
	2023	14	4	0	0	0	0	18
	2024	18	0	0	0	0	0	18
Virginia	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Wisconsin	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Totals	2022	37	13	0	0	0	0	50
	2023	50	27	0	0	0	0	77
	2024	77	17	3	0	0	0	91

**Table 4**  
**Status of Company-Owned Outlets**  
**For years 2022 to 2024**

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Florida	2022	0	1	0	0	0	1
	2023	1	1	0	0	0	1
	2024	1	0	0	0	0	1
Utah	2022	2	0	0	0	1	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	2	1	0	0	1	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2

**Table 5**  
**Projected Openings As Of December 31, 2024**

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Next Fiscal Year
California	1	1	0
Florida	1	1	0
Missouri	1	1	0
Nevada	1	1	0
Utah	3	3	0
Totals	7	7	0

(1) Current Franchisees

Exhibit H contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

(2) Former Franchisees

Exhibit H contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

(3) Sale of Previously Owned Outlet

We are not selling a previously owned franchised outlet now under our control.

(4) Confidentiality Clauses

In the last 3 fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

(5) Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

**Item 21**  
**FINANCIAL STATEMENTS**

Exhibit F contains our audited financials dated December 31, 2023, our audited financials dated December 31, 2022, and our audited financials dated December 31, 2021. We have also included unaudited interim financials dated May 31, 2025. Our fiscal year ends December 31.

**Item 22**  
**CONTRACTS**

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

- B. Franchise Agreement
- C. Multi-Unit Development Agreement
- D. Rider to Lease Agreement
- E. Form of General Release
- J. State Addenda to Franchise Agreement
- M. Deposit Receipt Letter

**Item 23**  
**RECEIPTS**

Detachable documents acknowledging your receipt of this disclosure document are attached as the last 2 pages of this disclosure document.

Exhibit A

**STATE ADMINISTRATORS AND LIST OF AGENTS FOR SERVICE OF PROCESS**

**STATE ADMINISTRATORS**

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California		Department of Financial Protection and Innovation	<u>Sacramento:</u> 2101 Arena Blvd., Sacramento, CA 95834 <u>San Diego:</u> 1455 Frazee Road Suite 315, San Diego, CA 92108 <u>San Francisco:</u> One Sansome Street, Ste. 600, San Francisco, CA 94101 <u>Los Angeles:</u> 320 West 4 <sup>th</sup> Street, Ste. 750, Los Angeles, CA 90013-2344	<u>Sacramento:</u> (916) 445-7205  <u>San Diego:</u> (619) 525-4233  <u>San Francisco:</u> (415) 972-8559  <u>Los Angeles:</u> (213) 576-7500  <u>Toll Free:</u> (866) 275-2677
Connecticut	Securities and Business Investment Division	Connecticut Department of Banking	260 Constitution Plaza, Hartford, CT 06103-1800	(860) 240-8233
Florida	Division of Consumer Services	Department of Agriculture and Consumer Services	P.O. Box 6700, Tallahassee, FL 32314-6700	(805) 488-2221 Fax: (805) 410-3804
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Ste. 315, West Tower, Atlanta, GA 30334	
Hawaii	Business Registration Division, Commissioner of Securities	Department of Commerce and Consumer Affairs	P.O. Box 40, Honolulu, HI 96810	(808) 586-2744
Illinois	Franchise Bureau	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4436
Indiana	Franchise Section	Indiana Securities Division, Secretary of State	302 West Washington Street, Room E-111, Indianapolis, IN 46204	(317) 232-6681
Iowa	Iowa Securities Bureau		340 Maple, Des Moines, Iowa 50319-0066	(515) 287-4441
Maryland	Office of the Attorney General	Division of Securities	200 St. Paul Place, 20 <sup>th</sup> Floor, Baltimore Maryland 21202-2020	(410) 576-6360

Michigan	Michigan Attorney General's Office	Consumer Protection Division; Attn: Franchise Section	525 West Ottawa Street, Williams Building, 6 <sup>th</sup> Floor, Lansing, MI 48933	(517) 373-7117
Minnesota	Minnesota Department of Commerce	Securities – Franchise Registration	85 7 <sup>th</sup> Place East, Suite 280, St. Paul, Minnesota 55101-2198	(651) 539-1600
Nebraska	Bureau of Securities/Financial Institutions Division	Department of Banking and Finance	1526 K Street, Suite 300, Lincoln, NE 68508-2732	(402) 471-3445
New York	NYS Department of Law	Investor Protection Bureau	28 Liberty St. 21 <sup>st</sup> Floor, New York, NY 10005	(212) 416-8222 Fax: (212) 416-6042
North Dakota	Franchise Examiner	North Dakota Securities Department	600 East Boulevard Avenue, State Capital 5 <sup>th</sup> Floor, Dpt 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Division of Finance and Corporate Securities	Department of Consumer and Business Services	Labor and Industries Building	(503) 378-4140 Fax: (503) 947-7862
Rhode Island	Securities Division	Department of Business Regulation	1511 Pontiac Avenue, John O. Pastore Complex 69-1, Cranston, RI 02920-4407	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 S. Euclid 2 <sup>nd</sup> Floor, Pierre, SD 57501-3185	(605) 773-3563 Fax: (605) 773-5953
Texas	Secretary of State	Registration Division	P.O. Box 13193, Austin, TX 78711-3193 1719 Brazos, Austin, TX 78707	(512) 475-1769
Utah	Division of Consumer Protection	Utah Department of Commerce	160 East 300 South, SM Box 146704, Salt Lake City, UT 84114-6704	(801) 530-6601 Fax: (801) 530-6001
Virginia	State Corporation Commission	Division of Securities and Retail Franchising	1300 East Main Street, 9 <sup>th</sup> Floor, Richmond, VA 23219	(804) 371-9051
Washington	Securities Division	Department of Financial Institutions	150 Israel Rd. SW, Tumwater, WA 98501	(360) 902-8760
Wisconsin	Division of Securities	Department of Financial Institutions	P.O. Box 1768, Madison, WI 53701	(608) 266-2801
Federal Trade Commission	Division of Marketing Practices	Bureau of Consumer Protection	Pennsylvania Avenue at 6 <sup>th</sup> Street, NW, Washington DC 20580	(202) 326-3128

### LIST OF AGENTS FOR SERVICE OF PROCESS

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation	Department of Financial Protection and Innovation	2101 Arena Blvd., Sacramento, CA 95834	(916) 445-7205 (866) 275-2677
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Suite 315, West Tower, Atlanta, GA 30334	
Hawaii	Commissioner of Securities	Department of Commerce and Consumer Affairs Business Registration Division, Securities Compliance Branch	335 Merchant Street, Room 203, Honolulu, HI 96813	(808) 586-2722
Illinois	Chief, Franchise Division	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4465
Indiana	Indiana Secretary of State		210 State House, Indianapolis, IN 46204	
Maryland	Maryland Securities Commissioner	Division of Securities; Office of Attorney General	200 St. Paul Place, 20 <sup>th</sup> Floor, Baltimore, MD 21202-2020	(410) 576-6360
Michigan	Antitrust and Franchise Business	Michigan Department of the Attorney General's Office; Franchise Administrator; Consumer Protection Division	6546 Mercantile Way, Lansing, MI 48910	(517) 373-7117
Minnesota	Commissioner of Commerce	Minnesota Department of Commerce	85 7 <sup>th</sup> Place East, Suite 280, St. Paul, MN 55101	(651) 539-1500
New York	New York Department of State		99 Washington Avenue, 6 <sup>th</sup> Floor, Albany, NY 12231	(518) 473-2492
North Dakota	North Dakota Securities Department		600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Director of Insurance & Finance	Business Service Division of Finance and Corporate Securities Labor and Industries Building	Salem, OR 97310	(503) 378-4387

Rhode Island	Chief Securities Examiner of Business Regulation	Department of Business Regulation Securities Division	1511 Pontiac Avenue, John O. Pastore Complex – Building 69-1, Cranston, RI 02920	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 South Euclid Avenue, 2 <sup>nd</sup> Floor, Pierre, SD 57501-3185	(605) 773-3563
Virginia	Clerk of the State Corporation Commission		1300 East Main Street, 1 <sup>st</sup> Floor, Richmond, VA 23219	
Washington	<u>Department of Financial Institutions</u>	<u>Securities Division</u>	150 Israel Rd SW Tumwater, WA 98501	(360) 902-8760
Wisconsin	Wisconsin Commissioner of Securities	Franchise Investment Division	101 East Wilson Street, Fourth Floor, Madison, WI 53702	

If a state is not listed, Paramount Franchising LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which Paramount Franchising LLC has appointed an agent for service of process.

**EXHIBIT B**  
**FRANCHISE AGREEMENT**



## FRANCHISE AGREEMENT

### SUMMARY PAGE

1. **Franchisee** \_\_\_\_\_
2. **Effective Date** \_\_\_\_\_
3. **Initial Franchise Fee** \$ \_\_\_\_\_
4. **Development Area** \_\_\_\_\_
5. **Business Location** \_\_\_\_\_
6. **Territory** \_\_\_\_\_
7. **Opening Deadline** \_\_\_\_\_
8. **Principal Executive** \_\_\_\_\_
9. **Franchisee's Address** \_\_\_\_\_

## FRANCHISE AGREEMENT

This Agreement is entered into and made effective as of \_\_\_\_\_ (“Effective Date”) between Paramount Franchising LLC, a Nevada limited liability company (“Paramount Franchising”), and \_\_\_\_\_ (“Franchisee”).

### Background Statement:

A. Paramount Franchising owns the licensing rights to a system (the “System”) for developing and operating a federal and state tax return preparation, resolution, accounting and related accounting and financial services business under the service mark Paramount.

B. The System includes: (1) methods and procedures for developing and operating a Paramount business, (2) plans, specifications, equipment, signage and trade dress for Paramount businesses, (3) particular products and services, (4) the Marks, (5) training programs, (6) technical knowledge, (7) marketing plans and concepts, (8) a website, (9) accounting and bookkeeping specifications, (10) methods and standards of operation, and (11) other mandatory or optional elements as determined by Paramount Franchising from time to time.

B. The parties desire that Paramount Franchising license the Marks and the System to Franchisee for Franchisee to develop and operate a Paramount business on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

### ARTICLE 1. DEFINITIONS

“**Action**” means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

“**Approved Vendor**” means a supplier, vendor, or distributor of Inputs which has been approved by Paramount Franchising.

“**Business**” means the Paramount business owned by Franchisee and operated under this Agreement.

“**Competing Business**” means a Tax Accounting business, at wholesale or retail or a business offering products or services the same as or substantially similar to those offered at the Business or as part of the system during the term hereof or at the time of termination. Such products and services include preparing and filing tax returns, providing accounting services, CPA audits, and other same or similar services offered by Paramount Tax® to the general public and businesses.

“**Confidential Information**” Confidential Information means any non-public information relating to Paramount’s products or services, or operation of a Paramount Tax® business, the System, or relating to the System as a whole, Including: (i) methods, techniques, formats, specifications, procedures, and systems; (ii) hardware, software, proprietary technology, and equipment; (iii) sales and Marketing programs, sales techniques, pricing, bidding methods, etc.; (iv) the development and operation of Paramount Tax® businesses; (v) knowledge of, specifications for, and suppliers of, certain Paramount Tax® products, materials, supplies, equipment, furnishings and fixtures; (vi) operating results, margins, expenses, and financial performance of Paramount Tax® businesses; (vii) strategic plans and concepts for the

development, operation, or expansion of Paramount Tax® businesses; (viii) the contents of the manuals; (ix) all Customer Data; (xi) login, passwords, access information, etc., to email accounts, social media, manuals or other internal sites or shared documents; (xii) intellectual property that is generally deemed confidential; (xiii) all Innovations; and (xiv) any other information obtained from Paramount Franchising in confidence at any time by virtue of the franchise or license relationship.

**“Copyright Materials”** means, even if it is not federally registered, writings, manuals, designs, blueprints, schematics, drawings, artwork, marketing materials, agreements, contracts, scripts, pamphlets, instructions, books, literary works, music, and jingles, documents, photographs, images, audio, music affiliated with the brand, videos, recordings, Social Media posts, software, websites and website data, apps, or any other work We, You, other franchisees, or Our affiliates make that is in a fixed tangible medium as part of the Paramount Tax® franchise system and authorized for use under the System.

**“Customer Data”** means any and all information related to customers, and customer and prospective customer data and lists, including phone numbers, emails, mailing addresses, name and contact information for key personnel of the customer, Social Media followers’ information, etc., even if maintained by Franchisee or deemed to have arisen through Franchisee’s activities as well as payment activity, demographic information, product and services purchases and use, and their frequency as well as any feedback and reviews and any other information collected on such customers through the System and processes either electronically or on paper or other means that Franchisee is legally allowed to collect and share with Franchisor under state or federal law and under this Agreement. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

**“Gross Sales”** means the total dollar amount of all sales generated through the Business for a given period, Including payment for any services or products sold by Franchisee, whether for cash or credit and the value of any services bartered or done on trade. Gross Sales does not include (i) bona fide refunds to clients, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

**“Including” or “Includes”** means “including, but not limited to,” “including, without limitation,” and similar all-inclusive and non-exhaustive meanings.

**“Immediate Family”** means spouses, domestic partners, parents, stepparents, children, stepchildren, sons-in-law, and daughters-in law.

**“Innovation”** means any idea conceived or developed, or any actual improvement, change, modification, enhancement, or addition to the System, Including to the Business, Copyrighted Materials, Manuals, Confidential Information, website, social media, Marketing materials, apps or any other documents or information pertaining to or relating to the System, or any Intellectual Property related to the System, or any creative concepts, Marketing ideas, or inventions related to the System, and all derivatives thereof, whether implemented in the System or not.

**“Input”** means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

**“Intellectual Property”** means all Marks, trade dress, names, Copyrighted Materials, systems, patents, patent applications, trade secrets, websites, Social Media, apps, and software.

**“Internet”** means any present or future interactive system for electronic communications, using lines, cables, wireless, satellite, radio or any other technology; and which involves one or more of the following: the system of interconnected computer networks that use the Internet protocol suite (TCP/IP) or its successor; websites or similar remotely-accessible electronic information sources (whether password protected or not); use of domain names, other locators, or emails that use the Marks; Internet phone services; cellular or similar messaging; mobile applications; social networks or Social Media; or wikis, podcasts, online content sharing communities, or blogging.

**“Location”** means the location stated on the Summary Page. If no location is stated on the Summary Page, then the Location will be determined in accordance with Section 6.1.

**“Losses”** includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys’ fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Paramount Franchising’s reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

**“Manual”** means one or more guides or manuals, including an operations manual, brand standards manual, training manuals, and/or policies and procedures manual, technical bulletins, online drives or portals, or other written materials as may be developed, modified and supplemented by Paramount Franchising periodically. The Manuals may be printed or in an electronic format.

**“Marketing”** or **“Market”** means advertising, brand development, promotion, public relations campaigns, content creation, influencer incentives or compensation, market research, and other related processes.

**“Marketing Fund”** means the fund established (or which may be established) by Paramount Franchising into which Marketing Fund Contributions are deposited.

**“Marks”** means the service mark and logo contained on the Summary Page, and all other federally registered and common law names, trade names, trademarks, slogans, catchphrases, service marks, colors, font schemes, logos and/or other commercial property or symbols owned by Paramount Franchising or licensed to Paramount Franchising, whether now or later developed, used in connection with the Paramount Tax® System.

**“Owner”** means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then “Owner” means Franchisee.

**“Participant”** means an Owner, operator, director, manager, consultant, agent, employee (management-level or higher), contractor, advisor, officer, lessor, lessee, licensor, or licensee.

**“Remodel”** means a refurbishment, renovation, and remodeling of the Location to conform to the building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, decor, color schemes, presentation of the Marks, and other System Standards in a manner consistent with the image then in effect for a new Paramount Business.

**“Required Vendor”** means a supplier, vendor, or distributor of Inputs which Paramount Franchising requires Franchisees to use.

**“Social Media”** means any and all websites, apps and web or Internet pages for social interaction, business operation, Marketing, and other online information communications, whether now or later developed.

**“System Standards”** means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Paramount Franchising, Including any procedures, requirements and/or standards for appearance, business metrics, cleanliness, client service, design (such as construction, decoration, layout, furniture, fixtures and signs), equipment, inventory, marketing and public relations, operating hours, presentation of Marks, product and service offerings, quality of products and services (Including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (Including email, audio, and video systems), payment acceptance systems, and Internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

**“Termination” or “Terminate”** Includes expiration, non-renewal, repurchase of Franchisee’s rights, non-granting of a successor franchise, non-renewal, Transfer, or any other means by which this Agreement is no longer in effect, and Franchisee is no longer a franchisee of the Paramount Tax® System.

**“Territory”** means the territory stated on the Summary Page. If no territory is stated on the Summary Page, then the Territory is determined in accordance with Section 6.1.

**“Transfer”** means for Franchisee (or any owner of Franchisee) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) direct or indirect ownership interest of more than 25% of the Business, (iv) control of the Business, or (v) segments or different aspects of the Business (for example, the sale of bookkeeping work, the sale of payroll work, etc., while maintaining other parts of the Business such as tax and accounting work).

## **ARTICLE 2. GRANT OF LICENSE**

**2.1 Grant.** Paramount Franchising grants to Franchisee the right to operate a Paramount business solely at a designated Location approved by Paramount Franchising within Franchisee’s designated Territory identified in Attachment 2 of this Agreement. Franchisee shall develop, open and operate a Business at the Location for the entire term of this Agreement. The parties acknowledge that Franchisee must operate the Business to meet Paramount Franchising’s minimum System Standards.

**2.2 Protected Territory.** Paramount Franchising shall not establish, nor license the establishment of, another Paramount location within the Territory. Paramount Franchising retains the right to:

- (i) establish and license others to establish and operate Paramount businesses outside the Territory;
- (ii) operate and license others to operate businesses anywhere that do not operate under the Paramount brand name; and
- (iii) sell and license others to sell products and services in the Territory through channels of distribution (including the Internet) other than Paramount locations.

In addition, other Paramount businesses are permitted to provide services to clients located within Franchisee’s Territory if those clients are referred to other Paramount businesses in Franchisee’s Territory.

Likewise, Franchisee is permitted to provide services to clients located within another franchisee's territory if those clients are referred to Franchisee.

**2.3 Franchisee Control.** Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Attachment 1 changes (if it is not a Transfer), Franchisee shall notify Paramount Franchising within 10 days.

**2.4 Principal Executive and Staff Licensed Professional.** Franchisee agrees that the person designated as the "Principal Executive" on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Executive must have at least 10% ownership interest in Franchisee.

(a) The Principal Executive does not have to serve as a day-to-day general manager of the Business, but the Principal Executive must devote substantial time and attention to the Business and must work sufficient hours to operate the Business or supervise the managers and employ adequate personnel to operate so that the Business is operating at maximum capacity and efficiency. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to Paramount Franchising's reasonable approval and complete the initial training as required by Paramount Franchising. The Principal Executive must also be Franchisee's main point of contact with Paramount Franchising. The Principal Executive must also complete any post-opening training programs that Paramount Tax develops in the future. The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that Paramount Franchising requires. The Principal Executive cannot fail to attend more than three consecutive required meetings. The Principal Executive must devote their primary attention to the Business, and Franchisee, its Principal Executive and its manager(s) must keep free from any conflicting or competing enterprises or any other activities that would be detrimental to or interfere with the operation of the Business.

(b) In addition, the Principal Executive or another employee of the Business must be a licensed professional defined as: a certified public accountant (a "CPA"), an enrolled agent (an "EA"), chartered accountant (a "CA"), or attorney, or as otherwise required by state law, and such individual must spend at least 10 hours a week engaged in the Business. A licensed professional must e-file all tax returns and approve of all work produced by the franchised firm. Additionally, your office must be open at least 30 hours per week (except for the week between Christmas and New Year's).

**2.5 Guaranty.** If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Paramount Franchising, in the form of Attachment 3.

**2.6 No Conflict.** Franchisee represents to Paramount Franchising that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement (ii) are not a direct or indirect owner of any Competing Business, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

## ARTICLE 3. TERM

**3.1 Term.** This Agreement commences on the Effective Date and continues for 20 years.

**3.2 Successor Agreement.** When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to two additional periods of five years each, subject to the following conditions prior to each renewal:

- (i) Franchisee notifies Paramount Franchising of the election to renew between 90 and 180 days prior to the end of the term;
- (ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Paramount Franchising (or any of its affiliates) at the time of election and at the time of renewal;
- (iii) Franchisee has made or agrees to make (within a period of time acceptable to Paramount Franchising) renovations and changes to the Business as Paramount Franchising requires to conform to the then-current System Standards;
- (iv) Franchisee executes Paramount Franchising's then-current standard form of franchise agreement, which may be materially different than this form (Including higher and/or different fees), except that Franchisee will not pay another initial franchise fee and will not receive another renewal or successor term; and
- (v) Franchisee and each Owner executes a general release (on Paramount Franchising's then-standard form) of any and all claims against Paramount Franchising, its affiliates, and their respective owners, officers, directors, agents and employees.

