



**BUSINESS COACH**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**MINNESOTA AND WISCONSIN**

## FRANCHISE DISCLOSURE DOCUMENT

### Master Licensee:

**Buji, LLC**  
an Ohio limited liability company  
10496 Red Fox Street  
Canal Winchester, OH 43110  
(614) 778-0120  
www.gobigactioncoach.com

### Franchisor:

**ActionCOACH North America, LLC**  
A Nevada Limited Liability Company  
5781 S. Fort Apache Rd.  
Las Vegas, Nevada 89148  
1-888-483-2828  
www.actioncoach.com



As a franchisee (also known as a Business Coach), you will operate a business that provides business coaching, executive coaching, mentoring and training to business owners and their team primarily in the small to mid-market business sector. We offer two (2) franchise models: (1) the “PARTNER”, our self-employed ‘Be the Coach’ model; and (2) The “FIRM”, our investor level ‘Team-Builder’ model.

The estimated total investment necessary to begin operation of a **PARTNER Business Coach** franchise ranges from \$74,055 to \$157,090. This amount includes \$60,000, which must be paid to the Master Licensee, for the initial franchise fee and franchisee training fee. The balance is made up of items estimated in **Item 7** under The Partner Franchise Disclosure.

The estimated total investment necessary to begin operation of a **FIRM Business Coach** franchise ranges from \$131,055 to \$307,495; these figures include \$100,000, which must be paid to the Master Licensee for the initial franchise fee and franchisee training fee. The balance is made up of items estimated in Item 7 under The Firm Franchise Disclosure. We also offer qualified parties the right to enter into multiple franchise agreements at once and subsequently develop a larger area. The estimated cost to open a three-pack of Firm Business Coach franchise ranges from \$236,055 to \$412,495; these figures include \$205,000 which must be paid to Master Licensee for the initial franchise fees and franchisee training fee. The estimated cost to open a six-pack Firm Business Coach franchise ranges from \$386,055 to \$562,495; these figures include \$355,000 which must be paid to Master Licensee for the initial franchise fees and training fee.

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 master licensee, 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 to you. To discuss the availability of disclosures in different formats, contact:

Annette Hohnberger  
10496 Red Fox Street  
Canal Winchester, OH 43110  
(614) 778-0120,  
annette@getnaction.com

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire 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: May 1, 2024

## 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 Exhibits J and K.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees 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 L 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 ActionCOACH franchise 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 or master licensee have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management and the master licensee or its management team have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be an ActionCOACH franchisee?</b>	Item 20 or Exhibits I and J 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 or master licensee. Even if the franchise agreement grants you a territory, the franchisor or master licensee 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 and/or master licensees 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 H.

Your state also may 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 requires you to resolve disputes with the master licensee by mediation and arbitration only in Ohio. The franchise agreement requires you to resolve disputes with the franchisor by mediation in Las Vegas, Nevada and by arbitration in the city or county in which the franchisor's principal business office is located. Out-of-state mediation and arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to mediate and arbitrate with the master licensee in Ohio, and it may also cost more to mediate with the franchisor in Nevada or to arbitrate with the franchisor in the city or county where its principal business office is located than in your state.
2. **Mandatory Minimum Payments.** You must make mandatory minimum royalty and marketing payments regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.

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.

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## Exhibits

- A. The FIRM - Business Coach Franchise Agreement - (“Team Builder” Model)
- B. The PRACTICE – Business Coach Franchise Agreement – (“Be the Coach” Model)
- C. State-Required Addenda to Franchise Agreements
- D(1). Managing Director Business Coach Agreement
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- E. Nondisclosure and Noncompete Agreement
- F. Release
- G. Compliance Questionnaire
- H. Additional State-Required Information
- I. State Regulatory Authorities and Registered Agents in Certain States
- J. Franchisees as of December 31, 2023
- K. Franchise Outlets closed during the year ended December 31, 2023
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- M. Operations Manual Table of Contents
- N. Communications System Specifications

RECEIPT (2 copies)

## ITEM 1

### **THE FRANCHISOR, THE MASTER LICENSEE AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

This disclosure document describes ActionCOACH business coach subfranchises (“ActionCOACH franchises”). Throughout this disclosure document the term “franchise” will be used to refer to the subfranchise, and the term “franchisee” will be used to refer to the subfranchisee. Buji, LLC offers the franchise rights described in this disclosure document. Buji, LLC is a master licensee of ActionCOACH North America, LLC, the franchisor of the ActionCOACH concept in the U.S.A.

In this disclosure document:

“We,” “us,” “our,” or Master Licensee means Buji, LLC, the master licensee described above;

“ACNA” means ActionCOACH North America, LLC, the U.S. franchisor of the ActionCOACH concept;

“You” means the individual or entity who acquires the franchise. If a corporation, limited liability company or other entity acquires the franchise, each individual who owns an interest in the entity must sign a personal guaranty in the form attached to the Franchise Agreement.

We offer the franchise rights described in this disclosure document. Your Franchise Agreement will be with us and not with ACNA.

#### Master Licensee’s Business Form, Parent, Predecessors, and Affiliates

Buji, LLC is a limited liability company with its principal business address at 10496 Red Fox Street, Canal Winchester, OH 43110. We organized under the laws of Ohio on January 27, 2009. Our agent for service of process is listed on Exhibit I for the State of Minnesota and Wisconsin, and is Craig Hohnberger at our principle business address for the State of Ohio. We do business under the name Buji, LLC and ActionCOACH Business Coaching.

On March 3, 2009, we acquired the ActionCOACH franchise rights for the states of Minnesota and Wisconsin (the “Territory”) from our predecessor, Business Coaches USA, LLC, a Nevada limited liability company (“BCU”). BCU’s last known principal business address is 3545 Plymouth Boulevard, #214, Plymouth, Minnesota 55447. BCU began offering franchises in the Territory in 2003 under a Master License Agreement with ActionCOACH USA, Inc. (“ACUI”) dated April 4, 2003, which was renewed on April 4, 2008. ACUI’s rights and obligations under the Master License Agreement were assigned to ACNA on July 1, 2012. BCU has never offered franchises in any other line of business.

We have offered ActionCOACH franchises under Master License Agreements with ActionCOACH USA, Inc. (“ACUI”) in Minnesota and Wisconsin since January 27, 2009. (ACUI’s rights and obligations under the Master License Agreements were assigned to ACNA on July 1, 2012.) The geographic area in which we may offer and sell ActionCOACH franchises currently consists of the state of Minnesota and the state of Wisconsin (the “Territory”). We do not operate ActionCOACH businesses of the type you will operate, but may do so in the future. Other than

the business activities described in this disclosure document, we are not engaged in any business activities in the Territory.

Our affiliate, Oaktree Business Services of Ohio, LLC (“Oaktree”), is the Master Licensee of ActionCOACH franchises in the states of Ohio and Indiana. Oaktree was formed under the laws of the State of Ohio on March 1, 2001. Oaktree’s principal business address is also 10496 Red Fox Street, Suite C, Canal Winchester, OH 43110. Oaktree has offered ActionCOACH franchises in central and southern Ohio since April 2001 and in the State of Indiana since December 2002. On February 1, 2009, Oaktree acquired the franchise rights for the remainder of the state of Ohio. Neither we nor Oaktree have ever offered franchises in any other line of business. Neither we nor Oaktree have ever offered franchises in any other line of business.

Our affiliate, Buji of IL & MI, LLC, an Ohio limited liability company (“Buji of IL & MI”), is the Master Licensee of ActionCOACH franchises in the states of Illinois and Michigan. Buji of IL & MI was formed under the laws of the state of Ohio in November 2022. Its principal business address is also 10496 Red Fox Street, Canal Winchester, OH 43110. Neither we nor Buji, nor Buji of IL & MI have ever offered franchises in any other line of business.

As a Master Licensee, we subfranchise and support Business Coaches within the Territory. We may conduct limited business coaching services within the Territory. We may hire Local Area Managers who, in addition to selling franchises, will provide support to new franchisees and coaching services to Clients (defined below) within our Territory.

#### Franchisor’s Business Form, Predecessors, and Affiliates.

ACNA is a limited liability company with its principal business address at 5781 S. Fort Apache Rd., Las Vegas, Nevada 89148. ACNA was incorporated in the State of Nevada on March 14, 2012. ACNA has appointed agents for service of process in certain states; those agents are listed in Exhibit H.

Through its Master Licensees and Business Coaches, ACNA provides business coaching, mentoring and training programs and services to business owners (“Clients”) in the small to medium-size business sector.

Master Licensees and Business Coaches deliver services using a business format and materials created by Brad Sugars, an entrepreneur and business coach who founded the ActionCOACH concept (then known as Action International) in the early 1990s. ACNA is a member of a controlled group of companies owned by Mr. Sugars. Action International Pty Ltd (“AIPL”) was incorporated in Australia in 1994 to develop the business, and offered franchises in Australia using the “Action International” marks from January 1995 until December 2006. Its address was Australia Fair Tower, Level 11, Suite 2, 32 Mains Parade, Southport, Queensland 4215, Australia. ACTIONCOACH LIMITED (“ActionCOACH Limited”) owned the ActionCOACH marks and other intellectual property relating to the ActionCOACH System, and licensed them to MindRICH S.A.R.L. (“MindRich”). On July 1, 2012, the ActionCOACH marks and intellectual property were assigned by ActionCOACH Limited to ActionCOACH IP Co, Ltd. (“ACIP”) and MindRich’s license was then terminated with ACNA now holding the right, from ACIP, to sublicense the intellectual property in the Territory, among others. ACIP was incorporated in 2012 in the United Kingdom. ACIP’s principal business address is Argon House, Argon Mews, Fulham Broadway, London, UK SWB 1BJ. On May 1, 2012, ActionCOACH Global Marketing Fund (Pty) Ltd. (“ACGM”) was incorporated in Australia for the purpose of managing and administering the Marketing and Advertising Fees collected from franchisees beginning July 1, 2012. ACGM’s registered office is

Suite 2, Level 11, Australia Fair, 40 Marine Parade, Southport, QLD, 4215. Other companies in the ActionCOACH group engage in the same business activity in other regions of the world.

ACNA grants Master Licenses in specific geographic territories by means of a separate disclosure document. Each Master Licensee recruits and supports franchises in the Master Licensee's assigned territory. This disclosure document does not describe the Master License opportunity.

Before ACNA granted Master Licenses in the Territory, ACUI (formerly known as "Brad Sugars Action International, Inc.") offered Master Licenses and direct Business Coach franchises using the "Action International" trademark in the U.S.A. from August 1999 until December 2006, at which time ACUI ceased licensing the "Action International" trademark in most states. Since January 2007, ACUI offered Master Licenses and direct Business Coach franchises using the "ActionCOACH" trademark. Existing franchisees were required to begin using the ActionCOACH marks by March 31, 2007. ACNA has no other predecessor as franchisor of the ActionCOACH concept in the U.S.A.

In May 2012, ACNA granted its affiliate, ActionCOACH OneCo LLC ("ACOC"), the Master Licensee rights to certain other states within the US (which does not include our territory). ACNA is also affiliated with ProfitPlus Accounts Pty Ltd ("ProfitPlus Australia") franchisor of the ProfitPlus Accounts franchise business in Australia. In 2012, Mr. Sugars established through ProfitPlus Australia the ProfitPlus Accounts concept for financial reporting, business management, management reporting and business development services in Australia. ProfitPlus Australia was organized on September 14, 2012, in Australia and has its principal office Suite 2, Level 11, Australia Fair, 40 Marine Parade, Southport, QLD, 4212.

ACNA is also associated with the following businesses: (a) Engage and Grow Global Pty Ltd, which was established in June 2016 in QLD, Australia to offer employee engagement programs, and (b) Avalanche Enterprises Limited ("Avalanche Enterprises"), was organized in March 2016 in the United Kingdom. Avalanche Enterprises offers digital lead-generation solutions and content creation services; (c) Voyager Agency Pty Ltd, established in Australia in 2013, offering digital lead generation services and training. These associated companies offer franchises that provide products and services that may supplement or complement the ActionCOACH business coaching and mentoring services. Franchisees are not required to purchase any of these franchises or any of the services they provide.

These associated companies do not offer franchises but offer products and services that may supplement or complement the ActionCOACH business coaching and mentoring services.

### The Business Coach Franchise

The ActionCOACH Business Coach Franchise business provides a number of services to owners of small and medium-sized businesses ("Clients"). The major offerings are business and executive leadership coaching, mentoring, strategic planning and training in sales, marketing, communication, team building and business management. Your business will also market a range of business-building products designed to help Clients enhance their business knowledge and personal development. The aim of the programs and services you offer will be to help your Clients create more personal balance, grow their businesses more consistently, build stronger teams and cultures, increase the enterprise value of their businesses and create more fulfilling lives and future legacies using their businesses as the vehicle to get there. You are not trained or authorized by us to offer legal or accounting advice to Clients.

We offer 2 types of Business Coach franchises – (1) the FIRM Franchise, which is our investor level, ‘Team Builder’ model, and (2) the PARTNER Franchise, which is our self-employed, ‘Be the Coach’ model. You and we will determine together which form of franchise may be granted to you based on our mutual assessment of your background, skills, financial ability and desire to personally coach businesses and/or build and mentor a team of Business Coaches. If you purchase a PARTNER Franchise initially, you may have the right to upgrade to a FIRM Franchise in the future.

We reserve the right, in our sole discretion, to grant, or not to grant, an ActionCOACH franchise to any prospective franchisee, regardless of the stage of the franchise application process or costs expended by the prospective franchisee. There may be instances where we have varied, or will vary, the terms on which we offer franchises to suit the circumstances of a particular transaction.

Our mission is to grant franchises to the right qualified individuals and groups who fit our culture and will achieve their personal and business goals by:

- Enhancing our valued brand by actively embracing and exemplifying our Vision, Mission and Culture, both internally and externally in their local marketplace;
- Fully, completely and consistently implementing our operating systems; while adding their own critical thinking to customize our systems for their unique clients and geography;
- Being a leader and working collaboratively with other strategic centers of influence in their local business community.
- Creating and keeping very satisfied clients;
- Working cooperatively with the other Business Coaches;
- Helping us build market share;
- Willingly and enthusiastically participating in all aspects of our relationship; and
- Fully and completely fulfilling and performing all financial and legal obligations.

There are two types of Business Coaches, the Managing Director Business Coach and the Employee Business Coach. While all Business Coaches perform the same business coaching functions, there are certain differences between the two types of Business Coaches, as described below.

### **Business Coaches: The Managing Director Business Coach and the Employee Business Coach**

An important term in the ActionCOACH franchise is the Business Coach, who is the individual authorized to provide coaching, mentoring and training services to Clients on behalf of your ActionCOACH Business. Business Coaches are classified as either a “Managing Director Business Coach” (MDC), who has full operational and general management responsibility for your ActionCOACH Business, or an “Employee Business Coach” (“EBC”).

Due to the importance of Client relationships, the MDC is a critical executive level role in the operation of your ActionCOACH Business. There is only one (1) MDC per franchise. The MDC is the head coach and managing director who actively manages and leads the daily operations of your ActionCOACH Business and has the authority to bind you in any dealings with us or ACNA. Unless we agree to allow you to appoint an MDC, you, as the owner of the ActionCOACH franchise, will be the MDC.

You may appoint another person to act as MDC in your place provided that: (i) we approve in writing for you to appoint a MDC, and (ii) the proposed MDC has (a) been approved by us and attended the applicable training by ACNA; (b) signed a Managing Director Business Coach Agreement with you and us; and (c) has been given direct responsibility for all business operations of your ActionCOACH franchise business with the authority to bind you in any dealings with us or ACNA. ACNA's current approved form of Managing Director Business Coach Agreement is in Exhibit C(1) to this disclosure document. Because the personal relationship between Business Coach and Client is so critical to the ActionCOACH concept, only one (1) person may be the Managing Director Business Coach for any franchise at any given time.

You (or your MDC) may hire an unlimited number of EBC's in the FIRM franchise provided that: (a) the proposed EBC has: (a) been approved by us (b) attended the applicable training by ACNA; and (c) has signed an Employee Business Coach Agreement with you (or your MDC) using the current approved forms found in Exhibit C(2). Each EBC must complete the 5-day training before offering business coaching services. For each EBC, you must pay an EBC training fee and a Monthly Conference and Technology Fee.

Our current approved forms of MDC and EBC Agreements are in Exhibit C to this disclosure document.

### **The Business Coach Franchise Models we may grant you:**

#### **The FIRM Franchise - Our Investor-level, 'Team-Builder' Model:**

If you are purchasing a FIRM franchise, you will sign the FIRM Business Coach Franchise Agreement (sometimes referred to as the "Franchise Agreement") (see Exhibit A).

With a FIRM franchise, you are given the right to operate the franchise business with semi-exclusive Direct Marketing (defined below) rights within an agreed upon Designated Direct Marketing Area ("DDMA") within the Territory and consisting of approximately 10,000 businesses. "**Direct Marketing**" means direct communication to prospective clients within the DDMA by direct mail, telemarketing, social media and internet marketing, email marketing, door-to-door marketing, voicemail marketing, couponing or direct selling, or other type of activity we identify from time-to-time. We have the sole right to determine, whether or not any other activity or marketing method will be considered Direct Marketing and our decision will be binding on all parties.

Generally, the owner of the FIRM franchise is focused on setting strategy, hiring, building and leading employees, casting vision and establishing clear goals and objectives to drive and manage growth and market penetration in the DDMA. The owner of the FIRM franchise may or may not choose to personally coach Clients and can either be active in the business or be semi-passive and hire an MDC to operate the business.

While you can be as hands-on as you choose and provide coaching services himself/herself as Managing Director Coach ("MDC") for the franchise, the FIRM is designed to work without the day-to-day involvement of the franchise owner. So, you may or may not coach Clients yourself. You will have the right to build a team of Employee Business Coaches (EBC's) to provide coaching services to Clients in your DDMA. Each EBC will be (a) been approved by, (b) trained by ACNA, and (c) has signed an Employee Business Coach Agreement with you. Each EBC

must complete the 5-day virtual training before offering business coaching services. For each EBC, you must pay a training fee of \$5,000 for the 5-day virtual training and a Quarterly Technology Fee.

You will have the right to build a team of an unlimited number of Employee Business Coaches (EBC's) to provide coaching services to Clients in your DDMA. Since growth and market penetration are key goals for the FIRM franchise, you must employ or contract the services of at least one (1) Sales Manager or one (1) Lead Generation Specialist (each a "Key Personnel") or (1) EBC within by the end of your first year after completing the initial training (see Exhibit A). If you have the proper skills and background and will be active in the business, you may hold the role of Sales Manager or Marketing Manager and instead employ the services of a Business Coach as the other Key Personnel.

This disclosure document summarizes certain key features of a FIRM Business Coach franchise (sometimes referred to as a "FIRM franchise"). Descriptions in this disclosure document are required to be brief and are for general informational purposes only. In many cases, the body of the disclosure document contains excerpts or summaries of the Franchise Agreement or other documents. The actual agreements will be controlling, and you should refer to the exhibits to this disclosure document for complete information. You should understand that a fundamental requirement of your joining and remaining part of the ActionCOACH System will be your commitment to the operation of your ActionCOACH business according to the System, as ACNA may modify it.

We urge you to carefully review this disclosure document and all agreements (including a comparison to any prior agreement if a replacement of an existing franchise agreement is involved) with persons who can provide you with legal, business, and economic guidance, such as your lawyer and accountant.

### **The PARTNER Franchise - Our 'Self-Employed' Lifestyle Model:**

The PARTNER is a business coaching business which runs as a single Business Coach operation, typically with you as the Business Coach. It can easily be run from a home office with either no employees or very few employees who assist with administrative, bookkeeping or marketing of the ActionCOACH business.

If you purchase a PARTNER franchise, you are given the right to operate the franchised business with non-exclusive Direct Marketing rights within an agreed upon DDMA consisting of approximately 10,000 businesses, which is located within our Territory. Your Designated Territory may not be located within an existing FIRM franchisee's DDMA. You will sign the PARTNER Business Coach Franchise Agreement (see Exhibit B).

Ordinarily, you (or, if an entity, a 50% or more owner of the franchise) must personally serve as the Managing Director Coach throughout the term of the PARTNER Business Coach Franchise Agreement. The PRACTICE has only 1 MDC which will typically be you as the owner. You may appoint another individual to serve as MDC in your place only if: (i) we consent in writing to the appointment of a different MDC; (ii) the proposed MDC has been approved by us and attended the 10-day training by ACNA; and (iii) the proposed NBC has signed a Nominated Business Coach Agreement with you and us; and (iv) you cease personally coaching, mentoring or training Clients. The appointed MDC will have direct responsibility for all business operations of the ActionCOACH franchise and the authority to bind you in any dealings with us or ACNA. There are no EBCs in a PARTNER franchise.

### Option to Upgrade to a FIRM

If you sign a PARTNER Business Coach Franchise Agreement with us and if you are not in breach of the Franchise Agreement, you have the option to “upgrade” your franchise to a FIRM franchise, if there is availability in the Designated Territory. In lieu of paying the franchise fee for the new franchise, you must pay us an Upgrade Fee (see Item 6). Your ability to upgrade is subject to our assessment and approval of your ability to successfully operate a FIRM franchise, and any federal or state requirements for the grant of the new franchise.

A franchise agreement signed by a franchisee purchasing a FIRM franchise is referred to in this disclosure document as a FIRM Business Coach Franchise Agreement, and a franchise agreement signed by a franchisee purchasing a PRACTICE franchise is referred to in this disclosure document as a PARTNER Business Coach Franchise Agreement. We also use the term “Franchise Agreements” in this disclosure document, which refers to both the FIRM Business Coach Franchise Agreement and the PARTNER Business Coach Franchise Agreement. We also use the term “Franchise Agreement”, which may apply to either a FIRM Business Coach Franchise Agreement or a PARTNER Business Coach Franchise Agreement, as the context of its use requires.

### The Market For Our Services and Competition

The market is developing for the type of business coaching, executive coaching and training services that Business Coaches offer. You may compete for Clients with other ActionCOACH franchisees who also operate in your DDMA. You may have to compete with other national and local coaching businesses offering business and executive coaching, consulting, mentoring and business training programs and similar products and services. You will face both typical and special business risk factors, including changing market conditions; competition; cost of supplies, equipment, capital and labor; your own health and continuity of your management; availability of financing; recession or depression locally, nationally, or internationally; wars; strikes; emergencies; natural and manmade disasters; litigation; and liability and casualty losses.

### Industry-Specific Regulation

We are not aware of any current industry-specific or special laws that apply to businesses that provide business coaching, mentoring, and training services to small and medium-sized businesses. That may change in the future. You will be subject to all of the laws, codes and regulations typically applicable to services businesses, which may include federal, state, and local laws regarding matters such as wages and hours, occupational health and safety, building codes, equal employment opportunity, insurance and the Americans with Disabilities Act.

You should research these requirements before you invest in a franchise. You are solely responsible, at your own expense, for compliance with the federal, state, local, and any other laws that apply to your ActionCOACH franchise.

## ITEM 2

### BUSINESS EXPERIENCE

The following is a list of all of our directors, trustees, general partners and principal officers, as well as the individuals who have management responsibility relating to the sale or operation of ActionCOACH franchises in the Territory.

#### **President and CEO: Craig Hohnberger**

Mr. Hohnberger is co-founder and has been our President and CEO since our formation in February 2001. Mr. Hohnberger has served in the same capacities for Oaktree Business Services of Ohio, LLC, our corporate affiliate who offers ActionCOACH franchises in the states of Indiana and Ohio, since February 2001. Mr. Hohnberger has also served in the same capacities for Buji IL & MI, LLC, our corporate affiliate who offers ActionCOACH franchises in the states of Illinois and Michigan. Mr. Hohnberger is also co-founder for Buji Business, LLC, which owns the rights to an ActionCOACH franchise in Ohio, since May 2018. Mr. Hohnberger's place of employment is Canal Winchester, Ohio.

#### **Vice President and COO: L. Annette Hohnberger**

Ms. Hohnberger is co-founder and has been our Vice President and COO since our formation in February 2001. Ms. Hohnberger has served in the same capacities for Oaktree Business Services of Ohio, LLC, our corporate affiliate who offers ActionCOACH franchises in the states of Indiana and Ohio, since February 2001. Ms. Hohnberger has also served in the same capacities for Buji IL & MI, LLC, our corporate affiliate who offers ActionCOACH franchises in the states of Illinois and Michigan. Ms. Hohnberger is also co-founder, CEO and Head Coach for Buji Business, LLC, which owns the rights to an ActionCOACH franchise in Ohio, a position she has held since May 2018. Ms. Hohnberger's place of employment is Canal Winchester, Ohio.

#### **Franchise Sales & Recruiting Manager: Matthew Fields**

Mr. Fields has been our Franchise Sales & Recruiting Manager since January 2020. Mr. Fields' place of employment is Canal Winchester, Ohio. He served as Personnel Consultant at General Employment Enterprises, Inc., located in Columbus, Ohio from December 2017 to December 2019. Mr. Fields place of employment is in Canal Winchester, Ohio.

The following is a list of all of ACNA's directors, trustees, general partners and principal officers, as well as the individuals who have management responsibility relating to the sale or operation of ActionCOACH franchises in the U.S.A. Unless otherwise indicated, each individual is an officer or employee of ACNA.

#### **Chairman and Founder: Bradley J. Sugars**

Mr. Sugars is the founder of the ActionCOACH business concept and currently serves as Chairman and CEO for us (since our formation in April 2012), for ACNA (since its formation in March 2012), and for ACAI (since its formation in July 2010). Mr. Sugars is also founder of the ProfitPlus Accounts business concept in Australia and currently serves as its Chairman since September 2012. Mr. Sugars was the Director of Engage and Grow Global Pty Ltd a private limited company based in Victoria, Australia since June 2016.

**Chief Partner Experience Officer: Carmen Gigar**

Ms. Gigar was appointed Chief Partner Experience Officer in January 2023. Ms. Gigar served as Chief Marketing Officer of ACNA and the ActionCOACH group of companies in Las Vegas, NV from December 2018 to December 2022. Before her appointment as CMO, Ms. Gigar was Director of Marketing of the ActionCOACH group of companies from September 2018 through November 2018 in Las Vegas, NV. Before joining ActionCOACH, Ms. Gigar was also Community Relations Specialist for the University of Phoenix based in Las Vegas, NV from December 2014 to September 2018.

**CEO Asia Pacific and North America: Michelle Adams**

Ms. Adams was appointed our CEO in December 2022 and is based in Queensland, Australia. Ms. Adams also serves as CEO of our affiliate, ActionCOACH Asia Pacific Pty. Ltd. (“ACAP”) and has done so since April 2022. Before joining ActionCOACH, Ms. Adams was the Founder and CEO of Marvel Marketing in Gold Coast, Queensland, Australia from January 2018 to July 2022; Founder and CEO of Brag Reviews in Gold Coast, Queensland, Australia from February 2019 to April 2022; and General Manager of Bartercard in Gold Coast, Queensland, Australia from January 2017 to January 2018.

**Global Development Officer: William Le Sante**

Mr. Le Sante was appointed Global Development Officer of ACNA and the ActionCOACH group of companies in Las Vegas, NV in June 2023. Before his appointment as GDO, Mr. Le Sante has held the position of CEO of Le Sante International in Miami, Florida since 2001. Mr. Le Sante brings more than 30-years in diverse areas of franchise sales and development, licensing, and distribution.

**Legal Counsel: James W. West, Esq.**

Mr. West was appointed Legal Counsel of the ActionCOACH group of companies in Las Vegas, NV in April 2023. Before his appointment as Legal Counsel, Mr. West was Assistant General Counsel of U-Haul Corporation in Phoenix, Arizona. From November 2019 to August 2022, he was Chief Legal Officer of Cloudburst Entertainment in Phoenix, Arizona.

**Chief Product Officer: Nicholas Clark**

Mr. Clark is based in Bangkok, Thailand and was appointed Chief Product Officer of the ActionCOACH group of companies and serves in that position for us and for ACNA since December 2022. Prior to that he was Director of Partner Success from November 2021 to November 2022. Mr. Clark is also currently the COO of our affiliate, ProfitPlus Accounts Pty Ltd in Southport, Queensland, Australia since April 2013.

**ITEM 3**

**LITIGATION**

**Litigation Regarding Master Licensee:**

**Concluded:**

**BUJI, LLC v. Thomas Palzewicz, et al, Case No. 19-CV-01397, United States District Court, Eastern District of Wisconsin, Milwaukee Division. On September 24, 2019, Buji, LLC (“Buji”), in**

federal Court in the Eastern District of Wisconsin, Milwaukee Division, filed suit against existing franchisees, Thomas Palzewicz, ThreeP, LLC, James Palzewicz, and JPalz Holdings, LLC (collectively, the “Defendants”), seeking to enjoin Defendants from breaching the non-competition covenants in the Defendants’ franchise agreements. The Defendants filed a counter claim for breach of contract, violation of the Wisconsin Fair Dealership Act, tortious interference with a contractual relationship, federal and Nevada antitrust violations, and civil conspiracy. In addition, Defendants requested a finding from the court that the non-competition covenants in the franchise agreements were invalid, and sought monetary damages. On January 27, 2020, Buji, the Defendants and ACNA, entered into a settlement agreement by which the Defendants agreed to pay Buji \$200,000, and an additional \$80,000 if certain conditions of the settlement agreement were not satisfied by Thomas Palzewicz. Buji, ACNA and the Defendants signed a mutual release for each other’s benefit, and each of the Defendants and Buji signed a release for the benefit of ACNA. This lawsuit was dismissed on February 14, 2020.

Under the settlement agreement, Buji and the Defendants agreed to arbitrate their unresolved claims relating to the non-payment of royalty fees and other fees owed to Buji by the Defendants. On August 3, 2020, Buji and the Defendants entered into a settlement agreement by which the Defendants agreed to pay Buji an additional \$72,000, with up to \$6,000 in rebates if certain conditions are met, to settle all outstanding disputes between the parties.