#### **ARTICLE 4. FEES**

**4.1 Initial Franchise Fee.** Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable, except as provided in Section 6.4. If Franchisee is an honorably discharged veteran of the United States military, Franchisee will receive a discount of 20% off the initial franchise fee. Franchisee must provide to Paramount Franchising Veteran ID cards, a DD-214, and other documentation to provide proof of honorable discharged status.

**4.2 Royalty Fee.** Franchisee shall pay Paramount Franchising a monthly royalty fee (the "Royalty Fee") equal to 10% of Gross Sales. The Royalty Fee for any given month is due on the 5<sup>th</sup> day of the following month.

**4.3 Marketing Cooperative Contributions.** If the Business participates in a Marketing Cooperative, then Franchisee shall contribute to the Marketing Cooperative a percentage of Gross Sales (or other amount) determined by the Market Cooperative.

**4.4 Non-Compliance Fee.** Paramount Franchising may charge Franchisee \$250 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to Paramount Franchising). If such non-compliance is ongoing, Paramount Franchising may charge Franchisee \$250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of Paramount Franchising's internal cost of personnel time attributable to addressing the non-compliance and is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all Paramount Franchising's other rights and remedies; non-compliance is considered a default of this Agreement.

**4.5 Reimbursement.** Paramount Franchising may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If Paramount Franchising does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to Paramount Franchising within 15 days after invoice by Paramount Franchising accompanied by reasonable documentation.

**4.6 Payment Terms.**

(a) Method of Payment. Franchisee shall pay the Royalty Fee, and any other amounts owed to Paramount Franchising by pre-authorized bank draft or in such other manner as Paramount Franchising may require. Paramount's current ACH agreement is attached hereto as Attachment 7 and may be modified by Paramount at any time at its sole discretion. Franchisee must have an active ACH agreement with Paramount Franchising at all times. Before terminating or canceling any active ACH agreement, Franchisee must provide a new ACH agreement to Paramount Franchising so that there is no time in which Paramount Franchising does not have the ability to automatically withdraw or debit all payments and Fees due and owing to Paramount Franchising. Franchisee shall pay all service charges and fees charged by Franchisee's bank for Paramount Franchising to electronically debit Franchisee's bank account.

(b) Calculation of Fees. Franchisee shall report monthly Gross Sales to Paramount Franchising by the 5<sup>th</sup> day of the following month. Gross Sales will be determined by the use of the accounting software that Paramount Franchising chooses. Franchisee shall use this accounting software for its reporting requirements, such that the calculation of the Royalty Fee will be available to the Franchisor by the 5<sup>th</sup> day of each month for the prior month. The amount calculated for the Royalty Fee will be withdrawn through ACH. If Franchisee fails to report monthly Gross Sales, then Paramount Franchising may withdraw estimated Royalty Fees equal to 125% of the last Gross Sales reported to Paramount Franchising, and the parties will true-up the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that Paramount Franchising has the right to remotely access Franchisee's point-of-sale system and to calculate Gross Sales. Franchisee will also provide information as to the number of tax returns completed each month, as well as the total number of clients. This information will also be required on the 5<sup>th</sup> day of the month.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a \$100 late fee plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Paramount Franchising may charge \$50 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs incurred by Paramount Franchising (Including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. Paramount Franchising may apply any payment received from Franchisee to any obligation and in any order as Paramount Franchising may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Paramount Franchising any fees or amounts described in this Agreement are not dependent on Paramount Franchising's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

**4.7 Optional Programs.** Franchisee understands and agrees that Paramount Franchising has developed optional programs for which there may be a fee paid to a third party or to Paramount Franchising. In such case, the provisions of this Article 4 will apply to all such payments. Additionally, Paramount Franchising may develop additional optional and/or mandatory programs. This Section 4.7 will also apply to programs developed in the future.

**4.8 Marketing, SEO (Search Engine Optimization), and Website Management Fee.** A monthly fee of \$300 (or the then-current fee) is to be paid to Paramount Franchising or (at Paramount Franchising's sole discretion) paid directly to a third party vendor for services related to the franchisee's website. These services may include SEO (search engine optimization), marketing services, website changes, PPC (pay per click) campaigns, etc. This fee/payment will count towards Franchisee's local marketing contribution.

**4.9 Email Account(s) Fee.** Franchisee shall pay Paramount Franchising or its designated supplier a monthly email account fee of \$5 to \$30 (currently). This fee may increase based on increased costs and maintenance. This fee is paid annually and is due upon the creation of the email address(es) and the annual renewal date each year thereafter.

**4.10 Conferences and Seminars.** Paramount Franchising has the discretion to conduct conferences and seminars, which may be through online webinars, videos, live video conferencing, phone conferences or in person, to discuss improvements, new developments, mutual concerns, business issues, sales, Marketing, personnel training, bookkeeping, accounting, inventory control and performance standards. Attendance at conferences and seminars is optional at this time, but Paramount Franchising reserves the right to make a conference or seminar mandatory for Franchisee's Principal Executive. Franchisee is required to pay any applicable registration fees (currently \$0 to \$2,000 per attendee), as well as travel and living expenses for Franchisee's attendees. In-person conferences and seminars will be held at locations chosen by Paramount Franchising.

## **ARTICLE 5. INTELLECTUAL PROPERTY**

**5.1 Intellectual Property and Confidential Information.** Franchisee acknowledges that: 1) Paramount Franchising has the sole rights in and to the Intellectual Property and Confidential Information; 2) Franchisee's right to use the System is granted by Paramount Franchising solely pursuant to the terms of this Agreement; and 3) as between Franchisee and Paramount Franchising, Paramount Franchising has the sole right to license and control Confidential Information and Intellectual Property. Paramount Franchising's Intellectual Property and Confidential Information provided to Franchisee by or through Paramount Franchising will remain Paramount Franchising's sole property. Franchisee acknowledges that Paramount Franchising's Confidential Information and Intellectual Property are unique and/or confidential and contain trade secrets and other material proprietary to Paramount Franchising.

**5.2 Use of Confidential Information and Intellectual Property.** Franchisee has a non-exclusive right to use the Confidential Information and Intellectual Property and only in connection with the Business and in accordance with Paramount Franchising's Manuals and this Agreement. Franchisee understands and agrees that the use of Paramount Franchising's Confidential Information, Intellectual Property, and goodwill are all temporary benefits and expire with the Termination. Franchisee expressly covenants that during the term of this Agreement and after the Termination thereof, not to: 1) directly or indirectly contest or aid in contesting the validity of Paramount Franchising's ownership of, or rights in, the Confidential Information or Intellectual Property; 2) in any manner interfere with or attempt to prohibit Paramount Franchising's use of the Confidential Information or Intellectual Property and derivatives thereof or any other name, trademark or service mark that is or becomes a part of the System; or 3) interfere with the use of Paramount Franchising's Confidential Information or Intellectual Property by Paramount Franchising's other franchisees or licensees at any time.

**5.3 Use of Marks and System.** Franchisee has the non-exclusive right to use the Marks and the System as directed by Paramount Franchising. Franchisee shall only use the Marks licensed by this Agreement and only with the letters “TM,” “SM” or “®,” as appropriate, approved and as instructed by Paramount Franchising, whenever and wherever such Marks are used. Franchisee shall not use its own name or any other name service or product in connection with any Marks without Paramount Franchising’s prior written consent. Franchisee is prohibited from using any Mark in connection with the performance or sale of any unauthorized service or product. Franchisee cannot use the Marks or System in any manner or otherwise take any action (or inaction) that would or may cause the Marks or the System to be subject to any ill repute or negative publicity. Franchisee cannot use the Marks on any intercompany documents to identify Franchisee’s franchise business or entity (Including in or on employee manuals, handbooks, emails, letterhead) or on business checks or bank accounts. All communications with employees must be under Franchisee’s entity name.

**5.4 Cooperation.** Franchisee shall execute any and all additional papers, documents and assurances in connection with the Marks as reasonably requested by Paramount Franchising and agrees to cooperate fully with Paramount Franchising and any of its other franchisees or licensees in securing all necessary and required consents of any state agency or legal authority for the use of the Marks or any other name, trademark, service mark, logo or slogan that is now or later becomes a part of its System. Franchisee shall immediately notify Paramount Franchising as soon as it becomes aware of any infringement or apparent or alleged infringement of the Marks, its Confidential Information, or any part of its Intellectual Property.

**5.5 Modification of Marks.** Paramount Franchising has the right, in its reasonable discretion, to require Franchisee to change, modify, or discontinue the Marks or to use one or more additional trademarks, service marks, logos, and/or other symbols in connection with the operation of the Business. In that event, Franchisee must bear the cost of using such additional or modified Marks or items in accordance with Paramount Franchising’s reasonable directives.

**5.6 No Registration.** Franchisee cannot make application for registration, domain name, or other protection of any of the Marks, or any other trademarks, service marks, symbols, names, slogans, logos, trade names, abbreviation, acronym, or phonetic or visual variation of the Marks, or any items that are similar or derivatives therefrom in any jurisdiction without Paramount Franchising’s prior written consent and then only upon the terms and conditions specified by it in connection therewith.

**5.7 Copyrights.** All right, title and interest in and to Copyright Materials are Paramount Franchising’s sole and exclusive property and cannot be reproduced or replicated either during or after this Agreement. Franchisee has no rights to make any direct or indirect use of the Copyrighted Materials except as allowed under this Agreement.

**5.8 Infringement of Confidential Information or Intellectual Property.** As between Paramount Franchising and Franchisee, Paramount Franchising will have sole control over any legal or administrative action concerning the Confidential Information or Intellectual Property. Franchisee must promptly notify Paramount Franchising in writing of any unauthorized use of Paramount Franchising’s Confidential Information and Intellectual Property, or of any claim, demand or suit by any person, corporation or other entity based upon or in connection with any of Paramount Franchising’s Confidential Information or Intellectual Property licensed hereunder in which Paramount Franchising has an interest. Paramount Franchising agrees to indemnify Franchisee against and to reimburse Franchisee for all direct damages (but not consequential damages Including loss of revenue and/or profits), for which Franchisee are held liable in any proceedings arising out of the use of Paramount Franchising’s Confidential Information or Intellectual Property pursuant to and in compliance with this Agreement, and for all costs reasonably incurred by Franchisee in the defense of any claim brought against it or in any proceeding in which it is named as a party, provided that Franchisee have timely notified Paramount Franchising of any claim or

proceeding and have otherwise complied with this Agreement. Franchisee agrees to execute any and all documents and do such acts and things as may, in the opinion of its counsel, be necessary to carry out such defense or prosecution. If Paramount Franchising fails to undertake action within a reasonable time after receipt of Franchisee's notice regarding any such claim, demand or suit, then Franchisee may, with Paramount Franchising's prior written consent, undertake the defense of any such proceeding and will do so in strict coordination and oversight with Paramount Franchising. Franchisee shall not do any act or make any claim which is contrary to or in conflict with Paramount Franchising's rights in Our Confidential Information or Intellectual Property.

**5.9 Goodwill.** All goodwill associated with the Marks and the System belongs exclusively to Paramount Franchising. Franchisee acknowledges that valuable goodwill is attached to the Marks and System, and that Paramount Franchising has invested and continue to invest time and capital into promoting the System and that such promotion creates goodwill and customer association which benefits Paramount Franchising, Franchisee, and all other franchisees in the System. Furthermore, even goodwill associated with the Marks and System that might be deemed to have arisen through Franchisee's activities is Paramount Franchising's sole property and inures directly and exclusively to its benefit, except as otherwise provided herein or by applicable law.

**5.10 Customer Data.** All Customer Data is Paramount Franchising's sole property and inures directly and exclusively to its benefit. Franchisee has license-free, non-exclusive right to use the Customer Data during the term of this Agreement. Franchisee must gather, upload, and/or store all Customer Data as required by Paramount Franchising. To the extent that Paramount Franchising does not otherwise have access, Franchisee must provide Paramount Franchising copies of all Customer Data upon request. Franchisee must abide by all applicable laws pertaining to the privacy of consumer, employee, and transaction information, and do-not-contact laws. If Paramount Franchising allows Franchisee to use the Customer Data to transmit advertisements to customers and potential customers, Franchisee is solely responsible to comply with the laws pertaining to calling or texting customers, the sending of emails, or any other transmission of information, Including any anti-spam legislation.

**5.11 Fictitious Business Name.** Franchisee shall not use Paramount Franchising's Marks or any other name similar thereto in the name of any partnership or entity owned or formed by Franchisee, whether to own or operate the Business or otherwise. However, within 30 days of signing this Agreement, Franchisee must file for a certificate of assumed or fictitious name or a "doing business as" name ("DBA") using our Marks as designated by Paramount Franchising, and in the manner required by state law so as to notify the public that Franchisee is operating the Business as an independent business pursuant to this Agreement and must Include Franchisee's assigned franchise designation in such filing. Franchisee must provide Paramount Franchising with a copy of its DBA registration and/or certificate upon receipt of the same, and upon Paramount Franchising's request from time to time.

**5.12 Maintaining Secrecy.** Franchisee shall: 1) fully and strictly adhere to all security procedures prescribed by Paramount Franchising for maintaining the secrecy of its Confidential Information; 2) disclose such information to Franchisee's employees only to the extent necessary to Market its products and services and for the operation of the Business in accordance with this Agreement; 3) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Paramount Franchising; and 4) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement.

**5.13 Changes to the System.** Franchisee shall fully disclose all Innovations to Paramount Franchising, without disclosing the Innovation to others and shall obtain Paramount Franchising's written approval before using or implementing an Innovation. All Innovations are owned by Paramount Franchising and considered a "work-made-for-hire." If all or part of any Innovation that Franchisee creates is for any reason

deemed not to be a work-made-for-hire, then Franchisee hereby irrevocably transfers and assigns to Paramount Franchising or its affiliate all right, title, interest and ownership, including license rights, in the innovation, and Franchisee agrees to sign (or have the creator sign) any document necessary to effectuate the transfer and assignment. To the extent Franchisee has any moral or similar rights in an innovation or derivative thereof, Franchisee expressly waives those rights. Any Innovation may be used by Paramount Franchising and all other franchisees without any obligation to compensate Franchisee. Paramount Franchising reserves the right to make application for and own Intellectual Property relating to any Innovation, and Franchisee shall cooperate with Paramount Franchising in securing these rights. Paramount Franchising may also consider an Innovation as part of its trade secret. At Paramount Franchising's discretion, it may authorize Franchisee to utilize Innovations that may be developed by Franchisee, Paramount Franchising, or other franchisees.

**5.14 Consent to Use of Likeness and Franchise Business.** Franchisee agrees that Paramount Franchising has the right to use the likeness (Including photographs or videos containing images) of: (a) Franchisee and the Business for any purposes relating to the Marketing of the System or Marks. Franchisee agrees that no compensation will be due to Franchisee for such use.

## **ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING**

**6.1 Location Approval.** Franchisee must select a site within its designated Territory. :

(i) Franchisee shall find a potential Location within the Territory identified in Attachment 2 of this Agreement which Paramount Franchising must approve in writing. Franchisee must provide Paramount Franchising with the street address of the proposed site and such other information as it requests, Including pictures, existing brochures of the proposed site, etc. **Paramount Franchising does not prepare demographic studies or otherwise evaluate the need for its products and services in the Territory or provide Franchisee with a site checklist or other similar information.** However, Paramount Franchising shall provide its criteria for Paramount locations to Franchisee. Paramount Franchising will review and advise Franchisee regarding potential locations submitted by Franchisee. Site approval or disapproval should be completed by Paramount Franchising within 30 days after Franchisee has submitted a proposed location. If Paramount Franchising does not accept the proposed location in writing within 30 days, then it is deemed rejected. If Paramount Franchising does not approve Franchisee's initial proposed location, Franchisee shall have an additional 30 days to locate an approved site, in which case the deadlines in this Article will be extended by 30 days.

(ii) Although Paramount Franchising must approve of Franchisee's location, it does not warrant or guarantee the success of the site. Franchisee must not commit to purchase or lease any real property or commence construction unless it has received written approval from Paramount Franchising of the proposed location. Franchisee's Location must strictly comply with local zoning, state and federal laws, rules and regulations.

(iii) Paramount Franchising may allow Franchisee to work from a home office, so long as the home office is a separate office space closed off from the remainder of the home, the office space is at least 10' x 10', the office space is quiet and professional looking, and the office is equipped with all the necessary equipment and technology to provide clients with the same quality services as if Franchisee leased a commercial space.

(iv) Paramount Franchising's advice regarding, or acceptance of the Location is not a representation or warranty that the Business will be successful, and Paramount Franchising has no liability to Franchisee with respect to the Location of the Business. Failure to find an approved location may result in a Termination of this Agreement without a refund. If Franchisee fails to meet a deadline and fails to cure,

or Paramount Franchising and Franchisee cannot agree on a site, this Agreement is subject to Termination by Paramount Franchising, at its option.

**6.2 Lease.** Paramount Franchising has the right to review and approve or disapprove Franchisee's lease relating to the Business prior to execution. In connection with any lease between Franchisee and the landlord of the Location: (i) Paramount Franchising must approve of Franchisee's lease before execution, including the term of the Lease, and (ii) Franchisee shall obtain a rider to the lease signed by the landlord to the Location, on the form required by Paramount Franchising. See Exhibit D. Franchisee must also deliver an executed copy of the Lease to Us within 15 calendar days after execution.

(i) Assignment of Lease. Franchisee hereby assigns and transfers all rights and interest in and to the lease to Paramount Franchising to be effective upon Paramount Franchising's election when this Agreement Terminates or if Franchisee does not cure a default under the lease. In such an event, Paramount Franchising will have the right, but not the obligation, to accept the assignment and assume the lease or execute a lease with the landlord as provided below. Paramount Franchising also have the right to assign the lease to another franchisee or an affiliate. Franchisee's lease must include a provision allowing the assignment of the lease to Paramount Franchising or its nominee, at its option, in the event this Agreement is Terminated for any reason or if Franchisee does not timely cure a default under the lease.

**6.3 Development.** Franchisee shall construct (or remodel) and finish the Location in conformity with Paramount Franchising's System Standards and with all applicable local ordinances and building codes and obtain all required permits for the Location. If required by Paramount Franchising, Franchisee shall engage the services of an architect licensed in the jurisdiction of the Location. Franchisee shall not begin any construction or remodeling work without first obtaining Paramount Franchising's approval of Franchisee's plans. Paramount Franchising may, but is not required to, inspect Franchisee's construction or remodeling progress at any reasonable time. Franchisee shall not rely upon any information provided or opinions expressed by Paramount Franchising or its representatives regarding any architectural, engineering or legal matters in the development and construction of the Business, and Paramount Franchising assumes no liability with respect thereto. Paramount Franchising's inspection and/or approval to open the Business is not a representation or a warranty that the Business has been constructed in accordance with any architectural, engineering or legal standards.

**6.4 New Franchisee Training.** Franchisee's Principal Executive must complete Paramount Franchising's training program for new franchisees and Franchisee may send up to two additional people to attend the initial training. The Principal Executive must also watch at least 10 hours of the online educational videos required by Paramount Franchising. If the Principal Executive (i) fails to complete the initial training program to Paramount Franchising's satisfaction, or (ii) Paramount Franchising concludes, no more than 10 days after the Principal Executive completes the initial training program, that the Principal Executive does not have the ability to satisfactorily operate the Business, then Paramount Franchising may terminate this Agreement. In such event, Paramount Franchising shall refund the initial franchise fee to Franchisee (less any out-of-pocket costs incurred by Paramount Franchising), subject to Franchisee's prior execution of a general release of liability of Paramount Franchising and its affiliates, in a form prescribed by Paramount Franchising. Franchisee shall be responsible for all travel, food, lodging and expenses of its attendees, including salary and compensation. However, Paramount Franchising will pay for one hotel room for up to five nights during the initial training.

**6.5 Conditions to Opening.** Franchisee shall notify Paramount Franchising at least 30 days before Franchisee intends to open the Business to the public. Before opening, Franchisee must satisfy all of the following conditions: (1) Franchisee is in compliance with this Agreement, (2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Paramount Franchising has inspected and approved the Business, (5) Franchisee has hired

sufficient employees, (6) Franchisee's officers and employees have completed all of Paramount Franchising's required pre-opening training; and (7) Paramount Franchising has given its written approval to open, which will not be unreasonably withheld.

**6.6 Opening Date.** Franchisee shall open the Business to the public on or before the date stated on the Summary Page.

**6.7 Adjustment of Territory Boundaries.** Paramount Franchising reserves the right to adjust Franchisee's Territory boundaries if a government body revises the ZIP codes that make up Franchisee's Territory, or if the population in Franchisee's Territory increases to a population of more than 150,000 people. In such case, Paramount Franchising may readjust the boundaries of Franchisee's Territory, including the assigned ZIP codes for Franchisee's Territory, but any adjustment will not result in Franchisee's Territory having less than a population base of approximately 100,000 people.