#### Litigation Regarding Franchisor and its Predecessor:

##### Concluded:

Colorado, respectively, under the Master License Agreement dated November 6, 2001, as amended (“MLA”). On December 16, 2021 the emergency application was held in abeyance upon agreement of the parties to submit to mediation. When the parties failed to resolve the dispute on mediation, the AAA on May 9, 2022, terminated the emergency application. Upon receipt of MSF’s amended demand for arbitration, the AAA converted the dispute to a standard arbitration proceeding by notice to the parties on May 25, 2022. MSF alleges that (a) ACNA’s refusal to renew the MLA is a breach of ACNA’s obligation to renew the MLA for successive 5-year terms with no minimum performance or minimum royalty requirements and, (b) ACNA should be estopped from including minimum performance or minimum royalty requirements in the 5-year renewal starting as of November 2021. Claimants asked the AAA to (i) enjoin ACNA to specifically perform its obligation to renew the MLA without any minimum performance or minimum royalty requirements, and (ii) award MSF reasonable attorney’s fees and costs. As of July 31, 2022, the parties have entered into a Settlement Agreement whereby the parties agreed to (a) renew the MLA on the same terms as it was immediately prior to the dispute, and (b) bear its own respective costs and fees.

#### *ActionCOACH North America, LLC and ActionCOACH OneCo, LLC v. Allison Dunn. In the United States District Court for Nevada, Case 2:19-cv-02244.*

On December 9, 2019, plaintiffs filed a Complaint in the Eighth Judicial District Court for the County of Clark, State of Nevada, against a former franchisee, Allison Dunn, who operated an ActionCOACH franchise in Idaho under a franchise agreement with plaintiff ACOC that had a 5-year term that expired in November 2018. ACOC offered Ms. Dunn the opportunity to renew her franchise for another 5-year term, but in November 2018, Ms. Dunn elected not to renew her franchise agreement. In the Complaint, plaintiffs allege that Ms. Dunn has violated and is

currently violating the covenant not to compete contained in her franchise agreement by operating a competing business coaching business at the same location as her former ActionCOACH franchise, both before and after her franchise agreement expired. In the Complaint, plaintiffs alleged claims for breach of contract, unfair competition, unjust enrichment, tortious interference with prospective economic advantage, misappropriation of trade secrets, violation of the Nevada Deceptive Trade Practices Act, fraud by omission, and declaratory relief. Plaintiffs also seek both preliminary and permanent injunctive relief against Ms. Dunn to prevent her from continuing to operate a competing business coaching business in Idaho for a 2-year period. In December 2019, Ms. Dunn removed the case to the United States District Court for the District of Nevada. Ms. Dunn has filed an Answer and has opposed plaintiff's motion for a preliminary injunction. On March 4, 2020 the Court granted, in part, and denied in part plaintiffs' Motion for Preliminary Injunction. On May 21, 2021, the parties entered into a settlement agreement whereby (a) Ms. Dunn would immediately and permanently discontinue using plaintiffs' system, manuals, and confidential information and trade secret, and (b) Ms. Dunn would operate a business providing certain services provided that she will not use any of the Marks or use or disclose plaintiffs' confidential information and trade secrets. On the same day, the Court dismissed the action without prejudice.

*In the Matter of Brad Sugars Action International, Inc. Administrative Proceeding before the Securities Commissioner of Maryland, Case No. 2002-0571.*

As a result of an investigation into ACUI's (f/k/a Brad Sugars Action International, Inc.) franchise-related activities, the Maryland Securities Commissioner (the "Commissioner") concluded that grounds existed to allege that ACUI violated the registration, disclosure and anti-fraud provisions of the Maryland Franchise Law in relation to the offers and sale of ACUI master franchises in Maryland. Specifically, the Maryland Securities Commissioner concluded that grounds existed to allege that ACUI (a) offered and granted an option to a Pennsylvania resident, The Coaching Company, LLC, for the purchase of a Master License to operate a ACUI franchise business in Maryland, and offered and sold a Master License to a Maryland resident, Mid-Atlantic Business Coaching, Inc., during times when ACUI was not registered to offer and sell franchises in Maryland; (b) did not provide the correct offering circular to prospective Maryland franchisees; (c) did not provide the required disclosure within the time periods prescribed by the Maryland Franchise Law; (d) failed to comply with the fee deferral requirement imposed by the Commissioner and the Maryland Franchise Law; (e) signed a franchise agreement with a master franchisee which did not conform to the form of agreement required by the Commissioner; (f) provided advertising to prospective franchisees which contains earnings claims in violation of the Maryland Franchise Law; and (g) failed to maintain documents required by the Maryland Franchise Law. On September 19, 2002, the Commissioner and ACUI agreed to enter into a Consent Order without ACUI admitting or denying any violation of law. Under the Consent Order, ACUI agreed to: (a) immediately and permanently cease violating the Maryland Franchise Law; (b) offer to rescind Mid-Atlantic Business Coaching, Inc.'s Master License agreement and refund all franchise fees and cancel any indebtedness upon request; and (c) implement a franchise compliance program approved by the Commissioner. Mid-Atlantic Business Coaching, Inc. declined the rescission offer on October 15, 2002. Pursuant to the Consent Order, the National Franchise Council provided a compliance training program to ACUI's executives and office staff on October 28, 2002.

*California Department of Corporations Desist and Refrain Order*

On September 23, 1999, the California Department of Corporations (the "Department") issued a Desist and Refrain Order to Bradley J. Sugars, International Chairman of Action International, Inc. [sic], Claude G. Xuereb, President & CEO of Action International, Inc. [sic], and Action International, Inc. [sic]. The Department issued the Desist and Refrain Order based on its opinion that *Action International* franchises had been offered for sale in California without first being registered with the Department. In May 2002 and July 2002, ACUI (f/k/a Brad Sugars Action International, Inc.) voluntarily entered into agreements with two Licensed Coaches in California to terminate the franchise relationships, and ACUI refunded the franchisees a total of \$207,000. The Department has not contacted ACUI regarding this matter since November 2002. ACUI understands that the inquiry is closed; the Department approved ACUI's application to offer franchises in California in February 2005.

Other than these items, no litigation or administrative action involving us, ACNA or ACUI is required to be disclosed in this disclosure document.

**ITEM 4**

**BANKRUPTCY**

Bankruptcy Regarding Master Licensee:

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

Bankruptcy Regarding Franchisor:

In October 2012, Mr. Nic Clark, Director of Partner Success, filed a Debtor's Petition (No. QLD 5110/12/5) with the Australian Financial Security Authority. The order of discharge under the Bankruptcy Act was issued in October 2015.

## ITEM 5

### INITIAL FEES

#### The FIRM – Investor Level “Team Builder” Franchise

For a FIRM franchise you will pay us a franchise fee of \$75,000 for a DDMA with a population of approximately 10,000 businesses. If you acquire more than 1 DDMA within a 30-day period, you will be entitled to the following reduced Multi Territory Package FIRM franchise fees:

DDMA	Firm Franchise Fee
1 <sup>st</sup> DDMA	\$75,000
3-Pack of DDMA's	\$180,000
Additional 3-Packs of DDMA's	\$150,000

The franchise fee is payable in a lump sum and is non-refundable. The franchise fees charged are uniform. However, we participate in the Veterans Transition Franchise Initiative (VetFran) program and offer a \$5,000 discount on the 1<sup>st</sup> DDMA franchise fee to eligible military veterans.

You must also pay us a non-refundable franchisee training fee of \$25,000 for you (or your MDC if franchisee is a legal entity). For an additional fee of \$3,500 from the MDC you may send one (1) MDC to attend the 10-day training at any time for the term of the Franchise Agreement. The fee is due upon signing of the franchise agreement. You must also pay us a non-refundable EBC training fee of \$5,000 as directed by ACNA for every EBC attending the 5-day training at least 28 days from the start of the scheduled EBC training. Both the franchise fee and training fee are due upon signing of the franchise agreement. See also Items 7 and 11.

You may also purchase an annual ActionCOACH email account from ACNA or a 3<sup>rd</sup> party Vendor as directed by ACNA for an annual fee of \$256 for any Key Personnel, due upon signing of the franchise agreement. See also Items 7 and 11.

If you are signing a FIRM franchise agreement in connection with the renewal of a previous one, you will not pay any renewal fee if you meet the Minimum Performance Requirement (see Item 12 and Attachment 1 to the Franchise Agreement). If you are signing a FIRM franchise agreement in connection with the transfer of an existing one, you must pay a transfer fee currently at \$5,000 each.

## The PARTNER – “Be The Coach Model” Level Franchise

For a Partner Franchise you will pay us a franchise fee of \$45,000 to operate in a DDMA with a population of approximately 10,000 businesses.

The franchise fee is payable in a lump sum and is non-refundable. The franchise fees charged are uniform. However, we participate in the Veterans Transition Franchise Initiative (VetFran) program and offer a maximum of \$5,000 discount on franchise fees per eligible military veteran.

You must also pay us a non-refundable franchisee training fee of \$15,000. Both the franchise fee and training fee are due upon signing of the franchise agreement.

If you are signing a PARTNER franchise agreement in connection with the renewal of a previous one, you will not pay any renewal fee if you meet the Minimum Performance Requirement as identified in the franchise agreement (see **Exhibit B**) If you are signing a franchise agreement in connection with the transfer of an existing one, you must pay a transfer fee currently at \$10,000 each.

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**ITEM 6**

**OTHER FEES**

The following table shows the Other Fees for the **FIRM** and **PARTNER** franchises.

<b>Type of Fee</b>	<b>Amount for the FIRM</b>	<b>Amount for the PARTNER</b>	<b>Due Date</b>	<b>Remarks</b>
<b>Royalty Fee</b>	The monthly Royalty Fee is 10% of the Minimum Performance Requirement or 10% of Gross Revenues in the preceding month, whichever is higher but in no case less than \$1,950.	The monthly Royalty Fee is 10% of the Gross Revenues in the preceding month, but in no case less than \$1,950.	Payment of \$1,950 is due on the 1 <sup>st</sup> day of each month, while payment for any balance is due on the 5 <sup>th</sup> day of each month.	The 10% Royalty starts immediately.  The \$1,950 minimum starts the earlier of 1 <sup>st</sup> month after you (or your MDC) completes the training program or 120 days after signing the franchise agreement.  See Note 1 below for definition of "Gross Revenues".
<b>Marketing and Advertising Fee</b>	5% of your Gross Revenues during the preceding month  \$100 minimum and cap of \$3,000 per month	5% of your Gross Revenues during the preceding month  \$100 minimum and cap of \$1,000 per month	The 5 <sup>th</sup> of each month.	The 5% starts immediately.  The \$100 minimum starts the earlier of the 1 <sup>st</sup> month after you or your MDC completes the training program or 120 days after signing the franchise agreement.  See Note 1 below for definition of "Gross Revenues".

Type of Fee	Amount for the FIRM	Amount for the PARTNER	Due Date	Remarks
<b>Monthly Technology Fee</b>	\$135 per month for you or your MDC, plus \$135 per month, per EBC	\$135 per month	On the 1st day of each month	We collect and pay to ACNA; Starts on the month after you or your MDC or EBC attend training.
<b>Renewal Fee</b>	\$5,000		When you sign Renewal Franchise Agreement	Paid if you choose to renew at the end of the initial franchise term.
<b>Transfer Fee</b>	\$15,000		With submission of request for approval of transfer	Paid if you sell your franchise.
<b>Relocation Fee</b>	N/A	\$10,000	When we approve your request	This fee applies only if you relocate your franchise from the Territory to the territory of another Master Licensee. It does not apply if you relocate within the Territory or another Territory owned by the Master Licensee.
<b>Upgrade Fee</b>	N/A	a) \$10,000;  plus,  the difference between the Franchise Fee you originally paid and the current Franchise Fee you are purchasing.	Upon signing of the new Franchise Agreement and Termination of the original Franchise Agreement	This fee is in lieu of the Franchise Fee for the new FIRM franchise.

Type of Fee	Amount for the FIRM	Amount for the PARTNER	Due Date	Remarks
<b>Franchisee Training due to non-compliance (before renewal)</b>	\$25,000 per trainee	\$15,000 per trainee	28 days before training session begins	Applies only if we require you to remedy non-compliance by attending franchisee training again before we will renew your franchise.
<b>Employee Business Coach</b>	\$5,000 per trainee (EBC), subject to change by ACNA	N/A	28 days before training session begins	Each EBC (after you begin operating the FIRM) you appoint must complete ACNA's virtual 5-day training for EBC's at the then-current fee. We will publish the current fee when the training session is announced.
<b>Additional Training</b>	Up to \$1,000 per day	Up to \$1,000 per day	28days before training session begins	Payable only if we require you to attend additional training at our offices based on your failure to meet Minimum Performance Requirement (see Item 12 and Attachment 1 to the Franchise Agreement).

Type of Fee	Amount for the FIRM	Amount for the PARTNER	Due Date	Remarks
<b>Mandatory Annual ACNA Regional Conferences</b>	Registration between \$749 to \$1,199 for you or your MDC. Approximately \$2,500 for travel, accommodation and meals	Registration between \$749 to \$1,199. Approximately \$2,500 for travel, accommodation and meals	Before conference begins	You are responsible for travel, accommodation and meal costs to the Conference. ACNA may conduct interim conferences that are not mandatory.
<b>Mandatory Annual GoBIG Conference</b>	Registration between \$250 and \$750 for you or your MDC. Approximately \$100 to \$1,000 for travel	Registration between \$250 and \$750. Approximately \$100 to \$1,000 for travel	Before conference begins	You are responsible for travel, accommodation and meal costs to the Conference. We may conduct interim conferences that are not mandatory.
<b>Optional ActionCOACH Email Account Fee</b>	\$256 per year per Key Personnel	\$256 per year per Key Personnel	For any Key Personnel to have an ActionCOACH email account	Payable only if you have Key Personnel with ActionCOACH email account
<b>Interest Charges</b>	1.5% per month or maximum legal rate.	1.5% per month or maximum legal rate.	With payment of underlying amount due	Payable only if you are late in payment.
<b>Inspection and Audit Costs</b>	Actual cost of examination or audit by a Big-4 accounting firm, including travel expenses for the examiner or auditor.	Actual cost of examination or audit by a Big-4 accounting firm, including travel expenses for the examiner or auditor.	Within 5 business days after your receipt of inspection or audit report	Payable only if the inspection or audit shows an understatement of 5% or more of the correct amount due.

Type of Fee	Amount for the FIRM	Amount for the PARTNER	Due Date	Remarks
<b>Insurance Reimbursement</b>	Amount paid by us or ACNA	Amount paid by us or ACNA	On demand for reimbursement	Payable only if you fail to obtain coverage and we or ACNA purchase it on your behalf.
<b>Liquidated Damages upon your default</b>	Present value of average monthly Royalty Fee and Marketing and Advertising Fees paid during last two (2) years or remaining term, minus our expenses saved	Present value of average monthly Royalty and Marketing and Advertising Fees paid during last two (2) years or remaining term, minus our expenses saved	On termination of Franchise Agreement	Payable only if we terminate your agreement for default.
<b>Liquidated Damages upon your breach of obligations relating to Marks or Confidential Information or breach of restrictive covenants</b>	\$250,000 plus enforcement costs if we prevail in any legal action	\$250,000 plus enforcement costs if we prevail in any legal action	Upon specified breaches of Section 15 or 16 of the Franchise Agreement	Payable only if you breach the Franchise Agreement obligations relating to the Marks or Confidential Information or the restrictive covenants contained in the Franchise Agreement.
<b>Enforcement Costs</b>	Actual costs	Actual costs	On demand for reimbursement	You must pay all of our and ACNA's investigation costs, collection costs, and attorneys' fees resulting from your default under the Franchise Agreement, if we or ACNA prevail in any legal action or arbitration. Costs for mediation will be shared equally

Type of Fee	Amount for the FIRM	Amount for the PARTNER	Due Date	Remarks
				between us and you.
<b>Indemnification Costs</b>	Actual losses or expenses incurred by us, ACNA, and ACIP	Actual losses or expenses incurred by us, ACNA, and ACIP	On demand for reimbursement	You must indemnify us, ACNA and ACIP against all claims, expenses, and liabilities arising from the operation of your Business Coach franchise. Does not apply to liabilities that arise from gross negligence or willful acts by us or ACNA or its affiliates.
<b>Amendment Fee</b>	Our reasonable costs, estimated at \$500 to \$700	Our reasonable costs, estimated at \$500 to \$700	On demand for reimbursement	If you request an amendment to the Franchise Agreement during the term of your agreement, you must reimburse us (and ACNA, if applicable) for the reasonable costs we incur in connection with the amendment, including reasonable attorneys' fees.

NOTES:

- (1) "Gross Revenues" means the total receipts derived from services performed and products sold by or in connection with your ActionCOACH business. Gross Revenues are determined on an accrual basis. Any property or services your franchise receive from Clients in exchange for your services must be included in Gross Revenues at their fair market value at the time received. Gross Revenues also include any proceeds your franchise may receive from business interruption insurance. Gross Revenues do not include sales taxes or other taxes that your franchise collects from Clients and pay directly to the appropriate governmental authorities.

- (2) Unless otherwise indicated, the fees and payments described above are not refundable, and are uniformly applied (except to the extent required by different terms that may be contained in earlier forms of the FIRM Business Coach franchise agreement). For each type of fee or payment, you must use the payment method we designate. You must furnish us and your bank with any authorizations necessary to make payment by the methods we require.

**ITEM 7**

**YOUR ESTIMATED INITIAL INVESTMENT**

This table lists an estimate of the total initial investment you can expect to open the franchise, as well as any additional expenses necessary to operate the franchised business during the initial 3 months of operations.

**FOR A FIRM and PARTNER FRANCHISES**

Type of Expenditure	Amount for the FIRM	Amount for the PARTNER	Method of Payment	When Due	To whom payment is to be made (note 1)
Franchise Fee (note 2)	\$75,000  If you purchase more than one (1) DDMA within a 30-day period, you will be entitled to the following reduced Multi Territory Package.  Franchise Fees shall be reduced as follows: <ul style="list-style-type: none"> <li>• For the 1<sup>st</sup> 3-Pack of DDMA's the Franchise Fee will be \$180,000.</li> <li>• For each additional 3-pack of DDMA's the Franchise Fee will be \$150,000.</li> </ul>	\$45,000	Lump sum	When you sign Franchise Agreement	Master Licensee, but we forward a portion to ACNA

<b>Type of Expenditure</b>	<b>Amount for the FIRM</b>	<b>Amount for the PARTNER</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To whom payment is to be made (note 1)</b>
Franchisee Training Fee (note 3)	\$25,000 to \$28,500  \$25,000 for You (or your MDC if you are a legal entity) For an additional fee of \$3,500 you may send one(1) additional MDC to attend the 10-day training at any time during the term of the Franchise Agreement	\$15,000	Lump sum	When you sign the Franchise Agreement or for 1 additional MDC, 28 days before the training session begins	Master Licensee, but we forward all of it to ACNA
Travel to Franchisee Training (note 4)	\$500 to \$2,500 per trainee	\$500 to \$2,500 per trainee	As incurred	As incurred	Airlines, etc.
EBC Training Fee (note 5)	\$0 to \$5,000  \$5,000 per EBC for training	\$0 N/A	Lump sum	28 days before training session begins	Master Licensee, but we forward it to ACNA
Registration for Mandatory Annual Regional Conference (note 6)	\$0 to \$1,199 for registration,	\$0 to \$1,199 for registration;	As incurred	Before conference and/or as incurred	ACNA
Travel Expenses for Mandatory Annual Regional Conference (note 7)	\$0 to \$3,500 for travel depending on timing of conferences and class of airline tickets	\$0 to \$3,500 for travel depending on timing of conferences and class of airline tickets.	As incurred	Before conference and/or as incurred	Companies you incur charges with ex: airline, hotel, etc.
Monthly Technology Fee (note 8)	\$405 to \$810	\$405	Lump sum	On the 1st day of each month	Master Licensee, but we forward it to ACNA

<b>Type of Expenditure</b>	<b>Amount for the FIRM</b>	<b>Amount for the PARTNER</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To whom payment is to be made (note 1)</b>
Computer, Telephone & Office Equipment <b>(note 9)</b>	\$0 to \$4,000	\$0 to \$4,000	As incurred	As incurred	Equipment suppliers
CRM <b>(note 10)</b>	\$0 to \$1,080	\$0 to \$1,080	As incurred	As incurred	Third Party Supplier
Non-Coach Email Addresses <b>(note 11)</b>	\$0 to \$256	\$0 to \$256	As incurred	As incurred	ACNA
Marketing Materials & Inventory <b>(note 12)</b>	\$1,000 to \$5,000	1,000 to \$5,000	As incurred	Upon ordering or at delivery	Suppliers
Insurance <b>(note 13)</b>	\$1,000 to \$2,000	\$1,000 to \$2,000	As incurred	Before you start business	Third party insurance providers
Additional Funds (for first 3 months of operation) <b>(note 14)</b>	\$15,000 to \$30,000	\$5,000 to \$15,000	As incurred	Varied times	Suppliers and/or Vendors
Own Web Site (Optional and only if approved by ACNA) <b>(note 15)</b>	\$0 to \$5,000	\$0 to \$5,000	As incurred	As incurred	Third Party supplier
Rent <b>(note 16)</b>	\$3,000 to \$7,500	\$0 to \$4,500	As incurred	Monthly	Third Party
Security Deposit <b>(note 17)</b>	\$1,000 to \$2,500	\$0 to \$1,500	As incurred	As incurred	Third Party
Grand Opening Launch Event <b>(note 18)</b>	\$0 to \$7,500	\$2,500 to \$7,500	As incurred	As incurred	Third party vendors

Type of Expenditure	Amount for the FIRM	Amount for the PARTNER	Method of Payment	When Due	To whom payment is to be made (note 1)
Salaries and Wages (note 19)	\$0 to \$90,000	\$0 to \$30,000	As incurred	As incurred	Employees
Marketing Spend (note 20)	\$3,000 to \$30,000	\$0 to 7,500	As incurred	As incurred	Third party marketing vendors (print, digital, media, etc.)
Minimum Royalty and Marketing & Advertising Fees (note 21)	\$6,150	\$6,150	Lump Sum	On the 1 <sup>st</sup> day of each month	Master Licensee
TOTAL:					
1 DDMA	\$131,055 to \$307,495	\$74,055 to \$157,090			
3-Pack DDMA	\$236,055 to \$412,495				
6-Pack (note 22)	\$386,055 to \$562,495				

NOTES for The FIRM:

- (1) All payments to us and ACNA are non-refundable. Whether any of the costs payable to third parties are refundable will depend upon the arrangements you make with those parties.
- (2) If you acquire more than one (1) DDMA within a 30-day period, you will be entitled to reduced FIRM franchise fees for the 3<sup>rd</sup> DDMA and onwards as described in Item 5. If you are entitled to a VetFran discount, you will also have a maximum discount of \$5,000 on franchise fees (only one \$5,000 discount applies no matter how many DDMA's you purchase). We do not provide financing for any part of the initial investment.
- (3) You will pay one (1) training fee for you (or your MDC if franchisee is a legal entity). Whether any of the costs payable to third parties are refundable will depend upon the arrangements you make with those parties.

- (4) All transportation costs to and from Las Vegas are your responsibility. However, accommodations, meals, and transfers to and from hotel to the training venue during training are included in the training fee. Any incidental costs incurred during any of the training sessions are your responsibility. The estimates are for travel by one (1) trainee and assume that training will be held in Las Vegas, Nevada. The estimates for the low and high ranges depend on the class of tickets you choose to buy.
- (5) EBC training is \$5,000 per trainee for virtual training.
- (6) At least once a year, ACNA organizes Regional Conferences and every year you, or your MDC, are required to attend at least one (1) of these regional conferences. Conference registration fees vary from \$749 to \$1,199 depending on the timing of registration. EBC and Key Personnel are encouraged to attend Regional Conferences, but it is not a requirement to attend. This fee covers the ACNA Regional Conference fees for you, the registration fee for the annual business excellence forum and awards. In addition, at least once per year, ACNA organizes a Global Conference which may be held outside of the U.S. You are encouraged but not required to attend Global Conference. You will have to pay an additional registration fee for each person attending the Global Conference and your own travel, accommodation and meal costs. The high end of the range is in the case one of the mandatory conferences will occur during the initial 3 months of your franchise.
- (7) Travel to and from any conference, accommodation during and the meals outside the conferences are not covered. The high end of the range is in the case one of the mandatory conferences will occur during the initial 3 months of your franchise.
- (8) You must pay us a monthly Technology Fee of \$135 for each EBC/Key Personnel in your franchise.. This monthly fee is paid directly to us then forwarded directly to ACNA. This fee provides you the ActionCOACH website, website hosting, an ActionCOACH email address and related technology support. The high range of the estimate under the Firm assumes the MDC plus one EBC will be hired before initial training.
- (9) You must have a computer, specific software, Internet access, printer, scanner, fax and general office equipment. If you already have equipment meeting ACNA's specifications, no expenditure will be necessary. See Item 11 for a list of recommended computer equipment and Exhibit N for our current communications system specifications.
- (10) You are also required to purchase a CRM software. This estimate is from a current preferred vendor.
- (11) E-mail addresses are not transferable. New users cannot re-use by adjusting names on existing e-mail addresses.
- (12) At start-up, we will provide you with online selection of marketing materials for initial publicity and marketing. The estimate is for additional products, printing, media and stationery, and marketing materials.
- (13) You must obtain general business insurance that meets requirements that ACNA specifies periodically, but in no event less than the minimum insurance requirements under applicable law. Currently, we require \$1,000,000 of professional liability insurance, \$1,000,000 of general liability insurance, disability or business interruption insurance, worker's compensation insurance, and any other insurance required by law or your office

lease or mortgage. We and ACNA must be listed as an additional insured in the policy or policies.

- (14) This estimate is for additional funds that you may need before operations begin and during the first three (3) months of operation to successfully start and market your business. The estimate is based upon information reported by ACNA's existing Business Coaches and we have not independently verified it. The estimate includes miscellaneous startup costs such as deposits, license fees (if any), membership dues, and legal and accounting fees, and any ongoing operating expenses such as the Marketing and Advertising Fee, expenses to hire or contract one (1) Key Personnel, equipment leases, inventory, and supplies. It also includes fees you may pay professional advisors to assist you with specific know-how, methods, or technology you deem necessary to be able to competently provide services to your Clients. The high range of the estimate also includes expenses for hiring or contracting one (1) EBC. You will need capital to support these and other ongoing costs of your business. Your costs will depend on factors such as how closely you follow our recommended systems and procedures, your technical, marketing and general business skills, local economic conditions, the local market for your business and competition. We do not guarantee that the estimated amounts will be adequate for your business. You may need additional funds during the first three (3) months of operation or afterwards. The figures provided are not an estimate of the funds you will need to reach "break-even" or any other financial position.
- (15) Optional and only if approved by ACNA. Costs are estimated using an external third-party supplier. The low range assumes with either option not taken or approved by ACNA.
- (16) You must operate your FIRM from a professional office space located within your DDMA. The minimum space requirement of your office is 300 square feet. We suggest that you lease the office space and if possible, for the first 6 months, lease a shared professional office space with suitable meeting and conference rooms you can access as needed. Our estimate of rent costs is based on a shared office or similar arrangement. Traditional commercial office leasing may require a fit-out and will cost significantly more. Due to the large variance in commercial office lease costs we are unable to provide cost estimates for that type of office. Your office will typically be located in a multi-tenant office building in your municipality's business or commercial district.
- (17) It is likely that you will be required to pay a security deposit for your office space.
- (18) This is an estimate to host a grand opening event several months after starting up and is based on the experience from existing franchisees. Your actual expenses will depend on the venue, number of people you invite and the quantity and types of food and drinks you provide. The high and low estimates assume pricing differences between third party vendors and the types of food and beverages you choose.
- (19) This estimate is for three (3) months of wages for the initial employees of the business. The low side of the range assumes both you and a spouse will be active in the business holding the MDC salary and Key Personnel roles, with no other employees, and not paying yourself a salary to start. The high end of the range is for an MDC, one additional Key Personnel and an administrative employee at start-up and based on feedback from existing franchisees regarding level of wages. Your actual costs will depend on the number of employees you hire and the level of wages you provide.

- (20) Based on advice from existing franchisees, these are the estimated marketing expenses to get out of the gates initially during the first 3 months. This is to include digital and social media marketing, telemarketing, direct mail, seminars, PR and other forms of marketing. The higher end of the range is for a more aggressive marketing and business growth plan. Your actual marketing costs will depend on which marketing strategies you choose and how aggressive of a business growth plan you create. The figures provided are not an estimate of the funds you will need to reach “break-even” or any other financial position.
- (21) Minimum of \$1,950 per month Royalty and \$100 per month Marketing & Advertising Fee.
- (22) The TOTAL estimated initial investment to establish a typical FIRM Business Coach franchise with 1 DDMA, 3 DDMA's or 6 DDMA's. If you acquire more than 1 DDMA, the estimates assume you will only open the first DDMA during the first 3 months of operation. As noted above, the figures listed are not all-inclusive. For example, they do not include tax obligations or provide for your cash needs to cover any financing incurred by you, additional Royalty or Marketing and Advertising Fees if your revenue is high enough to trigger the percentage, additional employee and management salaries and benefits beyond those listed, referral fees to people who refer you clients, or other ongoing operating expenses beyond the first 3 months. Your costs will vary, and may exceed the estimate set out above.

#### **NOTES: THE PRACTICE**

- (1) All payments to us and ACNA are non-refundable. Whether any of the costs payable to third parties are refundable will depend upon the arrangements you make with those parties.
- (2) We do not provide financing for any part of the initial investment.
- (3) You will pay one (1) training fee for you as the MDC. Whether any of the costs payable to third parties are refundable will depend upon the arrangements you make with those parties.
- (4) All transportation costs to and from Las Vegas are your responsibility. However, accommodations, meals, and transfers to and from hotel to the training venue during training are included in the training fee. Any incidental costs incurred during any of the training sessions are your responsibility. The estimates are for travel by one (1) trainee and assume that training will be held in Las Vegas, Nevada.
- (5) N/A under the Partner Franchise.
- (6) At least once a year, ACNA organizes Regional Conferences and every year you, or your MDC, are required to attend at least one (1) of these regional conferences. Conference registration fees vary from \$749 to \$1,199 depending on the timing of registration. Key Personnel are encouraged to attend Regional Conferences, but it is not a requirement to attend. This fee covers the ACNA Regional Conference fees for you, the registration fee for the annual business excellence forum and awards. In addition, at least once per year, ACNA organizes a Global Conference which may be held outside of the U.S. You are encouraged but not required to attend Global Conference. You will have to pay an

additional registration fee for each person attending the Global Conference and your own travel, accommodation and meal costs. It is possible that one of the mandatory conferences will occur during the initial months of your franchise.

- (7) Travel to and from any conference, accommodation during and the meals outside the conferences are not covered.
- (8) You must pay us a monthly Technology Fee for each Key Personnel in your franchise. This monthly fee is paid directly to us then forwarded directly to ACNA. This fee covers the use of the ActionCOACH website, website hosting, an ActionCOACH email address and related technology support. The high range of the estimate under the Firm assumes that 1 Key Personnel.
- (9) You must have a computer, specific software, Internet access, printer, scanner, fax and general office equipment. If you already have equipment meeting ACNA's specifications, no expenditure will be necessary. See Item 11 for a list of recommended computer equipment and Exhibit N for our current communications system specifications. You should consider obtaining a toll-free telephone number if you plan to serve Clients outside of your local calling area. You are also required to purchase a CRM software. This estimate is from a current preferred vendor.
- (10) You are also required to purchase a CRM software. This estimate is from a current preferred vendor.
- 11) E-mail addresses are not transferable. New users cannot re-use by adjusting names on existing e-mail addresses.
- 12) At start-up, we will provide you with online selection of marketing materials for initial publicity and marketing. The estimate is for additional products, printing, media, stationery, and marketing materials.
- (13) You must obtain general business insurance that meets requirements that ACNA specifies periodically, but in no event less than the minimum insurance requirements under applicable law. Currently, we require \$1,000,000 of professional liability insurance, \$1,000,000 of general liability insurance, disability or business interruption insurance, worker's compensation insurance, and any other insurance required by law or your office lease or mortgage. We and ACNA must be listed as an additional insured in the policy or policies.
- (14) This estimate is for additional funds that you may need before operations begin and during the first three (3) months of operation to successfully start and market your business. The estimate is based upon information reported by ACNA's existing Business Coaches and we have not independently verified it. The estimate includes miscellaneous startup costs such as deposits, license fees (if any), membership dues, and legal and accounting fees, and any ongoing operating expenses such equipment leases, inventory, and supplies. It also includes fees you may pay professional advisors to assist you with specific know-how, methods, or technology you deem necessary to be able to competently provide services to your Clients. You will need capital to support these and other ongoing costs of your business. Your costs will depend on factors such as how closely you follow our recommended systems and procedures, your technical, marketing and general business skills, local economic conditions, the local market for your business and competition. We

do not guarantee that the estimated amounts will be adequate for your business. You may need additional funds during the first three (3) months of operation or afterwards. The figures provided are not an estimate of the funds you will need to reach "break-even" or any other financial position.

- (15) Optional and only if approved by ACNA. Costs are estimated using an external third-party supplier. The low range assumes with either option not taken or approved by ACNA.
- (16) You may operate your business as a home-based business, or from a professional office space located within your DDMA. The low range of our estimate assumes a home-based office and the high range assumes rent for a small shared office or similar arrangement. Traditional commercial office leasing may require a fit-out and will cost significantly more. Due to the large variance in commercial office lease costs we are unable to provide cost estimates for that type of office. Your office will typically be located in a multi-tenant office building in your municipality's business or commercial district.
- (17) It is likely that you will be required to pay a security deposit for your office space.
- (18) This is an estimate to host a grand opening event several months after starting up and is based on the experience from existing franchisees. Your actual expenses will depend on the venue, number of people you invite and the quantity and types of food and drinks you provide. The high and low estimates assume pricing differences between third party vendors and the types of food and beverages you choose.
- (19) This estimate is for three (3) months of wages for the initial employees of the business. The low side of the range assumes you start as the MDC with no other employees and are not paying yourself a salary to start. The high end of the range is for a small MDC salary and is based on feedback from existing franchisees regarding level of starting wage. Your actual costs will depend on the number of employees you hire and the level of wages you provide.
- (20) Based on advice from existing franchisees, these are the estimated marketing expenses to get out of the gates initially during the first 3 months. This is to include digital and social media marketing, telemarketing, direct mail, seminars, PR and other forms of marketing. The higher end of the range is for a more aggressive marketing and business growth plan. Your actual marketing costs will depend on which marketing strategies you choose and how aggressive of a business growth plan you create. The figures provided are not an estimate of the funds you will need to reach "break-even" or any other financial position.
- (21) Minimum of \$1,950 per month Royalty and \$100 per month Marketing & Advertising Fee.
- (22) The above table outlines the estimated initial investment to establish a typical PARTNER Business Coach Franchise for one (1) DDMA. As noted above, the figures listed are not all-inclusive. For example, they do not include tax obligations or provide for your cash needs to cover any financing incurred by you, Marketing and Advertising Fee, additional employee and management salaries and benefits, or other ongoing operating expenses. Your costs will vary, and may exceed the estimate set out above.

We make no estimates or representations regarding the financial performance of your ActionCOACH Business. Unless you budget for employee salaries and personally hold a budgeted role yourself, you should not plan to draw income during the start-up and development

stage of your ActionCOACH business, the duration of which will vary, and may be longer than the three (3) month initial period referred to above. You should have additional sums available to cover other expenses and any operating losses you may sustain. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including whether you are converting an existing ActionCOACH franchise, your rate of growth, the level of effort you put in, how closely you follow the systems, how strong your existing network is, how strong your sale skills are, how much you take advantage of the training and support and participate in shadowing other franchisees, how many programs and services you offer and the overall performance of your business.

Neither we nor ACNA offers financing for any portion of your investment. If you obtain financing from others, the cost of financing will depend upon many factors, such as your creditworthiness, the collateral you offer, the lender's lending policies, economic conditions, etc.

These figures are just estimates. Your actual costs may be lower or higher than these estimates. ACNA relied on ACOC's experience in the U.S.A. to compile these estimates. Your costs will depend upon factors such as how closely you follow ACNA's methods and procedures; your management skill, experience and business acumen; the level of demand for coaching services; and competitive conditions. Since costs can vary significantly, we recommend that you obtain independent estimates from third-party vendors and your accountant of the costs which would apply to your establishment and operation of an ActionCOACH franchise, and carefully evaluate the adequacy of your total financial resources and reserves. You should review all of these figures carefully with a business advisor before making any decision to invest in a franchise.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

ActionCOACH products. ACNA offers a range of books, printed materials, CDs, DVDs, and board games and electronic board games for business owners. These items are proprietary to ActionCOACH IP Co, Ltd., an affiliate of ACNA. You must purchase these materials from ACNA's approved suppliers if you want them.

You must acquire a subscription to the ActionCOACH coaching platform from ACNA or an approved supplier. All branded materials or items (those containing proprietary marks or information) must be acquired through a supplier approved by ACNA. If ACNA publishes standards for non-proprietary equipment, software, telephone lines, Internet service, supplies, stationery, or other items, you may purchase these items from any reputable manufacturer or supplier as long as the items meet the applicable standards. If you receive notice from us or ACNA of a change in the standards, you must comply with the new or revised standards as soon as practicable.

However, if you choose to build and maintain a web site, you must obtain our prior approval and approval from the Franchisor f, as well as the Master Licensee, for the URL, design, content and appearance of the website and use ACNA's approved supplier (unless permission is given to use another supplier) for design, development and web hosting to ensure compliance with ACNA's requirements for usage of the ActionCOACH marks and intellectual property. You must acquire from sources of your choice, and at your expense, a computer and communications system hardware and software and Internet access that meet ACNA's specifications. See Item 7, and Note 8.

Specifications and Supplier Approvals. There are no written criteria, no fees, and no formal process for supplier approval at this time. ACNA may issue specifications and standards in the Manuals or separate directives, in writing or orally, and may modify them at any time. ACNA issues specifications based on its subjective determination of quality, value and appearance.

We estimate that your purchases of goods and services subject to ACNA’s specifications will constitute about 10% of your total purchases and leases (excluding your initial franchise fee and training fee) in establishing the business. We estimate that, during the operation of your ActionCOACH business, your purchases of goods and services subject to ACNA’s specifications will constitute about 50% to 75% of your total expenses for goods and services.

Strategic Alliance Relationships. We and ACNA may occasionally establishes “Strategic Alliance” relationships with independent companies for the benefit of ActionCOACH franchisees. These relationships are formed so you may have access to the beneficial products and services these companies provide. These products and services will generally be made available to you at costs below what the general public or other users would pay for the same product, service, or information.

As of December 31, 2023, ACNA had preferred vendor relationships with the following companies:

<b>Related Companies</b>	<b>Products</b>
Engage and Grow	Employee engagement programs
Avalanche Enterprises	Digital lead-generation solutions and content creation service
ProfitPlus Accounts	Bookkeeping and business planning services
Voyager Agency	Digital Lead generation solutions and training provider

Although these related companies offer products and services which may supplement or complement ActionCOACH business coaching services, franchisees are not required to purchase products or services from these related companies.

<b>Independent Companies</b>	<b>Products</b>
Assessment 24/7	DISC and VAK
Empire Business Brokers	Business broker services
Hubspot	CRM
Sally Hogshead	The Fascinate program
TriNet	HR services
Lands’ End Apparel	Apparel and Gear
SMA Digital	Digital Surveys and Quizzes for Lead Generation

In some cases, the above companies are currently the only source of the product or service. While we and ACNA encourages you to form relationships with the above companies and to use their products and services since they typically offer high quality goods and services to our franchisees for less than typical market prices, you are, however, not required to use them unless (i) the products and services you require involve the use of ACIP or ACNA's proprietary marks or information; (ii) you are building or maintaining your web site; or (iii) for subscription to the ActionCOACH coaching platform. In those cases, you must use the applicable approved supplier. We currently do not receive rebates as a result of these Strategic Alliance relationships.

During its 2023 fiscal year (January 1, 2023 through December 31, 2023), ACNA derived \$515,917 in revenues from purchases of products/services made by franchisees, including the annual regional conference fees. We did not derive any revenue from franchisees for the purchase of products/services made by franchisees during our 2023 fiscal year (January 1, 2023 through December 31, 2023). In the cases where any revenues such as volume discounts, rebate fees or discount bonuses (whether by way of cash, kind or credit) are received by ACNA from a supplier, whether or not on account of purchases made (i) by ACNA for its own account or for yours, or (ii) by you directly for your own account, ACNA is entitled to retain the whole of the amount or any part of the volume discounts, rebate fees or discount bonuses. Other than the related companies named in the 1<sup>st</sup> table above, there are no approved suppliers in which any of ACNA's officers or affiliates owns an interest. None of our officers or affiliates own an interest in any approved suppliers.

Neither we nor ACNA provides material benefits to you (for example, additional renewal rights or additional franchises) because of your purchases of particular products or services or your use of designated or approved 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 FIRM Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 9	Item 11
b. Pre-opening purchases/leases	Sections 3, 9, 13 & 14	Item 7
c. Site development and other pre-opening requirements	Sections 3, 9, 11.2(A), 11.2(B), 13 & 14	Item 11
d. Initial and ongoing training	Sections 7.1(A), 7.1(D), 7.2, 11.2(A)& Attachment 1	Introduction, Item 5, 6, 15 & 17

Obligation	Section in FIRM Agreement	Disclosure Document Item
e. Opening	Sections 2 & 11	Item 11
f. Fees	Sections 2.2(H), 2.2(I), 3–5, 17, 18.4 & 20.3(E), Attachment 1	Item 5 & 6
g. Operations Manual Table of Contents. Compliance with standards	Sections 7.1(G), 10 & 11	Item 11 & Exhibit L
h. Trademarks and proprietary information	Section 15 & 17.2(C) & Attachment 1	Item 13 & 14
i. Restrictions on products/services offered	Sections 1, 11 & 16	Item 8 & 16
j. Warranty and customer service requirements	Section 11	None
k. Territorial development and sales quotas	Section 8, 11, 12 & Attachment 1	Item 11 & 12
l. Ongoing product/service purchases	Sections 13 & 14	Item 16
m. Maintenance, appearance and remodeling requirements	Section 9 & 11.2	None
n. Insurance	Section 14	Item 7
o. Advertising	Sections 4.2, 5, 7.1(C) & 8	Item 11
p. Indemnification	Section 14	None
q. Owner's participation/management/staffing	Section 11	Item 15
r. Records and reports	Section 6	None
s. Inspection and audits	Section 6	None
t. Transfer	Section 20	Items 1 & 17
u. Renewal	Section 2	Item 17
v. Post-termination obligations	Sections 6.2, 11.8, 15, 16 & 18	Item 17
w. Non-competition covenants	Section 16	Item 17
x. Dispute resolution	Section 22.9	Item 17

**ITEM 10**  
**FINANCING**

Neither we nor ACNA nor its affiliates offer any direct or indirect financing to you. We will not guarantee any note, lease, or other obligation you may make to others.

**ITEM 11**  
**MASTER LICENSEE'S ASSISTANCE, ADVERTISING,  
COMPUTER SYSTEMS, AND TRAINING**

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

Master Licensee's Pre-Opening Obligations (Before You Start Business)

Before you begin your business, we will:

1. Arrange for you to attend the initial training program provided by ACNA. (Franchise Agreements- Section 7.1(A)). See also Item 7.
2. Help you write the initial "Your Action Plan" document, which serves as a blueprint for your start-up. (Franchise Agreements – Section 7.1(B)).
3. Provide you pre-opening guidance and supply you on-line access to advertising and promotional materials. (Franchise Agreements – Section 7.1(C)).
4. Assist you in determining the location of your office. However, the final selection of the location is your responsibility. (Franchise Agreements – Section 7.1(D)).
5. Direct ACNA to loan you a copy of the *Confidential Operating Manuals* via on-line access containing mandatory and suggested specifications, standards, operating procedures and guidelines prescribed by ACNA. (Franchise Agreements - Section 7.1(G)). The Manuals are confidential and remain the property of ACNA. ACNA modifies the Manuals but the modifications will not alter your status and rights under the Franchise Agreements. ACNA has implemented an online version of the Manuals and no longer provide written Manuals. The Table of Contents of the online Manual is in Exhibit M to this disclosure document.
6. Arrange for ACNA to provide you access to the ActionCOACH intranet (assuming that you have the necessary computer and communications equipment in place before opening; otherwise, access will be provided once the equipment is in place).

Time to Open

The typical length of time between signing and fully funding the ActionCOACH Business Coach Franchise Agreement and starting business is about one (1) to three (3) months. The principal

factors that affect this length of time are the scheduling of your ActionCOACH initial training and the time needed for your pre-opening preparations.

#### Master Licensee's Post-Opening Obligations (After Opening Your Business)

After you open for business:

1. Approve and arrange for you, your MDC, your Business Coaches to attend Franchisor's training program. (Franchise Agreements - Section 7.1(A)).
2. Assist you with the preparation of your initial business plan. (Franchise Agreements Section 7.1(B)).
3. Provide you pre-opening guidance and supply you on-line access to advertising and promotional materials. (Franchise Agreements – Section 7.1(C)).
4. Each week for the first 90 days after you open your business, we will provide you an opportunity to communicate either via personal telephone calls, team captain calls or team calls to discuss your operational challenges and to provide guidance for your marketing, sales and coaching activities. (Franchise Agreements - Section 7.1(D)).
5. Grant approval of your office location, if applicable, and assist in determining a good location for your office. The actual selection of your office location is your responsibility. (Franchise Agreements - Section 7.1(E)).
6. Help you arrange attendance at ACNA's annual regional conferences to discuss, refine skills and learn new marketing strategies, coaching techniques, training, performance standards, advertising programs and procedures. (Firm and Partner Franchise Agreement – Section 7.1(F)) and Item 7 in the Franchise Disclosure Document).
7. Help arrange for you to be provided the Franchisor's online Manuals and any amendments thereto promulgated by Franchisor. The Manuals for your Business Coaches, if applicable, will be supplied to you once Master Licensee receives an executed copy of the Managing Director Business Coach Agreement or Employee Business Coach agreement, as the case may be, and the Training Fee has been paid. (Franchise Agreements - Section 7.1(G)).
8. Inform you of changes and improvements to the System that ActionCOACH IPCo, Ltd. or ACNA may develop and authorize for use by Business Coaches. (Franchise Agreements – Section 7.1(H)).

#### Marketing and Advertising

FIRM Franchises generally contribute to the Marketing and Advertising Fund at the monthly rate of 5% of Gross Revenues during the preceding month capped in any given month at \$3,000, with a minimum of \$100. See also Item 6.

**PARTNER** Franchises contribute to the Marketing and Advertising Fund at the monthly rate of 5% of Gross Revenues from the preceding month, capped in any given month at \$1,000, with a minimum of \$100. See **Item 6**. In the past, franchises that operated as a single unit, and had

completed a full franchise term in good standing and the owner was past 70 years of age were able to transition into semi-retirement status (with a reduced number of clients) and were allowed a reduced rate of contribution after completion of the initial term and compliance with the terms of its initial franchise agreement.

We will remit all or a portion of the Marketing and Advertising Fees to ACNA to use for national marketing. The portion we retain and do not remit to ACNA is used for regional marketing programs in the the GoBIG Region which includes all affiliate Territories of our Master Licensee. We have final discretion over how those funds are used. In 2023, we used all funds we retained and spent for our franchisees to provide access to digital marketing surveys to attract prospective clients through SMA Digital; and DISC assessments through 24/7. In 2024, we are also using the retained Marketing and Advertising Fund to invest in a CRM package for our franchisees.

ACGM, under the direction of ACNA, administers all or a portion of the Marketing and Advertising Fees that we remit to ACNA. Neither we, ACNA nor ACGM has any contractual obligation to contribute our own funds for marketing or advertising purposes.

ACNA directs all national marketing programs supported by the Marketing and Advertising Fees collected from franchisees (see Item 6), with final discretion over creative concepts, materials, and media used in the programs and their placement. Marketing and Advertising fees may be used for any activities that ACNA believes would benefit ActionCOACH businesses generally, including, but not limited to, national and international advertising, promotion, production of advertising and promotion, marketing research and development, public relations, Internet, and reasonable administrative expenses related to these efforts (see Section 5 of the Franchise Agreements.) The media where advertising may be disseminated may be print, mail, telephone, radio, television, Internet, or any other media. Coverage of the media may be local, regional, or national. Creative materials may be produced in-house or by a national or local advertising agency.

**ACNA**

During ACNA’s fiscal year ended December 31, 2023, ACGM spent \$445,008 on marketing and advertising for the USA. These expenditures were allocated as follows:

Media placement	47.66%
Administrative Expenses	47.19%
Others	5.15%
Total	<hr/> 100%

**Territory**

During our fiscal year ending December 31, 2023, we spent \$24,165 on marketing and advertising for Ohio and Indiana. The expenditures were allocated as follows:

Media placement	0%
Administrative Expenses	10%
Other	90%
Total	<hr/> 100%

These figures are not audited. We or ACNA may make financial information relating to these expenditures available for your review, but we have no contractual obligation to do so.

Any Marketing and Advertising Fees not spent in the fiscal year in which we collect them are retained for use in future years. Neither we nor ACNA uses Marketing and Advertising Fees to solicit for the sale of franchises. Neither we nor ACNA is required to spend any specific amount on advertising in your local area or for the benefit of your Business Coach franchise. Neither we nor ACNA represents or guarantees that you will benefit from marketing programs in proportion to your contributions.

You may not publish or distribute any advertising or promotional material without our approval. If we object to any advertising or promotional material that you are using, you must immediately stop using it. If you operate a web site, you must obtain our prior approval as to the design, content, and appearance of the website, and we may require that you use our approved supplier for design, development, and hosting. We may require you to make your web site accessible only from our site or to not create links to other sites.

ACNA does not have a council of franchisees that advises on advertising policies. You do not have to participate in a local or regional advertising cooperative.

You may personalize your branding by adding a personalized term just above/before or just below/after the ActionCOACH marks, so long as (i) you follow the prescribed logo guidelines for the marks and (ii) ActionCOACH comprises a minimum of 51% or more of the size of branding and (iii) the personalization you are requesting is not already being used by another franchisee and (iv) Master Licensee and Franchisor approve the personalization in writing. Further, unless specifically approved by us and in conjunction with a DDMA in which you operate, you may not use any geographic name (city, region, county, state, etc.) in your personalized branding or in any website address or url.

#### Computer and Communications Systems

You must acquire, maintain, update and/or upgrade computer hardware and software for managing the business, performing accounting functions, and communicating with us. We do not require you to purchase computer hardware from a specific manufacturer and you can choose to purchase either a laptop or desktop computer. We do require you to obtain a modern system (Intel or AMD) that is capable of running Microsoft Windows 11 and Microsoft Office 365 with PowerPoint or a system capable of running the latest version of MacOS. You must also have or acquire an external hard drive, Adobe Reader software, Quickbooks or equivalent finance software, anti-virus software, a web browser, broadband connectivity, fax capabilities and an uninterruptible power supply and surge protect. More detailed specifications are found in Exhibit M. You must also acquire a Customer Relationship Management (CRM) software for managing your interactions with clients and sales prospects. This software provides sales reporting and analysis, information management and communication management.

You must also acquire from ACNA or an approved supplier an annual subscription to the ActionCOACH coaching platform for managing your interactions with Clients and sales prospects. The coaching platform provides sales reporting and analysis, information management and communication management.

If you already have equipment meeting ACNA’s specifications, no expenditure will be necessary. The estimated cost for these purchases up to \$5,000, depending on the equipment you may already own.

ACNA reserves the right to make changes in the computer and communications system specifications. Neither we, ACNA, any affiliate, nor any third party is obligated to provide ongoing maintenance, repairs, upgrades, or updates to your computer system.

You must acquire, maintain, upgrade and update hardware, software, and ISP or other communications system during the term of the franchise, at your own expense. There are no limitations on ACNA’s right to require upgrades and updates. ACNA does not currently recommend or require a specific type of maintenance, updating, upgrading or support contract.

The estimated annual cost for maintaining, updating and upgrading the computer system is \$1,000 for the FIRM franchise.

You will use the information and communications system to report to and communicate with us, for your accounting, and for other tasks we may designate. You must transmit information to us daily or at other intervals that we specify and in the form and manner we specify. You must also give us and ACNA independent access to the ActionCOACH-related information that will be generated and stored in your computer system. There are no contractual limits on our right to access the information, including sending our representatives to your office location to access your computer system.

Selection of Business Location

We do not select the location of your office or the seminar/meeting venues you use. However you must obtain our written approval of your office location. You can locate your office anywhere in the DDMA. The office must at all times be well presented and of a professional nature, using approved branding. You must notify us (in advance, if possible) if you intend to change your office or if you are unable to operate from your then-current office location (because of a taking by eminent domain, termination of your lease, mortgage default, damage, or repair, etc.). You can request permission to relocate your ActionCOACH business from the Territory to another master licensee’s territory ( see Item 12 for details).

The Firm Franchise Training Program

**10-DAY TRAINING PROGRAM  
For FIRM Franchisees and their MDCs**

<b>Subject</b>	<b>Hours Of Classroom Training</b>	<b>Hours Of On-The-Job Training</b>	<b>Location</b>
Firm Leadership and Development	7	0	Las Vegas, NV
Organizational Structure	7	0	Las Vegas, NV
Team Structure, Roles, Responsibilities	10	0	Las Vegas, NV

<b>Subject</b>	<b>Hours Of Classroom Training</b>	<b>Hours Of On-The-Job Training</b>	<b>Location</b>
Sales and Sales Processes	16	0	Las Vegas, NV
6 Steps and Growth Club	10	0	Las Vegas, NV
Team Building Activities	8	0	Las Vegas, NV
Membership System	6	0	Las Vegas, NV
Product Marketing and Sales	19	0	Las Vegas, NV
Goals and Planning	7	0	Las Vegas, NV
Review & Lock in Learning	9	0	Las Vegas, NV
Certification and Graduation	4	0	Las Vegas, NV
<b>Total</b>	<b>103</b>	<b>0</b>	

This mandatory training program will take place in Las Vegas, Nevada unless ACNA designates a different location or format (live or online). We will inform you of the upcoming training dates, locations and format before you sign your Franchise Agreement. This part of your initial training program currently lasts 10 days.

You will also be required to attend the 5-Day Training Program for EBCs as listed below. This training will be conducted over separate dates and in a virtual format. This is the same mandatory training as for an EBC. This part of your initial training program lasts 5 days.

You will attend this training program after (i) signing the Franchise Agreement; (ii) paying the franchise fee and franchisee training fee; (iii) satisfactorily completing pre-training; (iv) opening the business and (v) being approved by Master Licensee. Satisfactory completion of this training program is mandatory. If you fail to complete this training program, we may terminate your Franchise Agreement. See below for information on trainers for this training program.

**5- DAY TRAINING PROGRAM  
For Firm Franchisees, MDCs and EBCs**

<b>Subject</b>	<b>Hours Of Classroom Training</b>	<b>Hours Of On-The-Job Training</b>	<b>Location</b>
Culture, Mindset, Leadership	8	0	Virtual or Las Vegas
Alignment Process and Plans	4	0	Virtual or Las Vegas
Positioning Weeks 1 to 6	3	0	Virtual or Las Vegas
5 Ways and 4 Ways Systems	8	0	Virtual or Las Vegas
6 Steps to Building a Business	8	0	Virtual or Las Vegas

<b>Subject</b>	<b>Hours Of Classroom Training</b>	<b>Hours Of On-The-Job Training</b>	<b>Location</b>
GrowthCLUB, 90 Day Planning, 13 Weeks	4	0	Virtual or Las Vegas
Systems, Tools, Processes	4	0	Virtual or Las Vegas
Responsibilities Reporting, KPIs, Systems	3	0	Virtual or Las Vegas
DISC and VAK	3	0	Virtual or Las Vegas
Review and Lock in Learning	3	0	Virtual or Las Vegas
Certification and Graduation	2	0	Virtual or Las Vegas
<b>Total</b>	<b>50</b>	<b>0</b>	

This mandatory training program is five (5) days and will take place either virtually or in Las Vegas, Nevada unless ACNA designates a different location or format (live or online).

We will inform you of the upcoming training dates and format before you appoint an Employee Business Coach. If you purchase a FIRM franchise, your EBC must satisfactorily complete this training program before providing business coaching services. See below for information on trainers for this training program.

The PARTNER Franchise - Training Program

**7-DAY TRAINING PROGRAM FOR “THE PARTNER”**

**For Partner Franchisees – 5-Day Program**

<b>Subject</b>	<b>Hours Of Classroom Training</b>	<b>Hours Of On-The-Job Training</b>	<b>Location</b>
Culture, Mindset, Leadership	8	0	Virtual or Las Vegas
Alignment Process and Plans	4	0	Virtual or Las Vegas
Positioning Weeks 1 to 6	3	0	Virtual or Las Vegas
5 Ways and 4 Ways Systems	8	0	Virtual or Las Vegas
6 Steps to Building a Business	8	0	Virtual or Las Vegas
GrowthCLUB, 90 Day Planning, 13 Weeks	4	0	Virtual or Las Vegas
Systems, Tools, Processes	4	0	Virtual or Las Vegas
Responsibilities Reporting, KPIs, Systems	3	0	Virtual or Las Vegas

<b>Subject</b>	<b>Hours Of Classroom Training</b>	<b>Hours Of On-The-Job Training</b>	<b>Location</b>
DISC and VAK	3	0	Virtual or Las Vegas
Review and Lock in Learning	3	0	Virtual or Las Vegas
Certification and Graduation	2	0	Virtual or Las Vegas
<b>Total</b>	<b>50</b>	<b>0</b>	

**For Partner Franchisees – 2-Day Program**

<b>Subject</b>	<b>Hours Of Classroom Training</b>	<b>Hours Of On-The-Job Training</b>	<b>Location</b>
Review	1.75	0	Virtual or Las Vegas
Sales processes and Sales Training	3.75	0	Virtual or Las Vegas
Operations	3.75	0	Virtual or Las Vegas
Planning and Finances	4	0	Virtual or Las Vegas
Core Product Ladder	3	0	Virtual or Las Vegas
Promotions and Marketing	1.5	0	Virtual or Las Vegas
Personal Development Growth & Alignment	1.25	0	Virtual or Las Vegas
Graduation	1	0	Virtual or Las Vegas
<b>Total</b>	<b>20</b>	<b>0</b>	

This mandatory 2-day partner franchisee training program will take place virtually or live in Las Vegas unless ACNA designates a different format (live or online). We will inform you of the upcoming training dates, locations, and format before you sign the Business Coach Franchise Agreement. This initial training program currently lasts seven (7) days in total. It consists of a five (5) day program and a two (2) day program, both conducted virtually. You will attend this training program after signing the Franchise Agreement, paying the franchise fee and franchisee training fee, and before opening for business. Satisfactory completion of the Franchisee Training program is mandatory. If you fail to complete this training program, we may terminate your Franchise Agreement. See below for information on trainers for this training program.

The above training programs and the trainers are under the direction of ACNA personnel. The instructors are ActionCOACH franchisees and business coaches who have varying lengths (but at least 12 months) of personal experience in marketing, sales, coaching, and diagnostic methods that they have used in their own businesses. Instructional materials and techniques used include the Manuals, discussion notes, PowerPoint slides, case studies, flipcharts, and role-playing. See Exhibit M to this disclosure document for our current training outlines.

ACNA reserves the right to make changes to any of the above training formats as needed to ensure the best training results for franchisees and their employees.

*Subsequent Training.* Except if you have failed to meet Minimum Performance Requirement (discussed more fully in Item 12 and Attachment 1 of the Franchise Agreement), we offer, but do not require you or any of your personnel and Business Coaches to attend additional or advanced training. If you elect to attend additional training or we require you to attend for failure to meet Minimum Performance Requirement, you must pay whatever charge is made by us or by third party trainers, if any, plus your travel, food, and accommodations, and all other necessary expenses, as well as those of your MDC and /or EBCs who attend training. These expenses are subject to increase.

*Mandatory Attendance at Conferences.*

At least once a year, ACNA organizes Regional Conferences and every year you are required to attend at least one (1) of these regional conferences. Conference fees for you and your EBCs/Key Personnel at the regional conferences are included in the Quarterly Conference and Technology Fee. However, travel to and from, accommodation during and meals outside the regional conference are not covered. You, or your MDC are required to attend Regional Conferences. EBC and Key Personnel are encouraged to attend Regional Conferences, but it is not a requirement to attend. In addition, at least once per year, ACNA organizes a Global Conference which may be held outside of the U.S. You are encouraged but not required to attend Global Conference. You will have to pay a registration fee for each person attending the Global Conference and your own travel, accommodation and meal costs. It is possible that one of the mandatory conferences will occur during the initial months of your franchise.