**6.8 Territory Division.** Once Franchisee reaches 3,500 clients or maintains an average of 3,000 clients over a 12-month period, Paramount Franchising, in its sole discretion, can require Franchisee to open a second outlet in Franchisee's Territory, and Franchisee's original territory will be divided into two separate territories. In such case, Franchisee may have one or more territories with less than approximately 100,000 people, but the culmination of the population for all of Franchisee's territories will still be approximately 100,000 people. In case of a territory division, Franchisee shall sign a new franchise agreement for the additional location, but the initial franchise fee will only be \$10,000 for this additional franchise, and Franchisee will be required to purchase an additional startup package for that additional outlet.

## ARTICLE 7. OPERATIONS

**7.1 Manual and System Standards Compliance.** Within a reasonable period of time after the Effective Date, Paramount Franchising shall provide Franchisee with (i) Paramount Franchising's sample set of standard building plans and specifications and/or standard recommended floor plans; (ii) the applicable System Standards and Manual, (iii) other specifications as Paramount Franchising deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (iv) Paramount Franchising's lists of Approved Vendors and/or Required Vendors. Franchisee shall at all times and at its own expense comply with all System Standards and with all other mandatory obligations contained in the Manual.

(a) **Business Plan Review.** If requested by Franchisee, Paramount Franchising shall review and advise on Franchisee's pre-opening business plan and financial projections. **Franchisee acknowledges that Paramount Franchising accepts no responsibility for the performance of the Business.**

(b) **Market Introduction Plan.** Franchisee must develop a market introduction plan and obtain Paramount Franchising's approval of the Marketing plan at least 30 days before the projected opening date of the Business. Paramount Franchising shall advise Franchisee regarding the planning and execution of Franchisee's market introduction plan.

(c) **Procedures.** Paramount Franchising will provide Franchisee with Paramount Franchising's recommended administrative, bookkeeping, accounting, and inventory control procedures. Paramount Franchising may make any such procedures part of required (and not merely recommended) System Standards.

**7.2 Compliance with Law.** Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business. This Includes all applicable IRS requirements for submission of filings and security

standards, including maintaining a written and formal WISP (Written Information Security Plan), and Franchisee shall immediately notify Paramount Franchising in the event of a security breach.

### **7.3 Products, Services, and Methods of Sale.**

(a) Products and Services. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Paramount Franchising in the Manual or otherwise in writing. The prices, delivery terms, terms of payment, and other terms relating to the sale of such goods and services are subject to change by the supplier (including Paramount Franchising and affiliates) without prior notice to Franchisee at any time. In no event will Paramount Franchising or an affiliate be liable to Franchisee for unavailability of or delay in shipment or receipt of merchandise due to temporary product shortages or unavailability, order backlogs, production difficulties, delays in or unavailability of transportation, fire, strikes, work stoppages, or other such causes. A list of approved goods, services, and suppliers may be set forth in Paramount Franchising's Manual, which list it may update from time to time. Franchisee may not outsource any part of Franchisee's services to a third party, including to another Paramount franchisee without Paramount Franchising's prior written approval.

(b) Method of Services. Franchisee shall only provide services to clients at the Location, virtually, or as otherwise directed by Paramount Franchising. Unless otherwise approved or required by Paramount Franchising, Franchisee shall not make sales by any other means, including by wholesale, by delivery, by mail order or over the Internet, or at temporary or satellite locations.

(c) Audit and Consulting Services. Franchisee must obtain Paramount Franchising's prior written approval to provide auditing services; financial services and consulting services to Franchisee's clients. Franchisee must also obtain the proper licensing as required by Franchisee's state to provide such services. Depending on state law, these fees will be considered part of Franchisee's Gross Sales, and thus, included in the calculation of Franchisee's ongoing Royalty Fees and other fees.

(d) Oversight. In order to provide services and/or products that are superior to the "big box" tax firms, Paramount Franchising requires approval and/or signatures of preparers who are either a CPA, an EA, a CA, or a tax attorney. A licensed professional must e-file all tax returns and approve of all work produced by Franchisee.

**7.4 Prices.** Notwithstanding any provision of this Agreement or the Manual to the contrary, Franchisee retains the sole discretion to determine the prices it charges for products and services. Upon Franchisee's request, Paramount Franchising will provide or recommended prices for products and services.

### **7.5 Personnel.**

(a) Service. Franchisee shall cause its personnel to render competent and courteous service to all clients and members of the public.

(b) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(c) Qualifications. Franchisee's employees must have the proper qualifications, certificates and licenses as required by state law and consistent with brand standards for quality control purposes. Additionally, for the purpose of maintaining uniformity of services and to protect the Confidential Information, no employee or contractor of Franchisee can perform bookkeeping, tax or accounting work other than through the Business while employed or contracted by Franchisee.

(d) **Sole Responsibility.** Franchisee, its principals, and personnel are not Paramount Franchising's employees or independent contractors. Franchisee is solely responsible for the hiring, firing, discipline, scheduling, management, compensation, supervision, assignment of duties, directions governing the manner, means, and methods of the performance of duties, work rules, safety, working conditions, and training of its personnel. Paramount Franchising does not assist Franchisee in employment-related decisions, or in creating any policies or terms and conditions related to the management of its personnel or their employment. Paramount Franchising may provide Franchisee with a sample employee guide or manual, but it will only be an example of certain employment matters that Franchisee may choose to adopt or not. Franchisee must use its own discretion on what policies to implement for its own personnel based on its own circumstances and management decisions. The sample manual is not edited or reviewed frequently to stay up to date with current or state specific employment laws and some policies may be outdated or conflict with current existing state or federal employment laws. Franchisee must seek its own legal counsel to determine those policies that are legally compliant with current employment laws in its state to draft its own employee handbook. It is Franchisee's responsibility to comply with local and federal labor and employment laws. Franchisee further agrees that in any office, break room, or other non-public area accessed by its personnel, it will post a sign or other document containing language Paramount Franchising requires explaining the differences between Franchisee, their employer or contractor, and Paramount Franchising.

Franchisee's personnel must execute Paramount Franchising's Personnel Brand Protection Agreement (see Attachment "6"). Franchisee is responsible to conform it to the laws and regulations of its state. Franchisee shall promptly deliver a copy of all such agreements to Paramount Franchising within 10 days of hiring of the respective Personnel. Franchisee must also have each of its personnel sign Our then-current form of the Franchise Relationship Acknowledgement attached as Schedule "6B."

**7.6 Post-Opening Training.** Paramount Franchising may at any time require that the Principal Executive and/or any other employees complete training programs, in any format and in any location or virtually as determined by Paramount Franchising. Paramount Franchising may charge a reasonable fee for any training programs (currently, \$1,500). Paramount Franchising may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Principal Executive, any other employee, or a representative of Paramount Franchising, then Franchisee shall pay all travel, living and other expenses.

(a) **Additional Advice, Consulting, and Support.** If Franchisee requests, Paramount Franchising will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Paramount Franchising deems reasonable. If Paramount Franchising provides in-person support in response to Franchisee's request, Paramount Franchising may charge its then-current fee (currently, \$600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

**7.7 Guaranties and Warranties.** Franchisee shall implement any guaranties, warranties, or similar commitments regarding products and/or services that Paramount Franchising may require.

**7.8 Client Complaints.** Franchisee shall use its best efforts to promptly resolve any client complaints. Paramount Franchising may take any action it deems appropriate to resolve a client complaint regarding the Business, and Paramount Franchising may require Franchisee to reimburse Paramount Franchising for any expenses.

**7.9 Client Evaluation and System Compliance Programs.** Franchisee shall participate, at its own expense, in programs required from time to time by Paramount Franchising for obtaining client evaluations

and/or reviewing Franchisee's compliance with the System. This may Include a client feedback system, client survey programs, mystery shopping, etc. Paramount Franchising shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Paramount Franchising for such programs.

**7.10 Payment Systems.** Franchisee shall accept payment from clients in any form or manner designated by Paramount Franchising (which may Include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, mobile payment systems, and other alternative forms of payment). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Paramount Franchising. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

**7.11 Incentive Programs.** Franchisee shall comply with all procedures and specifications of Paramount Franchising related to incentive programs as developed by Paramount Franchising.

**7.12 Maintenance and Repair.** Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property to the Business as Paramount Franchising may prescribe from time to time, Including periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment and décor. Franchisee acknowledges that the System Standards may Include requirements for cleaning, maintenance, and repair.

**7.13 Remodeling.** In addition to Franchisee's obligations to comply with all System Standards in effect from time to time, Paramount Franchising may require Franchisee to undertake and complete a Remodel of the Location to Paramount Franchising's satisfaction. Franchisee must complete the Remodel in the time frame specified by Paramount Franchising but in no event more than six months from the date of notice. Paramount Franchising may require the Franchisee to submit plans for Paramount Franchising's reasonable approval prior commencing a required Remodel. Paramount Franchising's right to require a Remodel is limited as follows: (i) the Remodel will not be required in the first two or last two years of the term (except that a Remodel may be required as a condition to renewal of the term or a Transfer), and (ii) a Remodel will not be required more than once every five years from the date on which Franchisee was required to complete the prior Remodel.

**7.14 Meetings.** The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that Paramount Franchising requires, Including any national or regional brand conventions. Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings.

**7.15 Insurance.**

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Paramount Franchising in the Manual. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage:

Type of Insurance	Minimum Required Amount(s)
Commercial General Liability Insurance	\$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit

Umbrella Insurance	Not less than \$1,000,000
Errors and Omissions	\$1,000,000 or as required by state law
Data Breach Coverage	\$250,000
Government Required Insurances	All workers' compensation and employment insurance on your employees that is required under all federal and state laws
Audit Protection Insurance (Optional)	Typically, the cost is \$10 per return and \$75 per corporate return

(b) Other than worker's compensation, these policies must insure Franchisee and Paramount Franchising, Paramount Tax & Accounting CPAS PLLC, a Nevada limited liability company, and Paramount Franchising's officers, directors, and nominees as additional insureds against any liability that may accrue by reason of Franchisee's ownership, maintenance or operation of the Business, without regard to any other insurance program that Paramount Franchising may have in effect, against any liability that may accrue by reason of or relating to Franchisee's ownership, maintenance, or operation of the Business wherever it may be located. These policies must Include a waiver of the insurer's right of subrogation against Paramount Franchising and provide coverage for Franchisee's indemnification obligations under this Agreement. Franchisee's policies must list Paramount Franchising and its affiliates as an additional insured and the policies must stipulate that Paramount Franchising shall receive a 30-day prior written notice of cancellation or any modification. Prior to opening and upon annual renewal of insurance coverage, Franchisee shall provide to Paramount Franchising original or duplicate copies, certificates of insurance or other proof of insurance acceptable to Paramount Franchising that evidences the coverage and its amounts. If Franchisee fails to obtain insurance and maintain insurance, Paramount Franchising may obtain insurance at its discretion and Franchisee will be responsible to reimburse Paramount Franchising the premium costs of the coverage plus 10% of the cost within 15 days of invoice. Paramount Franchising may periodically increase the amounts of coverage required and/or require different or additional coverage. Paramount Franchising also has the right to require Franchisee to obtain from its insurance company, and provide to Paramount Franchising for its review, a report of claims made and reserves set against Franchisees insurance (commonly known as "loss runs").

(c) Continuation of Policy. Regardless of the amounts Paramount Franchising states above, it is Franchisee's responsibility to maintain adequate insurance coverage at all times during the term of and after the expiration of this Agreement, so that coverage, Including any policies that are on a "claims made" basis, which through the purchase of an extended reporting endorsement (i.e., "tail" insurance) will be in effect for acts or omissions that occurred prior to the termination of the policy and are reported within a 24-month period following the end of the policy period.

**7.16 Suppliers and Landlord.** Franchisee shall pay all vendors and suppliers in a timely manner. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location.

**7.17 Public Relations.** Franchisee shall not make any public statements (Including giving interviews or issuing press releases) regarding Paramount, the Business, or any particular incident or occurrence related to the Business, without Paramount Franchising's prior written approval.

**7.18 Association with Causes.** Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of or opposed to any such organization, without Paramount Franchising's prior written approval.

**7.19 No Other Activity at the Location.** Franchisee shall not engage in any activity at the Location other than operation of the Paramount Business.

**7.20 No Other Businesses.** If Franchisee is an entity, Franchisee shall not own or operate any other business except Paramount businesses.

**7.21 No Third-party Management.** Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Paramount Franchising, which will not be unreasonably withheld.

**7.22 No Co-Branding.** Franchisee shall not "co-brand" or associate any other business activity with the Paramount Business in a manner which is likely to cause the public to perceive it to be related to the Paramount Business.

**7.23 Identification.** Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Paramount Franchising. Franchisee must display at the Business signage prescribed by Paramount Franchising identifying the Location as an independently owned franchise.

## **ARTICLE 8. SUPPLIERS AND VENDORS**

**8.1 Generally.** Paramount Franchising may require Franchisee to purchase or lease any Inputs from Paramount Franchising, from Paramount Franchising's designee, Required Vendors, Approved Vendors, and/or under Paramount Franchising's specifications. Paramount Franchising may change any such requirement or change the status of any vendor. To make such requirement or change effective, Paramount Franchising shall issue the appropriate System Standards. Franchisee must look to the respective manufacturers or suppliers for issues related to warranties, defective products, training, and support for any third-party goods purchased for the Business.

**8.2 Alternate Vendor Approval.** If Paramount Franchising requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Paramount Franchising. Paramount Franchising may condition its approval on such criteria as Paramount Franchising deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; and product testing, and performance reviews. There is no fee for this evaluation, and Paramount Franchising will provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request.

**8.3 Alternate Input Approval.** If Paramount Franchising requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Paramount Franchising. Paramount Franchising will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

**8.4 Purchasing.** Paramount Franchising may implement a centralized purchasing system and negotiate prices and terms with vendors on behalf of the System. Paramount Franchising may receive rebates or payments from vendors in connection with purchases by franchisees. Paramount Franchising may establish

a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Paramount Franchising may determine.

**8.5 Startup Package.** Franchisee must purchase its startup package consisting of computer software and hardware and other office equipment as designated by Paramount Franchising from Paramount Franchising or its designated supplier. A list of the items for the startup package are listed on Attachment 5 to this Agreement. Purchases made through Paramount Franchising must be paid in full at the time of ordering. Franchisee shall update and upgrade its computer systems and office equipment as needed and as required by Paramount Franchising. Franchisee shall give Paramount Franchising independent access to all its computers, servers (physical or cloud-based), and software programs, including master access to the designated accounting software for one year (currently Drake software), and there is no limit to Franchisor's right to access the systems and information. Franchisee is responsible for the ongoing cost for the software (currently \$1,500 per year but subject to change).

## ARTICLE 9. MARKETING

**9.1 Implementation.** Franchisee shall not use any Marketing materials or campaigns (including point-of-sale materials, advertising, Social Media Marketing, and sponsorships) that have not been approved by Paramount Franchising. Franchisee shall implement any Marketing plans or campaigns determined by Paramount Franchising. Franchisee may use its own Marketing material only with Paramount Franchising's approval. To obtain Paramount Franchising's approval, Franchisee must submit any proposed Marketing material at least 14 days prior to use. If Paramount Franchising does not respond, the material is deemed rejected. If Franchisee develops any Marketing materials, Paramount Franchising may use those materials for any purpose, without any payment to Franchisee. Franchisee can Market outside its Territory, so long as Franchisee does not advertise in another franchise or affiliated-owned territory, and Franchisee cannot solicit any client of another Paramount Tax & Accounting business.

**9.2 Use by Paramount Franchising.** Paramount Franchising may use any Marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, royalty-free license to Paramount Franchising for such purpose.

**9.3 Marketing Cooperatives.** Paramount Franchising may establish Marketing and promotional cooperative funds ("Market Cooperative") in any geographical area. If a Market Cooperative for the geographic area encompassing the Location has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Location is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within 30 days. Paramount Franchising shall not require Franchisee to be a member of more than one Market Cooperative. If Paramount Franchising establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner and shall commence operations on a date determined by Paramount Franchising. Paramount Franchising may require the Market Cooperative to adopt bylaws or regulations prepared by Paramount Franchising. Unless otherwise specified by Paramount Franchising, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Paramount Franchising will be entitled to attend and participate in any meeting of a Market Cooperative. Any Paramount business owned by Paramount Franchising or by an affiliate of Paramount Franchising in the Market Cooperative will have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Business owned, provided, however, that a franchisee will not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the

manner in which Market Cooperative monies will be spent, Paramount Franchising may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative will be devoted exclusively to administering regional Marketing programs and developing (subject to Paramount Franchising's approval), standardized promotional materials for use by the members in local Marketing.

(c) Approval. No Marketing plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Paramount Franchising pursuant to Section 9.1. Paramount Franchising may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, Including Franchisee, but not less than 1% of Gross Sales. If Paramount Franchising or an affiliate of Paramount Franchising controls voting, there is no cap to member contributions. Contributions to the Marketing Cooperative will be counted towards Franchisee's local marketing contribution. Marketing Cooperatives are not required to prepare annual financial statements which are made available to its members for review.

(e) Enforcement. Only Paramount Franchising will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. Paramount Franchising may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the members in the Marketing Cooperative pro rata based on contributions made by each member from the 12 months prior to termination.

**9.4 Required Spending.** Franchisee shall spend at least 5% of Gross Sales each month on Marketing the Business. Upon request of Paramount Franchising, Franchisee shall furnish such proof of its compliance with this Section. Paramount Franchising has the sole discretion to determine what activities constitute "Marketing" under this Section. Franchisee is not required to meet this local Marketing requirement once Franchisee's location reaches \$1,000,000 in annual Gross sales. However, Franchisee must again spend 5% of its annual Gross Sales on local Marketing if Franchisee's annual Gross Sales later drops below \$1,000,000.

**9.5 Internet Marketing.** Unless otherwise prohibited by state law, Paramount Franchising has the exclusive right to own, conduct and manage all Marketing and commerce on the Internet or other electronic medium, including all websites and "Social Media" accounts and Marketing related to the brand, but Paramount Franchising may provide Franchisee access to the Social Media account for Franchisee's location for certain management responsibilities and functions. Franchisee cannot change any login/password information without Paramount Franchising's prior written approval, and Franchisee must supply Paramount Franchising with all changed/updated login/password information. Paramount Franchising shall maintain a website for the Paramount franchise system, which will include Franchisee's location (or territory) and telephone number. Paramount Franchising has the right to designate the vendor for the website and any SEO services that Paramount Franchising or Franchisee will use. Franchisee shall not conduct such Marketing or commerce, nor establish any website or Social Media account or presence independently, except as Paramount Franchising may specify, and only with Paramount Franchising's consent. Paramount Franchising retains the right to approve any linking to or other use of Paramount Franchising's website. Franchisee must comply with any Internet, online commerce and/or Social Media policy that Paramount Franchising may prescribe.

## ARTICLE 10. COMPUTERS RECORDS AND REPORTS

**10.1 Systems.** Franchisee shall use such client data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Paramount Franchising may specify in the Manual or otherwise in writing.

### 10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as Paramount Franchising may require in the Manual or otherwise in writing, including:

- (i) a minimal monthly profit and loss statement for the Business within 5 days after the end of each month, and
- (ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 30 days after the end of Paramount Franchising's fiscal year.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Paramount Franchising of any Action or threatened Action by any client, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as Paramount Franchising may request.

(c) Government Inspections. Franchisee shall give Paramount Franchising copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Paramount Franchising such other financial statements, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Paramount Franchising may reasonably request.

**10.3 Initial Investment Report.** Within 120 days after opening for business, Franchisee shall submit to Paramount Franchising a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Paramount Franchising's Franchise Disclosure Document and with such other information as Paramount Franchising may request.

**10.4 Business Records.** Franchisee must record all sales at the time of the sale in Franchisee's computer and/or POS system, or other sales recordation system approved or designated by Paramount Franchising. Franchisee must have high speed, broadband Internet access at the levels required in the Manuals. Franchisee must retain all POS and computer records, charge account records, sales slips, orders, return vouchers, sales tax reports and all Franchisee's other business records and related back-up material, tax returns and financial reports for at least five years following the end of the year in which the items pertain, including after the Termination of this Agreement. Any and all data collected or provided by Franchisee, downloaded from its POS System, or otherwise collected from Franchisee by Paramount Franchising or provided to Paramount Franchising, is and will be owned exclusively by Paramount Franchising, and Paramount Franchising has the right to use the data in any manner without compensation to Franchisee. During the term of this Agreement, Franchisee is licensed, without additional compensation, to use such data solely for the purpose of operating the Business. This license will automatically and irrevocably expire, without additional notice or action by Paramount Franchising, when this Agreement Terminates.

**10.5 Records Audit.** Paramount Franchising may (itself or through a third party) examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. Paramount Franchising may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation (Including tax returns, bank records, and financial statements) to a location designated by Paramount Franchising. Franchisee shall also reimburse Paramount Franchising for all costs and expenses of the examination or audit if (i) Paramount Franchising conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by 3% or more for any 4-week period. Franchisee's failure to report Gross Sales for any time period or Franchisee's failure to retain and have available readable and organized required records will be deemed an understatement by more than 3%.

**10.6 Computer and Point of Sale System.** At Franchisee's expense, Franchisee must purchase or lease the computer and point of sale ("POS") system and other computer hardware and software systems designated by Paramount Franchising in strict accordance with its specifications, and Paramount Franchising can mandate the forms of payment that Franchisee can or must accept. If Paramount Franchising adopts a different computer system, POS system or other system in the future, Franchisee must adopt it at its expense. Franchisee must maintain, repair, modify and upgrade, all such items, at its sole expense. Franchisee must provide Paramount full 24-hour/7-day a week access, including online access, and the right to "upload" or "download" information to and from all POS, computer, and other systems, and to the information and data contained in them. Paramount Franchising can require that Franchisee obtain a static IP address from its internet provider. There is no contractual limitation on Paramount Franchising's right to receive information through Franchisee's computer, POS or other systems or to the frequency and cost of the obligation to upgrade and maintain them unless not authorized by tax accounting requirements. Franchisee hereby waives any claim against Paramount Franchising or its affiliates for any loss, damage, liability, or expense caused by or related to failures, errors, acts, omissions, or otherwise of any computer, POS, hardware or software system (not related to Paramount Franchising or an affiliate's acts or omissions).

## **ARTICLE 11. FRANCHISOR RIGHTS**

**11.1 Manual; Modification.** The Manual, and any part of the Manual, may be in any form or media determined by Paramount Franchising. Paramount Franchising may supplement, revise, or modify the Manual, and Paramount Franchising may change, add or delete System Standards at any time in its discretion. Paramount Franchising may inform Franchisee thereof by any method that Paramount Franchising deems appropriate (which need not qualify as "notice" under Section 18.9). In the event of any dispute as to the contents of the Manual, Paramount Franchising's master copy will control.

**11.2 Inspections.** Paramount Franchising may enter the premises of the Business from time to time during normal business hours and conduct an inspection. Franchisee shall cooperate with Paramount Franchising's inspectors. The inspection may include observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and clients, and removing samples of products, supplies and materials. Paramount Franchising may videotape and/or take photographs of the inspection and the Business. Without limiting Paramount Franchising's other rights under this Agreement, Franchisee shall, as soon as reasonably practical, correct any deficiencies noted during an inspection. If Paramount Franchising conducts an inspection because of a governmental report, client complaint or other client feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed inspection), then Paramount Franchising may charge all out-of-pocket expenses, plus its then-current inspection fee to Franchisee (currently, \$300).

**11.3 Paramount Franchising's Right to Cure.** If Franchisee breaches or defaults under any provision of this Agreement with regards to an obligation to a third party, Paramount Franchising may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Paramount Franchising for its costs and expenses (Including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

**11.4 Right to Discontinue Supplies Upon Default.** While Franchisee is in default or breach of this Agreement, Paramount Franchising may (i) require that Franchisee pay cash on delivery for products or services supplied by Paramount Franchising, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Paramount Franchising shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Paramount Franchising are in addition to any other right or remedy available to Paramount Franchising.

**11.5 Business Data.** All client data, the Manual and other non-public data generated by the Business, Including any data generated through the use of technology and third party platforms (collectively "Business Data") is Confidential Information and is exclusively owned by Paramount Franchising. Paramount Franchising hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement. Franchisee must gather, upload, and/or store all Business Data Paramount Franchising requires. To the extent that Paramount Franchising does not otherwise have access, Franchisee must provide Paramount Franchising copies of all Business Data upon request, except if the distribution of any such information is prohibited by law. Franchisee must abide by all applicable laws pertaining to the privacy of consumer, employee and transaction information, client, and client tax information, do-not-contact laws as well as any applicable fiduciary obligations owed to clients, clients and third parties. If Paramount Franchising allows Franchisee to use the Business Data to transmit advertisements to clients and potential clients, Franchisee is solely responsible to comply with the laws pertaining to calling or texting clients, the sending of emails, or any other transmission of information, Including any anti-spam legislation. Any part of the Manual may not be copied either physically or electronically. Paramount Franchising will have unlimited access to Franchisee's computer system, including Franchisee's server (physical and/or cloud-based). If Paramount Franchising provides Franchisee with an email account/address, Paramount Franchising will own such email account and have the right to access Franchisee's email account at any time, and Franchisee understands and acknowledges that Franchisee has no expectation of privacy in the assigned email accounts.

**11.6 Delegation.** Paramount Franchising may delegate any duty or obligation of Paramount Franchising under this Agreement to a third party.

**11.7 System Variations.** Paramount Franchising may vary or waive any System Standard for any one or more Paramount franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

**11.8 Temporary Public Safety Closure.** If Paramount Franchising discovers or becomes aware of any aspect of the Business which, in Paramount Franchising's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon Paramount Franchising's order, Franchisee must temporarily cease operations of the Business and remedy the dangerous condition. Paramount Franchising shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

**11.9 Interim Management.** Paramount Franchising has the right, based on Franchisee's death, incapacity, defaults or poor performance to step in to manage Franchisee's Business for a period of time, as Paramount Franchising deems advisable for a fee (currently, \$600 per day), plus the cost of travel, food, and lodging during this time. Franchisee shall continue to pay and remain responsible for all royalties, and other fees required by this Agreement. All accounts must remain in Franchisee's name during the interim management period, but Franchisee shall add Paramount Franchising and its representative as a co-signer on certain accounts. Franchisee shall cooperate in communicating with all vendors and suppliers related to the interim management.

## **ARTICLE 12. INFRINGEMENT OF MARKS**

### **12.1 Infringement.**

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Paramount Franchising shall defend Franchisee (at Paramount Franchising's expense) against any Action by a third party alleging infringement by Franchisee's use of a Mark, and (ii) Paramount Franchising shall indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement By Third Party. Franchisee shall promptly notify Paramount Franchising if Franchisee becomes aware of any possible infringement of a Mark by a third party. Paramount Franchising may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Paramount Franchising shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

## **ARTICLE 13. RESTRICTIVE COVENANTS**

**13.1 Confidential Information.** During the term of this Agreement and any extensions or successor Franchises hereof, and at any time after the termination of this Agreement, Franchisee and those over whom it has control shall not make any unauthorized disclosure or use of Paramount Franchising's Confidential Information or Intellectual Property other than as authorized by this Agreement. Franchisee shall adopt and implement all reasonable procedures to prevent unauthorized use or disclosure of the Confidential Information and Intellectual Property, which procedures may be prescribed from time to time by Paramount Franchising. Franchisee shall never contest the validity of Paramount Franchising's exclusive ownership of and rights to its Intellectual Property or Confidential Information.

### **13.2 Covenants Not to Compete; Non-Solicitation.**

(a) Restriction – In Term. During the term of this Agreement and for any extensions hereof, Franchisee, its principals, principal executives, managers, and or Immediate Family (collectively and individually a "Restricted Party") shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity, territory, or location, except with Paramount Franchising's prior written consent. Franchisee's owners owning 10% or more must each execute the then-current form of the Guaranty and Non-compete Agreement in the form of the attached Schedule 3 to this Agreement.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly be a Participant, assist, or serve in any other capacity whatsoever or Competing Business within the

Territory or within 25 miles of Franchisee's Territory or within 25 miles of the territory of any other Paramount business operating on the date of termination, expiration or transfer, as applicable.

(c) **Interpretation.** The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then parties intend that the court modify such restriction to extent reasonably necessary to protect the legitimate business interests of Paramount Franchising. Franchisee agrees that the existence of any claim it may have against Paramount Franchising will not constitute a defense to the enforcement by Paramount Franchising of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended for each day of noncompliance.

**13.3 General Manager and Key Employees.** Franchisee will cause its general manager and other key employees to sign Paramount Franchising's then-current form employee brand protection agreement. A copy of the current employee brand protection agreement is attached as Attachment 6 to this Agreement. A copy of all such agreements must be promptly delivered to Paramount Franchising within 10 days of hiring of the respective employee.

**13.4 Non-Contravention; Non-Disparagement.** Franchisee shall not undertake any action or inaction to circumvent, contravene, or undermine the purposes of this Agreement. Additionally, during and after the term of this Agreement, Franchisee shall not, in any way, form, or medium, make any negative, disparaging, false or misleading statements, published or made orally, in any medium about Paramount Franchising, the brand, the System, its products and services, or the officers, owners, partners, directors, members, managers, representatives, agents, employees or other franchisees of Paramount Franchising.

**13.5 Non-Solicitation of Clients.** During the term of this Agreement and for three years after this Agreement expires or is terminated for any reason, Franchisee shall not directly or indirectly contact any then-current or former client of Franchisee, or of another franchisee, or Franchisor, or affiliate of Paramount Franchising for the purpose of soliciting from any such client any business that is the same as or substantially similar to services performed by a Paramount Tax & Accounting business, including to another Paramount Tax & Accounting business.

## **ARTICLE 14. DEFAULT AND TERMINATION**

**14.1 Termination by Franchisee.** Franchisee may terminate this Agreement only if Paramount Franchising violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 60 days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective 10 days after Paramount Franchising receives written notice of Termination.

### **14.2 Termination by Paramount Franchising.**

(a) **Subject to 10-Day Cure Period.** Paramount Franchising may terminate this Agreement if Franchisee does not make any payment to Paramount Franchising when due, or if Franchisee does not have sufficient funds in its account when Paramount Franchising attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Paramount Franchising gives notice to Franchisee of such breach.

(b) **Subject to 30-Day Cure Period.** If Franchisee breaches this Agreement in any manner other than described in subsection (a) or (c) and fails to cure such breach to Paramount Franchising's satisfaction

within 30 days after Paramount Franchising gives notice to Franchisee of such breach, then Paramount Franchising may terminate this Agreement.

(c) No-Cure Period. Paramount Franchising may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;
- (ii) Franchisee intentionally submits any false report or intentionally provides any other false information to Paramount Franchising;
- (iii) a receiver or trustee for the Business or all (or substantially all) of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;
- (iv) Franchisee fails to open for business by the date specified on the Summary Page;
- (v) Franchisee loses possession of the Location;
- (vi) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;
- (vii) Franchisee abandons or ceases operation of the Business for more than five consecutive days without the prior written authorization of Paramount Franchising;
- (viii) Franchisee or any Owner slanders or libels Paramount Franchising or any of its employees, directors, or officers;
- (ix) Franchisee refuses to cooperate with or permit any audit or inspection by Paramount Franchising or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2;
- (x) the Business is operated in a manner which, in Paramount Franchising's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from Paramount Franchising or otherwise);
- (xi) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;

- (xii) Paramount Franchising (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate); or
- (xiii) Franchisee or any Owner is charged with, pleads guilty to, or is convicted of a felony, or is accused by any governmental authority or third party of any act that in Paramount Franchising's opinion is reasonably likely to materially and unfavorably affect Paramount Franchising's brand.

**14.3 Effect of Termination.** Upon Termination of this Agreement, all obligations that by their terms or by reasonable implication survive Termination, Including those pertaining to non-competition, confidentiality, and indemnity, will remain in effect, and Franchisee must immediately:

- (i) Pay all amounts owed to Paramount Franchising based on the operation of the Business through the effective date of Termination;
- (ii) Return to Paramount Franchising all copies of the Manual, Confidential Information and any and all other materials provided by Paramount Franchising to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items;
- (iii) Notify the telephone, Internet, email, electronic network, Social Media, directory, and listing entities of the Termination of Franchisee's right to use any numbers, addresses, domain names, locators, Social Media accounts, directories and listings associated with any of the Marks, and authorize their transfer to Paramount Franchising or any new franchisee as may be directed by Paramount Franchising, and Franchisee hereby irrevocably appoints Paramount Franchising, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest. Franchisee shall execute the Digital and Social Media Authorization for Assignment in the form of Attachment 4 attached hereto and such other directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and
- (iv) Cease doing business under any of the Marks and forward all client information to Paramount Franchising.

**14.4 Remove Identification.** Within 30 days after Termination, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a Paramount business, to the reasonable satisfaction of Paramount Franchising. This Includes Franchisee's removal of signs, destruction or removal of letterheads, Marketing material, the change of Business telephone listings, telephone numbers, email addresses, URLs, Internet websites, and any other property that bears Paramount Tax & Accounting brand or is affiliated with the brand. Franchisee must not identify any present or future business owned or operated by Franchisee as having been in any way associated with Paramount Franchising or the System. Franchisee shall comply with any reasonable instructions and procedures of Paramount Franchising for de-identification. If Franchisee fails to do so within 30 days after this Agreement is Terminated, Paramount Franchising may enter the Location to remove the Marks and de-identify the Location. In this event, Paramount Franchising will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Paramount Franchising and Franchisee shall reimburse Paramount Franchising for all its costs and expenses to remove the Marks and de-identify the Location.

**14.5 Other Claims.** Termination of this Agreement by Paramount Franchising will not affect or discharge any claims, rights, causes of action or remedies (Including claims for Paramount Franchising's lost future income after Termination), which Paramount Franchising may have against Franchisee, whether arising before or after Termination.

**14.6 Purchase Option.** When this Agreement is Terminated, Paramount Franchising will have the right (but not the obligation) to purchase any or all of the assets related to the Business, Including computer equipment, server (physical and/or cloud-based), office furniture, etc., at fair market value, and/or to require Franchisee to assign its lease or sublease to Paramount Franchising. To exercise this option, Paramount Franchising must notify Franchisee no later than 30 days after this Agreement is Terminated. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Paramount Franchising has the right to cover the entire cost of the appraisal and deduct Franchisee's share from the purchase price or include with other amounts due to Paramount Franchising. Paramount Franchising's purchase will be of assets only (free and clear of all liens) and will not include any liabilities of Franchisee. If Paramount Franchising exercises the purchase option, Paramount Franchising may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts paid or to be paid by Paramount Franchising to cure defaults under Franchisee's lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to liens, Paramount Franchising may withhold a portion of purchase price directly to the lienholder to pay off such lien. Paramount Franchising may also withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Paramount Franchising may assign this purchase option to another party.

## ARTICLE 15. TRANSFERS

**15.1 By Paramount Franchising.** Paramount Franchising may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Paramount Franchising may undergo a change in ownership and/or control, without the consent of Franchisee.

**15.2 By Franchisee.** Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Paramount Franchising entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Paramount Franchising at least 60 days' prior written notice of the proposed Transfer, and without obtaining Paramount Franchising's prior written consent. In granting any such consent, Paramount Franchising may impose conditions, Including the following:

- (i) Paramount Franchising receives a transfer fee equal to 50% of the then-current initial franchise fee for new franchisees. Franchisee only needs to reimburse Paramount Franchising's legal fees if Franchisee Transfers less than 25% ownership in Franchisee, and Franchisee's current owners maintain control. However, all guarantors will remain guarantors unless otherwise released by Paramount Franchising;
- (ii) the proposed assignee and its owners have completed Paramount Franchising's franchise application processes, meet Paramount Franchising's then-applicable standards for new franchisees, and have been approved by Paramount Franchising as franchisees;
- (iii) the proposed assignee is not a Competing Business;

- (iv) the proposed assignee executes Paramount Franchising's then-current form of franchise agreement; which form may contain materially different provisions from the Agreement;
- (v) Franchisee has paid all monetary obligations to Paramount Franchising in full, and Franchisee is not otherwise in default of this Agreement;
- (vi) the proposed assignee and its owners and employees undergo such training as Paramount Franchising may require and Franchisee assists in covering the Business during such training if necessary;
- (vii) Franchisee, its Owners, and the transferee and its owners execute a general release of Paramount Franchising in a form satisfactory to Paramount Franchising; and
- (viii) the Business fully complies with all of Paramount Franchising's most recent System Standards, Including upgrading and Remodel requirements.

**15.3 Transfer for Convenience of Ownership.** If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' prior written notice to Paramount Franchising, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3; (2) Franchisee provides copies the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Paramount Franchising, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5.

**15.4 Transfer upon Death or Incapacity.** Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the person with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Paramount Franchising within nine months after death or incapacity. Such Transfer must comply with Section 15.2.

**15.5 Paramount Franchising's Right of First Refusal.** Before Franchisee (or any owner) engages in a Transfer (except under Section 15.3 or Section 15.4), Paramount Franchising will have a right of first refusal, as set forth in this Section. Franchisee (or its owners) shall provide to Paramount Franchising a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of Paramount Franchising's receipt of such copy, Paramount Franchising will have the right, exercisable by notice to Franchisee, to purchase the Business or the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that Paramount Franchising may substitute cash for any other form of payment). If Paramount Franchising does not exercise its right of first refusal, Franchisee may proceed with the proposed Transfer, subject to the other terms and conditions of this Article. However, if there are any material changes in the terms and conditions of the proposed Transfer and any of those changes are less favorable to Franchisee, Franchisee shall notify Paramount Franchising of the changes in writing, and Paramount Franchising will have an additional 10 days within which to elect to purchase the assets proposed to be Transferred on the revised terms and conditions. If the proposed Transfer is not completed for any reason after Paramount Franchising elects not to purchase the assets being Transferred, a new right of first refusal commences as to any subsequent proposed Transfer by Franchisee.

**15.6 No Sublicense.** Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

**15.7 No Lien on Agreement.** Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

## ARTICLE 16. INDEMNITY

**16.1 Indemnity.** Franchisee shall indemnify and defend (with counsel reasonably acceptable to Paramount Franchising) Paramount Franchising, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, “Indemnitees”) against all Losses in any Action by or against Paramount Franchising and/or any Indemnatee directly or indirectly related to, or alleged to arise out of, the operation of the Business. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnatee from claims arising as a result of any Indemnatee’s misconduct or negligence. Franchisee agrees not to file any crossclaim or counterclaim against Paramount Franchising for any action made by a third-party or make any response that would infer or represent Paramount Franchising is liable as a party or defendant to any action that is contrary to this Section. This Agreement and the terms in this Section and related terms in this Agreement is a bona fide defense to any claim Franchisee may contradictorily make against Paramount Franchising as to Paramount Franchising’s liability or proportion of fault. Franchisee shall bear all costs to defend Paramount Franchising from claims raised by a third party. If Paramount Franchising incurs any costs or liabilities to any third party, Franchisee shall reimburse Paramount Franchising for costs associated with Paramount Franchising’s defense to those claims. This indemnity will continue in effect after this Agreement ends.

**16.2 Assumption by Paramount Franchising.** Paramount Franchising may elect to assume the defense and/or settlement of any Action subject to this indemnification, at Franchisee’s expense. Such an undertaking will not diminish Franchisee’s obligation to indemnify the Indemnitees.

## ARTICLE 17. DISPUTE RESOLUTION

### 17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsection (c), any controversy or claim arising out of or relating to this Agreement, or the breach thereof, will be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, Including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

(b) Location. The place of arbitration will be held in Salt Lake County, Utah or the county and state where Paramount Franchising’s then-current headquarters are located.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(d) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for Paramount Franchising to comply with laws and regulations applicable to the sale of franchises.

(e) Performance During Arbitration or Litigation. Paramount Franchising and Franchisee shall comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

**17.2 Damages.** In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party’s actual damages, except damages authorized by federal statute. In the event of Termination of this Agreement prior

the expiration of the term, Paramount Franchising's actual damages will include its lost future income from Royalty Fees and other amounts that Franchisee would have owed to Paramount Franchising but for the Termination.

**17.3 Waiver of Class Actions.** The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis.

**17.4 Time Limitation.** Any arbitration or other legal action arising from or related to this Agreement must be instituted within two years from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

**17.5 Venue Other Than Arbitration.** For any legal proceeding not required to be submitted to arbitration, the parties agree that any such legal proceeding will be brought in the United States District Court of Salt Lake County, Utah or where Paramount Franchising's then-current headquarters is located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Paramount Franchising's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

**17.6 Legal Costs.** In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

## ARTICLE 18. MISCELLANEOUS

**18.1 Relationship of the Parties.** The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Paramount Franchising is not a fiduciary of Franchisee and does not control Franchisee or its Business. Paramount Franchising has no liability for Franchisee's obligations to any third party whatsoever.

**18.2 No Third-party Beneficiaries.** This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Paramount Franchising, and Paramount Franchising's affiliates.

**18.3 Entire Agreement.** This Agreement constitutes the entire agreement of the parties related to the subject matter herein and supersedes all prior negotiations and representations whether oral or in writing. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Paramount Franchising in its franchise disclosure document.

**18.4 Modification.** No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Paramount Franchising's rights to modify the Manual or System Standards.

**18.5 Consent; Waiver.** No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

**18.6 Cumulative Remedies.** Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

**18.7 Severability.** The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

**18.8 Governing Law.** The laws of the state of Utah (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties.

**18.9 Notices.** Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Paramount Franchising, addressed to 12481 South Fort St., Suite 200, Draper, Utah 84020, with a copy to The Franchise & Business Law Group at 222 S. Main Street, Ste 500, Salt Lake City, Utah 84101 (which will not act as notice or service). Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; (3) by email upon receipt of transmission verification; or (4) sent via overnight courier. Notwithstanding the foregoing, Paramount Franchising may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

**18.10 Joint and Several Liability.** If two or more people sign this Agreement as “Franchisee,” each will have joint and several liability.