## ITEM 12

### TERRITORY

#### **The FIRM**

We grant you the right to operate the franchise from one (1) specific a location approved by us. You are granted a limited, semi-exclusive Direct Marketing territory referred to as the Designated Direct Marketing Area (DDMA). The DDMA is described in Attachment 3 of the FIRM Business Coach Franchise Agreement by contiguous zip codes, postal codes and/or counties. After we grant you a FIRM franchise, we will not grant any new franchises nor license others to engage in any Direct Marketing to businesses within your DDMA. However, if any existing franchisee(s) have an existing right to provide coaching services and engage in Direct Marketing within the DDMA you have selected, we will provide details of each franchisee in Attachment 3 of your Franchise Agreement, and those franchisees will retain their Direct Marketing rights within your DDMA and may compete with you.

The standard DDMA for a FIRM is approximately 10,000 businesses at the time of granting you a FIRM Business Coach Franchise Agreement. We will use third party demographic information service suppliers to determine the number of businesses in the DDMA you have chosen, based on U.S. Census Bureau information.

Your DDMA may be materially different to the DDMA of other franchisees due to differences in business population, density, business type, number of employees employed by the business, annual growth rates, annual incomes or other local economic and market conditions. We are under no obligation to grant you similar or like demographic profiles as other franchisees.

The DDMA may fluctuate in size during the term of your FIRM Business Coach Franchise Agreement due to factors beyond our control, such as an increase or decrease in the number of existing businesses due to economic or other conditions or a change in demographics. A reduction in the number of businesses or change in the demographic of the DDMA will not result in a refund or reduction in the franchise fee. An increase in the number of businesses of the DDMA will not result in your payment of an additional franchise fee.

You can locate your office anywhere in the DDMA at a location we approve. Your initial office location will be specified in the FIRM Business Coach Franchise Agreement. If you wish to relocate your office within your DDMA, you must obtain our prior consent. The primary factor we consider in evaluating any proposed location is whether it is professionally presented. We will not unreasonably withhold our consent to your relocation within your DDMA. Your initial working office can be at your home, so long as you have a subscription to use a professional location can be a shared office space for business meetings with clients, prospective clients and strategic partners.

You can market and provide your services in or to any part of your DDMA, but you may not advertise in any media whose primary circulation or footprint is outside of your DDMA unless otherwise approved by us. If you receive a request from a Client or prospective Client to provide services outside of your DDMA, you must refer the request to us. If the Client's or prospective Client's principal office is outside of your DDMA and no master licensee or Business Coach has been approved to operate in that area, we may refer the prospective Client back to you.

Unless otherwise approved by us, within 90 days of you or your MDC attending ACNA's initial franchise training, you must provide us a reasonable 3-year business plan that we approve demonstrating you will be on pace to meet or exceed minimum performance goals and achieve at least 2.5% minimum market penetration of employer establishments in your DDMA buying 1:1 coaching services from your FIRM franchise and 2.5% of non-employer establishments in your DDMA buying group training or coaching programs from your FIRM franchise by the beginning of your 11<sup>th</sup> year.

Unless otherwise approved in writing by us, after the first 12 months of your Franchise Agreement, you must meet a monthly quota referred to as the "Minimum Performance Requirement," which is \$10,000 per month starting on the 2<sup>nd</sup> year of your Franchise Agreement, \$20,000 per month starting on the 3<sup>rd</sup> year of your Franchise Agreement, \$30,000 per month starting on the 4<sup>th</sup> year of your Franchise Agreement, \$40,000 per month starting on the 5<sup>th</sup> year of your Franchise Agreement, \$50,000 per month starting on the 6<sup>th</sup> year of your Franchise Agreement, \$60,000 per month starting on the 7<sup>th</sup> year of your Franchise Agreement, \$70,000 per month starting on the 8<sup>th</sup> year of your Franchise Agreement, \$80,000 per month starting on the 9<sup>th</sup> year of your Franchise Agreement and onwards.

Attachment 1 of your Franchise Agreement (Exhibit A to this disclosure document) includes both the Minimum Performance Requirement and Minimum Key Personnel requirements. If you fail to meet the Minimum Performance Requirement in any assessment period, you must meet with us, at your expense, to discuss the performance of your business and develop a plan that we approve.

Further, any options, rights of first refusal or similar rights to acquire additional franchises or DDMA's will expire if you fail to meet the Minimum Performance Requirement.

### **The PARTNER**

You are granted the right to operate the franchise from one (1) specific location approved by us. You will not receive an exclusive DDMA. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we own.

You will be assigned a non-exclusive DDMA that will be described in an attachment to the PARTNER Business Coach Franchise Agreement.

You can locate your office anywhere within your DDMA at a location we approve. Your initial office location will be specified in the PARTNER Business Coach Franchise Agreement. If you wish to relocate your office within your Designated Territory, you must obtain our prior consent. The primary factor we consider in evaluating any proposed location is whether it is professionally presented. We will not unreasonably withhold our consent to your relocation within your DDMA.

You may request our approval to relocate your Business Coach business to the territory of another ActionCOACH master licensee. If both we and the other master licensee approve, we will assign your PRACTICE Business Coach Franchise Agreement to the master licensee for the new territory, and upon the assignment you must pay us a relocation fee of \$10,000 to compensate us for our lost future income from your franchise.

Unless otherwise approved by us in writing, after the first 12 months of operations, you must meet a monthly quota referred to as the Minimum Performance Requirement, which is \$5,000 of Gross Revenue per month starting on the 2<sup>nd</sup> year of your Franchise Agreement, \$7,500 per month starting on the 3<sup>rd</sup> year of your Franchise Agreement, \$10,000 per month starting on the 4<sup>th</sup> year of your Franchise Agreement and onwards.

See also Attachment 1 of the (Practice) Franchise Agreement (Exhibit B to this disclosure document). Minimum Performance Requirement is averaged over an assessment period of 3-months. If you fail to meet the Minimum Performance Requirement in any assessment period, you must meet with us, at your expense, to discuss the performance of your business and develop a plan that we approve. Further, any options, rights of first refusal or similar rights to acquire additional franchises or DDMA's will expire if you fail to meet the Minimum Performance Requirement.

### **For Both FIRM and PARTNER Models**

We may authorize another Business Coach to provide coaching services to clients within the DDMA where we are satisfied that the Business Coach has been referred because of an existing personal or client relationship and not from Direct Marketing.

There are no circumstances under which we can modify your DDMA without your written consent.


However, we, ACIP and ACNA have the right to sell products in your DDMA via Across-Area Marketing Programs that reach customers and potential customers anywhere. We do not have

to compensate you for soliciting or accepting orders from inside your DDMA. Across-Area Marketing Programs can be any type of Internet, television, electronic, co-branding, alliance, or affinity program, policy or marketing strategy. For example, ACIP and/or its licensees sell products and speaker's services (see Item 8), over the Internet and on television, using the ActionCOACH marks. ACNA, ACIP and their affiliates have the right to establish other franchises, outlets, or distribution channels that may sell similar products and services under trademarks other than the ActionCOACH mark without compensating you, though they have no present plans to do so. As a result, you may face competition from channels of distribution or competitive brands that ACNA controls.

### ITEM 13

#### TRADEMARKS

The following service marks are registered on the Principal Register of the United States Patent and Trademark Office (USPTO):

Mark	Registration Date	Registration Number	Class
ACTION COACH	December 9, 2008	3544043	9, 16, 25, 28, 35
	December 9, 2008	3544044	9, 16, 25, 28, 35

ACIP has filed all required affidavits, and the registrations have been renewed.

By virtue of an assignment from ActionCOACH Limited in 2012, ACIP became the registered owner of the marks above and intends to file an affidavit of incontestability, and renewal applications when due, for each registered mark. Renewal applications were submitted and accepted by the USPTO for each of these registered marks as of December 2018.

Under a license dated July 1, 2012, ACIP granted ACNA the exclusive right to license the ActionCOACH trademarks and other intellectual property in the Territory, among others. The license is for a term of 99 years, and is terminable by ACIP only if: (i) ACNA fails to cure a material default within 90 days after receiving notice of default from ACIP; (ii) ACNA or any of its directors or executive officers is convicted (or pleads no contest to) of a felony, crime involving moral turpitude, or other crime that is likely to harm ACIP's goodwill in the trademarks; (iii) ACNA's assets are attached pursuant to court order; (iv) ACNA becomes insolvent or the subject of bankruptcy or dissolution proceedings, or ceases to do business. The license provides that, if the license to ACNA expires or terminates for any reason, ACNA's direct Business Coaches and Master Licensees, as sublicensees, will automatically become direct licensees of ACIP; so that your rights to use the marks under your Franchise Agreement will remain in effect.

There are no other agreements currently in effect that significantly limit our rights to use or license you to use the principal trademarks.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending infringements, opposition or cancellation proceedings, or any pending material litigation involving the principal trademarks. Neither we nor ACNA is aware of any superior prior rights or infringing uses that could materially affect your use of the principal trademarks in the Territory or elsewhere.

You must notify us immediately if you become aware of any infringement of, or challenge to, your use of the principal trademarks. The Franchise Agreement does not require us to defend you or indemnify you against any third-party claim or demand arising out of your use of the principal trademarks, but we or ACNA may do so voluntarily and have the right to control any proceeding or litigation involving the principal trademarks. You must assist and cooperate with us or ACNA in taking such action, if any, as we or ACNA deem appropriate to protect the Confidential Information (as described in the Franchise Agreement) and the principal trademarks.

If we notify you that ACIP has changed, discontinued, or substituted for any of the trademarks, you must comply with the changes at your own expense. You may not contest ACIP's ownership of, or ACNA's right to use and sublicense, any of the trademarks. On expiration or termination of the Franchise Agreement for any reason, you must cease using the trademarks.

#### **ITEM 14**

##### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

There are no patents that are relevant to the franchise. However, ACIP, by way of assignment from ActionCOACH Limited in July 2012, claims copyrights in and/or trade secret protection with respect to all materials (including books, and forms), systems, customer lists, supplier lists, Manuals, software, electronic communications, Intranets, Web Pages, shows, events, marketing plans, and research and development related to the ActionCOACH concept. ActionCOACH Limited and ACIP has not registered the copyright in any of these materials. ACNA has been licensed by ACIP to use this intellectual property in the U.S.A. and to sublicense it to us and you. The license from ACIP to ACNA is cancelable only in the situations described in Item 13.

You must treat the Manuals, the information contained in them, and all other trade secrets, know how, methods, information, recruiting techniques, accounting procedures, control procedures, marketing techniques and customer and prospect data relating to the System as confidential information owned by ACIP. You may not divulge any of this proprietary information or use it for any purpose other than the operation of your Business Coach franchise. You must have your Business Coaches and employees sign nondisclosure and noncompete agreements similar to those binding you. A sample employee nondisclosure and noncompete agreement is in Exhibit D. You must promptly tell us when you learn about unauthorized use or disclosure of any of ACIP's proprietary materials or information.

#### **ITEM 15**

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

###### **FIRM Franchise**

As a FIRM owner, you do not have to participate in the direct operation of the FIRM personally. Only one (1) person may be the MDC at any given time. Ordinarily, you will personally serve as the MDC, however, you may appoint another individual to serve as MDC in your place only if we approve you in writing to appoint the MDC. We will only approve the MDC if he or she: (a) has

been interviewed and approved by us and trained by ACNA; (b) has signed a Managing Director Business Coach Agreement (in Exhibit D1) with you and us; (c) has direct responsibility for all business operations of the franchise and the authority to bind you in any dealings with us and ACNA; and (d) has been trained or will be trained. This person does not need to have an ownership interest in your business. We will not unreasonably withhold approval of a proposed MDC unless the individual has a poor record of business performance or would otherwise be detrimental to the ActionCOACH brand in the marketplace.

In addition to the MDC, you may appoint an unlimited number of individuals to serve as EBCs as long as the individuals have (a) interviewed and been approved by us; (b) signed an approved form of Employee Business Coach Agreement (in Exhibit D2) with you; and (c) have been trained or will be trained by ACNA. We will not unreasonably withhold approval of a proposed EBC unless the individual has a poor record of business performance or would otherwise be detrimental to the ActionCOACH brand in the marketplace.

If a corporation, limited liability company, or other legal entity purchases the franchise, all owners of the entity must personally guarantee its obligations to us. The current form of personal guaranty is Attachment 2 to the Firm Franchise Agreement. Your spouse does not have to sign a personal guaranty unless he or she is an owner. You will also sign a Confidentiality and Noncompetition Agreement, which is attached to this Franchise Disclosure Document as Exhibit E.

#### PARTNER Franchise

As a PRACTICE owner, you will participate personally in the direct operation of your business and will serve as your only Business Coach. If a corporation, limited liability company, or other legal entity purchases the franchise, you as the owner of the entity must personally guarantee its obligations to us. The current form of personal guaranty is Attachment 2 to the Practice Franchise Agreement. Your spouse does not have to sign a personal guaranty unless he or she is an owner. You will also sign a Confidentiality and Noncompetition Agreement, which is attached to this Franchise Disclosure Document as Exhibit E.

### ITEM 16

#### RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Unless approved in writing by us, you may offer only the coaching services and related products that ACNA has approved for sale by Business Coaches in the U.S.A. You may not offer any legal advice, accounting or tax services, or other professional advice or services which require a license from the state unless those services are through a separate business that you own and are distinctly not part of the ActionCOACH offering. You must offer all products and services that ACNA specifies to be made available to Clients. We or ACNA may change the types of authorized goods or services. ACNA or we will communicate any changes to you. There are no limits on our or ACNA's right to make changes in this area.

You may not advertise in any media whose primary circulation or footprint is outside your DDMA. You may not engage in direct marketing to customers or prospects outside of your DDMA. Web advertising will be subject to the terms and conditions ACNA specifies. If you receive a request from a Client or prospective Client to provide services outside of the DDMA, you must refer the request to us or the appropriate Master Licensee if a different Territory. If the prospective Client's

principal office is outside of your DDMA and no Business Coach has been licensed to operate in that area, then we or the appropriate Master Licensee may refer the prospective Client back to you for coaching services.

**ITEM 17**

**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP FOR THE “FIRM” and “PARTNER”**

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

<b>Provision</b>	<b>Section</b>	<b>Summary for the FIRM</b>	<b>Summary for the PARTNER</b>
a. Length of the franchise term	Section 2	15 years for the FIRM	7 years
b. Renewal or extension of the term	Section 2	Successive 15 years	Successive 7 year terms

Provision	Section	Summary for the FIRM	Summary for the PARTNER
c. Requirements for franchisee to renew or extend	Section 2	Give notice at least 6 months before expiration, be current in payments and remedy any specified breaches, have received no more than 1 notice of default in last 24 months, good record of compliance with Agreement and Manual, achieve minimum performance, and Business Coach requirements (for the FIRM franchises), sign updated form of franchise agreement (which may contain materially different terms and conditions than your original agreement), upgrade image and appearance of business as needed, pay renewal fee, sign release.	Give notice at least 6 months before expiration, be current in payments and remedy any specified breaches, have received no more than 1 notice of default in last 24 months, good record of compliance with Agreement and Manual, achieve minimum performance, and Business Coach requirements (for the FIRM franchises), sign updated form of franchise agreement (which may contain materially different terms and conditions than your original agreement), upgrade image and appearance of business as needed, pay renewal fee, sign release. <b>Note:</b> The new franchise agreement may have materially different terms and conditions than the Franchise Agreement for your initial term. Fees on renewal will not be greater than the fees agreed to by similarly situated renewing franchises.
d. Termination by franchisee	Section 17.1	You can terminate if we commit a material default and fail to cure within 60 days. This provision is subject to state law.	You can terminate if we commit a material default and fail to cure within 60 days. This provision is subject to state law
e. Termination by Master License without cause	Not applicable	Not applicable	Not applicable
f. Termination by Master Licensee for cause	Section 17.2 & 17.3	We may terminate your franchise for cause.	We may terminate your franchise for cause.

Provision	Section	Summary for the FIRM	Summary for the PARTNER
g. "Cause" defined - curable defaults	Section 17.3	You have 30 days to cure for non-payment of fees, non-submission of reports, and any other default not listed in h. below.	You have 30 days to cure for non-payment of fees, non-submission of reports, and any other default not listed in h. below.

<p>h. "Cause" defined – non-curable defaults</p>	<p>Section 17.2</p>	<p><b>Your Franchise Agreement will terminate upon notice without your ability to cure any defaults if you:</b></p> <ul style="list-style-type: none"> <li>A. Voluntarily abandon the franchise relationship;</li> <li>B. Are convicted of a criminal offense directly related to the Business, or convicted of any felony;</li> <li>C. Fail to cure a default under this Agreement which materially impairs the goodwill associated with the Marks within twenty-four (24) hours after receiving written notice to cure;</li> <li>D. Fail to cure a material violation of any health, safety, sanitation or other regulatory law, ordinance, standard, practice or regulation, or operate the Business in a manner that presents a health or safety hazard to its employees, Clients, or the general public;</li> <li>E. Make or permit an unauthorized transfer of this Agreement or of any direct or indirect interest in the Business;</li> <li>F. Submit to Master Licensee two (2) or more sales reports, financial statements, or other information or supporting records, in any period of twelve (12)</li> </ul>	<p><b>Your Franchise Agreement will terminate upon notice without your ability to cure any defaults if you:</b></p> <ul style="list-style-type: none"> <li>A. File a petition in bankruptcy, you are adjudicated as bankrupt or Insolvent, are under receivership or substantial assets are assigned to or for the benefit of creditors.</li> <li>B. Make any material misrepresentations relating to your acquisition of the Franchise or in connection with the operation of the Franchise including any intentional understatement of revenue on more than one occasion.</li> <li>C. Engage in any conduct or activities that, in our reasonable opinion, is detrimental or harmful to our goodwill, reputation or interests, or to the System or the Marks, and you continue or repeatedly fail to cease and desist from such conduct or activities after written notice to do so from us.</li> <li>D. Fail to comply with any material federal, state, or local law or regulation applicable to the operation of your Franchise.</li> <li>E. Continue the same condition for more than 20 business days after receiving notice from an authority that you are</li> </ul>
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		<p>consecutive months, which understate by more than five percent (5%) the Gross Revenues of the Business;</p> <p>G. Fail to submit sales reports or financial statements when due on three (3) or more occasions in any twelve (12) month period;</p> <p>H. Fail to pay Royalty Fees, Marketing and Advertising Fees, or other amounts owed to Master Licensee when due on three (3) or more occasions in any twelve (12) month period;</p> <p>I. Fail on three (3) or more occasions in a twelve (12) month period to pay creditors, employees, or suppliers on a timely basis;</p> <p>J. Fail on three (3) or more occasions in a thirty-six (36) month period to achieve an overall score of at least eighty percent (80%) on Franchisor's compliance audit or score of at least seventy percent (70%) for any section of the compliance audit;</p> <p>K. Fail to achieve Minimum Performance Requirement in three (3) or more Assessment Periods during the Term.</p>	<p>not in compliance with a law.</p> <p>F. You are convicted of a crime or are subject to a material disciplinary action.</p> <p>G. A regulatory authority suspends or revokes a material license or permit held by you that is required to operate the Franchise.</p> <p>H. Violate any covenant not to compete or relating to confidential information.</p> <p>I. Fail to pay us money within 10 days of receiving demand for it.</p> <p>J. Make an unauthorized transfer.</p> <p>K. Fail to timely supply us information or documents required under the Franchise Agreement or the Manuals within 10 days of receiving demand from us.</p> <p>L. Another agreement between you or your affiliates and us or our affiliates is terminated; or</p> <p>M. Fail to continuously meet the Minimum Performance Requirement beginning 6 months after meeting with us and creating a written plan for addressing your first failure to meet the Minimum Performance Requirement.</p>
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Provision	Section	Summary for the FIRM	Summary for the PARTNER
i. Franchisee's obligations on termination/ non-renewal	Sections 6.2, 14.4, 15, 16.2, 16.7 & 18	Obligations include notification to Clients and prospective clients, payment of amounts due, complete de-identification and cessation of use of marks, surrender of Client and prospective client database, withdrawal of fictitious name filings, payment of liquidated damages (if we terminate based on your default), and compliance with indemnification clause and post-term non-compete. In case of violation of the confidentiality or non-competition covenants, you will be liable for liquidated damages in the amount of \$250,000.	Obligations include notification to Clients and prospective clients, payment of amounts due, complete de-identification and cessation of use of marks, surrender of Client and prospective client database, withdrawal of fictitious name filings, payment of liquidated damages (if we terminate based on your default), and compliance with indemnification clause and post-term non-compete. In case of violation of the confidentiality or non-competition covenants, you will be liable for liquidated damages in the amount of \$250,000.
j. Assignment of contract by franchisor	Section 20.1, 19.2	No restriction on our right to assign. If our Master License Agreement expires or is terminated, our interest in your agreement is automatically assigned to ACNA, which will be responsible only for obligations after the date of its assumption of your agreement.	No restriction on our right to assign. If our Master License Agreement expires or is terminated, our interest in your agreement is automatically assigned to ACNA, which will be responsible only for obligations after the date of its assumption of your agreement.
k. "Transfer" by franchisee - defined	Section 20.2	Includes assignment of the Franchise Agreement and sale or other transfer of any ownership interest in the business.	Includes assignment of the Franchise Agreement and sale or other transfer of any ownership interest in the business.
l. Franchisor approval of transfer by franchisee	Section 20.2	We have the right to approve all transfers.	We have the right to approve all transfers.

Provision	Section	Summary for the FIRM	Summary for the PARTNER
m. Conditions for Master Licensee approval of transfer	Section 20.3,	We approve proposed transferee, transferee pays training fee and completes training, you pay outstanding obligations and cure other defaults, you sign general release and pay transfer fee, transferee signs new franchise agreement (at our option). If you are a FIRM owner, you may not transfer your Managing Director Business Coach Agreement and/or any of your individual Employee Business Coach agreements unless you are transferring all such existing agreements together as a complete franchise.	We have the right to approve all transfers.
n. Master Licensee's right of first refusal to acquire franchisee's business	Section 20	We can match any offer for your business.	We can match any offer for your business.
o. Master Licensee's option to purchase franchisee's business	Section 20	Only after notice of your intention to sell to a third party. See n. above.	Only after notice of your intention to sell to a third party. See n. above.
p. Death or disability of franchisee	Section 20.5	Your heirs or personal representatives must apply within 120 days for consent to transfer your interest. Standard conditions apply, except no transfer fee is required. In case of death, your executor can buy out of the remaining term of the Franchise Agreement.	Your heirs or personal representatives must apply within 120 days for consent to transfer your interest. Standard conditions apply, except no transfer fee is required. In case of death, your executor can buy out of the remaining term of the Franchise Agreement.

Provision	Section	Summary for the FIRM	Summary for the PARTNER
q. Non-competition covenants during the Term of franchise	Sections 16.1 and 16.7	No involvement in any business that offers business coaching or mentoring services in the U.S.A. (“Competing Business”). You may not employ or otherwise interfere with the employment relationship of any person who is employed by us, ACNA or any Master Licensee. In case of violation of the non-competition covenants, you will be liable for liquidated damages in the amount of \$250,000. Noncompetition provisions are subject to state law.	No involvement in any business that offers business coaching or mentoring services in the U.S.A. (“Competing Business”). You may not employ or otherwise interfere with the employment relationship of any person who is employed by us, ACNA or any Master Licensee. In case of violation of the non-competition covenants, you will be liable for liquidated damages in the amount of \$250,000. Noncompetition provisions are subject to state law.
r. Non-competition covenants after the franchise is terminated or expires	Sections 16.2 and 16.7	You may not engage in any of the activities described in q. above for 2 years after expiration, termination, or transfer. All of the above applies in the DDMA and for 100 miles outside of the DDMA. In case of violation of the non-competition covenants, you will be liable for liquidated damages in the amount of \$250,000. Noncompetition provisions are subject to state law.	You may not engage in any of the activities described in q. above for 2 years after expiration, termination, or transfer. All of the above applies in the DDMA and for 100 miles outside of the DDMA. In case of violation of the non-competition covenants, you will be liable for liquidated damages in the amount of \$250,000. Noncompetition provisions are subject to state law.
s. Modification of the agreement	Sections 10.3 & 22.5	Amendments must be in writing. ACNA has the right to make changes to the Manuals.	Amendments must be in writing. ACNA has the right to make changes to the Manuals.

Provision	Section	Summary for the FIRM	Summary for the PARTNER
t. Integration/merger clause	Section 22.5	Only the terms of the Franchise Agreement are binding (subject to state law; see Exhibit G). Any other promises may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this disclosure document.	Only the terms of the Franchise Agreement are binding (subject to state law; see Exhibit G). Any other promises may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 22.9	All disputes are to be resolved by mediation and arbitration.	All disputes are to be resolved by mediation and arbitration.
v. Choice of forum	Section 22.9	If ACNA is a party, then the exclusive venue for arbitration is the city or county where ACNA has its headquarters at the time the arbitration demand is filed (currently Las Vegas, Nevada), otherwise the city or county in which we have our headquarters at the time (currently Columbus, Ohio). No forum selection clause for litigation. State franchise statutes may supersede this choice of forum, but may be preempted by the Federal Arbitration Act; see Exhibit G.	If ACNA is a party, then the exclusive venue for arbitration is the city or county where ACNA has its headquarters at the time the arbitration demand is filed (currently Las Vegas, Nevada), otherwise the city or county in which we have our headquarters at the time (currently Canal Winchester, Ohio). No forum selection clause for litigation. State franchise statutes may supersede this choice of forum, but may be preempted by the Federal Arbitration Act; see Exhibit G.

Provision	Section	Summary for the FIRM	Summary for the PARTNER
w. Choice of law	Section 22.8	If ACNA is a party, the law of the state where ACNA has its headquarters at the time of the dispute governs the contract (currently, Nevada), otherwise the law of the state where we have our headquarters at the time of the dispute governs (currently Ohio). State law may override this provision; see Exhibit G.	If ACNA is a party, the law of the state where ACNA has its headquarters at the time of the dispute governs the contract (currently, Nevada), otherwise the law of the state where we have our headquarters at the time of the dispute governs (currently Ohio). State law may override this provision; see Exhibit G.

If applicable, Exhibit C to this disclosure document includes an addendum to the Franchise Agreement to implement contract changes required by your state. If applicable, Exhibit H contains additional disclosures required by your state.

## ITEM 18

### PUBLIC FIGURES

Neither we nor ACNA currently uses any public figure or personality to promote the ActionCOACH franchises.

## 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.

Except as set forth in the Tables below, we do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of an ActionCOACH franchise.

Actual results will vary from franchise to franchise, and we cannot estimate or predict the results of any particular franchise due to a number of external and internal factors which we are unable to determine, including but not limited to, management, competition, demand for our services, economic and market conditions and market demographics.

All data in this Item 19 was based on unaudited data reported to us directly by our ActionCOACH franchisees for each of their outlets in the ActionCOACH Key Performance Indicator system. The reporting of this data is on a voluntary basis. Data is comprised of results of Firm and Practice Models. The Firm Model differs from that of the Partner in that it is not designed to be an owner-operated company. The Firm Model is able to continue growing through a virtually unlimited number of business coaches. The Practice Model is similar to the Partner Model in that they are single owner-operated businesses. The Practice Premium Model was a predecessor to the Firm and allowed a Practice to add one (1) to two (2) EBC's to the business but without a DDMA. The Practice and Practice Premium models are no longer available. All dollar amounts are in U.S. Dollars.

Written substantiation for the financial performance representations will be made available to you upon reasonable request, which will be provided in a manner that does not require disclosure of the identity of a specific business coach or franchisee, or require the release of business-coach or franchisee-specific data without the consent of the business coach or franchisee.

#### **GOBIG REGION – ALL AFFILIATE TERRITORIES OF MASTER LICENSEE**

##### **ILLINOIS, INDIANA, MICHIGAN, MINNESOTA, OHIO & WISCONSIN**

Table 1 is a historical representation of the unaudited average and median annual Collected Revenues (as defined below) self-reported by each of the 26 franchised outlets located in the entire GoBIG Region that had operated as a franchisee for a consecutive 12-month period for the fiscal year ending December 31, 2023 (the "Benchmark Outlets"). These criteria were chosen to present historical data that covered 1 full year of an outlet's operations. All franchise outlets in the Region for the reported periods are FIRM and PRACTICE franchises (Practice, Practice Premium).

**Table 1 – Unaudited Average Collected Revenues for the GoBIG Region**

Median Annual Collected Revenues	Average Annual Collected Revenues	Benchmark Outlets that Reached/Exceeded Average			
		Percentage of Benchmark Outlets that Reached or Exceeded Average Collected Revenues of \$290,855	No. of Benchmark Outlets that Reached or Exceeded Average Collected Revenues of \$290,855	Highest Amount of Annual Collected Revenues	Lowest Amount of Annual Collected Revenues
\$222,473	\$290,855	38%	10	\$864,208	\$291,572

Table 2 is a historical representation of the unaudited Collected Revenues of each of the individual Benchmark Outlets for the fiscal year ending December 31, 2023 which were self-reported by the franchisees.

**Table 2 - Unaudited Gross Revenues of the 26 Benchmark Outlets in the Entire GoBIG Region**

Collected Revenues		Collected Revenues	
1 <sup>A</sup>	\$864,208	14	\$191,816
2	\$703,275	15	\$146,117
3 <sup>A,B</sup>	\$668,260	16	\$135,891
4 <sup>A</sup>	\$618,552	17	\$118,145
5 <sup>A</sup>	\$592,039	18 <sup>C</sup>	\$111,501
6	\$586,020	19 <sup>A</sup>	\$107,362
7 <sup>A</sup>	\$547,682	20	\$83,738
8	\$397,934	21	\$83,275
9 <sup>B</sup>	\$304,299	22	\$69,930
10 <sup>A</sup>	\$291,572	23	\$60,195
11	\$276,029	24 <sup>D</sup>	\$48,940
12	\$255,643	25	\$45,000
13	\$253,130	26	\$1,687

Our affiliate, Buji Business, LLC (Buji Business), operates a company-owned outlet that provides the same, or substantially similar, products and services to its Clients as you will provide. The Collected Revenues of Buji Business are not included in the Tables above. Buji Business had Collected Revenues of \$305,056 during our 2023 fiscal year. Buji Business' Collected Revenues exceeded the average Gross Revenues of the 17 Benchmark Outlets described in Table 1 above.