**18.11 No Offer and Acceptance.** Delivery of a draft of this Agreement to Franchisee by Paramount Franchising does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Paramount Franchising.

**18.12 Counterparts.** This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature with full legal force and effect and may be used for all purposes as if it were an original.

IN WITNESS WHEREOF, Paramount Franchising and Franchisee have respectively signed and sealed this Agreement as of the date written on the Summary Page.

Agreed to by:

FRANCHISOR:

FRANCHISEE: *[if an entity:]*

PARAMOUNT FRANCHISING LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISEE: *[if an individual(s):]*

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*(Check if applicable)* At the same time as the parties execute this Agreement, they are also executing an Addendum to Franchise Agreement pursuant to:

\_\_\_\_\_ Illinois  
\_\_\_\_\_ Indiana  
\_\_\_\_\_ Maryland  
\_\_\_\_\_ Minnesota  
\_\_\_\_\_ New York  
\_\_\_\_\_ North Dakota  
\_\_\_\_\_ Rhode Island  
\_\_\_\_\_ Washington  
\_\_\_\_\_ Other

**Attachment 1 to Franchise Agreement**

**OWNERSHIP INFORMATION**

1. **Form of Ownership.** Franchisee is a (check one):

\_\_\_\_\_ *Sole Proprietorship*  
\_\_\_\_\_ *Partnership*  
\_\_\_\_\_ *Limited Liability Company*  
\_\_\_\_\_ *Corporation*

State of incorporation / organization / residence: \_\_\_\_\_

2. **Owners.** If Franchisee is a partnership, limited liability company or corporation, list each owner and their ownership below:

Name	Shares or Percentage of Ownership

3. **Officers.** If Franchisee is a limited liability company or corporation, list each officer below:

Name	Title

4. **Principal Executive.** The name and contact information of the Principal Executive is as follows:

Principal Executive	Contact Information

**Attachment 2 to Franchise Agreement**

**LOCATION ACCEPTANCE LETTER**

To: \_\_\_\_\_

This Location Acceptance Letter is issued by Paramount Franchising LLC for Franchisee's Paramount franchise in accordance with Section 6.1 of the Franchise Agreement.

1. The Location of the Business is:

\_\_\_\_\_

2. The Territory assigned to the Business is:

\_\_\_\_\_

PARAMOUNT FRANCHISING LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

### Attachment 3 to Franchise Agreement

#### **GUARANTY AND NON-COMPETE AGREEMENT**

This Guaranty and Non-Compete Agreement (this “Guaranty”) is entered into and made effective by and between Paramount Franchising LLC (“Paramount Franchising”) and the undersigned person(s) (each, a “Guarantor”) owners of \_\_\_\_\_ (the “Business Entity”).

**Background Statement:** Business Entity (“Franchisee”) desires to enter into a Franchise Agreement with Paramount Franchising for the franchise of a Paramount business (the “Franchise Agreement”; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Paramount Franchising to enter into the Franchise Agreement.

Guarantor agrees as follows:

**1. Guaranty.** Guarantor hereby unconditionally guarantees to Paramount Franchising and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Paramount Franchising, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Paramount Franchising upon demand from Paramount Franchising. Guarantor waives (a) acceptance and notice of acceptance by Paramount Franchising of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Paramount Franchising make demand upon, assert claims against or collect from Franchisee or any other person or entity (Including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (Including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

**2. Confidential Information.** With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by Paramount Franchising for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Paramount Franchising, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by Paramount Franchising or its affiliates (except for any Confidential Information, which Paramount Franchising licenses from another person or entity). Guarantor acknowledges that all Customer Data generated or obtained by Guarantor is Confidential Information belonging to Paramount Franchising. This Section will survive the Termination of the Franchise Agreement indefinitely.

**3. Covenants Not to Compete and Non-Solicitation of Clients.**

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, or be engaged, assist, consult or be employed by, any Competing Business.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competing Business located within Franchisee's Territory or within 25 miles of Franchisee's Territory or within 25 miles of the territory of any other Paramount business operating on the date of Termination or Transfer, as applicable.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then parties intend that the court modify such restriction to extent reasonably necessary to protect the legitimate business interests of Paramount Franchising. Guarantor agrees that the existence of any claim it or Franchisee may have against Paramount Franchising shall not constitute a defense to the enforcement by Paramount Franchising of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be tolled for each day of noncompliance.

(d) Non-Solicitation of Clients. For three years after the Franchise Agreement is Terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly contact any then-current or former client of Franchisee, or of another franchisee or affiliate of Paramount Franchising for the purpose of soliciting from any such client any business that is the same as or substantially similar to services performed by a Paramount business.

**4. Enforcement Costs.** If Paramount Franchising must enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor(s) shall reimburse Paramount Franchising for its enforcement costs. Enforcement costs Include reasonable fees from accountants, attorneys, attorney's assistants, arbitrators, and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

**5. Modification.** Guarantor agrees that Guarantor's liability hereunder will not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Paramount Franchising may from time to time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

**6. Governing Law and Dispute Resolution.** This Guaranty will be governed by and construed in accordance with the laws of the state of Utah. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

**7. Counterparts.** This Guaranty may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same

as an original signature with full legal force and effect and may be used for all purposes as if it were an original.

Agreed to by:

\_\_\_\_\_  
Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

## **Attachment 4 to Franchise Agreement**

### **DIGITAL, SOCIAL MEDIA, AND LISTINGS AUTHORIZATION FOR ASSIGNMENT**

This DIGITAL, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION (“Assignment”) is made and entered into as of the Effective Date (defined below), by and between \_\_\_\_\_ (“Franchisee”) and Paramount Franchising LLC (“Paramount Franchising” or “Franchisor”).

#### **RECITALS**

WHEREAS, Franchisee has entered into a Paramount Tax & Accounting Franchise Agreement with Paramount Franchising with this Assignment (“Franchise Agreement”); and

WHEREAS, as part of the Franchise Agreement, Franchisee is granted limited rights to use the Marks in conjunction with the Business; and

WHEREAS, under the Franchise Agreement, all Marketing materials, Customer Data, and Social Media accounts belong to Paramount Franchising; and

WHEREAS, Franchisee understands that immediately following Termination or Transfer of the Franchise Agreement, Franchisee will not have any continuing rights to use the Marks, Marketing materials, Customer Data or the like and that all such information must be immediately turned over to Paramount Franchising; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

1. Franchisee hereby assigns all rights and interest, Including all associated goodwill, in the Social Media and other digital media accounts used in the Business or used or created in any way by Franchisee or third parties to promote or use the Marks, Including Franchisee’s Facebook, Google listings, Instagram, Pinterest, Twitter, LinkedIn, Tumblr, email accounts, and the like (collectively, the “Social Media Accounts”). Franchisee shall take all action necessary to grant exclusive access of the Social Media Accounts to Paramount Franchising, Including providing all passwords and administrative access to such Social Media Accounts.

2. Franchisee hereby assigns and transfers, (or in Franchisor’s sole discretion disconnects) the telephone listings, telephone numbers, Including the telephone number(s) listed on Marketing and Social Media Accounts, URL’s, Internet sites, and web pages used in the Business or used or created in any way by Franchisee or third parties to promote or use the Marks to Franchisor (collectively “Listings”).

3. Franchisee represents, warrants, and covenants the following with regard to the Social Media Accounts and Listings:

- a. Franchisee has the right to assign the Social Media Accounts and Listings, and they are free and clear of all liens and encumbrances.

- b. Franchisee will not, after Termination or Transfer of the Franchise Agreement attempt to access, control, interfere with, or obstruct the Social Media Accounts and/or Listings.
- c. Franchisee shall not prevent or hinder Paramount Franchising from enforcing its rights in or to the assigned Social Media Accounts.
- d. Franchisee has not taken, or permitted, and shall not take or permit any action that would prevent Paramount Franchising from enjoying the full benefits of assignment of the Social Media Accounts and Listings to Paramount Franchising hereunder whether during the term or after the Termination of the Franchise Agreement.

4. Franchisee hereby directs and authorizes each company associated with, or in control of, the Social Media Accounts and Listings to assign, transfer, set over and otherwise authorize Paramount Franchising to take over and control the Social Media Account and Listings. If necessary, Franchisee shall execute all documents required by Paramount Franchising to give effect to the assignment of the Social Media Accounts and Listings to Paramount Franchising hereunder.

5. This Assignment applies to all Social Media Accounts and Listings regardless of whether Franchisee is allowed to manage under the Franchise Agreement or was allowed to create, use, manage, or even own Social Media Accounts and/or Listings in the past. To the extent Franchisor does not currently have administrative access to a Social Media Account or Listing of Franchisee, Franchisee shall immediately grant Franchisor such access.

6. Franchisor hereby appoints Franchisor as its attorney-in-fact for the above transfers, which appointment is coupled with an interest.

7. This Assignment is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

8. This Assignment will be governed, construed and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions.

Effective as of the date signed by Paramount Franchising below.

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PARAMOUNT FRANCHISING:**

Paramount Franchising LLC

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Attachment 5 to Franchise Agreement**

**STARTUP PACKAGE**

Paramount Tax and Accounting Startup Equipment List:

Full Customized Paramount Franchisee Website

Initial Digital Marketing Set Up

3-Month Pay-Per-Click Marketing Campaign for First Tax Season

1 (one) Computer Workstation

1 (one) Networked Server Computer or a Cloud-based Server with a 1-year Subscription for Up to Two Licenses

1<sup>st</sup> Year of Drake Tax Software

1<sup>st</sup> Year of Antivirus Software

QuickBooks Online Accounting Software Tax Software Compatible Scanner at Each Workstation

Employee Payroll Tracking Software

Tax Software Compatible Laser Jet Printer for Every Two Preparers

Paramount Franchise Interior Office Signage

Paramount Branded Candy – “Paramints”

Paramount Branded Tax Folders

Paramount Branded Blue Gel Pens

1 (one) Large Screen Wall-Mounted Monitor (40 to 60 inches)

Wall Mount for Large Screen Monitor

2 (two) Desktop Monitors

1 (one) Mouse

1 (one) Keyboard

1 (one) Webcam

1 (one) Microphone

Computer, Monitor and Peripheral Cables

Microsoft Office Suite

## Attachment 6 to Franchise Agreement

### **EMPLOYEE BRAND PROTECTION AGREEMENT**

This EMPLOYEE BRAND PROTECTION AGREEMENT ("Agreement") is entered into as of \_\_\_\_\_, between \_\_\_\_\_ ("Franchisee") and \_\_\_\_\_ ("Employee"), residing at \_\_\_\_\_.

A. Franchisee is the holder of a Paramount Tax & Accounting franchise developed by Paramount Franchising LLC ("Franchisor").

B. Franchisor has developed certain confidential and proprietary information for the operation of a Paramount Tax & Accounting franchise, including without limitation, processes, methods, client lists and data, trade secrets, systems, software, pricing, financial information, client data and lists, manuals, marketing techniques, and procedures ("Proprietary Information").

NOW, THEREFORE, in consideration of the employment of Employee by Franchisee, the parties hereto agree as follows:

1. Acknowledgement. Employee acknowledges that during the course of his or her employment by Franchisee he or she has obtained or may obtain knowledge of the Proprietary Information and other confidential matters and procedures developed, licensed to or owned by Franchisor and made available to Franchisee, which are necessary and essential to the operation of the business of Franchisee, which without such information, Franchisee could not efficiently, effectively and profitably operate its Paramount Tax & Accounting franchise. Employee further acknowledges that such Proprietary Information was not known to him or her prior to the association with Franchisee or its Paramount Tax & Accounting franchise.

2. Non-Use, Non-Disclosure. Except as may be required in the performance of duties for Franchisee, Employee shall not, during the course of his or her employment or at any time thereafter, directly or indirectly, use, or disclose to any third party, or authorize any third party to use any portion of the Proprietary Information, and agrees not to copy, transmit, recreate or otherwise reproduce all of any part of the Proprietary Information at any time. Should Employee work for a different Paramount Tax & Accounting franchisee, Employee shall not share with or use with such new employer any client data for any client or prospective client of Franchisee, Franchisor, or an affiliate of Franchisor. For the purposes of this Agreement, a "prospective client" does not mean any possible client. It means a potential client who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual client.

2.1 No Reverse Engineering. Employee shall not, either personally, in concert with others or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile or deconstruct any portion of the Proprietary Information.

3. Duty to Notify. Employee agrees to notify Franchisor or Franchisee or Employee's immediate superiors of any reasonably suspected attempts to violate the terms or purposes of this Agreement or to otherwise disclose, copy, or reproduce any part of the Proprietary Information. In the event it is discovered that Employee knew or had reason to know of any suspected attempts to violate this Agreement and fails to report such knowledge, Employee agrees to indemnify Franchisor and Franchisee for all costs and fees associated with enforcement, and to reimburse Franchisor and Franchisee for those losses sustained due to such violation. Employee agrees to cooperate with Franchisor and Franchisee in its

or their attempts to enforce the terms of this Agreement and to otherwise protect the Proprietary Information, and to cooperate with Franchisee and Franchisor to the extent Franchisee is obligated to cooperate with Franchisor's attempts to enforce its rights in and to the Proprietary Information.

4. Return of Materials. Immediately upon the termination of employment, Employee agrees to deliver to Franchisee (and shall not keep in his or her possession or deliver to anyone else whether in hard or electronic soft copy) any and all records, data, photographs, notes, manuals, lists, correspondence, specifications, materials, other documents or property, or reproductions relating to, directly or indirectly, to the Proprietary Information.

5. Management and Supervisor Employees. This Section 5 shall only apply if Employee is a management employee and/or acts in a supervisory role over other employees.

5.1 Non-Competition. Subject to applicable law, Employee shall not, during the course of his or her employment by Franchisee, and for one year thereafter, directly or indirectly in any capacity, without Franchisee's prior written consent, engage in a business, or plan for or organize a business, or have any financial interest in, or become and owner, officer, director, shareholder, partner, associate, employee, contractor, agent, representative or consultant in any offering or selling products or services the same or substantially similar to a Paramount Tax & Accounting business. Without limiting the generality of the foregoing, the minimum area of competitive nature will be that area within a 5-mile radius of any client serviced by Franchisee. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision. The post-termination, non-competition covenants do not apply if Employee works for another Paramount Tax & Accounting business.

6. Non-Solicitation of Clients. Employee shall not, during the course of his or her employment and for two years thereafter, directly or indirectly, contact any client, former client, or prospective client of Franchisee, Franchisor, or an affiliate of Franchisor for the purpose of soliciting such client to be a client of a business that is the same as or similar to a Paramount Tax & Accounting business, including to be a client of another Paramount Tax & Accounting business.

7. Irreparable Harm. Employee hereby acknowledges and agrees that any breach by him or her of any portion of Sections 1 through 6 above, inclusive, will cause damage to Franchisee and Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisee may be entitled, either Franchisee or Franchisor will be entitled to enforce this Agreement and to seek temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by Employee of any of the terms of Section 1 through 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisee or Franchisor by such breach, and without the requirement of posting bond. The existence of a claim against Franchisee or Franchisor will not constitute a defense to enforce the covenants of this Agreement.

8. Modification. Employee hereby agrees that, without limitation, any modifications, alterations, changes, or improvements conceived, designed, devised, developed, perfected or made by Employee, whether alone or in conjunction with others, and related in any manner to the actual or anticipated operation of the Franchisee, or the Paramount Tax & Accounting system, or to any area of research and development related to the operation of the business, must be promptly disclosed to the Franchisee and will become the property of Franchisor, and Employee hereby irrevocably assigns, transfers, and conveys any such to Franchisor.

9. Enforceability. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative.

10. Survival of Covenants. All covenants made in this Agreement by Employee survive the termination of Employee's employment with Franchisee or the expiration, transfer, or termination of this Agreement.

11. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by both parties.

12. Attorneys' Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

13. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

14. Third-party Beneficiary. It is agreed and acknowledged that Franchisor is a third-party beneficiary to this Agreement.

[Signature Page Follows]

**EMPLOYEE ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.**

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first herein above written.

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

EMPLOYEE (if a minor, see next page):

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Age: \_\_\_\_\_

**For persons under 18 years of age, a parent or legal guardian must sign and complete the following section.**

I, \_\_\_\_\_ (Parent/Guardian), the undersigned and the parent and natural guardian of \_\_\_\_\_ (minor's name), hereby acknowledge that I have executed the foregoing Employee Brand Protection Agreement for and on behalf of the minor named herein. I represent that I have legal capacity and authority to act for and on behalf of the minor named herein. As the natural or legal guardian of such minor, I hereby bind myself, the minor, and our successors and assigns to the obligations and liabilities of the foregoing Employee Brand Protection Agreement.

DATED:\_\_\_\_\_.

Signature of Parent/Guardian: \_\_\_\_\_

Name of Parent/Guardian: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

[Employee Brand Protection Agreement Signature Page]

**Schedule “6B”**

**FRANCHISE RELATIONSHIP ACKNOWLEDGEMENT**

Because you are becoming a part of the Paramount Tax® franchise system, it is important that you understand and acknowledge who is your employer (or the party that hired you as an independent contractor), and who is not.

You have been hired by \_\_\_\_\_ (Legal Name of Franchisee) (“Franchisee”), which is an independent franchise owner in the Paramount Tax® franchise system (which we call the “System”). Although Franchisee looks the same, has the same name, and is operated the same way as other Paramount Tax® outlets in the System, Franchisee is not part of the same company as those other Paramount Tax® outlets in the System. Paramount Franchising LLC is a completely separate company that owns the name and created the System. Paramount Franchising LLC has devised rules, systems of operation, and policies and procedures that all of its franchisees must follow, including Franchisee, which makes each independent franchise Paramount Tax® outlet look and operate the same way as one another. This way, Paramount Franchising LLC manages a System composed of many different franchisee owners, each of whom is independently responsible for operating its own Paramount Tax® outlet.

It is important that you understand that Franchisee is your **only** employer (or is the only party associated with the Paramount Tax® franchise system that hired you as an independent contractor). If you are an employee, then Franchisee gives you your paycheck, establishes your hours, and is responsible for all decisions relating to your employment relationship. If you are an independent contractor, then Franchisee compensates you, hires you for certain hours or tasks, and provides you with the job description for your services to Franchisee. Paramount Franchising LLC is **not** your employer and has not hired you to provide services related to the Paramount Tax® franchise system. If Paramount Franchising LLC’s representatives ever give you direction, training, or advice, it is intended only to ensure that the experience of all customers of Paramount Tax® is the same at or through your place of work as it is at other Paramount Tax® outlets in the Paramount Tax® system. The fact that you are trained, or given direction or advice, by Paramount Franchising LLC’s representatives does not somehow mean that Paramount Franchising LLC is your employer.

If you have any questions about your employment relationship or your contracted relationship or about this Franchise Relationship Acknowledgement, please direct them to your employer (or the party that hired you as an independent contractor), Franchisee.

I have read this Franchise Relationship Acknowledgement, and I understand it. I have had the opportunity to ask any questions that I have about this Franchise Relationship Acknowledgement, and those questions have been answered fully to my satisfaction.

**SIGNED:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**Attachment 7 to Franchise Agreement**  
**AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)**

Business Name: \_\_\_\_\_

I hereby authorize Paramount Franchising LLC hereinafter called (“Company”), to initiate debit entries to my checking account or savings account as indicated below at the depository financial institution named below, hereinafter called (“Depository”), and to debit the same to such account on a recurring basis, commencing as of the date below, and continuing for the term of my franchise agreement with the Company. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of United States law.

Depository Name: \_\_\_\_\_ Branch: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_

Routing Number: \_\_\_\_\_ Account Number: \_\_\_\_\_

Type of Account: Checking/Savings: \_\_\_\_\_

I agree to provide accurate banking information and authorize the Company to verify account ownership through a test deposit or other verification methods as required by NACHA rules.

I understand that this authorization will remain in full force and effect through the term of my franchise agreement until I notify the Company in writing that I wish to revoke this authorization. I understand that the Company requires at least 15 days’ written notice prior to the proposed effective date of termination to cancel this authorization. Notice shall be provided to the Company at both jon@paramount.tax and 12481 South Fort St., Suite 200 Draper, Utah 84020.

I consent to the use of electronic records and signatures for the purposes of entering into and executing this agreement and any related transactions.

Name: \_\_\_\_\_  
(please print)

Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.**

## EXHIBIT C

### MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this “MUDA”) is made between Paramount Franchising LLC (“Paramount Franchising”) and \_\_\_\_\_ (“Franchisee”) on the Effective Date.

**Background Statement:** On the same day as they execute this MUDA, Paramount Franchising and Franchisee have entered into a Franchise Agreement for the franchise of a Paramount business (the “Franchise Agreement”; capitalized terms used but not defined in this MUDA have the meanings given in the Franchise Agreement). Paramount Franchising and Franchisee desire that Franchisee develop multiple Paramount businesses.

#### 1. Multi-Unit Commitment.

(a) Development Schedule; Fee. Franchisee shall develop and open Paramount businesses on the following schedule:

Location #	Deadline for Opening	Total # of Locations to be Open and Operating On Deadline	Initial Franchise Fee
1		1	\$_____
2		2	\$_____
3		3	\$_____
4		4	\$_____
5		5	\$_____
Total Initial Franchise Fees:			

(b) Payment. Upon execution of this MUDA, Franchisee shall pay the total Initial Franchise Fees for each franchise to be developed to Paramount Franchising. The Initial Franchise Fees are \$40,000 for the first franchise and \$25,000 for each subsequent franchise. The Initial Franchise Fees are non-refundable except as provided in Section 6.4 of the Franchise Agreement.

2. Form of Agreement. For Location #1, Franchisee and Paramount Franchising have executed the Franchise Agreement simultaneously with this MUDA. For each additional Paramount franchise, Franchisee shall execute Paramount Franchising’ then-current standard form franchise agreement as developed. This MUDA does not give Franchisee the right to construct, open, or operate a Paramount business, and Franchisee acknowledges that Franchisee may construct, open, and operate each Paramount business only pursuant to a separate franchise agreement executed pursuant to this MUDA for each such Paramount business.

3. Development Area. Franchisee shall locate each Paramount business it develops under this MUDA within the following area:\_\_\_\_\_ (the

“Development Area”). Franchisee acknowledges that it does not have exclusive rights to develop, open or operate Paramount businesses in the Development Area.

**4. Default and Termination.** Paramount Franchising may terminate this MUDA by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee fails to meet a deadline for opening a location as set forth in the development schedule; or
- (ii) Franchisee defaults and fails to cure under the terms of any one of its franchise agreements with Paramount Franchising.

Upon Termination of this MUDA, Franchisee’s rights under this MUDA are terminated, and Paramount Franchising may (among its other rights) sell the remaining development rights, sell franchises, or open locations in the Development Area. Additionally, Franchisee will forfeit all deposits made and any contractual rights to develop or purchase additional Paramount businesses within the Development Area.

**5. Limitation of Liability.** Franchisee’s commitment to develop Paramount businesses is in the nature of an option only. If Paramount Franchising terminates this MUDA for Franchisee’s default, Franchisee shall not be liable to Paramount Franchising for lost future revenues or profits from the unopened Paramount businesses.

**6. Conditions.** Franchisee’s right to develop each Paramount franchise after the Location #1 is subject to the following:

- (i) Franchisee must possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Paramount business, in the reasonable judgment of Paramount Franchising, and
- (ii) Franchisee must be in full compliance with all brand requirements at its open Paramount businesses and not in default under any Franchise Agreement or any other agreement with Paramount Franchising.

**7. Dispute Resolution; Miscellaneous.** The laws of the state of Utah (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. Franchisee shall not Transfer this MUDA without the prior written consent of Paramount Franchising, and any Transfer without Paramount Franchising’s prior written consent will be void. The provisions of Article 15 (Transfers), Article 17 (Dispute Resolution) and Article 18 (Miscellaneous) of the Franchise Agreement apply to and are incorporated into this MUDA as if fully set forth herein. Nothing in this MUDA or any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

*[Signatures on Next Page]*

Agreed to by:

FRANCHISOR:

Paramount Franchising LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISEE:

*[if an individual:]*

\_\_\_\_\_  
Name: \_\_\_\_\_

*[if an entity:]*

\_\_\_\_\_  
By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT D

### RIDER TO LEASE AGREEMENT

Landlord: \_\_\_\_\_

Notice Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Tenant: \_\_\_\_\_

Leased Premises: \_\_\_\_\_

Franchisor: Paramount Franchising LLC

Notice Address: 12481 South Fort St., Suite 200,  
Draper, Utah 84020

Telephone: 801-341-2300

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used for the operation of a Paramount business (or any name authorized by Franchisor).

2. Notice of Default and Opportunity To Cure. Landlord shall provide Franchisor with copies of any written notice of default ("Default") given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant's Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within 30 days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease. If Franchisor becomes the lessee of the Lease Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee, or an affiliate of the Paramount brand.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

7. Right to Enter. Upon the expiration or termination of the Lease or the Franchise Agreement, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises to remove signs and other material bearing Franchisor's brand name, trademarks, and commercial symbols, provided that Franchisor will be liable to Landlord for any damage Franchisor or its designee causes by such removal.

8. No Liability. By executing this Rider, Franchisor does not assume any liability with respect to the Lease Premises or any obligation as Tenant under the Lease.

Executed by:

LANDLORD:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

TENANT:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISOR:

PARAMOUNT FRANCHISING LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT E

### FORM OF GENERAL RELEASE

*[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]*

This General Release ("Release") is executed by \_\_\_\_\_ ("Releasor") and \_\_\_\_\_ (Personal Guarantor(s) (collectively, the "Releasing Parties") in favor of Paramount Franchising LLC, a Nevada limited liability company ("Paramount Franchising" or "Released Party").

#### RECITALS

WHEREAS, Franchisee entered into a Paramount Tax® and Accounting franchise agreement on \_\_\_\_\_ with Franchisor ("Franchise Agreement"); and

WHEREAS, the Franchise Agreement was personally guaranteed by \_\_\_\_\_ and \_\_\_\_\_ ("Personal Guarantor(s)"); and

WHEREAS, the Franchise Agreement has been terminated effective as of \_\_\_\_\_.

**1. Release.** Releasing Parties (on behalf of itself, guarantors, and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees) hereby releases Paramount Franchising, its affiliates, and their respective directors, officers, shareholders, employees, and agents from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement, the relationship described therein and any business transaction, agreement or occurrence, act or omission relating thereto prior to the date hereof. Releasing Parties further waive any and all state law provisions limiting the effect of a general release (collectively, "Claims").

**2. Covenant Not to Sue.** Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim. In the event of a dispute related to this Release, the dispute resolution sections of the Franchise Agreement will apply and govern.

**3. Non-Disparagement.** Releasor covenants not to, in any way, form, or medium, disparage any of the Released Parties, the System, or the Paramount Tax & Accounting brand.

**4. Representations and Acknowledgments.** Releasor represents and warrants that that each of them fully understands the broad coverage of the release provisions of this Release: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor's choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

**5. For California Residents.** These releases are intended to waive, release and discharge all claims, other than those expressly reserved herein, with the express waiver of any statute, legal doctrine or other similar limitation upon the effect of general releases. In particular, the parties waive the benefit of any applicable statutory provision such as by illustration, California Civil Code Section 1542, which states:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

The parties, with the advice of their respective counsel, waive the benefit of both statute and other legal doctrine or principle of similar effect in any jurisdiction.

**6. For Washington Residents.** This Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and any rule or order adopted thereunder.

**7. Miscellaneous.**

7.1 Cooperation. Franchisee and Personal Guarantor(s) will make, execute and deliver to Franchisor, promptly upon request and without additional consideration, any document or instrument necessary to carry out and effectuate the purposes of this Agreement.

7.2 Choice of Law and Jurisdiction. This Agreement will be construed in accordance with and all disputes hereunder will be governed by the laws of the state of Utah without giving effect to its conflicts of law provisions. Franchisee, Personal Guarantor(s), and Franchisor hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and we both agree that Salt Lake County, Utah will be the exclusive venue for any litigation between us. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Salt Lake County, Utah.

7.3 Arbitration. In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to the provisions hereof, the relationship of the Parties hereto, or the validity of this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Salt Lake County, Utah, and the laws of the state of Utah will govern, without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association, unless otherwise waived by the Parties. The award and findings of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any Court of competent jurisdiction.

7.4 Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any

of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

7.5 Amendment. This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

7.6 Company Authority. The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

7.7 Binding Agreement. This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

7.8 Confidentiality. Franchisee and Personal Guarantor(s) agree to maintain this Agreement, the terms hereof, and any and all information obtained or provided by either Party in order to initiate a contractual relationship, in the strictest of confidence.

7.9 Counterparts. This Agreement, and those contemplated herein, may be executed in counterparts, including by means of telefaxed, emailed pdf or other electronically delivered signature page, each of which will be deemed an original, but all of which together will constitute one and the same document.

7.10 Entire Agreement. This Agreement contains the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements between the Parties regarding the subject matter hereof are hereby terminated with no continuing duties or obligations on the part of the other Party.

7.11 Paragraph Headings. The paragraph headings appearing in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, construe or describe the scope, interpretations or extent of such paragraph or in any way affect such paragraph or this Agreement. Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers.

7.12 Enforceability. Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, not be effective to the extent of such prohibition, but such prohibition will not invalidate the remaining provisions hereof or affect the validity or enforceability of such provisions in any other jurisdiction.

8. This Agreement will be effective when all the parties have signed it. The date of this Agreement will be the date this Agreement is signed by the last party to sign it as provided in the signature block below.

9. The Franchisee and Personal Guarantor(s) acknowledge that they have carefully read the foregoing Agreement and know and understand the contents of this Agreement, have been represented by counsel, or had the opportunity to be represented by counsel, and sign this Agreement as their own free act, fully intending to be legally bound thereby.

**IN WITNESS WHEREOF**, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be executed as of the date provided below written with the full authority of the company principal they represent.

Released Party:

**PARAMOUNT FRANCHISING LLC**

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Releasor:

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PERSONAL GUARANTOR(S):**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

## **EXHIBIT F**

### **FINANCIAL STATEMENTS**

Audited financials dated 12/31/2024

Audited financials dated 12/31/2023

Audited financials dated 12/31/2022



# PARAMOUNT FRANCHISING, LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2024, 2023, AND 2022



# PARAMOUNT FRANCHISING, LLC

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### ***Independent Auditor's Report***

To the Member  
Paramount Franchising, LLC  
Draper, Utah

#### ***Opinion***

We have audited the accompanying financial statements of Paramount Franchising, LLC, which comprise the balance sheets as of December 31, 2024, 2023, and 2022, and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Paramount Franchising, LLC as of December 31, 2024, 2023, and 2022, and the results of its operations and its cash flows for the year then ended are in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Kezar & Dunlap

St. George, Utah  
July 11, 2025

# PARAMOUNT FRANCHISING, LLC

## BALANCE SHEETS

As of December 31, 2024, 2023, and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 619,684	\$ 62,616	\$ 196,606
Deferred commissions	50,000	20,000	-
Total current assets	<u>669,684</u>	<u>82,616</u>	<u>196,606</u>
Non-current assets			
Property and equipment, net	-	9,992	20,892
Goodwill	76,275	76,275	76,275
Operating notes receivable	914,000	974,000	566,020
Total non-current assets	<u>990,275</u>	<u>1,060,267</u>	<u>663,187</u>
Total assets	<u><u>\$ 1,659,959</u></u>	<u><u>\$ 1,142,883</u></u>	<u><u>\$ 859,793</u></u>
<b>Liabilities and Member's Equity</b>			
Current liabilities			
Related party payables	\$ 100,000	\$ 100,000	\$ -
Deferred revenue	844,000	261,400	-
Total current liabilities	<u>944,000</u>	<u>361,400</u>	<u>-</u>
Total liabilities	<u>944,000</u>	<u>361,400</u>	<u>-</u>
Member's equity	715,959	781,483	859,793
Total liabilities and member's equity	<u><u>\$ 1,659,959</u></u>	<u><u>\$ 1,142,883</u></u>	<u><u>\$ 859,793</u></u>

The accompanying notes are an integral part of these financial statements

**PARAMOUNT FRANCHISING, LLC**  
**STATEMENTS OF OPERATIONS**  
For the years ended December 31, 2024, 2023, and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenues			
Initial franchise fees	\$ 250,000	\$ 326,600	\$ 293,000
Royalty fees	1,498,964	1,199,918	1,408,531
Fulfillment fees	143,052	476,400	187,500
Total operating revenues	<u>1,892,016</u>	<u>2,002,918</u>	<u>1,889,031</u>
Operating expenses			
General and administrative	528,910	344,259	465,702
Professional fees	788,550	1,109,769	1,211,754
Advertising and marketing	51,276	45,748	77,650
Depreciation	9,992	10,900	12,355
Total operating expenses	<u>1,378,728</u>	<u>1,510,676</u>	<u>1,767,461</u>
Net operating income	<u>513,288</u>	<u>492,242</u>	<u>121,570</u>
Non-operating income (expense)			
Gain on sale of property	<u>-</u>	<u>-</u>	<u>13,949</u>
Total non-operating income (expense)	<u>-</u>	<u>-</u>	<u>13,949</u>
Net income	<u><u>\$ 513,288</u></u>	<u><u>\$ 492,242</u></u>	<u><u>\$ 135,519</u></u>

The accompanying notes are an integral part of these financial statements

PARAMOUNT FRANCHISING, LLC  
STATEMENTS OF MEMBER'S EQUITY  
For the years ended December 31, 2024, 2023, and 2022

Balance as of January 1, 2022	\$ 611,983
Adoption of ASC 952-606	498,625
Member distributions	(386,334)
Net income	<u>135,519</u>
Balance as of December 31, 2022	859,793
Member distributions	(570,552)
Net income	<u>492,242</u>
Balance as of December 31, 2023	781,483
Member distributions	(578,812)
Net income	<u>513,288</u>
Balance as of December 31, 2024	<u><u>\$ 715,959</u></u>

The accompanying notes are an integral part of these financial statements

**PARAMOUNT FRANCHISING, LLC**  
**STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2024, 2023, and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash flows used in operating activities:			
Net income	\$ 513,288	\$ 492,242	\$ 135,519
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	9,992	10,900	12,355
Gain on sale of property	-	-	(13,949)
Bad debt	-	-	30,000
Change in operating assets and liabilities:			
Operating notes receivable	60,000	(407,980)	13,980
Deferred commission	(30,000)	(20,000)	-
Deferred revenue	582,600	261,400	-
Net cash provided by operating activities	<u>1,135,880</u>	<u>336,562</u>	<u>177,905</u>
Cash flows from investing activities:			
Proceeds from sale of property	<u>-</u>	<u>-</u>	<u>233,949</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>233,949</u>
Cash flows from financing activities:			
Draws (payments) on related party payable	-	100,000	(196,400)
Member distributions	(578,812)	(570,552)	(244,167)
Net cash used in financing activities	<u>(578,812)</u>	<u>(470,552)</u>	<u>(440,567)</u>
Net change in cash and cash equivalents	557,068	(133,990)	(28,713)
Cash and cash equivalents at beginning of period	62,616	196,606	225,319
Cash and cash equivalents at end of period	<u>\$ 619,684</u>	<u>\$ 62,616</u>	<u>\$ 196,606</u>
Supplemental disclosures of cash flow			
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Non-cash investing and financing activities:			
Equipment distributed to member	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,065</u>

The accompanying notes are an integral part of these financial statements

**PARAMOUNT FRANCHISING, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024, 2023, AND 2022**

(1) Nature of Business and Summary of Significant Accounting Policies

*(a) Nature of Business*

Paramount Franchising, LLC (the “Company”) was organized as a Utah limited liability company (“LLC”) in 2016. On February 7, 2022, the Company changed domicile, converting into a Nevada LLC. The Company is headquartered in Draper, Utah and provides franchising opportunities to entrepreneurs desiring to own and operate their own tax and accounting operation as a franchisee.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

*(b) Accounting Standards Codification*

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (“SEC”), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

*(c) Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

*(d) Cash and Cash Equivalents*

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2024, 2023, and 2022, the Company had cash and cash equivalents of \$619,684, \$57,616, and \$196,606, respectively.

*(e) Operating Notes Receivable*

Operating notes receivable are recorded for amounts due based on the terms of executed franchise agreements for initial franchise fees. These receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. When determining the allowance for doubtful receivable, the Company has adopted ASC 326, *Financial Instruments—Credit Losses*. This standard requires that management utilize the Current Expected Credit Losses (“CECL”) model to recognize the appropriate allowance for doubtful receivables. This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received.

As of December 31, 2024, 2023, and 2022, the Company had an allowance for doubtful accounts of \$30,000. As of December 31, 2024, 2023, and 2022, the Company had net operating notes receivable of \$914,000, \$974,000, and \$566,020, respectively.

**PARAMOUNT FRANCHISING, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024, 2023, AND 2022**

*(f) Goodwill*

The Company has recorded goodwill associated with the acquisition of the Paramount franchise system on 2018. In accordance with ASC 350-20, *Goodwill*, the Company does not amortize goodwill. Rather, management will regularly evaluate the goodwill for indications of impairment. During the year ended December 31, 2024, there were no indications of impairment. As of December 31, 2024, 2023, and 2022, goodwill was \$76,275.

*(g) Property and Equipment*

Property and equipment are stated at cost less accumulated depreciation. Items in excess of \$2,000 that meet specific guidelines are capitalized. Expenditures for major renewals and improvements are capitalized. Minor replacements, maintenance, and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the cost of the asset and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the result of operations for the respective period. Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives for significant property and equipment categories are as follows:

Land	Indefinite
Building	30 years
Office equipment & software	4 years

*(h) Long-Lived Assets*

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the difference between the carrying amount of the asset and the fair value of the asset.

*(i) Revenue Recognition*

The Company has adopted ASC 606, *Revenue from Contracts with Customers*. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue. For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the various components of the transaction price and the Company's performance obligations.

The Company's revenues consist of fees from franchisees for initial franchise fees, royalties, and fulfillment fees.

*Royalty fees*

Upon evaluation of the five-step process, the Company has determined that royalty fees are to be recognized in the same period as the underlying sales.

*Fulfillment fees*

The Company sells start up equipment and software packages to its franchisees. Upon evaluation of the five-step process, the Company has determined that product sales are to be recognized upon transfer of control, which is generally when the franchisee begins operations, and the packages are shipped.

**PARAMOUNT FRANCHISING, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024, 2023, AND 2022**

*Initial franchise fees*

The Company is required to allocate the transaction price associated with initial franchise fees between the franchise license and associated performance obligations. In identifying the associated performance obligations, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. In addition, the practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation, which the Company has elected to adopt. These pre-opening services include the following (which the Company may or may not provide all of):

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

In determining the allocation of transaction price (the initial franchise fee) to either the license or to the pre-opening services, the Company has determined that the standalone selling price of its pre-opening services exceeds the initial franchise fee received; as such, the Company allocates the entire initial franchise fees to those pre-opening services. The franchise fees are then recognized as revenue when those pre-opening services have been completed (which generally occurs upon commencement of the associated franchised location's operations). Fees charged for renewals are amortized over the life of the renewal term.

*(j) Income Taxes*

The Company is structured as a limited liability company under the laws of the state of Nevada. Accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company adopted ASC 740-10-25-6, *Accounting for Uncertainty in Income Taxes*, that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities. Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2024, the 2023, 2022, and 2021 tax years are subject to examination.

*(k) Advertising Costs*

The Company expenses advertising costs as incurred. During the years ended December 31, 2024, 2023, and 2022, the Company incurred advertising expenses of \$51,276, \$45,748, and \$77,650, respectively.

# PARAMOUNT FRANCHISING, LLC

## NOTES TO THE FINANCIAL STATEMENTS

### DECEMBER 31, 2024, 2023, AND 2022

#### *(l) Financial Instruments*

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, pre-paid expenses, and accounts payable the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value as current interest rates and terms offered to the Company for similar debt are substantially the same.

#### *(m) Concentration of Risk*

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

#### *(2) Related Party Transactions*

During the year ended December 31, 2023, the Company received cash from its member in the form of a loan. The loan does not accrue interest and is due upon demand. As of December 31, 2024 and 2023, the balance due to member was \$100,000.

#### *(3) Property and Equipment*

Equipment consists of the following as of December 31, 2024, 2023, and 2022:

	2024	2023	2022
Office equipment & software	\$ 43,600	\$ 43,600	\$ 43,600
Accumulated depreciation	(43,600)	(33,608)	(22,708)
	\$ -	\$ 9,992	\$ 20,892

Depreciation expense for the years ended December 31, 2024, 2023, and 2022 was \$9,992, \$10,900, and \$12,355, respectively.

#### *(4) Deferred Revenue*

The Company's franchise agreements generally provide for a payment of initial fees as well as continuing royalties, technology fees, and marketing fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Paramount Tax system for a period of twenty years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the franchisee begins operations. For any franchisees that have not yet begun operations as of year-end, the Company defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current. As of December 31, 2024 and 2023, the Company had deferred commissions of \$50,000 and \$20,000, respectively, all of which were considered current. December 31, 2024 and 2023, the Company had deferred revenue of \$844,000 and \$261,400, respectively, all of which were considered current. As of December 31, 2022, the Company had no deferred commissions and revenue.

#### *(5) Commitments and Contingencies*

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC 450, *Contingencies*, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss

**PARAMOUNT FRANCHISING, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024, 2023, AND 2022**

contingency is “reasonably possible,” disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are “remote” are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(6) Subsequent Events

Management has reviewed and evaluated subsequent events through July 11, 2025, the date on which the financial statements were issued.

**CONTINUATION OF**  
**EXHIBIT F**  
**UNAUDITED INTERIM FINANCIALS DATED MAY 31, 2025\***

\*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.