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

Notes:

- (1) "Collected Revenues" means the total receipts derived by each outlet from services performed and products sold by or in connection with the Business. Any property or services received from Clients in exchange for Coaching Services by each outlet will be included in Collected Revenues at their fair market value at the time received. Collected Revenues do not include sales taxes or credits such as the sale price of any products returned by Clients or other taxes that an outlet collects from Clients and pay directly to the appropriate governmental authorities.
- (2) Some of the outlets may be working either together formally or informally to derive the results above and may have received additional marketing or sales assistance from us. You may or may not receive additional assistance from us or ACNA.
- (3) DO NOT SIGN ANY AGREEMENTS if you received any other financial performance information or projections of your future income and you should report it to Annette Hohnberger, our Vice President and Chief Operating Officer, 10496 Red Fox Street, Canal Winchester, OH 43110, (614) 778\*0120, [annette@getnaction.com](mailto:annette@getnaction.com)
  - A This outlet had more than one Business Coach for at least part of the year.
  - B These outlets are owned by the same entity.
  - C The owner of this outlet also owns and operates an outlet in a different Territory outside the GoBIG Region where the owner of the outlet resides.
  - D The owner of this outlet also owns and operates an outlet in a different Territory outside the GoBIG Region where the owner of the outlet resides.

If you receive any other financial performance information or projections of your future income you should report it to us by contacting Annette Hohnberger, our Vice President and Chief Operating Officer, 10496 Red Fox St, Canal Winchester, OH 43110, (614) 778-0120, [annette@getnaction.com](mailto:annette@getnaction.com) and the Federal Trade Commission, and the appropriate state regulatory agency.

Subset

**SYSTEMWIDE INFORMATION – UNITED STATES**

Tables 3 through 5 are historical representations of the unaudited average and median Gross Revenues, 1-on-1 Sales, Sales of other products as reported by 124 franchise outlets that operated for all 12 months of the year ended December 31, 2023 or 85% of the total 149 franchise outlets operating as of December 31, 2023.

**Table 3: Gross Revenues**

		Average				Median
Annual	Monthly	Franchisees that Reached/Exceeded Average				
		No.	%	High Amount (Annual)	Low Amount (Annual)	
\$207,413	\$17,284	44	35%	\$1,466,096	\$215,806	\$122,731

**Table 4: 1-to-1 Sales**

		Average				Median
Annual	Monthly	Franchisees that Reached/Exceeded Average				
		No.	%	High Amount (Annual)	Low Amount (Annual)	
\$159,920	\$13327	44	34%	\$1,022,000	\$175,925	\$96,293

**Table 5: Sales of Other Products**

		Average				Median
Annual	Monthly	Franchisees that Reached/Exceeded Average				
		No.	%	High Amount (Annual)	Low Amount (Annual)	
\$40,395	\$4,258	35	28%	\$581,691	\$56,650	\$20,500

**Notes:**

- (1) “Gross Revenues” means the total receipts derived by each outlet from services performed and products sold by or in connection with the Business. Any property or services received from Clients in exchange for Coaching Services by each outlet will be included in Gross Revenues at their fair market value at the time received. Gross Revenues also include any proceeds an outlet may receive from business interruption insurance. Gross Revenues do not include sales taxes or credits such as the sale price of any products returned by Clients or other taxes that an outlet collects from Clients and pay directly to the appropriate governmental authorities.
- (2) “1-to-1 Sales” means sales of the following business coaching programs: StartUP, StepUP, PowerUP, FreedomCOACH and UltimateCOACH.
- (3) “Other Products” means all products or programs other than the 1-on-1 business coaching programs.

- (4) Neither we nor ACNA represent that any of the results in Tables 3 through 5 are representative of any outlets in our Territory or that any data included in Tables 3 through 5 were derived from outlets in our Territory.
- (5) Some of the outlets may be working either together formally or informally to derive the results above and may have received additional marketing or sales assistance from their respective master licensees. You may not receive additional assistance from us or ACNA.

### **CAUTION**

The financial performance representation figures do not reflect the cost of sales, operating expenses, or other 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 the Disclosure Document, may be a source of this information.

**A new franchisee's financial results may differ from the results stated in this financial performance representation.**

Historical results are not an indicator of future performance. The gross revenue figures stated in this item 19 should not be considered as the actual or potential gross revenue figures that will be realized by any prospective franchisee. We have not suggested, and do not guarantee that you will succeed in the operation of your ActionCOACH Business Coach franchise as significant factors determining success include; your energy and determination to work hard, ability to follow the ActionCOACH system, business acumen and marketing and sales skills.

We offer substantially the same coaching programs for delivery to clients to all franchisees. Although we may suggest prices for coaching programs offered by franchisees, franchisees may offer and sell coaching programs and services at any price it chooses.

ACNA will, on reasonable request, make available to qualified prospective franchisees written substantiation of the financial performance representation at ACNA's headquarters.

If you receive any other financial performance information or projections of your future income you should report it to ACNA's management by contacting [accounts@actioncoach.com](mailto:accounts@actioncoach.com) at 5781 S. Fort Apache Rd., Las Vegas, NV 89148, tel. no. 888-483-2828, the Federal Trade Commission, and the appropriate state regulatory agency.

### **ITEM 20**

#### **OUTLETS AND FRANCHISEE INFORMATION**

For consistency, we have provided information as of ACNA's last 3 fiscal years ended December 31, 2021, December 31, 2022 and December 31, 2023. Our fiscal year ends on December 31 of each year.

Tables 1 through 5 covers the history of all franchisees in the United States for these periods. The numbers in these tables include Business Coach Franchise Agreements issued both by Master Licensees and directly by ACNA or ACUI in areas where there is no Master Licensee.

**Table 1**

**System wide Franchise Outlet Summary for the fiscal years ended December 31, 2021, December 31, 2022 and December 31, 2023**

Outlet Type	Year End	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	31-Dec-21	121	138	17
	31-Dec-22	138	140	2
	31-Dec-23	140	145	5
Company Owned	31-Dec-21	0	2	2
	31-Dec-22	2	2	0
	31-Dec-23	2	2	0
Total	31-Dec-21	121	140	19
	31-Dec-22	140	142	10
	31-Dec-23	142	147	5

**Table 2**

**Transfers of Outlets from Franchisees to New Owners (other than Franchisor) for the fiscal years ended December 31, 2021, December 31, 2022, and December 31, 2023**

State	Year End	No. of Transfers
Kentucky	31-Dec-21	0
	31-Dec-22	0
	31-Dec-23	1
Iowa	31-Dec-21	0
	31-Dec-22	0
	31-Dec-23	1
North Carolina	31-Dec-21	0
	31-Dec-22	1
	31-Dec-23	0
Ohio	31-Dec-21	0
	31-Dec-22	1
	31-Dec-23	0
Texas	31-Dec-21	1
	31-Dec-22	2
	31-Dec-23	0
Total	31-Dec-21	1
	31-Dec-22	4
	31-Dec-23	2

**Table 3**  
**Status of Franchised Outlets for the fiscal years ended December 31, 2021, December 31, 2022, and December 31, 2023**

State	Year End	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Re-acquired	Ceased Operation / Other reason (Note 3)	Outlets at end of Year
Alabama	31-Dec-21	0	0	0	0	0	0	0
	31-Dec-22	0	0	0	0	0	0	0
	31-Dec-23	0	0	0	0	0	0	0
Arizona	31-Dec-21	2	0	0	0	0	0	2
	31-Dec-22	2	0	0	0	0	0	2
	31-Dec-23	2	0	0	0	0	0	2
California	31-Dec-21	6	0	0	0	0	0	6
	31-Dec-22	6	1	1	0	0	1	5
	31-Dec-23	5	0	2	0	0	0	3
Colorado	31-Dec-21	2	0	0	1	0	0	1
	31-Dec-22	1	0	0	0	0	0	1
	31-Dec-23	1	0	0	0	0	0	1
Connecticut	31-Dec-21	2	0	0	0	0	0	2
	31-Dec-22	2	0	0	0	0	0	2
	31-Dec-23	2	0	1	0	0	0	1
Delaware	31-Dec-21	0	0	0	0	0	0	0
	31-Dec-22	0	0	0	0	0	0	0
	31-Dec-23	0	0	0	0	0	0	0
Florida	31-Dec-21	10	1	0	0	0	1	10
	31-Dec-22	10	2	1	0	0	0	11
	31-Dec-23	11	2	0	1	0	0	10
Georgia	31-Dec-21	5	1	0	0	0	1	5
	31-Dec-22	7	0	1	0	0	0	6
	31-Dec-23	5	2	0	0	0	0	7
Idaho	31-Dec-21	0	0	0	0	0	0	0
	31-Dec-22	0	0	0	0	0	0	0
	31-Dec-23	2	0	0	0	0	0	2
Illinois <sup>1</sup>	31-Dec-21	2	0	0	1	0	0	1
	31-Dec-22	1	0	0	0	0	0	1
	31-Dec-23	1	0	0	0	0	0	1
Indiana <sup>2</sup>	31-Dec-21	3	4	0	0	0	1	6
	31-Dec-22	6	0	1	0	0	0	5
	31-Dec-23	5	0	0	1	0	0	4
Iowa / Nebraska	31-Dec-21	5	2	0	0	0	0	7
	31-Dec-22	7	2	0	0	0	1	8
	31-Dec-23	8	1	1	0	0	0	8
Kansas	31-Dec-21	2	0	0	0	0	0	2
	31-Dec-22	2	0	0	0	0	0	2

State	Year End	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Re-acquired	Ceased Operation / Other reason (Note 3)	Outlets at end of Year
	31-Dec-23	2	0	0	0	0	0	2
Kentucky	31-Dec-21	4	4	0	0	0	4	4
	31-Dec-22	4	0	0	0	0	0	4
	31-Dec-23	4	0	0	0	0	0	4
Louisiana	31-Dec-21	2	0	0	0	0	0	2
	31-Dec-22	2	0	0	0	0	0	2
	31-Dec-23	2	0	0	0	0	0	2
Maine	31-Dec-21	0	0	0	0	0	0	0
	31-Dec-22	0	0	0	0	0	0	0
	31-Dec-23	0	0	0	0	0	0	0
Maryland	31-Dec-21	0	0	0	0	0	0	0
	31-Dec-22	0	0	0	0	0	0	0
	31-Dec-23	0	0	0	0	0	0	0
Massachusetts	31-Dec-21	0	0	0	0	0	0	0
	31-Dec-22	0	0	0	0	0	0	0
	31-Dec-23	0	0	0	0	0	0	0
Michigan <sup>3</sup>	31-Dec-21	0	1	0	0	0	0	1
	31-Dec-22	1	0	0	0	0	0	1
	31-Dec-23	1	0	0	0	0	0	1
Minnesota <sup>4</sup>	31-Dec-21	2	0	0	0	0	0	2
	31-Dec-22	2	6	1	0	0	0	5
	31-Dec-23	5	2	1	0	0	0	7
Mississippi	31-Dec-21	0	2	0	0	0	0	2
	31-Dec-22	2	0	0	0	0	0	2
	31-Dec-23	2	0	2	0	0	0	0
Missouri	31-Dec-21	0	0	0	0	0	0	0
	31-Dec-22	0	1	0	0	0	0	1
	31-Dec-23	1	2	0	0	0	0	3
Nevada	31-Dec-21	3	1	1	0	0	0	3
	31-Dec-22	3	0	1	0	0	0	2
	31-Dec-23	2	0	0	0	0	0	2
New Jersey	31-Dec-21	2	0	0	0	0	0	2
	31-Dec-22	2	0	0	0	0	0	2
	31-Dec-23	2	0	0	0	0	0	2
New Mexico	31-Dec-21	1	0	0	0	0	0	1
	31-Dec-22	1	0	0	0	0	0	1
	31-Dec-23	1	0	0	0	0	0	1
New York	31-Dec-21	1	1	0	0	0	0	2
	31-Dec-22	2	0	0	0	0	0	2
	31-Dec-23	2	0	0	0	0	0	2
North Carolina	31-Dec-21	6	3	1	0	0	0	8
	31-Dec-22	8	0	0	0	0	0	8
	31-Dec-23	8	0	0	0	0	0	8
Ohio <sup>5</sup>	31-Dec-21	17	4	2	0	0	2	17
	31-Dec-22	17	5	3	1	0	0	15

State	Year End	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Re-acquired	Ceased Operation / Other reason (Note 3)	Outlets at end of Year
	31-Dec-23	15	4	3	1	0	0	19
Oklahoma	31-Dec-21	1	0	0	0	0	0	1
	31-Dec-22	1	0	0	0	0	0	1
	31-Dec-23	1	0	0	0	0	0	1
Oregon	31-Dec-21	0	0	0	0	0	0	0
	31-Dec-22	0	0	0	0	0	0	0
	31-Dec-23	0	0	0	0	0	0	0
Pennsylvania	31-Dec-21	3	0	0	0	0	0	3
	31-Dec-22	3	0	0	0	0	0	3
	31-Dec-23	3	0	0	1	0	0	2
South Carolina	31-Dec-21	0	0	0	0	0	0	0
	31-Dec-22	0	0	0	0	0	0	0
	31-Dec-23	0	0	0	0	0	0	0
Tennessee	31-Dec-21	0	0	0	0	0	0	0
	31-Dec-22	0	0	0	0	0	0	0
	31-Dec-23	0	2	0	0	0	0	2
Texas	31-Dec-21	28	10	3	0	0	1	34
	31-Dec-22	34	1	2	0	2	0	35
	31-Dec-23	35	2	0	0	0	0	37
Utah	31-Dec-21	0	2	0	0	0	0	2
	31-Dec-22	2	0	0	0	0	0	2
	31-Dec-23	2	0	0	0	0	0	2
Virginia	31-Dec-21	3	0	0	0	0	0	3
	31-Dec-22	3	1	2	0	0	0	2
	31-Dec-23	2	0	0	0	0	0	2
W. Virginia	31-Dec-21	0	0	0	0	0	0	0
	31-Dec-22	0	0	0	0	0	0	0
	31-Dec-23	0	0	0	0	0	0	0
Washington	31-Dec-21	2	1	0	0	0	1	2
	31-Dec-22	2	0	0	0	0	0	2
	31-Dec-23	2	0	0	0	0	0	2
Wisconsin <sup>6</sup>	31-Dec-21	7	0	0	0	0	0	7
	31-Dec-22	7	3	0	1	0	0	6
	31-Dec-23	6	4	0	0	0	0	10
Total	31-Dec-21	121	37	7	2	0	11	138
	31-Dec-22	138	16	12	2	2	2	140
	31-Dec-23	140	18	7	3	0	0	147

<sup>1</sup> Our affiliate, BUJI of IL and MI, LLC, is the only master licensee of the franchisor, ACNA, with rights to enter into ActionCOACH franchise agreements for ActionCOACH franchised businesses in the State of Illinois. Each of the outlets included in this Table 3 in the State of Illinois are a franchisee of Buji of IL and MI, LLC.

- <sup>2</sup> Our affiliate, Oaktree Business Services of Ohio, LLC, is the only master licensee of the franchisor, ACNA, with rights to enter into ActionCOACH franchise agreements for ActionCOACH franchised businesses in the State of Indiana. Each of the outlets included in this Table 3 in the State of Indiana are a franchisee of Oaktree Business Services of Ohio, LLC.
- <sup>3</sup> Our affiliate, BUJI of IL and MI, LLC, is the only master licensee of the franchisor, ACNA, with rights to enter into ActionCOACH franchise agreements for ActionCOACH franchised businesses in the State of Michigan. Each of the outlets included in this Table 3 in the State of Indiana are a franchisee of Buji of IL and MI, LLC.
- <sup>4</sup> We are the only master licensee of the franchisor, ACNA, with rights to enter into ActionCOACH franchise agreements for ActionCOACH franchised businesses in the State of Minnesota. Each of the outlets included in this Table 3 in the State of Minnesota are either a franchisee or a Business Coach of a franchisee of ours. In 2020, ACNA stopped reporting EBC's as separate outlets and are only reporting franchisees. At the end of 2019, there were 3 outlets reported (2 EBC's and 1 franchisee). At the end of 2020, both outlets reported are franchisees and the EBC's were reported as "ceased/other" even though they continued working for the franchisee. Also see Exhibit K.
- <sup>5</sup> Our affiliate, Oaktree Business Services of Ohio, LLC, is the only master licensee of the franchisor, ACNA, with rights to enter into ActionCOACH franchise agreements for ActionCOACH franchised businesses in the State of Ohio. Each of the outlets included in this Table 3 in the State of Ohio are either a franchisee or a Business Coach of a franchisee of Oaktree Business Services of Ohio, LLC. In 2020, ACNA stopped reporting EBC's as separate outlets and are only reporting franchisees. At the end of 2019, there were 18 outlets reported (4 EBC's and 14 franchisees). At the end of 2020, all 16 outlets reported were franchisees and the EBC's were reported as "ceased/other" even though they continued working for the respective franchisees. In 2020, two franchisees upgraded to a different form of license so were reported as both "opened" (the new license) and "ceased/other" (the old license which was terminated). Also see Exhibit K.
- <sup>6</sup> We are the only master licensee of the franchisor, ACNA, with rights to enter into ActionCOACH franchise agreements for ActionCOACH franchised businesses in the State of Wisconsin. Each of the outlets included in this Table 3 in the State of Wisconsin are either a franchisee or a Business Coach of a franchisee of ours. In 2020, ACNA stopped reporting EBC's as separate outlets and are only reporting franchisees. At the end of 2019, there were 12 outlets reported (5 EBC's and 7 franchisees). At the end of 2020, all 7 outlets reported were franchisees and the EBC's were reported as "ceased/other" even though they continued working for the franchisee. In 2020, two franchisees upgraded to a different form of license so were reported as both "opened" (the new license) and "ceased/other" (the old license which was terminated). Also see Exhibit K.

**Table 4**  
**Status of Company Owned Franchise Outlets for the fiscal years ended December 31, 2021, December 31, 2022, and December 31, 2023**

State	Year End	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Re-acquired	Ceased Operation / Other reason	Outlets at end of Year
Alabama	31-Dec-21	0	0	0	0	0	0	0
	31-Dec-22	0	1	0	0	0	1	0
	31-Dec-23	0	0	0	0	0	0	0
Idaho	31-Dec-21	0	0	0	0	0	0	0
	31-Dec-22	0	1	0	0	0	1	0
	31-Dec-23	0	0	0	0	0	0	0
Nevada	31-Dec-21	0	2	0	0	0	1	0
	31-Dec-22	1	2	0	0	0	2	1
	31-Dec-23	1	1	0	0	0	1	1
	31-Dec-21	0	0	0	0	0	0	0

Oregon	31-Dec-22	0	1	0	0	0	1	0
	31-Dec-23	0	0	0	0	0	0	0
Tennessee	31-Dec-21	0	0	0	0	0	0	0
	31-Dec-22	0	1	0	0	0	1	0
	31-Dec-23	0	0	0	0	0	0	0
Utah	31-Dec-21	0	1	0	0	0	0	1
	31-Dec-22	1	0	0	0	0	0	1
	31-Dec-23	1	0	0	0	0	0	1
Total	31-Dec-21	0	3	0	0	0	2	0
	31-Dec-22	2	6	0	0	0	6	2
	31-Dec-23	2	1	1	0	0	0	2

\* While we do not operate an ActionCOACH business, our affiliate, Buji Business, LLC, operates an ActionCOACH business in the state of Ohio, which is the same, or substantially the same, as the outlet to be operated by you.

**Table 5**  
**Projected FIRM Franchised Outlet Openings for 2024**

State	Franchise Agreements signed but Outlet not open as of December 31, 2023	Projected New Outlets for Fiscal Year ending December 31, 2024	
		Franchised	Company Owned
Alabama	-	0	-
Alaska	-	0	-
Arizona	-	1	-
Arkansas	-	0	-
California	-	1	-
Colorado	-	1	-
Connecticut	-	0	-
Florida	-	0	-
Georgia	-	0	-
Hawaii	-	1	-
Idaho	-	0	-
Illinois	-	0	-
Indiana	-	0	-
Iowa	-	1	-
Kansas	-	0	-
Kentucky	-	0	-
Louisiana	-	0	-
Maine	-	0	-

State	Franchise Agreements signed but Outlet not open as of December 31, 2023	Projected New Outlets for Fiscal Year ending December 31, 2024	
		Franchised	Company Owned
Maryland	-	0	-
Massachusetts	-	0	-
Michigan	-	0	-
Minnesota	-	0	-
Mississippi	-	0	-
Missouri	-	0	-
Nebraska	-	2	-
Nevada	-	1	-
New Hampshire	-	0	-
New Jersey	-	0	-
New Mexico	-	0	-
New York	-	0	-
North Carolina	-	1	-
North Dakota	-	0	-
Ohio	-	0	-
Oklahoma	-	0	-
Oregon	-	0	-
Pennsylvania	-	0	-
Rhode Island	-	0	-
South Carolina	-	0	-
South Dakota	-	0	-
Tennessee	-	0	-
Texas	-	18	-
Utah	-	0	-
Vermont	-	0	-
Virginia	-	0	-
Washington	-	0	-
West Virginia	-	0	-
Wisconsin	-	0	-
Wyoming	-	0	-
Total	-	28	0

**Table 5  
Projected PARTNER Franchised Outlets Openings for 2024**

State	Franchise Agreements signed but Outlet not opened as of December 31, 2023	Projected New Outlets for Fiscal Year ending December 31, 2024	
		Franchised	Company Owned
Alabama	-	0	-
Alaska	-	0	-
Arizona	-	1	-
Arkansas	-	1	-
California	-	4	-
Colorado	-	0	-
Connecticut	-	1	-
Florida	-	2	-
Georgia	-	2	-
Hawaii	-	1	-
Idaho	-	0	-
Illinois	-	2	-
Indiana	-	1	-
Iowa	-	0	-
Kansas	-	1	-
Kentucky	-	0	-
Louisiana	-	0	-
Maine	-	0	-
Maryland	-	2	-
Massachusetts	-	0	-
Michigan	-	2	-
Minnesota	-	1	-
Mississippi	-	1	-
Missouri	-	2	-
Nebraska	-	0	-
Nevada	-	0	-
New Hampshire	-	0	-
New Jersey	-	0	-
New Mexico	-	0	-
New York	-	0	-
North Carolina	-	1	-
North Dakota	-	0	-
Ohio	-	2	-

Oklahoma	-	0	-
Oregon	-	0	-
Pennsylvania	-	1	-
Rhode Island	-	0	-
South Carolina	-	0	-
South Dakota	-	0	-
Tennessee	-	1	-
Texas	-	0	-
Utah	-	0	-
Vermont	-	0	-
Virginia	-	2	-
Washington	-	0	-
West Virginia	-	0	-
Wisconsin	-	0	-
Wyoming	-	0	-
Total	-	<b>31</b>	-

NOTES:

- (1) "Outlets at Start of Year" and "Outlets at End of Year" include all outlets being actively operated as of the first and last day of the fiscal year, respectively. "Outlets Opened" may reflect franchises opened that fiscal year but sold in previous fiscal years. The table does not include outlets that were terminated without ever having been operated.
- (2) "Reacquired" includes outlets reacquired by us, ACNA or the master licensee in the pertinent state.
- (3) Outlets under "Ceased Operation / Other Reason" include outlets that ceased operating an old franchise to operate a new franchise by reason of purchase of a new franchise or a franchise model upgrade. See also Exhibit K.
- (4) States that are not listed had none of the above-described activities during the fiscal years covered by the table. Several multi-state territories are or were each licensed under a single Master License Agreement and are treated together. There are no instances of these multi-state territories within the Territory.

Exhibit J to this disclosure document is a list of all Franchisees in the USA as of the end of our fiscal year December 31, 2023. There were no Franchisees in the Territory who signed a Business Coach agreement after the end of our fiscal year end and before the original issuance date of this disclosure document.

Exhibit K to this disclosure document lists the names and last known addresses and telephone numbers of every Franchisee who had a franchise agreement terminated, canceled, or not renewed, or who otherwise voluntarily or involuntarily ceased to do business or operate an outlet

under a franchise agreement during ACNA's fiscal year ended December 31, 2021. This list also includes (a) outlets that ceased operating an old franchise to operate a new franchise by reason of purchase of a new franchise or a franchise model upgrade. The list also identifies any Franchisee in the USA who had not communicated with ACNA or their Master Licensee within ten (10) weeks of December 31, 2023.

If you buy this franchise, your contact information may be disclosed to other buyers if you leave the franchise system. There were no Business Coaches providing services within the Territory who were terminated, canceled or not renewed, or who otherwise voluntarily or involuntarily ceased to do business as under a Business Coach agreement after the end of our fiscal year and before the original issuance date of this disclosure document.

In some instances, within the periods covered by the tables in this Item 20, current and former franchisees have signed confidentiality clauses, provisions restricting their ability to speak openly about their experience with ActionCOACH. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There is no trademark-specific franchisee organization associated with ActionCOACH franchise system.

## **ITEM 21**

### **FINANCIAL STATEMENTS**

Exhibit K contains the following financial statements:

1. Audited financial statements of Master Licensee as of and for the fiscal years ended December 31, 2021, December 31, 2022 and December 31, 2023.
2. Audited financial statements of Franchisor as of and for the fiscal years ended December 31, 2021, December 31, 2022 and December 31, 2023.

## **ITEM 22**

### **CONTRACTS**

- Exhibit A The FIRM Business Coach Franchise Agreement – (“Team Builder Model”)
- Exhibit B The PRACTICE – Business Coach Franchise Agreement – (“Be the Coach” Model”)
- Exhibit C State-Required Addenda to Franchise Agreement
- Exhibit D(1) Managing Director Business Coach Agreement
- Exhibit D(2) Employee Business Coach Agreement
- Exhibit E Nondisclosure and Noncompete Agreement

Exhibit F      General Form of Release

We also require that you fill out a Compliance Questionnaire before signing a Franchise Agreement. The Compliance Questionnaire is in Exhibit G.

### **ITEM 23**

#### **RECEIPTS**

Included at the end of this disclosure document are two (2) detachable Receipts. You must sign and date both Receipts and deliver one (1) of the signed Receipts to us at least 14 calendar days (or 10 business days, in certain states) before you sign the Franchise Agreement or pay us any money.



**EXHIBIT A**

**To**

**BUSINESS COACH  
FRANCHISE DISCLOSURE DOCUMENT**

**FIRM FRANCHISE AGREEMENT**



## **THE FIRM**

*BUSINESS COACH FRANCHISE AGREEMENT*

## THE FIRM BUSINESS COACH FRANCHISE AGREEMENT

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Attachment 1: Fees and Specifications

Attachment 2: Personal Guaranty

Attachment 3: DDMA

Attachment 4: Conditional Assignment of Telephone and Directory Listings

Attachment 5: Direct Debit Authorization Form

## THE FIRM BUSINESS COACH FRANCHISE AGREEMENT

THIS FIRM BUSINESS COACH AGREEMENT is entered into as of the Effective Date between Master Licensee and You or Franchisee.

### RECITALS

- A. ActionCOACH IPCo, Ltd. (“Licensor”) owns the Marks, the System, and the Confidential Information, all as defined below, and has granted ActionCOACH North America, LLC (“Franchisor”) the exclusive right to license and authorize the sublicensing of the Marks, the System, and the Confidential Information within the Territory.
- B. Franchisor has granted Master Licensee the right to sublicense the Marks, the System and the Confidential Information (each as defined in this Agreement) within the Territory.
- C. You wish to obtain the right to operate an ActionCOACH business coaching and mentoring business in the DDMA (as the term is defined below).

The parties agree as follows:

### DEFINITIONS

**“Across-Area Marketing Programs”** means Licensor’s and Franchisor’s and Master Licensee’s (and their respective Affiliates’) Internet, television, electronic, co-branding, alliance, affinity, and other marketing programs, policies and strategies.

**“Agreement”** means this “The Firm Business Coach Franchise Agreement”.

**“Assessment Period”** means the period specified in Attachment 1 for which Master Licensee will assess whether your performance meets the Minimum Performance Requirement.

**“Blue Chip Account”** is a Fortune 500 Company that is listed in the past and present annual list compiled and published by Fortune magazine or similar publication. Due to the rapid development of new business concepts including online businesses, Franchisor reserves its rights to amend the guidelines and policies for Blue Chip Accounts from time to time.

**“Business”** means the ActionCOACH business coaching, business training and mentoring business that you are authorized under this Agreement to conduct within the DDMA.

**“Business Coach”** means a person providing Coaching Services to Clients either as Managing Director Business Coach or Employee Business Coach.

**“Client”** means a business owner or other customer who agrees to purchase Coaching Services from the Business.

**“Client Information”** means details, including lists, of Clients collected by Franchisee in accordance with this Agreement.

**“Client Forms”** means the forms specified by Franchisor in the Manuals or otherwise specified in writing by Franchisor to be used by the Franchisee to procure the details of Clients.

**“Coaching Platform Subscription Fee”** has the meaning given in Attachment 1.

**“Coaching Services”** means the business coaching, executive coaching, business training, business coaching and mentoring services, training modules, products, business plan drafting assistance, and other services and products authorized by Franchisor from time to time for delivery to Clients.

**“Confidential Information”** has the meaning defined in Section 15 of this Agreement.

**“Direct Marketing”** means communication to prospective clients within the DDMA by direct mail, telemarketing, email marketing, door-to-door marketing, broadcast faxing, voicemail marketing, couponing or direct selling. The Franchisor has the sole right to determine, whether or not any other activity or marketing method not defined herein is considered as Direct Marketing and its decision shall be binding on all parties.

**“Designated Direct Marketing Area” or “DDMA”** means the area specified in Attachment 1 for the purpose of your Direct Marketing to prospective clients and Clients and as set out in Section 8 and may be modified in accordance with the terms of this Agreement. Master Licensee assigns the DDMA as a geographical area defined by zip codes, postal codes and/or counties.

**“Effective Date”** has the meaning given in Attachment 1.

**“Employee Business Coach” or “EBC”** means the specific individual (other than a Managing Director Business Coach) who is authorized by Master Licensee and Firm Owner(s) to provide Coaching Services to Clients on behalf of the Business. You may appoint an unlimited number of individuals to serve as EBCs, as long as those individuals: (i) have been approved by Master Licensee and trained by Franchisor; and (ii) have signed an Employee Business Coach agreement with you.

**“Financial Year”** means a year commencing January 1 and ending December 31

**“FIRM Owner”** means the person or business entity who has executed the Firm Business Coach Agreement. FIRM Owner(s) who have attended Franchisor’s training are authorized, and required, to provide coaching support services and supervision to all Managing Director Business Coaches within the FIRM under a Managing Director Business Coach Agreement, in a form approved by Franchisor and Master Licensee and specific to the FIRM arrangement. All FIRM Owners are to be identified in Attachment 1.

**“Franchisee” or “You”** have the meaning given in Attachment 1.

**“Gross Revenues”** means the total receipts derived from services performed and products sold by or in connection with the Business. Any property or services received from Clients in exchange for Coaching Services will be included in Gross Revenues at their fair market value at the time received. Gross Revenues also include any proceeds you may receive from business interruption insurance. Gross Revenues do not include sales taxes or credits such as the sale price of any products returned by Clients or other taxes that you collect from Clients and pay directly to the appropriate governmental authorities.

**“Key Personnel”** has the meaning given in Attachment 1.

**“Manuals” means** the operations manuals, policy statements, directives, and other written instructions issued by Franchisor with respect to the System, including, without limitation, information and materials posted in the Intranet areas of the ActionCOACH website. Part or all of the Manuals may be issued in electronic form. Franchisor may amend the Manuals from time to time.

**“Marks” means** the marks listed in Attachment 1 and such other registered and unregistered trade names, trademarks, service marks, logos, commercial symbols, Internet domain names, web site identifiers, designs, color schemes, and trade dress as Franchisor may designate from time to time for use with the System.

**“Master Licensee”** has the meaning given in Attachment 1.

**“Minimum Key Personnel Requirement”** has the meaning given in Attachment 1.

**“Minimum Performance”** means the criteria specified in Section 12 and Attachment 1.

**“Minimum Royalty”** means the minimum Royalty Fee outlined in Attachment 1.

**“Managing Director Business Coach” or “MDC” means** the Firm Owner personally serving as Business Coach or the person appointed by the Firm Owner (subject to conditions herein) to provide Coaching Services to Clients on behalf of the Business and has authority to bind you in any dealings with Master Licensee and Franchisor. At least one (1) Firm Owner must personally serve as a Managing Director Business Coach throughout the Term unless Master Licensee agrees to shorten this period in accordance with any conditions the Master Licensee may reasonably request. You may appoint a Managing Director Business Coach in lieu of a Firm Owner, as long as such individual: (i) has been approved by Master Licensee and trained by Franchisor; and (ii) has signed a Managing Director Business Coach Agreement with you and the Master Licensee.

**“Restraint Area”** has the meaning set forth in Attachment 1.

**“Restraint Period”** has the meaning set forth in Attachment 1.

**“System”** means the business methods, specifications, procedures, and accumulated trial and error developed, and to be developed, by Licensor and/or Franchisor for the operation and management of a Business.

**“Term”** has the meaning set forth in Attachment 1.

## **SECTION 1 – RIGHTS GRANTED**

- 1.1 Master Licensee grants you the right, and you undertake the obligation, to:
- A. Operate the Business upon the terms and conditions of this Agreement, on an exclusive basis within the DDMA subject only to the terms of Section 8 of this Agreement;
  - B. Operate the Business from the office location only as set forth in Section 9; and
  - C. Use the Marks and the System as they may be modified and developed from time to time on a non-exclusive basis in the operation of the Business.

- 1.2 This Agreement does not include: the right to sell products to any vendor who would in turn sell to consumers; the right to sell any product except through the Business; or the right to perform any Coaching Services other than through the Business.
- 1.3 You may not grant a sub-franchise or otherwise sublicense any of your rights under this Agreement.

## SECTION 2 - TERM AND RENEWAL OPTIONS

- 2.1 The term of this Agreement commences on the Effective Date and unless sooner terminated under Section 17, this Agreement will expire on the Expiry Date.
- 2.2 You will have the option to renew the right to operate the Business for successive Renewal Terms. Master Licensee may refuse to renew your right to operate the Business, in its absolute discretion, if any of the following conditions have not been satisfied:
- A. You must give Master Licensee written notice of your election to renew (“Renewal Notice”) not more than nine (9) months, and not less than six (6) months, before the current term expires. Master Licensee will respond to this notice with its approval or disapproval within two (2) months thereafter.
  - B. You must be current in all payment obligations to Master Licensee and must have remedied any breach of this Agreement specified by Master Licensee by written notice.
  - C. You must not have received more than one (1) written notice of default from Master Licensee in the twenty-four (24) months preceding delivery of the Renewal Notice.
  - D. You must have operated the Business and used the System substantially in accordance with this Agreement and the Manuals during the term then expiring.
  - E. You must have achieved Minimum Performance and the Minimum Key Personnel Requirement set out in Attachment 1.
  - F. You must execute a new Firm Business Coach Franchise Agreement on the then-current form designated by Franchisor, the terms of which may differ from this Agreement and may incorporate, without limitation: (a) any increase in the Royalty Fee, EBC Training Fee, Marketing and Advertising Cap and other fees that Franchisor may adopt generally for renewing franchisees, and (b) Franchisor’s then-current Minimum Royalty or Minimum Performance Requirement, which may be different than the, Minimum Royalty or Minimum Performance Requirement. Your failure to execute the updated Firm Business Coach Franchise Agreement within thirty (30) days after its delivery will be deemed an election not to renew.
  - G. You must execute a general release of all claims that you may have against Master Licensee, Franchisor, Licensor, and their respective officers, directors, shareholders, agents, and employees. This release must be in a form satisfactory to Master Licensee and Franchisor.
  - H. You must make such expenditures as may be reasonably required to upgrade the Business and its signs, stock, forms and equipment so as to

reflect the then-current image of the ActionCOACH concept.

- I. You must pay Master Licensee the Renewal Fee specified in Attachment 1.
- J. You, or your Managing Director Business Coach must have attended every year at least one (1) of Franchisor's Regional conferences. If You, or your Managing Director Business Coach have not met this requirement, Franchisor, in its absolute discretion, may allow You, or your Managing Director Business Coach to re-attend the pertinent training to remedy non-compliance. However, You must pay the then-current Training Fee.

### **SECTION 3 - INITIAL FEES**

- 3.1 You must pay Master Licensee the Franchise Fee specified in Attachment 1 upon signing this Agreement.
- 3.2 You must pay Master Licensee the Franchisee Training Fee specified in Attachment 1 upon signing of this Agreement.
- 3.3 You must pay Franchisor, through Master Licensee, the Coaching Platform Subscription Fee specified in Attachment 1 upon signing of this Agreement and every year thereafter. The Coaching Platform Subscription Fee is also due for each and every Business Coach in your franchise.
- 3.4 You must pay, or reimburse, Master Licensee on demand for all Master Licensee's costs (including legal costs) in connection with or incidental to the instructions for and the negotiation, preparation and execution of this Agreement and all related agreements.
- 3.5 The Franchise Fee and Franchisee Training Fee are not refundable, in whole or in part, under any circumstances.

### **SECTION 4 – ONGOING FEES AND ROYALTIES**

- 4.1 You must pay Master Licensee a Royalty Fee as set forth on Attachment 1. The Royalty Fee is subject to a minimum amount (Minimum Royalty) as specified in Attachment 1. The Royalty Fee for Your Business commences either of 1 month after You or your Managing Director Business Coach complete the relevant training program or 120 days after signing the franchise agreement. Each Royalty Fee payment must be accompanied by a statement of the preceding month's Gross Revenues in a form approved by Master Licensee.
- 4.2 On or before the fifth (5<sup>th</sup>) day of each calendar month, You must pay Master Licensee a Marketing and Advertising Fee as set forth on Attachment 1. However, no Marketing and Advertising Fee is due for the month in which You or your Managing Director Business Coach complete the training program. The Marketing and Advertising Fee may be capped ("Marketing & Advertising Cap") at the amount set forth in Attachment 1, provided that you employ a full-time Lead Generation Specialist, meeting the Franchisor's then-current criteria and is approved in writing by the Master Licensee.
- 4.3 You will pay Master Licensee the EBC Training Fee specified in Attachment 1 no later than fourteen (14) days before any of your EBCs begin the 5-Day Training program. You will also pay Master Licensee the Key Personnel Training Fee specified in Attachment 1 no later than fourteen (14) days before any of your Key Personnel begin the 5-Day Training Program.
- 4.4 On or before the 1st day of each month you must pay Franchisor, through Master Licensee, a Mandatory Monthly Technology Fee as set forth on Attachment 1, which fee shall be for your technical and Administrative support, provision of an email address, and an ActionCOACH webpage to be determined by Franchisor.

- 4.5 Any amount due under this Agreement that is not paid on or before the due date will accrue interest daily at the rate specified in Attachment 1. Each failure to pay Royalty Fees, Marketing and Advertising Fees, or any other amount payable to Master Licensee when due is a material breach of this Agreement.
- 4.6 You will establish a separate bank account for the Business and use the method(s) specified from time to time by Master Licensee or Franchisor for the payment of Royalty Fees, Marketing and Advertising Fees, and all other fees and amounts owed. You will furnish Master Licensee, Franchisor and your bank with such authorizations as may be necessary to effect payment by the method required by Master Licensee or Franchisor.
- 4.7 With the exception of the Franchise Fee and Training Fee, You must make all payments to Master Licensee with respect to amounts owed by You to Master Licensee pursuant to this Agreement by means of direct debit into a bank account Managing Director by Master Licensee and must, prior to commencing operation of the Business: A) nominate in writing to Master Licensee a bank account from which Master Licensee will direct debit the payments; and B) sign Attachment 7 and all necessary forms and consents permitting the direct debit of funds from the bank account in the manner and on the dates specified in writing by Master Licensee. Master Licensee may, at its sole discretion, specify another form of payment, and You agree to make payment through the method specified by Master Licensee in writing as well as sign all reasonably necessary forms and consents to permit the said newly specified payment method.
- 4.8 You must pay for the cost of any of Master Licensee's administrative fees connected with the failure of your direct debit facility.
- 4.9 You have no right of set off as against Master Licensee or Franchisor. You must not for any reason withhold payment of any amount due to Master Licensee or Franchisor. This applies even if You allege that Master Licensee has not performed or is not performing an obligation imposed upon it under this Agreement or a related agreement. Master Licensee may accept any part payment without prejudice to its right to recover the balance due or pursue any other remedy. Master Licensee may set off against any payment due to You by Master Licensee any of your unpaid debts to Master Licensee.

## **SECTION 5 - ADVERTISING AND MARKETING**

- 5.1 You will advertise and promote the Business at your own expense and in accordance with the Manuals. However, You may not publish or distribute any advertising or promotional material unless it has been approved in writing by Master Licensee, which approval will not be unreasonably withheld or unduly delayed. If Master Licensee objects to any advertising or promotional material that you are using, you must immediately stop using it. Advertising and promotional materials furnished by Master Licensee may be used only in the manner and during the period specified by Master Licensee. Master Licensee has the right to charge reasonable fees for any materials that Master Licensee provides.
- 5.2 You acknowledge that, unless otherwise specified by Franchisor in writing, forty percent (40%) of the Marketing and Advertising Fees will be sent by Master Licensee to Franchisor

for its use in local, regional or national marketing and advertising. Franchisor will direct all marketing programs supported by Marketing and Advertising Fees, with final discretion over creative concepts, materials, and media used in the programs and their placement. Franchisor may use the fees for any activities that they believe would benefit ActionCOACH businesses generally, including, but not limited to, national and international advertising, promotion, creative development, production of advertising and promotion, marketing research and development, public relations, Internet, and reasonable administrative expenses related to these efforts. Franchisor and Master Licensee may use the Marketing and Advertising Fees to pay the costs of: a) developing and conducting advertising and promotional campaigns, as determined by Franchisor or Master Licensee in its sole discretion, including customer database development and management; b) developing and funding advertisements; c) sourcing the production of marketing materials and other sales materials; d) conducting research including research in relation to products and customers; e) developing public relations, customer and supply relations; f) engaging advertising agencies and marketing consultants; g) coordinating the activities set out above and administering the Marketing and Advertising Fees, including reasonable overhead and administrative costs, the cost of materials and employees' salaries and printing costs; and h) payment of accountancy, legal and other fees in respect of audits of the records of the Marketing Fund. Franchisor and Master Licensee may determine in its discretion how the Marketing Fees is spent.

- 5.3 You must use the Marks in all advertising and promotion of the Business. You must, at your own cost, display signs at the Business location and at Master Licensee, Franchisor and Licensor events in accordance with the Manuals' specifications.
- 5.4 You acknowledge that your web site, if any, constitutes advertising and promotion subject to Section 5.1 above. You agree to comply with all policies and standards that Master Licensee or Franchisor issues from time to time with respect to web sites specifically. You also acknowledge that in the event you do want to create your own web site, you are required to obtain Franchisor's prior approval of the design, content and appearance of the website and to use Franchisor's approved supplier for design, development and web hosting to ensure compliance with Franchisor's requirements for branding and usage of the Marks. Master Licensee or Franchisor may: (i) require that your web site be accessible only by link from Master Licensee's site, and (ii) prohibit links between your web site and any other web site. You acknowledge that any copyright in your web site will be deemed to be owned by Franchisor. You agree to execute any documents that Master Licensee requires to affirm Franchisor's ownership of the copyright. You represent that You have, or will have, the lawful right to use any proprietary materials of others that appear in your web site.

## **SECTION 6 - RECORDS AND AUDITS**

- 6.1 You must maintain complete and accurate records concerning all financial, marketing and operating aspects of the Business. You must keep these records at your Business location (or another place approved in writing by Master Licensee). You must provide such reports as may be required by Master Licensee or Franchisor. Your records must include Business tax returns; daily and weekly marketing, sales and performance reports; statements of Gross Revenues (to be prepared each month for the preceding month); profit and loss statements; and balance sheets. If Master Licensee determines that your records or financial statements are not of sufficient detail or reliability, Master Licensee has the right to require that you have such records or statements reviewed or prepared by an independent Certified Public Accountant. Master Licensee and Franchisor will keep your financial data confidential except to the extent that Master Licensee or Franchisor decides, or is required, to make a "financial performance representation" under applicable franchise disclosure laws. Master Licensee or Franchisor may also conduct an audit of your compliance with the System.

- 6.2 While this Agreement is in effect, and for three (3) years after its expiration or termination or after any transfer approved under Section 20, Master Licensee and Franchisor have the right to request, receive, inspect and audit any of the records referred to in Section 6.1. Master Licensee and Franchisor agree to do inspections and audits at reasonable times. You agree to keep all original records, reports, invoices, order forms, and calculations for at least six (6) years from the date they were generated or for a longer period if required by applicable law. Should any inspection or audit disclose a deficiency in the payment of any Royalty Fee, Marketing and Advertising Fee or other amounts required to be paid under this Agreement, you will immediately pay the deficiency to Master Licensee. In addition, if the deficiency for any audit period equals or exceeds five percent (5%) of the correct amount due, you must also immediately pay to Master Licensee the reasonable cost of the inspection or audit, including travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel. Should the audit disclose an overpayment of any Royalty Fee, Marketing and Advertising Fees or other amounts due, Master Licensee or Franchisor will promptly pay the amount of the overpayment to you, provided that the amount exceeds Fifty Dollars (\$50.00).

### **SECTION 7 – ASSISTANCE BY MASTER LICENSEE**

- 7.1 Master Licensee will:
- A. Arrange for you, your Managing Director Business Coach (if applicable), and your Business Coaches to attend Franchisor's training program.
  - B. Assist you with the preparation of an initial business plan.
  - C. Provide you with guidance on pre-opening and opening activities for the Business. This will include on-line access to advertising and promotional material and may include guidance on advertising and promotional programs.
  - D. Each week for the first 90 days after you open your business, we will provide you an opportunity to communicate either via personal telephone calls, team captain calls or team calls to discuss your operational challenges and to provide guidance for your marketing, sales and coaching activities.
  - E. Grant approval of your office location and assist you in determining the location of your office. The selection of your office location will be your responsibility.
  - F. Arrange for you, your Business Coaches to attend Franchisor's annual regional conferences. There will be a separate conference fee for the optional global conference, and you must pay all travel and living expenses of your attendee(s) at both global and regional conferences. Master Licensee may also hold such conferences within the Territory. Unless waived by Franchisor or Master Licensee in writing, attendance by you, or your Managing Director Business Coach every year in at least one (1) of the Master Licensee's local conference and one (1) of Franchisor's regional North American conferences is mandatory.
  - G. Franchisor to provide you online Manuals and any amendments thereto promulgated by Franchisor. The Manuals for your Business Coaches will be supplied to you once Master Licensee receives and executed copy of the Managing Director Business Coach Agreement or Employee Business Coach agreement, as the case may be, and the Training Fee has been paid.

- H. Inform you of any changes and improvements to the System that may be developed by Franchisor or Licensor and authorized for use by ActionCOACH business coaches in the U.S.A.
- 7.2 Master Licensee will offer you such additional guidance and assistance as Master Licensee deems necessary or advisable. Failure of Master Licensee to provide any particular service, either initial or continuing, will not excuse you from paying any of the fees including but not limited to, the Franchise Fee, Royalty Fees or Marketing and Advertising Fees.

### **SECTION 8 - DDMA**

- 8.1 During the period this Agreement is in effect and provided You are not in default of any of the terms contained herein, Master Licensee will not grant a franchise nor license others to Direct Market in the DDMA, except as provided in this Agreement.
- 8.2 Your DDMA has been calculated having a business demographic (determined by demographic information providers selected by Franchisor in its sole and absolute discretion) of the nominal number of businesses as set out in Attachment 1. Given that fluctuations can occur in the total number of businesses in your DDMA, You agree that in the event that the business population of the DDMA decreases, you will not be entitled to any reduction or refund of any portion or whole of the Franchise Fee or any other fees that you have paid Franchisor and Master Licensee.
- 8.3 You acknowledge that that the demographics of your DDMA is unique and may vary substantially from the DDMA of other ActionCOACH franchisees, including but not limited to, business population, density, business type, number of employees employed by businesses, annual revenues or other local economic and market conditions and Master Licensee is under no obligation to grant you similar terms.
- 8.4 Your franchise is non-exclusive, except as provided in Section 8.1. There may be other Business Coaches providing Coaching Services in the DDMA as set out in Attachment 3. In addition, Franchisor and Licensor and Master Licensee may sell products in the DDMA via Across- Area Marketing Programs. Master Licensee will communicate to you any policies that Franchisor or Licensor issues to coordinate Across-Area Marketing Programs.
- 8.5 You may not Direct Market or advertise in any media whose primary circulation or footprint is outside of the DDMA, nor may you engage in marketing to clients or prospects outside of the DDMA. Franchisor and Master Licensee may establish terms and conditions under which you may advertise on the Internet. Should you receive a request for services from a Client or prospective client outside of the DDMA, you must refer the request to Master Licensee. If the Client or prospective client's principal office is outside of the DDMA and Franchisor has not licensed any third party to operate in that Territory, Master Licensee may refer the request for services back to you.
- 8.6 Master Licensee may authorize another Business Coach to provide Coaching Services to clients within the DDMA where it is satisfied that the Business Coach has been referred as a result of an existing client relationship.
- 8.7 The right to provide Coaching Services to Blue Chip Accounts within the DDMA is hereby specifically excluded. You acknowledge that other Business Coaches may provide Coaching Services to Blue Chip Accounts at or from locations in the DDMA. With the prior written consent of Master Licensee, You may provide Coaching Services to Blue Chip Accounts at or from locations outside your DDMA but within the Master Licensee's Territory at the sole discretion of Master Licensee, whose decision shall be final and binding on You. ActionCOACH retains the sole and exclusive right to identify Clients or potential Clients as Blue Chip Accounts who are outside the Master Licensee's Territory and permit other Business Coaches to provide Coaching Services in accordance with Franchisor's policy (as amended from time to time) on Blue Chip

Accounts. All disputes relating to Blue Chip Accounts will be resolved by Franchisor, whose decision will be final and binding upon all parties.

- 8.8 You acknowledge that it is necessary for Franchisor and Master Licensee to identify, manage and service Blue Chip Accounts to ensure the consistent delivery and co-ordination of Coaching Services provided to Blue Chip Accounts.

## **SECTION 9 – OFFICE LOCATION**

- 9.1 You can locate your office anywhere within the DDMA. The office must at all times be well presented and of a professional nature. Your approved office location is specified in Attachment 1. You must notify Master Licensee (in advance, if possible) if you intend to change your office location, or if for any reason you are or will be unable to operate the Business from your then-current approved office location (such as a taking by eminent domain, termination of your lease, mortgage default, or damage or repair). The Term of this Agreement will not be extended by any such interruption, nor will you be excused from paying Marketing and Advertising Fees or Royalty Fees during such interruption.
- 9.2 Your office must comply, at your sole cost and expense, with the guide contained in the Manuals which may be amended from time to time.
- 9.3 You confirm your approval of any office location which is specified in Attachment 1 and acknowledge that You have:
- A. made all necessary enquiries and have conducted your own due diligence in relation to the office location;
  - B. absolutely and unconditionally satisfied yourself as a result of these enquiries and your own due diligence as to the suitability of the office location and the location of the office for the conduct of the Business; and
  - C. entered into this Agreement as a result of your own assessment of all of these matters and not in reliance upon any alleged statement, warranty, condition or representation made to or alleged to have been made to You by Master Licensee, Franchisor or by any person on behalf of Master Licensee or Franchisor.
  - D. If no premises are specified in Attachment 1 then You must, prior to obtaining approval of the office location, confirm in writing your approval of the office location approved under Section 9.1 and acknowledge that it has met the requirements specified in Section 9.3 (A), (B) and (C).

## **SECTION 10 - MANUALS**

- 10.1 You acknowledge that the Manuals are furnished to you on loan and that they remain the sole property of Licensor at all times. You must not make any copies (paper, electronic, or otherwise) of the Manuals.
- 10.2 Licensor or Franchisor may revise the Manuals at any time and from time to time, which you must follow. Master Licensee will communicate any such changes to you. Such revisions may include, without limitation, changes with respect to:
- A. The authorized Coaching Services;
  - B. Operating procedures;

- C. Advertising and promotions;
  - D. Equipment and supplies;
  - E. Dress codes;
  - F. Additions or modifications of Marks;
  - G. Accounting and reporting systems and forms; and
  - H. Insurance requirements.
- 10.3 You agree to operate the Business in accordance with the Manuals, as modified from time to time. Failure to comply with the standards set forth in the Manuals will constitute a material breach of this Agreement.

### **SECTION 11 – YOUR DUTIES AND OBLIGATIONS**

- 11.1 You agree to use your best efforts to increase the reputation of, and demand for, Coaching Services in the DDMA.
- 11.2 You agree to strictly comply with all present and future standards, specifications and procedures prescribed by Licensor or Franchisor and communicated by Master Licensee or set out in the Manuals, including but not limited to the following requirements:
- A. You, your Business Coaches and Key Personnel must complete the ActionCOACH training program, at a location designated by Franchisor. Your Business Coaches and Key Personnel are not permitted to provide Coaching Services until after they have completed the Franchisor's training.
  - B. Attendance by You, or your MDC every year in at least 1 of Franchisor's Regional Conferences is mandatory. You are responsible for all salary, travel expenses, and other expenses of persons attending programs, seminars, and conferences offered by Franchisor or Master Licensee.
  - C. You must identify all of your employees to Master Licensee, and must ensure that they are suitably qualified to run the Business properly. You must keep Master Licensee informed at all times regarding the names, background and experience of all personnel.
  - D. You, your MDC and your EBCs may offer only the Coaching Services and related products approved by Franchisor for sale by Business Coaches in

the U.S.A.

- E. All personnel must be professional in dress and appearance, in a manner consistent with the requirements of Franchisor and Master Licensee.
  - F. You must operate the Business only under the Marks and under no other trade name or business name. However, you must make it clear to Clients, employees and the general public that you are an independent party operating the Business under license from Master Licensee. You may not use the Marks as any part of a corporate or other legal name, but you may append “d/b/a ActionCOACH” after your corporate or legal name using the then current naming convention as approved by Master Licensee.
  - G. You must attend all seminars, workshops and exhibitions hosted or arranged on behalf of the Business and/or its Clients as reasonably required by Master Licensee. At your cost, you must display signs at such events in accordance with the Manuals’ specifications.
  - H. You must pay all debts and taxes arising in connection with the Business when due, including debts payable to Master Licensee.
  - I. You must comply with all laws applicable to the Business.
  - J. You must participate in Client satisfaction surveys, and participate in programs derived from such surveys. You must also cooperate with, and participate in, Across-Area Marketing Programs.
  - K. You must provide the supervision, support and instruction required to be given to your MDC and EBCs.
  - L. Prior to contracting with or employing, You must require your Key Personnel, employees, MDCs and EBCs to sign a nondisclosure and non- compete agreement in a form acceptable to Master Licensee and Franchisor.
  - M. Throughout the Term, you must be of good character and must not indulge in what the Master Licensee reasonably considers to be unethical conduct or acts of moral turpitude or do anything which might damage the goodwill attaching to the Marks and other intellectual property associated with the System, or damage any other ActionCOACH businesses within or outside the DDMA, whether franchised or operated by Franchisor (or its Affiliates).
- 11.3 You must submit to Master Licensee the reports and information specified in the Manuals from time to time, and you must submit them in the form and manner prescribed by the Manuals. The required reports include:
- A. A report entitled “Action Plan,” which outlines the goals, strategies, and actions you set for development of the Business. This report will be completed and delivered from time to time within ten (10) business days of Master Licensee’s request.

- B. A report entitled “Key Performance Indicators”, which summarizes the activities of the Business for each week. This report must be completed and delivered to Master Licensee at the end of each week or as otherwise specified in the Manuals. If you fail to deliver the required information in a timely manner, Master Licensee, in addition to any other remedies available under this Agreement, may suspend or terminate the services provided to you by Master Licensee under this Agreement.
  - C. Weekly marketing results and sales performance reports.
  - D. Detailed financial statements for the Business by 31 March after the end of each Financial Year for that Financial Year including a balance sheet, a profit and loss statement and a source and application of funds statement prepared by the Franchisee’s accountant certifying that the contents are true and correct and are a fair and accurate view of the Business.
- 11.4 You acknowledge and agree that the submission of all required reports is a primary responsibility of each Business Coach. You also agree to give Master Licensee and Franchisor independent access to the information in your computer system - relating to your ActionCOACH Business.
- 11.5 Master Licensee has the right to inspect your office upon reasonable prior notice, which will not be less than seventy two (72) hours if your office is located in your home. Master Licensee has the right, at any time, to discuss with your Clients and personnel any matters that may pertain to the Business and to compliance with this Agreement.
- 11.6 Master Licensee may call ad hoc meetings of Business Coaches, which will not number more than twelve (12) per year. You will use your best endeavors to attend.
- 11.7 While this Agreement is in effect, and for three (3) years after its termination or expiration or any transfer approved under Section 20, you agree to supply Master Licensee with your home address, telephone number, and email address, as well as the home addresses, telephone numbers, and email addresses of your directors, officers, and employees.
- 11.8 You must:
- A. Inform Master Licensee in writing of, and promptly act to address, all Client complaints at your cost and in accordance with any relevant provision set out in the Manuals.
  - B. If You fail to address a Client complaint within two (2) Business Days, Master Licensee may attempt to address the complaint.
  - C. If Master Licensee attempts to address a Client complaint due to your failure to satisfactorily address the complaint, You must pay the reasonable costs incurred by Master Licensee in attempting to address the complaint.

- 11.9 Subject to any applicable Law, You must:
- A. collect the information from Clients specified in the Manuals or otherwise in writing by Franchisor or Master Licensee;
  - B. collect Client information in the manner specified in the Manuals or otherwise in writing by Franchisor or Master Licensee;
  - C. provide Franchisor and Master Licensee with all Client Information, in the form specified in the Manuals, at the end of each Month or within twenty four (24) hours after receiving a request from Master Licensee.
- 11.10 Franchisor and/or Master Licensee may establish and maintain a Client database to store Client Information.
- 11.11 All Clients and the information contained in both the Client Forms completed by Clients and the client database are and will remain the sole property of Franchisor and Master Licensee.
- 11.12 Your appointment of a Business Coach shall be subject to the following:
- A. A Managing Director Business Coach must: (i) be approved by Master Licensee and trained by Franchisor; (ii) sign a Managing Director Business Coach Agreement with you; and (iii) have direct responsibility for all operations of the Business and has the authority to bind you in any dealings with Master Licensee or Franchisor.
  - B. You are entitled to appoint Employee Business Coaches under the following conditions: (i) your EBC must be approved by Master Licensee and trained by Franchisor, and (ii) your EBC must sign and Employee Business Coach agreement with you.
  - C. You may appoint an unlimited number of Employee Business Coaches.
  - D. There shall be no license fees due for the appointment of your EBCs. However, you must pay Training Fees, and Monthly Technology Fees for each EBC as indicated in Attachment 1.

## **SECTION 12 - MINIMUM PERFORMANCE AND MINIMUM KEY PERSONNEL REQUIREMENT**

- 12.1 You must achieve Minimum Performance Requirement (excluding the first twelve (12) months from Effective Date) which the Franchisee agrees are minimum criteria which the Franchisee must perform and are not targets or objectives.
- 12.2 If You fail to achieve the Minimum Performance or Minimum Key Personnel Requirement in any Assessment Period You must attend a meeting held by Master Licensee, at your cost, to discuss the performance of the Business.
- 12.3 You must at the meeting referred to in Section 12.2: (a) provide Master Licensee and Franchisor with a written explanation for the failure to achieve the Minimum Performance and/or the Minimum Key Personnel Requirement, if requested to do so by Master Licensee or Franchisor; and (b) if requested by Master Licensee or Franchisor, set out specific strategies or actions to be taken to address the failure which are acceptable to Master Licensee and Franchisor.

- 12.4 If Master Licensee and Franchisor consider that You have failed to achieve the Minimum Performance or Minimum Key Personnel Requirement for reasons within your control, Master Licensee or Franchisor may require You, your MDC, your EBCs and employees, to undertake additional training, at your cost.
- 12.5 If You fail to: (a) attend a meeting with Master Licensee in accordance with Section 12.2; (b) attend and complete additional training or procure additional training that your MDC, your EBCs and/or employees are required to attend and complete to the satisfaction of Franchisor as required by Master Licensee and Franchisor under Section 12.4; (c) implement any agreed strategy or action resulting from the meeting referred to in Section 12.2; (d) meet Minimum Performance and/or Minimum Key Personnel Requirement within six (6) months of: attending a meeting with Master Licensee; or You, your MDC, your EBCs and/or your employees completing additional training, as required under Section 12.4, You must, within six (6) months of the date upon which Master Licensee notifies You that You have failed to meet one (1) or more of your obligations under this section, transfer the Business in accordance with the procedure set out in Section 20.
- 12.6 If You are required to transfer the Business under Section 12.5 and fail to do so within the required time frame, Master Licensee may terminate this Agreement by written notice to You and the Master Licensee is not required to pay any compensation to You or any other person in respect of the termination.
- 12.7 Master Licensee will review and set a new Minimum Performance Requirement during any Renewal Period.