# Balance Sheet

Paramount Franchising, LLC

As of May 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Assets</b>	
Current Assets	
Bank Accounts	
Brighton Checking 5357 (5357)	1,131,995.72
<b>Total for Bank Accounts</b>	<b>\$1,131,995.72</b>
Accounts Receivable	
Accounts Receivable	95,000.00
<b>Total for Accounts Receivable</b>	<b>\$95,000.00</b>
Other Current Assets	
Allowance for Bad Debt	-30,000.00
Deferred Commissions	20,000.00
Due From PTACPA	
Uncategorized Asset	
<b>Total for Other Current Assets</b>	<b>-\$10,000.00</b>
<b>Total for Current Assets</b>	<b>\$1,216,995.72</b>
Fixed Assets	
Accumulated Amortization	-5,085.00
Accumulated Depreciation	-28,523.00
Buildings	
Goodwill	76,275.00
Land	
Software (Asset)	43,600.00
Vehicles	
<b>Total for Fixed Assets</b>	<b>\$86,267.00</b>
Other Assets	
Notes Receivable	919,000.00
<b>Total for Other Assets</b>	<b>\$919,000.00</b>
<b>Total for Assets</b>	<b>\$2,222,262.72</b>
<b>Liabilities and Equity</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Credit Cards	
Other Current Liabilities	
Deferred Revenue	261,400.00
Due To PTACPA	
<b>Total for Other Current Liabilities</b>	<b>\$261,400.00</b>
<b>Total for Current Liabilities</b>	<b>\$261,400.00</b>

# Balance Sheet

Paramount Franchising, LLC

As of May 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Long-term Liabilities	
N/P - Jon Wilhelm	100,000.00
<b>Total for Long-term Liabilities</b>	<b>\$100,000.00</b>
<b>Total for Liabilities</b>	<b>\$361,400.00</b>
Equity	
Retained Earnings	2,798,683.34
Net Income	1,097,749.72
Owner's Draw	-2,110,911.07
Owner's Investment	75,340.73
<b>Total for Equity</b>	<b>\$1,860,862.72</b>
<b>Total for Liabilities and Equity</b>	<b>\$2,222,262.72</b>

# Profit and Loss

Paramount Franchising, LLC

January 1-May 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
Franchise Fee	285,334.00
Fulfillment Income	229,355.00
Royalty Income	1,152,350.72
<b>Total for Income</b>	<b>\$1,667,039.72</b>
Cost of Goods Sold	
<b>Gross Profit</b>	<b>\$1,667,039.72</b>
Expenses	
Advertising & Marketing	4,638.81
Bank Charges & Fees	11,886.00
Computer Expense	6,798.00
Consulting Fee	359,028.72
Dues & Subscriptions	613.75
Internet Expense	593.71
Legal & Professional Services	3,320.57
Meeting	155,621.36
Office Supplies	3,000.00
Rent & Lease	20,000.05
Software Expense	275.44
Travel	754.20
Utilities	2,759.39
<b>Total for Expenses</b>	<b>\$569,290.00</b>
<b>Net Operating Income</b>	<b>\$1,097,749.72</b>
Other Income	
Other Expenses	
<b>Net Other Income</b>	<b>0</b>
<b>Net Income</b>	<b>\$1,097,749.72</b>

## EXHIBIT G

### OPERATING MANUAL TABLE OF CONTENTS

Manual Section	Number of Pages
Preface & Introduction	35
Establishing My Franchise Business	37
Personnel	45
Administrative Procedures	27
Daily Procedures	24
Selling & Marketing	24
<b>Total Number of Pages</b>	<b>192</b>

**EXHIBIT H****TO THE FRANCHISE DISCLOSURE DOCUMENT**

SCHEDULE OF FRANCHISEES AS OF DECEMBER 31, 2024

**CURRENT FRANCHISEES:**

State	Contact	Territory	Address	City, State, Zip	Phone
Arizona	Amy Weidman/David Brown	Desert Ridge, AZ	20869 N Tatum Blvd	Phoenix, AZ 85050	602-478-0636
Arizona	Roy Layton <sup>1</sup>	Chandler, AZ	3100 West Ray Road, Suite 201	Chandler, AZ 85226	480-204-9446
Arizona	Roy Layton <sup>1</sup>	Glendale, AZ	18275 N 59th Ave Suite 112B	Glendale, AZ 85308	480-204-9446
Arizona	Roy Layton <sup>1</sup>	North Gilbert, AZ	1166 East Warner Rd.	North Gilbert, AZ 85296	480-204-9446
Arizona	Roy Layton <sup>1</sup>	South Gilbert, AZ	4365 East Pecos Road	South Gilbert, AZ 85298	480-204-9446
Arizona	Roy Layton <sup>1</sup>	Globe, AZ	656 North Broad Street	Globe, AZ 85501	480-204-9446
California	Eunice Cheng	La Mirada, CA	330 E Lambert Rd Suite 170	Brea, CA 92821	626-968-8680
California	Albert Elomina	Woodland Hills, CA	6931 Topanga Canyon Blvd #1	Canoga Park, CA 91303	323-929-0290
California	Wences Navaro	Arcadia, CA	1616 South 5th Ave.	Arcadia, CA 91006	626-246-8189
California	Charlotte Nikolaidis	Moreno Valley, CA	14605 Ashton Ct. Moreno Valley	California, 92555	951-660-4272
California	Elayne Pace	San Jose, CA	1475 S. Bascom Ave. 113	Campbell, CA 95008	480-558-9000
California	Elayne Pace	Campbell, CA	1475 S. Bascom Ave. 113	Campbell, CA 95008	480-558-9000
California	Chris Collins	Rancho Cucamonga, CA	9267 Haven Ave	Rancho Cucamonga, CA 91730	626-833-9759
California	Chris Collins	Riverside, CA	3610 Central Ave, Suite 400	Riverside, CA 92506	626-968-8680
California	Eunice Cheng	La Mirada, CA	16700 Valley View, Ste 300	La Mirada, CA 90638	626-968-8680
California	Max Warford	Rancho Bernardo, CA	16776 Bernardo Center Dr., Ste 203	San Diego, CA 92128	858-299-1134
California	Linda Williams	Eastvale, CA	7588 Stonegate Dr.	Eastvale, CA 92880	951-968-0286
California	Linda Williams	Tustin, CA	14081 Yorba St, Ste 204	Tustin, CA 92780	714-922-0480
California	Linda Williams	Redlands, CA	1255 West Colton Ave, #600	Redlands, CA 92374	909-907-9511
California	Linda Williams	Yorba Linda, CA	155 N. Riverview Dr.	Anaheim, CA 92808	714-485-8675
Colorado	Star Ake	Arvada, CO	6275 Joyce Dr	Arvada, CO 80403	720-760-2294
Colorado	Steve Rowley	Centennial, CO	8310 S. Valley Hwy, Ste 300	Centennial, CO 80112	720-881-9950
Connecticut	Ana Celia Adler	Meridian, CT	250 Pomeroy Ave.	Meridian, CT 06450	475-206-0155

Florida	Meyer Levy	North Miami, FL	20420 NE 16th Pl	North Miami, FL 33179	786-408-3699
Florida	Rafael Chiquito	Weston, FL	12555 Orange Dr.	Davie, FL 33330	404-433-7712
Florida	Philip Nye	Bradenton, FL	1001 Riverside Dr., Suite 230	Palmetto, FL 34221	941-405-7731
Florida	Troy Thomas	Jensen Beach, FL	3300 Northeast Sugarhill Ave	Jensen Beach, FL 34957	772-247-5521
Florida	Troy Thomas	Stuart, FL	6575 W Loop S	Bellaire Texas 77401	713-347-0003
Florida	Luis Aguilera	Pembroke Pines, FL	15800 Pines Blvd.	Pembroke Pines, FL 33027	919-328-1944
Florida	Luis Aguilera	Doral, FL	15800 Pines Blvd.	Pembroke Pines, FL 33027	919-328-1944
Florida	Jose Quintero Gomez	Ocoee, FL	6968 Piazza Grande, Ave. #210-2	Orlando, FL 32835	689-205-7588
Florida	Neil Makadia	Lutz, FL	2968 Suncoast Plains Dr.	Odessa, FL 33556	813-587-2964
Florida	Adam Wilhelm	Bradenton Beach	7830 Cortez Rd W	Bradenton, FL 34210	941-761-8353
Florida	William Baxter	Port St Lucie	1586 SW Bayshore Blvd	Port St Lucie, FL 34983	772-878-6619
Idaho	Sean Hirtle	Coeur D'Alene, ID	610 Hubbard St	Coeur D'Alene, ID 83814	208-606-0908
Idaho	Christina Weddle	Mountain Home, ID	167 NE Beaman St.	Mountain Home, ID 83647	208-216-9643
Idaho	Christina Weddle	Orchard, ID	410 S Orchard St	Orchard, ID 83705	208-336-6997
Idaho	Roger Comstock	Idaho Falls, ID	330 Shoup Ave., Ste 301	Idaho Falls, ID 83402	208-776-8350
Illinois	Itret H. Syed	Glendale Heights, IL	2005 Bloomingdale Rd., Ste D	Glendale Heights, IL 60139	630-669-3557
Kansas	Matthew Child	Overland Park, KS	6701 W 121 <sup>st</sup> St	Overland Park, KS 66209	913-413-3225
Kansas	Steven Rowley	North Wichita, KS	1999 N. Amidon Ave., Ste 365	Wichita, KS 67203	316-361-7040
Kansas	Steven Rowley	Manhattan, KS	277 Southwind Pl. #1b	Manhattan, KS 66503	785-450-9450
Maryland	John Kinney	Annapolis, MD	1997 Annapolis Exchange #300	Annapolis, MD 21401	410-562-5832
Maryland	Nnamdi Etoh	Columbia, MD	10490 Little Patuxent Pkwy #600	Columbia, MD 21044	833-319-1155
Massachusetts	Jeffrey Heinze Fry	Amherst, MA	30 Boltwood Walk	Amherst, MA 01002	413-659-6339
Nevada	John Williams	Las Vegas - West	8430 W Lake Mead Blvd Suite 100	Las Vegas, NV 89128	702-343-9257
Nevada	Roy Layton <sup>1</sup>	Enterprise, NV	8275 S Eastern Ave	Las Vegas, NV 89123	480-204-9446
Nevada	Courtney Sumpter	Las Vegas, NV	8170 W. Sahara Ave, Ste. 201	Las Vegas, NV 89117	702-523-5107
Nevada	Courtney Sumpter	Hendersen, NV	170 S Green Valley Parkway	Henderson, NV 8901202	702-523-5107
Nevada	Gabriel May	North Clark County	120 N Moapa Valley Blvd #200	Moapa Valley, NV 89040	702-583-4936
New Hampshire	Steven Rowley	Milford, NH	12 Middle St, Ste 7B	Amherst, NH 03031	603-757-5980

North Carolina	Juan Rincon	Matthews, NC	5835 Executive Center Drive	Charlotte, NC 28212	980-425-8987
Oklahoma	Steven Rowley	NE Tulsa, OK	9701 East 86 <sup>th</sup> St. N A	Owasso, OK 74055	539-224-0060
Pennsylvania	Steven Rowley	Hershey, PA	2550 Interstate Dr., Ste 300-A	Harrisburg, PA 17112	272-242-8850
Tennessee	Maggie Gillespie	Franklin, TN	2550 Meridian Blvd #200	Franklin, TN 37067	629-654-7621
Texas	Carlos Martinez	Southlake, TX	1560 E Southlake Blvd	Southlake, TX	817-745-4641
Texas	Abolaji Abiodun	North Katy, TX	1040 Schlipf Rd	North Katy, TX 77493	713-570-6368
Texas	Felicia Tchkonte <sup>1</sup>	Katy, TX	24044 Cinco Village Center Blvd.	Katy, TX 77494	248-390-1377
Texas	Felicia Tchkonte <sup>1</sup>	Sugarland, TX	777 Sugar Creek Center Blvd	Sugarland, TX 77478	248-390-1337
Texas	Azeb Wossen	Plano – West, TX	7950 Legacy Drive	Plano, TX 75024	832-246-9730
Texas	Azeb Wossen	Frisco, TX	6136 Frisco Square Blvd	Frisco, TX 75034	469-252-8216
Texas	Wanjing Su	Sugar Land – North, TX	15500 Voss Road	Sugar Land, TX, 77498	832-282-1560
Texas	David Anderson	San Marcos, TX	325 Hopkins St.	San Marcos, TX, 78666	512-940-9001
Texas	Umair Sheik	Houston – SW, TX	6575 W Loop S	Bellaire Texas, 77401	713-347-0003
Texas	Yasmeen Ahsan	Houston Memorial	11740 Katy Fwy	Houston, TX 77079	346-666-7550
Texas	Bruce Stol	Magnolia, TX	29 Champions Colony W.	Houston, TX 77069	281-636-4183
Texas	Tiffany Thien	North Dallas, TX	4324 Mapleshade Lane, Ste 161	Plano, TX 75093	972-600-1245
Texas	Tiffany Thien	Addison, TX	17250 Dallas Parkway	Addison, TX 75248	945-267-5355
Texas	Tiffany Thien	Mansfield, TX	1802 Mansfield Webb Rd, suite 104	Mansfield, TX 76063	945-267-6222
Texas	Tiffany Thien	Richardson, TX	2100 N Greenville Ave, Suite 123	Richardson, TX 75082	945-267-5166
Utah	Ashley Jefferies	Provo, UT	180 N University Ave	Provo, UT 84601	801-362-2244
Utah	Maggie Gillespie	Orem, UT	1431 S 550 East, Suite 250	Orem, UT 84097	801-433-7738
Utah	Roy Layton <sup>1</sup>	Foothill, UT	2150 S 1300 E	Salt Lake City, UT 84106	480-204-9446
Utah	Roy Layton <sup>1</sup>	Holladay, UT	2150 S 1300 E	Salt Lake City, UT 84106	480-204-9446
Utah	Roy Layton <sup>1</sup>	Midvale, UT	101 E 7200 S	Midvale, UT 84047	480-204-9446
Utah	Christy Matthews	Herriman, UT	13212 S Woods Park Dr	Herriman, UT 84096	801-597-4514
Utah	David Kilpatrick	St. George, UT	1283 E. Galilee Way	Washington, UT 84780	646-509-6496
Utah	Jeff Kessler <sup>1</sup>	Lehi, UT	3450 N, Triumph Blvd Ste 102	Lehi, UT 84043	801-753-5767
Utah	Jeff Kessler <sup>1</sup>	South Jordan, UT	10808 S River Front Parkway	South Jordan, UT 84095	801-998-2127
Utah	Jenny Beynon	West Jordan, UT	8823 S Redwood Rd.	West Jordan, UT 84088	801-512-5944
Utah	Josh Pyne	Granite, UT	9295 S 1300 E	Sandy, UT 84093	385-529-0814

Utah	Parker Hilton	Bountiful, UT	499 South 100 West	Bountiful, Utah 84010	801-683-9734
Utah	Colby Wilcock	Utah Lake, UT	1305 Commerce Dr.	Saratoga Springs, UT 84045	801-971-2626
Utah	David Southwick	Draper, UT	12481 S. Fort St.	Draper, UT 84020	801-367-8784
Utah	Robert Turner	Layton, UT	610 N Kays Dr #105	Kaysville, UT 84037	385-480-1001
Utah	Ben Dyches/ Alphonso	Mapleton, UT	940 S 2000 W	Springville, UT 84663	801-358-0463
Utah	Emily Booth	Ogden, UT	2590 Washington Blvd, Ste 385	Ogden, UT 84401	385-204-1834
Utah	Ailsa Lillywhite	Capitol Hill, UT	1392 S. Utahna Dr.	Salt Lake City, Utah 84104	801-661-9433
Virginia	Marcus, Taylor	Richmond – East, VA	7300 Hanover Green Dr.	Mechanicsville, VA 23111	804-258-2154
Wisconsin	Steven Rowley	Green Bay West, WI	131 N. Broadway, Ste D	De Pere, WI 54115	920-314-0500

<sup>1</sup> Indicates that this franchisee owns multiple franchises as a multi-unit developer.

### FRANCHISEES WHO HAVE SIGNED A FRANCHISE AGREEMENT BUT WERE NOT YET OPENED AS OF DECEMBER 31, 2024:

State	Contact	Territory	Address	City, State, Zip	Phone
California	Max Warford	Southern California	17563 Caminito Heno	San Diego, CA 92127	858-299-1134
Florida	Gus Trupiano	Cape Coral, FL	116 London Dr.	Palm Coast, FL 32137	801-910-6539
Missouri	Ibrahim Nofal	Ballwin, MO	Berkley Square House, 2 <sup>nd</sup> Floor, Berkley Square	London, W1J6BD UK	646-461-4099
Nevada	Marni Carlson	Spring Valley, NV	3081 Mount Oak Court	Las Vegas, NV 89138	408-888-1965
Utah	Parker Hilton <sup>1</sup>	Clearfield, UT	499 South 100 West	Bountiful, Utah 84010	801-683-9734
Utah	Parker Hilton <sup>1</sup>	North Salt Lake City, UT	499 South 100 West	Bountiful, Utah 84010	801-683-9734
Utah	Parker Hilton <sup>1</sup>	Syracuse, UT	499 South 100 West	Bountiful, Utah 84010	801-683-9734

<sup>1</sup> Indicates that this franchisee owns multiple franchises as a multi-unit developer.

### TERMINATED FRANCHISEES IN 2024:

State	Contact	Territory	Address	City, State, Zip	Phone
California	Kumar Barjesh	Riverbank, CA	2601 Oakdale Rd, Suite H2	Modesto, CA 95355	209-541-0641
Florida	Yvens Bellanton	Lake Worth East, FL	2328 10th Ave N	Lake Worth, FL 33461	786-541-5813
Iowa	Kelly Barlow	Waterloo, IA	200 W Ridgeway Ave #100	Waterloo, IA 50701	319-230-6731

**NOT RENEWED:**

NONE

**FRANCHISEES WHO TRANSFERRED THEIR FRANCHISE IN 2024:**

State	Contact	Territory	Address	City, State, Zip	Phone
Florida	Alberto Ibarra	Doral, FL	3650 NW 82nd Ave Suite 505	Doral, FL 33166	786-391-7055
Florida	Cassandra Baxter	Doral, FL	3650 NW 82nd Ave Suite 505	Doral, FL 33166	772-878-6619
Florida	Brian Baity	Jensen Beach, FL	3300 Northeast Sugarhill Ave	Jensen Beach, FL 34957	801-541-3330
Nevada	Carolyn Johnson <sup>1</sup>	Las Vegas - Central	8170 W. Sahara Ave, Ste. 201	Las Vegas, NV 89117	702-523-5107
Nevada	Carolyn Johnson <sup>1</sup>	Henderson, NV	170 S Green Valley Parkway	Henderson, NV 8901202	702-523-5107

**NON-COMMUNICATING FRANCHISES WHO HAVE NOT RESPONDED TO CALLS OR EMAILS WITHIN THE LAST 10 WEEKS:**

State	Contact	Territory	Address	City, State, Zip	Phone
Missouri	Ibrahim Nofal	Ballwin, MO	Berkley Square House, 2 <sup>nd</sup> Floor, Berkley Square	London, W1J6BD UK	646-461-4099

**EXHIBIT I**  
**STATE ADDENDA TO DISCLOSURE DOCUMENT**

## CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

**The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

1. The California Franchise Investment law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document at least 14 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 14 days prior to the receipt of any consideration, whichever occurs first, a copy of the disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise..
2. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
3. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
5. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
6. The franchise agreement requires binding arbitration. The arbitration will occur at Salt Lake County, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake County, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The franchise agreement requires application of the laws of Utah. This provision may not be enforceable under California law. You may want to consult an attorney to understand the impact of out-of-state governing law on the franchise agreement.
8. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. Neither franchisor nor any person listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling this or these persons from membership in such association or exchange.
10. Section 31125 of the California Corporations Code requires the Franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed modification of an existing franchise.
11. OUR WEBSITE at [WWW.PARAMOUNT.TAX](http://WWW.PARAMOUNT.TAX) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [WWW.DFPI.CA.GOV](http://WWW.DFPI.CA.GOV).
12. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

13. **Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy.** Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

14. California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

15. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

16. Franchisee owners or greater must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

17. Item 6 under Late Fees is amended to include the following: "The highest interest rate allowed in California is 10% annually."

18. Item 19 is amended to include the following:

"The financial performance representations do not reflect the costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in this offering circular, may be one source of this information."

19. Under California law, an agreement between a seller and a buyer regarding the price at which the buyer can resell a product (known as vertical price-fixing or resale price maintenance) is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable.

**ADDENDUM TO THE FDD  
FOR THE STATE OF ILLINOIS**

Illinois law governs the franchise agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

## **STATE REGULATIONS FOR THE STATE OF INDIANA**

Notwithstanding anything to the contrary set forth in the disclosure document, the following provisions shall apply to all franchises offered and sold in the State of Indiana:

1. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, shall apply to the franchise agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

2. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the disclosure document and franchise agreement are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

“Notwithstanding any such termination, and in addition to the obligations of the Franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the Franchisee nevertheless shall be, continue and remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Term of the Franchise Agreement.

At the time of such termination of the Franchise Agreement, the Franchisee covenants to pay to Franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney’s fees) incurred by Franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the Franchisee’s right to a trial on any of the above matters.”

3. No release language set forth in the disclosure document or franchise agreement, shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

4. To the extent required by the franchise laws of the State of Indiana, the franchise agreement will be construed in accordance with the franchise laws of the State of Indiana.

5. The provisions of the franchise agreement pertaining to litigation jurisdiction and venue shall be amended to be within the scope of the requirements of the Indiana Franchise laws.

## MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows:

ITEM 17 of the Disclosure Document is amended to add the following:

- The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its rights to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legal enforceable.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law.
- No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its rights to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legal enforceable.

## MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

### STATE REGULATIONS FOR THE STATE OF MINNESOTA

**THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

Minnesota statute ' 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. ' 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

4. Minnesota Rule Part 2860.4400D prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
5. The disclosure document and franchise agreements are hereby amended to exclude from any release requirements the release of claims under Minnesota Franchise Law.
6. Any limitation of claims must comply with Minn. Stat. ' 80C.17, subdivision 5.
7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a), which puts a cap of \$30 on service charges.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

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Franchisee (Signature)

## NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York

6. Franchise Questionnaires and Acknowledgements. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts. Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

## **VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT**

By statute under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right given to him by any provision contained in the franchise. Accordingly, the Division requests that the franchisor add a Virginia Addendum to the FDD containing the following statements:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, any franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Paramount Franchising LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following statements are added to Item 17(h):

Under 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 does 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 Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

## WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

**10. Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

**11. Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

**12. Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

**13. Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

**14. Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

**15. Non-solicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

**16. Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**17. Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

**18. Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Paragraph 19.1 of the franchise agreement is amended to remove the following language, “but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect.”

20. Paragraph 20.10 of the franchise agreement is amended to remove the following language, “You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us.”

21. Paragraph 20.11 of the franchise agreement is amended to clarify that for Washington franchisees, the Washington Addendum applies even if the Washington Addendum is not executed or not signed by the franchisor, franchisee, or both.

22. Sections 20.14, 20.18, and 20.22 of the franchise agreement do not apply in Washington.

The undersigned parties do hereby acknowledge receipt of this Addendum.

\_\_\_\_\_  
Signature of Franchisor Representative

\_\_\_\_\_  
Signature of Franchisee Representative

\_\_\_\_\_  
Title of Franchisor Representative

\_\_\_\_\_  
Title of Franchisee Representative

## **WISCONSIN ADDENDUM TO THE DISCLOSURE DOCUMENT**

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.
2. The following shall apply to Franchise Agreements in the State of Wisconsin:
  - a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
  - b. The Act’s requirements, including that in certain circumstances a Franchisee receive ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act’s requirements.

## **EXHIBIT J**

### **STATE ADDENDA TO FRANCHISE AGREEMENT**



**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF CALIFORNIA**

**The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
2. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
4. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The franchise agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
6. Both the Governing Law and Choice of Law for Franchisees operating outlets located in California will be the California Investment law and the California Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.
7. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.
9. Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
  - (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
  - (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
  - (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
  - (d) Violations of any provision of this division.

10. Franchisee owners must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

11. Late Fees in Section 4.6(c) is amended to include the following: "The highest interest rate allowed in California is 10% annually."

12. Under California law, an agreement between a seller and a buyer regarding the price at which the buyer can resell a product (known as vertical price-fixing or resale price maintenance) is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable.

13. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by a franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISOR:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF FOR THE STATE OF ILLINOIS**

Illinois law governs the franchise agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**IN WITNESS WHEREOF**, the Franchisor and Franchisee have respectively signed and sealed this Franchise Agreement as of \_\_\_\_\_.

**FRANCHISEE:**

**FRANCHISOR:**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## INDIANA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “Agreement”) between Paramount Franchising LLC, a Nevada limited liability company (“Paramount Franchising”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

**2. Certain Provisions Deleted.** Any provision of the Agreement which would have any of the following effects is hereby deleted:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from Paramount Franchising or sources designated by Paramount Franchising where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by Paramount Franchising. However, the publication by Paramount Franchising of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by Paramount Franchising does not constitute designation of a source nor does a reasonable right of Paramount Franchising to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by Paramount Franchising.

(2) Allowing Paramount Franchising to establish a franchisor-owned outlet engaged in a substantially identical business to that of Franchisee within the exclusive territory granted Franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting Paramount Franchising to compete unfairly with Franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by Paramount Franchising without the consent in writing of Franchisee.

(4) Allowing Paramount Franchising to obtain money, goods, services, or any other benefit from any other person with whom Franchisee does business, on account of, or in relation to, the transaction between Franchisee and the other person, other than for compensation for services rendered by Paramount Franchising, unless the benefit is promptly accounted for, and transmitted to Franchisee.

(5) Requiring Franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between Franchisee and Paramount Franchising to be referred to any person, if referral would be binding on Franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by Paramount Franchising which Franchisee had ordered for private retail consumers prior to Franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting Paramount Franchising to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if Franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with Paramount Franchising for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring Franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to Franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that Franchisee may be required to pay.

**3. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISOR:

PARAMOUNT FRANCHISING LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## MARYLAND RIDER TO FRANCHISE AGREEMENT

This Addendum dated \_\_\_\_\_, by and between Paramount Franchising LLC, a Nevada limited liability company hereinafter referred to as "Franchisor" and \_\_\_\_\_, LLC/Inc., a hereinafter referred to as "Franchisee."

1. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

3. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

Except as expressly amended or modified herein, all terms, provisions and conditions of the original Franchise Agreement shall remain in full force and effect. In the event of a conflict or inconsistency between the provisions of this Addendum and any provisions of the original Franchise Agreement, the provisions hereof shall in all respects govern and control.

**IN WITNESS WHEREOF**, and by their signatures below, the Parties hereto have caused this Agreement to be effective as of the date listed above with the full authority of the Company principal they represent.

**FRANCHISOR:**  
**PARAMOUNT FRANCHISING LLC**

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE:**  
\_\_\_\_\_, LLC/INC.

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF MINNESOTA**

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

Minnesota statute 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
4. Minnesota Rule Part 2860.4400J prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
5. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
6. Any limitation of claims must comply with Minn. Stat. 80C.17, subdivision 5.
7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a), which puts a cap of \$30 on service charges.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

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Franchisee (Signature)

## NEW YORK RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “Agreement”), between Paramount Franchising LLC, a Nevada limited liability company (“Paramount Franchising”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

**2. Waivers Not Required.** Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Paramount Franchising or any other person from any duty or liability imposed by New York General Business Law, Article 33.

**3 Waivers of New York Law Deleted.** Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Paramount Franchising with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

**4. Governing Law.** Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

**5. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISOR:

PARAMOUNT FRANCHISING LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE COMMONWEALTH OF 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 does 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.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF WISCONSIN**

The following shall apply to Franchise Agreements in the State of Wisconsin:

- b. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
- b. The Act’s requirements, including that in certain circumstances a Franchisee receive ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act’s requirements.

## **EXHIBIT K**

### **STATE ADDENDA TO MULTI-UNIT DEVELOPMENT AGREEMENT**

**ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR THE STATE OF CALIFORNIA**

**The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Multi-Unit Development Agreement contains a provision that is inconsistent with California law, California law controls.
2. The Multi-Unit Development Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
3. The multi-unit development agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
4. The multi-unit development agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The Multi-Unit Development Agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a Multi-Unit Development Agreement restricting venue to a forum outside the State of California.
6. Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Franchise Investment law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.
7. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. The Multi-Unit Development Agreement provides for waiver of a jury trial. This may not be enforceable in California.
9. Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
  - (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
  - (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
  - (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division

10. Late Fees is amended to include the following: “The highest interest rate allowed in California is 10% annually.”

11. California’s Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

12. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by a franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR THE STATE OF FOR THE STATE OF ILLINOIS**

Illinois law governs the Multi-Unit Development Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Multi-Unit Development Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Multi-Unit Development Agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**IN WITNESS WHEREOF**, the Franchisor and Franchisee have respectively signed and sealed this Multi-Unit Development Agreement as of \_\_\_\_\_.

**FRANCHISEE:**

**FRANCHISOR:**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## INDIANA RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “Agreement”), between Paramount Franchising LLC, a Nevada limited liability company (“Paramount Franchising”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

**2. Certain Provisions Deleted.** Any provision of the Agreement which would have any of the following effects is hereby deleted:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from Paramount Franchising or sources designated by Paramount Franchising where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by Paramount Franchising. However, the publication by Paramount Franchising of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by Paramount Franchising does not constitute designation of a source nor does a reasonable right of Paramount Franchising to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by Paramount Franchising.

(2) Allowing Paramount Franchising to establish a franchisor-owned outlet engaged in a substantially identical business to that of Franchisee within the exclusive territory granted Franchisee by the Multi-Unit Development Agreement; or, if no exclusive territory is designated, permitting Paramount Franchising to compete unfairly with Franchisee within a reasonable area.

(3) Allowing substantial modification of the Multi-Unit Development Agreement by Paramount Franchising without the consent in writing of Franchisee.

(4) Allowing Paramount Franchising to obtain money, goods, services, or any other benefit from any other person with whom Franchisee does business, on account of, or in relation to, the transaction between Franchisee and the other person, other than for compensation for services rendered by Paramount Franchising, unless the benefit is promptly accounted for, and transmitted to Franchisee.

(5) Requiring Franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between Franchisee and Paramount Franchising to be referred to any person, if referral would be binding on Franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by Paramount Franchising which Franchisee had ordered for private retail consumers prior to Franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the

revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the Multi-Unit Development Agreement.

(8) Permitting Paramount Franchising to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a Multi-Unit Development Agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if Franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with Paramount Franchising for a period longer than three years or in an area greater than the exclusive area granted by the Multi-Unit Development Agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring Franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to Franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the Multi-Unit Development Agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that Franchisee may be required to pay.

**3. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISOR:

PARAMOUNT FRANCHISING LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## MARYLAND RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Addendum dated \_\_\_\_\_, 20\_\_\_\_, by and between Paramount Franchising LLC, a Nevada limited liability company hereinafter referred to as “Franchisor” and \_\_\_\_\_, LLC/Inc., a hereinafter collectively referred to as “Area Developer.”

1. An area developer may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

3. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. All representations requiring prospective area developers to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. This development agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

Except as expressly amended or modified herein, all terms, provisions and conditions of the original Multi-Unit Development Agreement shall remain in full force and effect. In the event of a conflict or inconsistency between the provisions of this Addendum and any provisions of the original Multi-Unit Development Agreement, the provisions hereof shall in all respects govern and control.

[Signature Page Follows]

**IN WITNESS WHEREOF**, and by their signatures below, the Parties hereto have caused this Agreement to be effective as of \_\_\_\_\_, with the full authority of the Company principal they represent.

FRANCHISOR:  
**PARAMOUNT FRANCHISING LLC**

By: \_\_\_\_\_  
Its, \_\_\_\_\_

AREA DEVELOPER:  
\_\_\_\_\_

By: \_\_\_\_\_  
Its, \_\_\_\_\_

INDIVIDUALS:

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_

**ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR THE STATE OF MINNESOTA**

The disclosure document, Multi-Unit Development Agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and Multi-Unit Development Agreements are amended to include the following:

Minnesota statute 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Multi-Unit Development Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
4. Minnesota Rule Part 2860.4400J prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
5. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
6. Any limitation of claims must comply with Minn. Stat. 80C.17, subdivision 5.
7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a), which puts a cap of \$30 on service charges.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchisee.

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Franchisee (Signature)

## NEW YORK RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “Agreement”), between Paramount Franchising LLC, a Nevada limited liability company (“Paramount Franchising”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

**2. Waivers Not Required.** Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Paramount Franchising or any other person from any duty or liability imposed by New York General Business Law, Article 33.

**3 Waivers of New York Law Deleted.** Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Paramount Franchising with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

**4. Governing Law.** Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

**5. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISOR:

PARAMOUNT FRANCHISING LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR THE STATE OF 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 does 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.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR THE STATE OF WISCONSIN**

The following shall apply to Multi-Unit Development Agreements in the State of Wisconsin:

- a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of Multi-Unit Development Agreements issued in the State of Wisconsin.
- b. The Act’s requirements, including that in certain circumstances a Franchisee receive ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Multi-Unit Development Agreement to the extent they may be inconsistent with the Act’s requirements.

**EXHIBIT L**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**SIGNING CHECKLIST**





### Franchise Documents Signing Checklist

The following items need to be filled out, signed, or dated by the party indicated

#### 1. When you receive the FDD.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
FDD Receipt pages	(last 2 pages of the entire FDD packet)	There are two receipt pages at the very end of the FDD. You must sign and date <u>both</u> copies. You will keep the copy labeled “Franchisee Copy” and return the other copy labeled “Franchisor Copy” to the franchisor.	_____

#### 2. When you sign the Franchise Agreement and other agreements.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	COMMENTS
Franchise Agreement	(page 1)	Fill out the Summary Page.	_____
Franchise Agreement	(page 34)	1. If the franchisee is an entity, (1) fill in the entity name on the line after “FRANCHISEE,” and have the president, manager, etc. sign on behalf of the entity. 2. If there is no entity, the individual(s) will sign on the lower lines on the next page.	_____
Franchise Agreement	(page 35)	Check any applicable state in which state the franchisee will be operating.	_____
Ownership Information	Attachment 1 to the FA (page 36)	The franchisee must fill in the appropriate fields, date, and sign.	_____
Location Acceptance Letter	Attachment 2 to the FA (page 37)	This is to be filled out and signed by the franchisor.	_____

Guaranty and Non-Competition Agreement	Attachment 3 to the FA (pages 38-40)	1. The franchisee entity or individual's name is to be listed in the Background Statement. 2. Each franchisee owner must sign and date this document.	_____
Digital and Social Media Authorization for Assignment	Attachment 4 to the FA (pages 41-42)	1. Fill in the date of the franchise agreement in the first paragraph. 2. Franchisee and franchisor will sign the signature page.	_____
Multi-Unit Development Agreement  (Optional)	Exhibit – C	1. Fill in franchisee's name and fill in the development agreement. 2. Fill in the Development Schedule. 3. Fill in the Development Area. 4. Franchisee and franchisor will sign the signature page.	_____
Rider to Lease Agreement	Exhibit – D	1. Fill in the landlord's information. 2. Fill in the address for the premises. 3. Franchisee and franchisor will sign the signature page.	_____
Release Agreement	Exhibit – E	This does <u>not</u> get signed at the time of signing the franchise agreement. This agreement or a form thereof will only be signed upon the termination, non-renewal or transfer of the franchise.	_____
State Addendum	Exhibit I – Exhibit K	If the franchisee is domiciled or will operate in any of the states listed in the state addendum, the franchisee and franchisor may need to fill out and sign the applicable state addendum.	_____

### 3. Documentation that must be provided to the franchisor.

DOCUMENT	INSTRUCTIONS	CHECK WHEN COMPLETED
Proof of Insurance	The franchisee must get and maintain insurance and provide proof of insurance that lists the franchisor as an additional insured. The franchisee must provide this <b><u>annually</u></b> .	_____
Franchisee's DBA	In the state where your franchise is located, you need to file for a dba or "doing business as" under the name "Paramount Tax & Accounting _____." The blank line will be the city or neighborhood where your franchise is located, or other designation as assigned by the franchisor. For example, if your franchise is located in Irvine, California, your filed dba could be	_____

	<p>“Paramount Tax &amp; Accounting – Irvine.” The franchisor must approve your DBA before you file it. You must send a copy of the DBA filing to the franchisor after it is filed. Please note that a DBA is different from your company name if you have a company that is the franchisee. Please note that also you <u>cannot</u> use the name “Paramount” as part of your company name.</p>	
Franchisee’s Certificate of Occupancy	Franchisee must provide a certificate of occupancy before you schedule on-site opening assistance/training.	_____
Franchisee’s Entity Documents	Articles of incorporation or organization documentation along with bylaws or operating agreement sent to franchisor.	_____
Copy of Lease Agreement	The franchisee must provide a copy of the lease agreement to the franchisor.	_____

**EXHIBIT M**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**DEPOSIT RECEIPT LETTER**



## DEPOSIT RECEIPT LETTER

By this Receipt, Paramount Franchising LLC (“we”) acknowledges that it has received a fully refundable deposit of \$5,000.00 (U.S.D.) from:

Name: \_\_\_\_\_ (“you”)

Address: \_\_\_\_\_  
\_\_\_\_\_

together with an application for a Paramount Tax & Accounting franchise.

We have reviewed your application within our offices and would be pleased to move forward.

The deposit you paid will, at the time of signing your franchise agreement, be credited to the remainder of the initial franchise fee. In the event that you decide not to accept the franchise agreement for any reason, your deposit will be fully refunded. In addition, in the event you and Paramount Franchising LLC cannot agree on a suitable territory for your franchise within ninety (90) days from the date of this Deposit Receipt, we reserve the right to refund your deposit.

Thank you for your sincere interest in purchasing a Paramount Tax & Accounting franchise. Please note that when you present a check as payment, you authorize us to deposit your check, make a one-time electronic fund transfer (EFT), or a substitute check, in which case funds may be withdrawn from your account on the same day payment is made and you will not receive a cancelled check back from your financial institution.

Sincerely,

Paramount Franchising, LCC

By: \_\_\_\_\_

Paramount Tax & Accounting Candidate

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

**EXHIBIT N**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**FRANCHISEE REPORT**

## FRANCHISEE REPORT

**We will not ask you to complete the Franchise Report, and we will disregard any answers from you, if you live or plan to operate your franchise business in the states of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin.**

Please review each of the following questions carefully and provide honest responses to each question.

1. If you have received any oral, written, visual or other claim, guarantee or representation of any sort by Paramount Tax Franchising, LLC which stated or suggested any specific level or range of actual or potential sales, income, expenses, profits, cash flow, by any person or entity, except for information (if any) expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein), please describe what you received and if known, from whom you received the information. If none, please write "none."

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2. If you have received any information or representations inconsistent with the statements in the FDD or Franchise Agreement, please list those below. If none, please write "none."

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### FRANCHISEE:

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By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

### State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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:

State	Effective Date
California	
Illinois	
Indiana	August 2, 2025
Maryland	
Michigan	August 3, 2025
Minnesota	
New York	
Virginia	
Washington	
Wisconsin	July 31, 2025

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.

**RECEIPT**  
(Franchisee Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Paramount 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. New York and Rhode Island require that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Paramount 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The issuance date of this disclosure document is July 30, 2025.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Jon Wilhelm, CPA	12481 South Fort St., Suite 200, Draper, Utah 84020	801-341-2300
William Baxter	12481 South Fort St., Suite 200, Draper, Utah 84020	772-204-4782
Scott Witter	12481 South Fort St., Suite 200, Draper, Utah 84020	716 334-7573

If your franchise seller's name and contact information is not listed above, please list the name, address and phone number of the franchise seller below:

---

I received a disclosure document dated July 30, 2025 that included the following Exhibits:

- |    |   |    |   |
|----|---|----|---|
| A. | State Administrators and Agents for Service of Process        | H. | Current and Former Franchisees                    |
| B. | Franchise Agreement (with Guaranty and Non-Compete Agreement) | I. | State Addenda to Disclosure Document              |
| C. | Multi-Unit Development Agreement                              | J. | State Addenda to Franchise Agreement              |
| D. | Rider to Lease Agreement                                      | K. | State Addenda to Multi-Unit Development Agreement |
| E. | Form of General Release                                       | L. | Signing Checklist                                 |
| F. | Financial Statements  | M. | Deposit Receipt Letter                            |
| G. | Operating Manual Table of Contents                            | N. | Franchisee Report                                 |

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date Received: \_\_\_\_\_

**Keep This Copy for Your Records**

**RECEIPT**  
(Franchisor Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Paramount 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. New York and Rhode Island require that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Paramount 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

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Scott Witter	12481 South Fort St., Suite 200, Draper, Utah 84020	716 334-7573

If your franchise seller's name and contact information is not listed above, please list the name, address and phone number of the franchise seller below:

I received a disclosure document dated July 30, 2025 that included the following Exhibits:

- |    |   |    |   |
|----|---|----|---|
| A. | State Administrators and Agents for Service of Process        | H. | Current and Former Franchisees                    |
| B. | Franchise Agreement (with Guaranty and Non-Compete Agreement) | I. | State Addenda to Disclosure Document              |
| C. | Multi-Unit Development Agreement                              | J. | State Addenda to Franchise Agreement              |
| D. | Rider to Lease Agreement                                      | K. | State Addenda to Multi-Unit Development Agreement |
| E. | Form of General Release                                       | L. | Signing Checklist                                 |
| F. | Financial Statements  | M. | Deposit Receipt Letter                            |
| G. | Operating Manual Table of Contents                            | N. | Franchisee Report                                 |

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date Received: \_\_\_\_\_

**Return this copy to us.**  
**Paramount Franchising LLC, 12481 South Fort St., Suite 200, Draper, Utah 84020 or**  
**Jon@Paramount.tax**