### **SECTION 13 - PURCHASE OF EQUIPMENT, INVENTORY AND SUPPLIES**

- 13.1 Except for equipment and products that are proprietary to Licensor or Franchisor, you may purchase your equipment, software, supplies, and other items from any reputable manufacturer or supplier. To the extent that Franchisor publishes standards for non-proprietary equipment, software, telephone lines, Internet service, supplies, stationery, or other items used in the Business, you must use only items meeting the applicable standards. If you receive notice from Master Licensee of a change in the applicable standards, you agree to comply with the new or revised standards as soon as practicable.

### **SECTION 14 - INSURANCE AND INDEMNIFICATION**

- 14.1 You must purchase before the Business opens, and at all times thereafter maintain in full force and effect, all insurance policies of the types and with the minimum policy limits prescribed by Master Licensee and/or Franchisor from time to time (but in no event less than the coverage required under applicable law), including without limitation:
- A. Professional indemnity insurance;
  - B. Comprehensive general liability insurance;
  - C. Workers' compensation insurance and employers' liability insurance without any limit as to the amount;
  - D. Insurance as may be required by the terms of any lease, mortgage or other loan for the Business; and
  - E. Any additional insurance that Master Licensee or Franchisor may inform you is required.

All liability policies must list Master Licensee and Franchisor as additional named insured. Your liability insurance will not be limited in any way by reason of any insurance that may be maintained by Master Licensee or Franchisor.

- 14.2 All policies of insurance must be with responsible companies qualified to do business and in good standing in the state where the Business is located. At Master Licensee's or Franchisor's request, you must furnish certificates issued by each of your insurers indicating that all premiums due have been paid, that all required insurance is in full force and effect, and that the insurance will not be terminated or changed without at least thirty (30) days' prior written notice from the insurer to Master Licensee and Franchisor. Within five (5) days of any request by Master Licensee, you must deliver a copy of all insurance policies to Master Licensee for examination.
- 14.3 If you fail to obtain or maintain adequate insurance, Master Licensee or Franchisor may, at its sole discretion, obtain insurance for you in your name. Within five (5) days of written request by Master Licensee or Franchisor, you must reimburse Master Licensee or Franchisor for any costs incurred in obtaining insurance on your behalf.
- 14.4 You agree to indemnify Master Licensee, Franchisor and Licensor and hold each of them harmless against all claims, expenses, and liabilities of any kind arising from, or in connection with, the operation of the Business, except to the extent that such liabilities arise from the gross negligence or willful acts of the party seeking indemnification from you. This indemnity will remain in force after expiration or termination of this Agreement or after any transfer approved under Section 20. This indemnity is not limited by the amount of insurance that you carry.
- 14.5 All property used in the Business will be maintained at your sole risk, and if any property is damaged in any way, Master Licensee will not compensate you except to the extent the damage was caused by Master Licensee's gross negligence or willful acts.

#### **SECTION 15 - TRADEMARKS AND CONFIDENTIAL INFORMATION**

- 15.1 You acknowledge Licensor's exclusive ownership of and rights in the Marks and in the System. All goodwill now or in the future associated with your use of the Marks will accrue exclusively to the benefit of Licensor. You agree that you will not, during or after the term of this Agreement:
- A. contest or aid in contesting the validity or ownership of the Marks;
  - B. take any action in derogation of Licensor's, Franchisor's, or Master Licensee's rights with respect to the Marks, whether now existing or later obtained; or
  - C. use, register or attempt to register the Marks in your own name for any purpose, including but not limited to, any registration at any government or domain name registry. You may, however, register a "d/b/a" or a fictitious business name certificate in connection with the operation of the Business with the written permission of the Master Licensee.
- 15.2 You agree to:
- A. use the Marks only in connection with the Business;

- B. use the Marks only in accordance with the Manuals;
  - C. reproduce the Marks exactly and accurately; and
  - D. change, discontinue, or substitute for any of the Marks, at your own expense, if Master Licensee notifies you that Licensor or Franchisor has modified the Marks to be used in the U.S.A.
- 15.3 You acknowledge that you will have access to the Manuals and other valuable trade secrets, know how, methods, information, recruiting techniques, accounting procedures, control procedures, and marketing techniques relating to the System (collectively, the “Confidential Information”). The Confidential Information was developed at significant cost, is owned by Licensor, and is necessary to the operation of the Business. You further acknowledge that such Confidential Information was unknown to you prior to negotiation for and execution of this Agreement. You will take all steps necessary, at your own expense, to protect such Confidential Information and will not divulge it either during the Term of this Agreement or thereafter. Your employees may have access to the Confidential Information only to the extent necessary to perform particular tasks, and only after first signing a confidentiality agreement, in a form acceptable to Franchisor. You will be responsible for all unauthorized disclosures of Confidential Information by any person to whom you give access to the Confidential Information. Upon expiration or termination of this Agreement or any transfer approved under Section 20, you will return or destroy all Confidential Information.
- 15.4 You must immediately inform Master Licensee of any suspected, known or threatened infringement of or challenge to the Marks or unauthorized disclosure or use of Confidential Information. You must assist and cooperate with Master Licensee, Franchisor and Licensor in taking such action, if any, as they deem appropriate to protect the Confidential Information and the Marks.
- 15.5 You agree that all data you collect from Clients and prospective clients in connection with the Business is deemed to be jointly owned by Master Licensee and Franchisor. You are licensed to use such data only while this Agreement is in effect. Upon expiration or termination of this Agreement or an approved transfer of the Business to a new owner, you must comply with Section 17 and not use any Client or prospective client data for any purpose contrary to Section 15.2.

#### **SECTION 16 - RESTRICTIONS ON COMPETITION**

- 16.1 During the Term of this Agreement, you may not, either directly or indirectly through any other person or entity, participate in, be employed by, act as a Business Coach (or any similar capacity) to, provide financial assistance to, or acquire any interest in any business that offers services in competition with or similar to any of the Coaching Services (“Competing Business”) to clients in the U.S.A.
- 16.2 The restriction in Section 16.1 will also apply during the Restraint Period but only as to clients within the Restraint Area. In addition, during the Restraint Period, you will not solicit, for the benefit of any Competing Business, any person who was a Client of the Business during the two (2) years immediately before expiration, termination, or transfer of the Franchise Agreement.
- 16.3 During the term of this Agreement and during the Restraint Period, you may not employ or otherwise interfere with the employment relationship of any person who is employed by Licensor, Franchisor, or Master Licensee.

- 16.4 Master Licensee and Franchisor have the right unilaterally to reduce the scope of any restriction in this Section 16 by written notice to you.
- 16.5 This Section and Section 15 apply to your MDCs, EBCs, employees and individuals holding an ownership interest in the Business, and any persons or legal entities controlled by the foregoing individuals. At Master Licensee's request, you must furnish Master Licensee with executed agreements from such individuals, in forms acceptable to Master Licensee, in which they agree to be bound by Sections 15 and 16.
- 16.6 You agree that damages caused to Master Licensee, Franchisor, and Licensor for failure to comply with Section 15 or Section 16 are irreparable. You agree that Master Licensee, Franchisor, and Licensor may, notwithstanding the provisions of Section 22.9 hereof, seek injunctive relief, without notice to you, in addition to any other relief that may be available to them for breach of Section 15 or Section 16.
- 16.7 In the event of a breach of the provisions of Sections 15 or 16, Master Licensee is entitled to liquidated damages from you in the amount of Two Hundred Fifty Thousand Dollars (US\$250,000.00). You expressly agree that this amount is not a penalty but a reasonable estimate of the damages that would result from any such breach. In the event that legal action becomes necessary for the enforcement of any of the provisions of Sections 15 or 16 of this Agreement or to collect the liquidated damages provided herein, the prevailing party shall receive in addition to any other damages or relief awarded, its reasonable attorney's fees, together with appropriate costs and interest. You agree that in the event of a breach of any of the provisions of Sections 15 or 16, Master Licensee shall be entitled, notwithstanding the provisions of Section 22.9 hereof, to recover provisional or permanent injunctive relief as well as liquidated damages, and that the liquidated damages provision included herein does not provide Master Licensee with an adequate remedy at law for any such breaches which you may commit.
- 16.8 If a court or arbitrator determines that any restriction or provision in this Section 16, strictly applied, would be invalid or unenforceable, then the restriction or provision will be deemed modified to the extent necessary (but only to that extent) to make it valid and enforceable. If a dispute regarding enforceability of Section 16.2 or 16.3 is resolved in favor of Master Licensee and Franchisor, the two (2) year period (or the period deemed to be reasonable by the court or arbitrator) will run from the date of the order permitting its enforcement.

## **SECTION 17 – DEFAULT AND TERMINATION**

### **17.1 Termination by You.**

If you are in compliance with this Agreement and Master Licensee materially breaches this Agreement and fails to cure the breach within sixty (60) days after you deliver a written notice of the breach to Master Licensee, you may terminate this Agreement, effective ten (10) days after you deliver a notice of termination to Master Licensee. You must comply with the provisions of Section 18.

### **17.2 Termination by Master Licensee – No Right to Cure.**

In addition to its other rights of termination contained in this Agreement, Master Licensee will have the right to terminate this Agreement by written notice, effective immediately, if you:

- A. voluntarily abandon the franchise relationship;
- B. are convicted of a criminal offense directly related to the Business, or convicted of any felony.

- C. fail to cure a default under this Agreement which materially impairs the goodwill associated with the Marks within twenty-four (24) hours after receiving written notice to cure;
- D. fail to cure a material violation of any health, safety, sanitation or other regulatory law, ordinance, standard, practice or regulation, or operate the Business in a manner that presents a health or safety hazard to its employees, Clients, or the general public;
- E. make or permit an unauthorized transfer of this Agreement or of any direct or indirect interest in the Business;
- F. submit to Master Licensee two (2) or more sales reports, financial statements, or other information or supporting records, in any period of twelve (12) consecutive months, which understate by more than five percent (5%) the Gross Revenues of the Business;
- G. make material misrepresentations in your application for the franchise or any other material report or statement to Master Licensee;
- H. fail to submit sales reports or financial statements when due on three (3) or more occasions in any twelve (12) month period;
- I. fail to pay Royalty Fees, Marketing and Advertising Fees, or other amounts owed to Master Licensee when due on three (3) or more occasions in any twelve (12) month period;
- J. fail on three (3) or more occasions in a twelve (12) month period to pay creditors, employees, or suppliers on a timely basis;
- K. fail on three (3) or more occasions in a thirty-six (36) month period to achieve an overall score of at least eighty percent (80%) on Franchisor's compliance audit or a score of at least seventy percent (70%) for any section of the compliance audit;
- L. fail to achieve Minimum Performance Requirement in three (3) or more Assessment Periods during the Term.

### **17.3 Termination by Master Licensee – Failure to Cure.**

Except as provided in Section 17.2, you will have thirty (30) days from receipt of notice of default from Master Licensee to cure any material breach of this Agreement or failure to comply with any material specification, standard or operating procedure prescribed by Master Licensee or Franchisor. If you fail to cure the breach within the thirty (30) day period, Master Licensee will have the right to terminate this Agreement by written notice without any further opportunity to cure.

## **SECTION 18 – OBLIGATIONS UPON EXPIRATION OR TERMINATION**

18.1 Upon expiration or termination of this Agreement, you must:

- A. Notify your Clients and prospective clients that you are no longer an authorized ActionCOACH franchisee or Business Coach;

- B. Promptly pay to Master Licensee all amounts owed based on business conducted through the date of expiration or termination;
  - C. Immediately discontinue the use of all Marks, the Manuals, the Confidential Information, and all materials of any kind that are identified with the System. You must return all of these materials to Master Licensee and, at Master Licensee's request, assign your telephone numbers, fax numbers, email addresses, domain names, related listings, and advertising to Master Licensee or Franchisor. You must execute an assignment ("Conditional Assignment of Telephone and Directory Listings"), in a form set forth in Attachment 6;
  - D. Surrender an unaltered database of all Clients and prospective clients, and remove and return any electronic database system provided to you by Master Licensee.
  - E. Provide Master Licensee with executed copies of all Client agreements and immediately execute any further agreements requested by Master Licensee necessary to assign any Client agreements to Master Licensee.
  - F. Immediately amend or terminate your business registration of any d/b/a or fictitious name or any other registration or filing containing the Marks, so as to delete the Marks and all references to anything associated with the System. If you have not furnished evidence of compliance with this obligation within thirty (30) days, you grant Master Licensee a limited power of attorney to amend or terminate all registrations and filings on your behalf, this appointment being coupled with an interest to enable Master Licensee to protect the System.
  - G. Comply with the provisions of Section 16 (Restrictions on Competition).
- 18.2 The expiration or termination of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies that Master Licensee, Franchisor, or Licensor may have against you.
- 18.3 You acknowledge that injuries caused by your failure to comply with this Section 18 are irreparable. You agree that Master Licensee will be entitled to injunctive relief in addition to any other relief that may be available for breach of this Section 18.
- 18.4 If Master Licensee terminates this Agreement based on your default, you must pay Master Licensee liquidated damages, calculated as follows: (a) the average of your monthly Royalty Fees and Marketing and Advertising Fees due for the last twelve (12) months before termination (not including the months before the Royalty Fee and Marketing and Advertising Fee obligations begin under Sections 4.1 and 4.2); (b) multiplied by the lesser of twenty four (24) or the number of months remaining in the then-current term under Section 2, (c) discounted to present value using the then-current prime rate of interest quoted by Master Licensee's principal commercial bank; (d) minus the present value (determined using the same period as in (b) and the same discount rate as in (c)) of the expenses of performance avoided by Master Licensee as a result of termination of this Agreement.

### **SECTION 19 – THIRD PARTY RIGHTS OF FRANCHISOR AND LICENSOR**

- 19.1 You acknowledge and agree that all of Master Licensee's rights and all of your obligations under this Agreement inure to the benefit of Franchisor and Licensor, and that they each

have a third-party beneficiary interest in this Agreement. You agree that Franchisor and Licensor have the right to exercise any rights of Master Licensee and/or to enforce any of your obligations if Master Licensee fails to do so.

- 19.2 Upon termination or expiration of the Master License Agreement for any reason, this Agreement will remain in effect, and Master Licensee's interest in this Agreement will be deemed to be automatically assigned to and assumed by Franchisor. You agree to be bound by the assignment upon receipt of notice from Franchisor of the effective date of the assignment.

## **SECTION 20 - TRANSFER**

### **20.1 By Master Licensee.**

Master Licensee may transfer its rights under this Agreement as it sees fit without notice to you, subject to the terms of the Master License Agreement. This Agreement will inure to the benefit of Master Licensee's successors and assigns.

### **20.2 By You -- General.**

- A. None of your rights or obligations under this Agreement, nor any direct or indirect interest in the Business, may be transferred without Master Licensee's prior written consent, which will not be unreasonably withheld, and your full compliance in all other respects with the terms of this Section 20. Any action contrary to this Section 20 will be a material breach of this Agreement and will be void.
- B. If this Agreement has been transferred to an entity under Section 20.4 below, any proposed transfer of any ownership interest in the entity will be subject to all of the provisions of this Section 20.
- C. No transfer that requires Master Licensee's consent may be completed until at least sixty (60) days after Master Licensee receives written notice of the proposed transfer. You agree to provide all information and documentation relating to the proposed transfer that Master Licensee reasonably requests. Master Licensee may withhold its consent on any reasonable grounds, including, but not limited to, failure to satisfy any of the conditions imposed under Section 20.3.
- D. Master Licensee has the right to communicate with and counsel both you and the proposed transferee on any aspect of a proposed transfer.
- E. All approved transferees will be bound by this Agreement and liable for all obligations under it. No stockholder in any corporation or other entity to which you transfer this Agreement will have any rights under this Agreement by reason of such ownership.

### **20.3 Conditions to Transfers.**

No transfer will be approved by Master Licensee or be effective unless and until:

- A. The proposed transferee has been approved by Master Licensee as meeting the then-current qualifications for a Firm Owner;
- B. The proposed transferee has paid the then-current training fee and has

satisfactorily completed the ActionCOACH training program, except that part or all of this requirement may be waived if the transferee has completed the training program within the last five (5) years;

- C. You have settled all outstanding accounts with Master Licensee, and there is no other existing material default in the performance of your obligations under this Agreement or any other agreement you may have with Master Licensee;
- D. You have executed a general release of all claims against Master Licensee, Franchisor, and Licensor, in a form acceptable to Master Licensee and Franchisor;
- E. You have paid to Master Licensee a transfer fee in the amount designated in Attachment 1 to this Agreement ("Transfer Fee"); and
- F. The transferee has executed a new Firm Business Coach Franchise Agreement in the form then being offered by Master Licensee to new Firm Owners in Master Licensee's Territory.

#### **20.4 Transfer to a Corporation, LLC, etc.**

If you are an individual (and not a business entity) and you desire to transfer this Agreement to a corporation, limited liability company, partnership, trust, or other entity, you may do so only if:

- A. The entity is newly formed and its authorized activities are limited to operating the Business;
- B. You are the majority owner and have sole power to direct and control the management and affairs of the entity;
- C. You remain jointly liable with the entity for all obligations of the Business Coach under this Agreement. You acknowledge and agree that the assumption of your obligations by the entity does not limit your personal obligations under this Agreement, and that you and the entity will be jointly and severally liable.
- D. You continue to devote your full time and best efforts to manage the operations of the Business, unless you have a General Manager or similar designee approved by Master Licensee;
- E. The entity signs an agreement with Master Licensee assuming, jointly and severally, all of your obligations under this Agreement; and
- F. The stock certificates, certificated units of partnership or certificated beneficial interests of the corporation, partnership or trust bear the following legend:

"The (shares of capital stock) (partnership interest) (beneficial interest) represented by this certificate are subject to the terms and conditions set forth in that certain Business Coach Franchise with the effective date as stated in Attachment 1 between the Company and Oaktree Business Services of Ohio, LLC, a copy of which is on file in the Company's principal office and a copy of which will be provided to the holder of record hereof upon written request without charge."

## 20.5 Death, Incapacity or Personal Bankruptcy.

- A. If You (or any owner, if this Agreement has been transferred to an entity) die, become incapacitated, or enter bankruptcy proceedings, the executor, administrator, personal representative, or trustee may apply to Master Licensee in writing within one hundred twenty (120) days after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the affected interest in the Business. The transfer will be subject to the provisions of Sections 20.2 and 20.3, except that no Transfer Fee will be required. In addition, if the deceased or incapacitated person is the General Manager, Master Licensee will have the right (but not the obligation) to take over operation of the Business until the transfer is completed and to charge a reasonable management fee for such services. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of thirty (30) or more consecutive days; or (ii) for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Sections 19.3, the executor may transfer the decedent's interest to another successor that Master Licensee has approved, subject to all of the terms and conditions for transfers contained in this Agreement.
- B. If you die (or any owner dies, if this Agreement has been transferred to an entity), the executor may terminate this Agreement by signing a termination agreement and release satisfactory to Master Licensee and Franchisor. Upon executing and submitting the appropriate termination documents, the estate and its representatives will have no further obligation under this Agreement except for any matters that exist as of the date of such termination.

## SECTION 21 – OPTION TO PURCHASE

- 21.1 Master Licensee will have the option, but no obligation, to purchase all of the assets of the Business upon receipt of notice from you under Section 20.2 of your intention to sell the Business to an independent third party pursuant to a bona fide written offer to purchase. The purchase price for assets will be the price specified in the written bona fide purchase offer from the third party. If Master Licensee cannot reasonably be required to furnish the same consideration as the third party, then Master Licensee may purchase the interest for the reasonable equivalent in cash. If you and Master Licensee cannot agree on the reasonable equivalent in cash within a reasonable time, each party will designate an independent appraiser, and the average of the two (2) appraised values will be binding. Master Licensee will have the right to set off all amounts due from you under this Agreement, as well as the cost of any appraisals, against the purchase price.
- 21.2 Master Licensee will notify you of its intention to exercise the option to purchase (a "Notice of Intent") within thirty (30) days following receipt of notice from you under Section 20.2. You will have fourteen (14) days following receipt of Master Licensee's Notice of Intent to object to any of its terms. If Master Licensee declines to exercise its rights under Section 21.1 within thirty (30) days, you may thereafter sell the Business to the third party identified in the disclosed purchase offer, but not at a lower price or on more favorable terms than you previously disclosed to Master Licensee. Any such sale will be subject to the terms set forth in Section 20.
- 21.3 The purchase and sale contemplated in this Section will be consummated as soon as practicable. Following the delivery of a Notice of Intent as specified in Section 20.2, Master Licensee, or its designee, will have the right to operate the Business pending the closing of the sale.

## SECTION 22 – GENERAL PROVISIONS

### 22.1 Relationship of Parties.

You do not have any authority to act on behalf of, or as an agent of, Master Licensee, Franchisor, or Licensor for any purpose, nor may you hold yourself out as having such authority. No fiduciary, agency, employment, or partnership relationship exists between you and Master Licensee. You are an independent contractor responsible for all obligations and liabilities of the Business, including any claims or demands based on damage or destruction of property or on injury, illness or death of any person arising directly or indirectly from, or in connection with, the operation of the Business.

### 22.2 No Conflict with Other Agreements.

You represent that you are not a party to or subject to any agreement that might conflict with the terms of this Agreement.

### 22.3 Prevailing Party Reimbursement.

In any legal action or arbitration involving you and Master Licensee and/or Franchisor, the prevailing party will be entitled to recover its investigation costs, collection costs, reasonable attorneys' fees, court costs, and all litigation or arbitration expenses, including arbitrators' fees.

### 22.4 No Waiver.

No failure or delay on the part of Master Licensee or Franchisor in connection with the enforcement or exercise of any rights under this Agreement will affect Master Licensee's or Franchisor's right to strictly enforce this Agreement at any time. No custom or practice regarding this Agreement will preclude the strict enforcement of this Agreement. No waiver by Master Licensee of performance of any provision of this Agreement will constitute a waiver of Master Licensee's or Franchisor's rights to enforce that provision at any future time.

### 22.5 Entire Agreement; Amendments.

This Agreement constitutes the entire agreement between you and Master Licensee and supersedes all prior agreements, negotiations, correspondence, and representations, whether oral or written, concerning the same subject matter; provided however, that nothing in the foregoing clause is intended to disclaim any representations made by Master Licensee in the Franchise Disclosure Document provided to you in connection with your entry into this Agreement. Except as expressly provided herein, this Agreement may be modified only by a written document signed by you and an authorized representative of Master Licensee.

### 22.6 Survival.

All provisions of this Agreement that by their terms or by reasonable implication are intended to survive the termination or expiration of this Agreement or a transfer approved under Section 20, including your obligations of non-competition, confidentiality, return of proprietary items, and indemnity, will remain in effect after the expiration or termination of this Agreement or a transfer approved under Section 20.

### 22.7 Severability.

If any term or provision of this Agreement or the application thereof to any person, property or circumstance is determined by a court or arbitrator to be invalid or unenforceable, the remainder of this Agreement will be unaffected and will remain in full force and effect. Should this prove impractical, Master Licensee will have the option of terminating this Agreement upon written notice to you.

## 22.8 Governing Law.

This Agreement will be interpreted in accordance with and governed by the laws of the state in which Franchisor's principal office is located at the time of the dispute, except as otherwise required by the laws of the state in which the Business is located.

## 22.9 Mediation and Arbitration.

- A. This dispute resolution clause applies to claims (except claims by Master Licensee for any payment to be made by Franchisee to Master Licensee under this Agreement) by and against all parties and their affiliates, successors, owners, managers, officers, directors, employees, agents, and representatives, as to claims arising out of or relating to this Agreement, or of violation of any applicable law or regulation, except as stated below. This dispute resolution clause will survive expiration, termination or a transfer approved under Section 19.
- B. The parties will first attempt to resolve any dispute relating to or arising out of this Agreement by negotiation. Any dispute subject to negotiation, and not resolved within ten (10) days, will be submitted to nonbinding mediation. Mediation will be before a single, skilled independent mediator mutually and reasonably agreed on by the parties. The parties will equally bear the costs of mediation. Mediation will be conducted in accordance with the procedures of the American Arbitration Association, unless the parties agree to use a different mediation service. The mediation will be conducted in Las Vegas, Nevada if Franchisor is a party to or joined in the mediation.
- C. Any dispute relating to or arising out of this Agreement, and subject to negotiation and mediation, and not resolved within sixty (60) days, must be resolved exclusively by mandatory arbitration in accordance with the rules of the American Arbitration Association. Arbitration will be conducted solely on an individual, not a class-wide, basis, unless all parties so agree. No award in arbitration will have any effect of preclusion or collateral estoppel in any other adjudication or arbitration. If Franchisor is a party to or joined in the arbitration, the exclusive venue of the arbitration will be set in the city or county in which Franchisor's principal office is located at the time the demand for arbitration is filed. If Franchisor is not a party to or joined in the arbitration, the exclusive venue of the arbitration will be set in the city or county in which Master Licensee's principal office is located at the time the demand for arbitration is filed.
- D. Notwithstanding Section 22.8, all issues relating to arbitrability or the enforcement of this Section 22.9 are governed by the U.S. Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the U.S. federal common law of arbitration. Judgment on an arbitration award, or on any award for interim relief, may be entered in any court having jurisdiction, and will be binding.  
Each party to any arbitration or litigation under this Agreement waives, the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against any other party, except as allowed under law for trademark, trade secret, and copyright infringement.
- E. Except as otherwise expressly provided in this Agreement, no right or remedy conferred upon or reserved to any party by this Agreement is intended to be, or will be deemed, exclusive of any other right or remedy provided herein or by law or equity, but each will be cumulative of every other right or remedy.

**22.10 Notices.**

All notices pursuant to this Agreement must be in writing and be delivered in person or mailed by certified or other receipted mail, or by Federal Express or other receipted commercial delivery service, or by facsimile or electronic mail. The addresses for notice will be those set forth in Attachment 1. You or Master Licensee, with notice to the other party, may change the address to which notices will be sent.

**22.11 Successors.**

This Agreement will inure to the benefit of and be binding on you and Master Licensee, and your and Master Licensee's respective successors, assigns, heirs, executors, administrators, and personal representatives.

**22.12 Costs to alter contracts.**

If you request, and Master Licensee approves, any amendment to this Agreement after the date of this Agreement, you agree to reimburse Master Licensee (and Franchisor, if applicable) for their reasonable costs (including attorneys' fees) incurred in connection with such amendment.

**22.13 Acknowledgments.**

**YOU ACKNOWLEDGE THAT YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE FIRM BUSINESS COACH FRANCHISE AND THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISK AND WILL BE LARGELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESSPERSON. MASTER LICENSEE EXPRESSLY DISCLAIMS THE MAKING OF, AND YOU ACKNOWLEDGE THAT YOU HAVE NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL SALES, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.**

**YOU ACKNOWLEDGE THAT YOU RECEIVED A FRANCHISE DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) CALENDAR DAYS (TEN (10) BUSINESS DAYS IN MARYLAND, MICHIGAN, NEW YORK, OREGON, RHODE ISLAND AND WASHINGTON) BEFORE THE DATE ON WHICH YOU SIGNED THIS AGREEMENT OR PAID ANY CONSIDERATION.**

**YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THIS AGREEMENT, AND THAT MASTER LICENSEE HAS GIVEN YOU AMPLE TIME AND OPPORTUNITY, AND HAS ENCOURAGED YOU, TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT.**

*[Signature page follows]*

THE PARTIES have caused this Agreement to be duly executed as evidenced by their signatures appearing below.

**FRANCHISEE**

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

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

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

If Franchisee is a corporation or other entity, all persons with ownership interest in Franchise must sign below and specify their ownership interest percentage. All such persons must personally, jointly and severally guarantee the obligations to Master Licensee under this Agreement by executing an Individual Guarantee in the form that appears as Attachment 2 to this Agreement.

Name	Signature	Percentage Interest:
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %

**MASTER LICENSEE**

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

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

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

**ATTACHMENT 1  
TO THE FIRM BUSINESS COACH FRANCHISE AGREEMENT**

**1 Parties**Master Licensee

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

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

Franchisee

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

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

**2 DDMA**

Master License's Territory or Territory:  
See Attachment 3

DDMA:  
See Attachment 3

**3 Franchise Fee**

Franchise Fee:

 \$75,000

Reduced Franchise Fees (for purchases of more than 1  
DDMA within a 30-day period only):

 \$75,000 for the 1<sup>st</sup> DDMA \$180,000 for the 1<sup>st</sup> 3-Pack of DDMA's \$150,000 for the 2<sup>nd</sup> 3-Pack of DDMA's and onwards**4 Term and Renewal**

Term: 15 Years

Effective Date: \_\_\_\_\_, \_\_\_\_\_

Expiry Date: \_\_\_\_\_, \_\_\_\_\_

Renewal Term: 15 Years

**5 Royalty Fee**

The monthly Royalty Fee is 10% of the Minimum Performance Requirement or 10% of Gross Revenues in the preceding month, whichever is higher but in no case less than \$1,950.

Payment of \$1,950 is due on the 1<sup>st</sup> day of each month, while payment for any balance is due on the 5<sup>th</sup> day of each month.

If you purchase more than 1 DDMA within a 30-day period, Royalty Fees shall begin on the following months:

For the Franchise Agreement for the 1<sup>st</sup> DDMA, the 10% royalty begins immediately. The \$1950 starts the earlier of 1 month after you (or your MDC) completes the training program or 120 days after signing the franchise agreement

For the Franchise Agreement for the 2<sup>nd</sup> DDMA, on the 16<sup>th</sup> month after you or your MDC completes training after you open for business, whichever comes first

For the Franchise Agreement for the 3<sup>rd</sup> DDMA, etc., on the 28<sup>th</sup> month after you or your MDC completes training after you open for business, whichever comes first

**6 Marketing and Advertising Fee**

The monthly Marketing and Advertising Fee is a minimum of \$100 or 5% of Gross Revenues in the preceding month (capped at \$3,000 per month if you have a Lead Generation Specialist) and is due on the 5th day of each calendar month, except that no Marketing and Advertising Fee is due with respect to Gross Revenues in the month in which you, your MDC, your EBC, or your Key Personnel, as applicable, complete the induction training program.

**7 Minimum Performance Requirement** By Beginning of each Year:

<i>Year</i>	<i>Minimum Monthly Revenue (MMR)</i>
1	N/A
2	\$10,000
3	\$20,000
4	\$30,000
5	\$40,000
6	\$50,000
7	\$60,000
8	\$70,000
9-15	\$80,000

**8 Assessment Period**

Every month after the 1<sup>st</sup> year of the Agreement

**9 Minimum Key Personnel**

- Sales Manager; or
- Lead Generation Specialist

- 10 Training Fee**
- \$25,000 for You (or your MDC if you are a legal entity)
- For an additional fee of \$3,500 you may send one (1) MDC to attend the 10-day training at any time for the term of the Franchise Agreement.
- The fee includes accommodation, meal and transportation to and from the hotel to the training venue during the training sessions. All other expenses shall be your responsibility.
- \$5,000 per trainee for your EBC's and other Key Personnel, for the 5-day training. The fee includes meals during the training session only. The fee does not include travel, accommodation or additional meal costs
- 11 Renewal Fee** \$5,000
- 12 Monthly Technology Fee** \$135 per month, plus \$135 per month, per EBC/Key Personnel
- 13 Transfer Fee** \$15,000
- 14 Interest Rate** 1.5% per month or the maximum rate permitted by law, whichever is less
- 15 Business Coaches** Managing Director Business Coach:  
Employed Business Coaches:
- 16 Office Location** (if different from the address in Item 1 above)
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- 17 Tradenames and Trademarks** ActionCOACH



**18 Restraint Area and Restraint Period**

Restraint Area means:

The Designated Territory and within 100 miles thereof;

Restraint Period means:

24 months after termination, expiration or transfer of the Agreement under Section 20 hereof;

**19 Executive Coaching**

You (or your MDC) may be eligible to participate in the executive coaching program subject to compliance with Minimum Performance Requirements and other program guidelines. The executive coaching training shall be conducted by Franchisor (or its nominees) and shall be separate from the induction training program described in Item 10 above.

Notwithstanding the provisions of the Agreement, neither you (or your MDC) may offer or conduct executive coaching services without satisfactory completion of the executive training program.

**ATTACHMENT 2  
TO THE FIRM BUSINESS COACH FRANCHISE AGREEMENT PERSONAL  
GUARANTEE**

We, the undersigned, in order to induce Master Licensee to enter into a Firm Business Coach Franchise Agreement (the "Agreement") with \_\_\_\_\_ ("Firm Owner"), guarantee performance of Firm Owner's obligations under the Agreement, including, without limitation, payment of all monetary obligations of Firm Owner to Master Licensee. In addition, we agree to be personally bound by the confidentiality, non-competition, transfer, and dispute resolution provisions of the Agreement. We acknowledge that our obligations under this Personal Guarantee are joint, several, personal and irrevocable.

**GUARANTORS:**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signed

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

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signed

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

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signed

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

**ATTACHMENT 3  
TO THE FIRM BUSINESS COACH FRANCHISE AGREEMENT**

**A. Master Licensee’s Territory:** \_\_\_\_\_

**B. DDMA**

The DDMA consists of the following zip codes, postal codes and/or counties in the State of \_\_\_\_\_


If the U.S. Postal Service alters the boundaries or numbers of any of the zip codes referencing the DDMA, Master Licensee will use its best endeavors to reassign the re-designated zip codes that correspond as closely as possible to the previously held zip codes. You must advise Master Licensee if you become aware of any change to Zip Code boundaries or any other change which alters the DDMA.

**C. Franchisees that have the Right to Direct Market in the DDMA**

The following franchisees and their Business Coaches have the right to direct market within the DDMA.


**ATTACHMENT 4  
TO THE FIRM BUSINESS COACH FRANCHISE AGREEMENT**

**CONDITIONAL ASSIGNMENT OF TELEPHONE AND DIRECTORY LISTINGS**

In consideration of Master Licensee (“Assignee”) concurrently granting an ActionCOACH Firm Business Coach Agreement (“Franchised Business”) to \_\_\_\_\_ (“Assignor”), and other valuable consideration, Assignor assigns to Assignee all telephone numbers, directory listings, fax numbers, Internet web site addresses and domain names, and other listings, whether in electronic or other media, used or to be used by Assignor in the operation of the Franchised Business. Assignee assumes the performance of all of the terms, covenants, and conditions of the telephone or directory company with respect to these listings with the same force and effect as if they had been originally + issued to Assignee. This Assignment is valid on the effective date and is irrevocable. Assignee may fill in, add or change the effective date and the listings at any time. The telephone or directory company is authorized to rely on this Assignment. The parties will hold harmless and indemnify the telephone or directory company from any claims based on reliance on this Assignment.

Date:

**ASSIGNOR**

**ASSIGNEE**

\_\_\_\_\_

\_\_\_\_\_

Printed: \_\_\_\_\_

Printed:

Position/Title: \_\_\_\_\_

\_\_\_\_\_

Position/Title:

\_\_\_\_\_

**ATTACHMENT 5  
TO THE FIRM BUSINESS COACH FRANCHISE AGREEMENT**

**DIRECT DEBIT AUTHORIZATION FORM**

Effective date of Authorization: _____ Type _____	
of Authorization: <input type="checkbox"/> New Authorization <input type="checkbox"/> Change banking information	
<input type="checkbox"/> Change payment amount <input type="checkbox"/> Discontinue electronic	
<input type="checkbox"/> Change payment date                      payment	
Last Name _____ First Name _____	
Address _____	
City _____ State _____ Zip _____	
Please debit payments from my (check one):	Routing Number:
<input type="checkbox"/> Checking Account (attach voided check when returning)	(valid routing #'s must start with 0,1,2, or 3)
<input type="checkbox"/> Savings Account (contact your financial institution for Routing#)	_____
	Account Number: _____
Date of first payment: _____ / _____ / _____	Frequency of payment:
Date of last payment (optional): _____ / _____ / _____	<input type="checkbox"/> Monthly on the 1 <sup>st</sup> (ROYALTY)
	<input type="checkbox"/> Monthly on the 1 <sup>st</sup> (CONFERENCE and TECH FEE)
	<input type="checkbox"/> Monthly on the 5 <sup>th</sup> (MARKETING)
<b>Deduction Amount:</b>	
<b>ROYALTY:</b> If you have signed a franchise agreement with percentage based Royalty Fee, you will be deducted the amount due based on gross revenues reported in the <b>ActionMEMBERS</b> KPI system.	
<b>MARKETING:</b> If you have signed a franchise agreement with percentage based Marketing and Advertising Fee, you will be deducted the amount due based on gross revenues reported in the <b>ActionMEMBERS</b> KPI system.	
<b>CONFERENCE and TECH FEE:</b> You will be deducted the monthly amount due per Attachment 1.	
<b>AGREEMENT</b>	
I authorize the Master Licensee to process debit entries to my account. I understand that this authority will remain in effect until I provide reasonable notification to terminate authorization.	
Authorized Signature: _____ Date: _____	
<b>FOR OFFICE USE ONLY:</b>	<b>DATE:</b>



**EXHIBIT B**

**To**

**BUSINESS COACH  
FRANCHISE DISCLOSURE DOCUMENT**

**PARTNER FRANCHISE AGREEMENT**



# THE PARTNER

*BUSINESS COACH FRANCHISE AGREEMENT*

**THE PARTNER BUSINESS COACH FRANCHISE AGREEMENT**

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Attachment 1: Fees and Specifications

Attachment 2: Personal Guarantee

Attachment 3: DDMA

Attachment 4: Conditional Assignment of Telephone and Directory Listings

Attachment 5: Direct Debit Authorization Form

## THE PARTNER BUSINESS COACH FRANCHISE AGREEMENT

THIS AGREEMENT is entered into as of the Effective Date between \_\_\_\_\_, LLC (“Master Licensee”) and \_\_\_\_\_ (“You” or “Franchisee”).

### RECITALS

- A. ActionCOACH IPCo, Ltd. (“Licensor”) owns the Marks, the System, and the Confidential Information, all as defined below, and has granted ActionCOACH North America, LLC (“Franchisor”) the exclusive right to license and authorize the sublicensing of the Marks, the System, and the Confidential Information within the DDMA.
- B. Franchisor has granted the Master Licensee the right to sublicense the Marks, the System and the Confidential Information (each as defined in this Agreement) within the DDMA.
- C. You wish to obtain the right to operate an ActionCOACH business coaching and mentoring business in the DDMA.

The parties agree as follows:

### DEFINITIONS

“**Across-Area Marketing Programs**” means Licensor’s and Franchisor’s Internet, television, electronic, co-branding, alliance, affinity, and other marketing programs, policies and strategies.

“**Agreement**” means this “The Partner Business Coach Franchise Agreement”.

“**Assessment Period**” means the period specified in Attachment 1 for which Master Licensee will assess whether your performance meets the Minimum Performance requirement;

“**Blue Chip Account**” is a Fortune 500 Company that is listed in the past and present annual list compiled and published by Fortune magazine or similar publication. Due to the rapid development of new business concepts including online businesses, Franchisor reserves its rights to amend the guidelines and policies for Blue Chip Accounts from time to time.

“**Business**” means the ActionCOACH business coaching, business training and mentoring business that you are authorized under this Agreement to conduct within the DDMA.

“**Business Coach**” means a person providing Coaching Services to Clients under a Business Coach Franchise Agreement.

“**Client**” means a business owner or other customer who agrees to purchase Coaching Services from the Business.

“**Client Information**” means details, including lists, of Clients collected by Franchisee in accordance with this Agreement.

“**Client Forms**” means the forms specified by Franchisor in the Manuals or otherwise specified in writing by Franchisor to be used by the Franchisee to procure the details of Clients.

“**Coaching Platform Subscription Fee**” has the meaning given in Attachment 1.

“**Coaching Services**” means the business coaching, executive coaching, business training and mentoring services, training modules, products, business plan drafting assistance, and other services and products authorized by Franchisor from time to time for delivery to Clients.

**“Confidential Information”** has the meaning defined in Section 15 of this Agreement.

**“Designated Direct Marketing Area” or “DDMA”** means the area specified in Attachment 3 for the purpose of your Direct Marketing to prospective clients and Clients and as set out in Section 8 and may be modified in accordance with the terms of this Agreement. Master Licensee assigns the DDMA as a geographical area defined by zip codes, postal codes and/or counties.

**“Direct Marketing”** means communication to prospective clients within the Designated Territory by direct mail, telemarketing, email marketing, door-to-door marketing, broadcast faxing, voicemail marketing, couponing or direct selling. The Franchisor has the sole right to determine, whether or not any other activity or marketing method not defined herein is considered as Direct Marketing and its decision shall be binding on all parties.

**“Effective Date”** has the meaning given in Attachment 1.

**“Financial Year”** means a year commencing 1 January and ending 31 December.

**“Franchisee” or “You”** have the meaning given in Attachment 1.

**“Gross Revenues”** means the total receipts derived from services performed and products sold by or in connection with the Business. Any property or services received from Clients in exchange for Coaching Services will be included in Gross Revenues at their fair market value at the time received. Gross Revenues also include any proceeds you may receive from business interruption insurance. Gross Revenues do not include sales taxes or credits such as the sale price of any products returned by Clients or other taxes that you collect from Clients and pay directly to the appropriate governmental authorities.

**“Manuals”** means the operations manuals, policy statements, directives, and other written instructions issued by Franchisor with respect to the System, including, without limitation, information and materials posted in the Intranet areas of the ActionCOACH website. Part or all of the Manuals may be issued in electronic form. Franchisor may amend the Manuals from time to time.

**“Marks”** means the marks listed in Attachment 1 and such other registered and unregistered trade names, trademarks, service marks, logos, commercial symbols, Internet domain names, web site identifiers, designs, color schemes, and trade dress as Franchisor may designate from time to time for use with the System.

**“Master Licensee”** has the meaning given in Attachment 1.

**“Minimum Performance”** means the criteria specified in Section 12 and Attachment 1.

**“Managing Director Business Coach” or “MDC”** means the specific individual who is authorized by Master Licensee and you to provide Coaching Services to Clients on behalf of the Business. Only one person may be the Managing Director Business Coach at any given time. Ordinarily, you must personally serve as the Managing Director Business Coach throughout the Term. You may appoint another individual to serve as Managing Director Business Coach only if: (i) Master Licensee approves you in writing to appoint a Managing Director Business Coach ; and (ii) the proposed Managing Director Business Coach (a) has been approved by Master Licensee and trained by Franchisor; (b) has signed a Managing Director Business Coach Agreement with you and the Master Licensee; and (c) has direct responsibility for all operations of the Business and the authority to bind you in any dealings with Master Licensee or Franchisor.

**“Restraint Area”** has the meaning set forth in Attachment 1.

**“Restraint Period”** has the meaning set forth in Attachment 1.

**“System”** means the business methods, specifications, procedures, and accumulated trial and error developed, and to be developed, by Licensor and/or Franchisor for the operation and management of an ActionCOACH business coaching and mentoring business.

“Term” has the meaning set forth in Attachment 1.

### **SECTION 1 – RIGHTS GRANTED**

- 1.1 Master Licensee grants you the right, and you undertake the obligation, to:
- A. Operate the Business upon the terms and conditions of this Agreement, on a non-exclusive basis within the DDMA;
  - B. Operate the Business from the office location only as set forth in Section 9; and
  - C. Use the Marks and the System as they may be modified and developed from time to time on a non-exclusive basis in the operation of the Business.
- 1.2 This Agreement does not include: the right to sell products to any vendor who would in turn sell to consumers; the right to sell any product except through the Business; or the right to perform any Coaching Services other than through the Business.
- 1.3 You may not grant a sub-franchise or otherwise sublicense any of your rights under this Agreement.

### **SECTION 2 - TERM AND RENEWAL OPTIONS**

- 2.1 The term of this Agreement commences on the Effective Date and unless sooner terminated under Section 17, this Agreement will expire on the Expiry Date.
- 2.2 You will have the option to renew the right to operate the Business for successive Renewal Terms. Master Licensee may refuse to renew your right to operate the Business, in its absolute discretion, if any of the following conditions have not been satisfied:
- A. You must give Master Licensee written notice of your election to renew (“Renewal Notice”) not more than nine (9) months, and not less than six (6) months, before the current term expires. Master Licensee will respond to this notice with its approval or disapproval within two (2) months thereafter.
  - B. You must be current in all payment obligations to Master Licensee and must have remedied any breach of this Agreement specified by Master Licensee by written notice.
  - C. You must not have received more than one (1) written notice of default from Master Licensee in the twenty-four (24) months preceding delivery of the Renewal Notice.
  - D. You must have operated the Business and used the System substantially in accordance with this Agreement and the Manuals during the term then expiring.
  - E. You must have achieved Minimum Performance set out in Attachment 1.
  - F. You must execute a new Business Coach Franchise Agreement on the then current form designated by Franchisor, the terms of which may differ from this Agreement. Your failure to execute the updated Business Coach Franchise Agreement within thirty (30) days after its delivery will be deemed an election not to renew.

- G. You must execute a general release of all claims that you may have against Master Licensee, Franchisor, Licensor, and their respective officers, directors, shareholders, agents, and employees. This release must be in a form satisfactory to Master Licensee and Franchisor.
- H. You must make such expenditures as may be reasonably required to upgrade the Business and its signs, stock, forms and equipment so as to reflect the then-current image of the ActionCOACH concept.
- I. You must pay Master Licensee the Renewal Fee specified in Attachment 1.
- J. You must have attended every year at least one (1) of Franchisor's Regional conferences. If You have not met this requirement, Franchisor may allow You to re-attend Franchisee Training to remedy non-compliance. However, You must pay the then-current Franchisee Training Fee.

### **SECTION 3 - INITIAL FEES**

- 3.1 You must pay Master Licensee the Franchise Fee specified in Attachment 1 upon signing this Agreement.
- 3.2 You must pay Master Licensee the Training Fee specified in Attachment 1 upon signing of this Agreement.
- 3.3 You must pay Franchisor, through Master Licensee, the Coaching Platform Subscription Fee specified in Attachment 1 upon signing of this Agreement and every year thereafter.
- 3.4 You must pay, or reimburse, Master Licensee on demand for all Master Licensee's costs (including legal costs) in connection with or incidental to the instructions for and the negotiation, preparation and execution of this Agreement and all related agreements.
- 3.5 The Franchise Fee and Training Fee are not refundable, in whole or in part, under any circumstances.

### **SECTION 4 – ONGOING FEES AND ROYALTIES**

- 4.1 On or before the first (1<sup>st</sup>) day of each calendar month you must pay Master Licensee a Royalty Fee as set forth on Attachment 1. The Royalty Fee for Your Business commences either of 1 month after You or your Managing Director Business Coach complete the relevant training program or 120 days after signing the franchise agreement. Each Royalty Fee payment must be accompanied by a statement of the preceding month's Gross Revenues in a form approved by Master Licensee.
- 4.1 On or before the fifth (5<sup>th</sup>) day of each calendar month, you must pay Master Licensee a Marketing and Advertising Fee as set forth on Attachment 1; provided, however, that no Marketing and Advertising Fee is due with respect to Gross Revenues in the month in which you or your MDC, as applicable, complete the ActionCOACH induction training program. The Marketing and Advertising Fee may be capped ("Marketing & Advertising Cap") at the amount set forth in Attachment 1 Each Marketing and Advertising Fee payment must be accompanied by a statement of the preceding month's Gross Revenues on a form approved by Master Licensee.
- 4.2 Any amount due under this Agreement that is not paid on or before the due date will accrue interest at the rate specified in Attachment 1. Each failure to pay Royalty Fees, Marketing and Advertising Fees, or any other amount payable to Master Licensee when due is a material breach of this Agreement.
- 4.3 On or before the 1st day of each quarter you must pay Franchisor, through Master Licensee, a

Monthly Technology Fee as set forth on Attachment 1, which fee shall be for your technical and administrative support, provision of an email address, and an ActionCOACH webpage to be determined by Franchisor.

- 4.4 You will establish a separate bank account for the Business and use the method(s) specified from time to time by Master Licensee or Franchisor for the payment of Royalty Fees, Marketing and Advertising Fees, and all other fees and amounts owed. You will furnish Master Licensee, Franchisor and your bank with such authorizations as may be necessary to effect payment by the method required by Master Licensee or Franchisor as set out in Section 4.6.
- 4.5 With the exception of the Franchise Fee and Training Fee, You must make all payments to Master Licensee with respect to amounts owed by You to Master Licensee pursuant to this Agreement by means of direct debit into a bank account nominated by Master Licensee and must, prior to commencing operation of the Business: A) nominate in writing to Master Licensee a bank account from which Master Licensee will direct debit the payments; and B) sign Attachment 5 and all necessary forms and consents permitting the direct debit of funds from the bank account in the manner and on the dates specified in writing by Master Licensee. Master Licensee may, at its sole discretion, specify another form of payment, and You agree to make payment through the method specified by Master Licensee in writing as well as sign all reasonably necessary forms and consents to permit the said newly specified payment method.
- 4.6 You must pay for the cost of any of Master Licensee's administrative fees connected with the failure of your direct debit facility.
- 4.7 You have no right of set off as against Master Licensee or Franchisor. You must not for any reason withhold payment of any amount due to Master Licensee or Franchisor. This applies even if You allege that Master Licensee has not performed or is not performing an obligation imposed upon it under this Agreement or a related agreement. Master Licensee may accept any part payment without prejudice to its right to recover the balance due or pursue any other remedy. Master Licensee may set off against any payment due to You by Master Licensee any of your unpaid debts to Master Licensee.

## **SECTION 5 - ADVERTISING AND MARKETING**

- 5.1 You will advertise and promote the Business at your own expense and in accordance with the Manuals. However, you may not publish or distribute any advertising or promotional material unless it has been approved in writing by Master Licensee, which approval will not be unreasonably withheld or unduly delayed. If Master Licensee objects to any advertising or promotional material that you are using, you must immediately stop using it. Advertising and promotional materials furnished by Master Licensee may be used only in the manner and during the period specified by Master Licensee. Master Licensee has the right to charge reasonable fees for any materials that Master Licensee provides.
- 5.2 You acknowledge that, unless otherwise specified by Franchisor in writing, forty percent (40%) of the Marketing and Advertising Fees will be sent by Master Licensee to Franchisor for its use in local, regional or national marketing and advertising. Franchisor will direct all marketing programs supported by Marketing and Advertising Fees, with final discretion over creative concepts, materials, and media used in the programs and their placement. Franchisor may use the fees for any activities that they believe would benefit ActionCOACH businesses generally, including, but not limited to, national and international advertising, promotion, creative development, production of advertising and promotion, marketing research and development, public relations, Internet, and reasonable administrative expenses related to these efforts. Franchisor and Master Licensee may use the Marketing and Advertising Fees to pay the costs of:
- a) developing and conducting advertising and promotional campaigns, as determined by Franchisor or Master Licensee in its sole discretion, including customer database development and management;
  - b) developing and funding advertisements;
  - c) sourcing the production of

marketing materials and other sales materials; d) conducting research including research in relation to products and customers; e) developing public relations, customer and supply relations; f) engaging advertising agencies and marketing consultants; g) coordinating the activities set out above and administering the Marketing and Advertising Fees, including reasonable overhead and administrative costs, the cost of materials and employees' salaries and printing costs; and h) payment of accountancy, legal and other fees in respect of audits of the records of the Marketing Fees. Franchisor and Master Licensee may determine in its discretion how the Marketing Fees is spent.

- 5.3 You must use the Marks in all advertising and promotion of the Business. You must, at your own cost, display signs at the Business location and at Master Licensee, Franchisor and Licensor events in accordance with the Manuals' specifications.
- 5.4 You acknowledge that your web site, if any, constitutes advertising and promotion subject to Section 5.1 above. You agree to comply with all policies and standards that Master Licensee or Franchisor issues from time to time with respect to web sites specifically. You also acknowledge that in the event you do want to create your own web site, you are required to obtain Franchisor's prior approval of the design, content and appearance of the website and to use Franchisor's approved supplier for design, development and web hosting to ensure compliance with Franchisor's requirements for branding and usage of the Marks. Master Licensee or Franchisor may: (i) require that your web site be accessible only by link from Master Licensee's site, and (ii) prohibit links between your web site and any other web site. You acknowledge that any copyright in your web site will be deemed to be owned by Franchisor. You agree to execute any documents that Master Licensee requires to affirm Franchisor's ownership of the copyright. You represent that You have, or will have, the lawful right to use any proprietary materials of others that appear in your web site.

## **SECTION 6 - RECORDS AND AUDITS**

- 6.1 You must maintain complete and accurate records concerning all financial, marketing and operating aspects of the Business. You must keep these records at your Business location (or another place approved in writing by Master Licensee). You must provide such reports as may be required by Master Licensee or Franchisor. Your records must include Business tax returns; daily and weekly marketing, sales and performance reports; statements of Gross Revenues (to be prepared each month for the preceding month); profit and loss statements; and balance sheets. If Master Licensee determines that your records or financial statements are not of sufficient detail or reliability, Master Licensee has the right to require that you have such records or statements reviewed or prepared by an independent Certified Public Accountant. Master Licensee and Franchisor will keep your financial data confidential except to the extent that Master Licensee or Franchisor decides, or is required, to make a "financial performance representation" under applicable franchise disclosure laws. Master Licensee or Franchisor may also conduct an audit of your compliance with the System.
- 6.2 While this Agreement is in effect, and for three (3) years after its expiration or termination or after any transfer approved under Section 20, Master Licensee and Franchisor have the right to request, receive, inspect and audit any of the records referred to in Section 6.1. Master Licensee and Franchisor agree to do inspections and audits at reasonable times. You agree to keep all original records, reports, invoices, order forms, and calculations for at least six (6) years from the date they were generated or for a longer period if required by applicable law. Should any inspection or audit disclose a deficiency in the payment of any Royalty Fee, Marketing and Advertising Fee or other amounts required to be paid under this Agreement, you will immediately pay the deficiency to Master Licensee. In addition, if the deficiency for any audit period equals or exceeds five percent (5%) of the correct amount due, you must also immediately pay to Master Licensee the reasonable cost of the inspection or audit, including travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel.

## SECTION 7 – ASSISTANCE BY MASTER LICENSEE

### 7.1 Master Licensee will:

- A. Arrange for you and your Managing Director Business Coach (if applicable) to attend Franchisor's training program.
- B. Assist you with the preparation of an initial business plan.
- C. Provide you with guidance on pre-opening and opening activities for the Business. This will include on-line access to advertising and promotional material and may include guidance on advertising and promotional programs.
- D. Each week for the first ninety (90) days after you complete the ActionCOACH training program, provide access via conference or personal calls to discuss any operational challenges and assist you in examining your results from your weekly reports. Thereafter, Master Licensee will conduct or arrange for periodic conference calls (as determined by Master Licensee in its absolute discretion) with you to discuss operational challenges and conduct ongoing training.
- E. Grant approval of your office location and assist you in determining the location of your office. The selection of your office location will be your responsibility.
- F. Arrange for you or your Managing Director Business Coach (if applicable) to attend Franchisor's annual regional conferences. There will be a conference fee to attend the global conferences, and you must pay all travel and living expenses of your attendee(s). Master Licensee may also hold such conferences within the DDMA. Unless waived by Franchisor in writing, attendance by you every year in at least one (1) of the Master Licensee's local conference and one (1) of Franchisor's regional North American conferences is mandatory.
- G. Provide to you an online Manuals and any amendments thereto promulgated by Franchisor via online access. The Manuals for your Managing Director Business Coach will be supplied to you via on-line access once Master Licensee receives an executed copy of the Managing Director Business Coach Agreement and the Training Fee has been paid.
- H. Inform you of any changes and improvements to the System that may be developed by Franchisor or Licensor and authorized for use by ActionCOACH business coaches in the U.S.A.

### 7.2 Master Licensee will offer you such additional guidance and assistance as Master Licensee deems necessary or advisable. Failure of Master Licensee to provide any particular service, either initial or continuing, will not excuse you from paying any of the fees including but not limited to, the Franchise Fee, Royalty Fees or Marketing and Advertising Fees.

## **SECTION 8 - DDMA**

- 8.1 Your franchise is non-exclusive. There will be other Business Coaches providing Coaching Services in the DDMA. In addition, Franchisor and Licensor may sell products in the DDMA via Across-Area Marketing Programs. Master Licensee will communicate to you any policies that Franchisor or Licensor issues to coordinate Across-Area Marketing Programs.
- 8.2 You may not advertise in any media whose primary circulation or footprint is outside of the DDMA, nor may you engage in Direct Marketing to clients or prospects outside of the DDMA. Franchisor and Master Licensee may establish terms and conditions under which you may advertise on the Internet. Should you receive a request for services from a Client or prospective client outside of the DDMA, you must refer the request to Master Licensee. If the Client's or prospective client's principal office is outside of your DDMA and Franchisor has not licensed any third party to operate in that territory, Master Licensee may refer the request for services back to you.
- 8.3 You may request Master Licensee's approval to relocate your Business to the territory of another ActionCOACH master licensee. If both master licensees approve your request, Master Licensee will assign this Agreement to the master licensee for the new territory, and upon the assignment, you must pay Master Licensee a relocation fee of Ten Thousand Dollars (\$10,000) to compensate Master Licensee for its lost future income from your franchise.
- 8.4 The right to provide Coaching Services to Blue Chip Accounts is hereby specifically excluded. You acknowledge that other Business Coaches may provide Coaching Services to Blue Chip Accounts at or from locations in the DDMA. With the prior written consent of Master Licensee, You may provide Coaching Services to Blue Chip Accounts at or from locations in another DDMA at the sole discretion of Master Licensee. Franchisor retains the sole and exclusive right to identify Clients or potential Clients as Blue Chip Accounts and permit other Business Coaches to provide Coaching Services in accordance with Franchisor's policy (as amended from time to time) on Blue Chip Accounts. All disputes relating to Blue Chip Accounts will be resolved by Franchisor, whose decision will be final and binding upon all parties.
- 8.5 You acknowledge that it is necessary for Franchisor and Master Licensee to identify, manage and service Blue Chip Accounts to ensure the consistent delivery and co-ordination of Coaching Services provided to Blue Chip Accounts.

## **SECTION 9 – OFFICE LOCATION**

- 9.1 You can locate your office anywhere within the DDMA. The office must at all times be well presented and of a professional nature. Your approved office location is specified in Attachment 1. You must notify Master Licensee (in advance, if possible) if you intend to change your office location, or if for any reason you are or will be unable to operate the Business from your then-current approved office location (such as a taking by eminent domain, termination of your lease, mortgage default, or damage or repair). The term of this Agreement will not be extended by any such interruption, nor will you be excused from paying Marketing and Advertising Fees or Royalty Fees during such interruption.
- 9.2 Your office must comply, at your sole cost and expense, with the fit out guide contained in the Manuals which may be amended from time to time.
- 9.3 You confirm your approval of any office location which is specified in Attachment 1 and acknowledge that You have:
- A. made all necessary enquiries and have conducted your own due diligence in relation to the office location;
  - B. absolutely and unconditionally satisfied yourself as a result of these enquiries and

your own due diligence as to the suitability of the office location and the location of the office for the conduct of the Business;

- C. entered into this Agreement as a result of your own assessment of all of these matters and not in reliance upon any alleged statement, warranty, condition or representation made to or alleged to have been made to You by Master Licensee, Franchisor or by any person on behalf of Master Licensee or Franchisor; and
- D. If no premises are specified in Attachment 1 then You must, prior to obtaining approval of the office location, confirm in writing your approval of the office location approved under Section 9.1 and acknowledge that it has met the requirements specified in Section 9.3 (A), (B) and (C).

### **SECTION 10 - MANUALS**

- 10.1 You acknowledge that the Manuals are furnished to you on loan and that they remain the sole property of Licensor at all times. You must not make any copies (paper, electronic, or otherwise) of the Manuals.
- 10.2 Licensor or Franchisor may revise the Manuals at any time and from time to time. Master Licensee will communicate any such changes to you. Such revisions may include changes with respect to:
  - A. The authorized Coaching Services;
  - B. Operating procedures;
  - C. Advertising and promotions;
  - D. Equipment and supplies;
  - E. Dress codes;
  - F. Additions or modifications of Marks;
  - G. Accounting and reporting systems and forms; and
  - H. Insurance requirements.
- 10.3 You agree to operate the Business in accordance with the Manuals, as modified from time to time. Failure to comply with the standards set forth in the Manuals will constitute a material breach of this Agreement.

### **SECTION 11 – YOUR DUTIES AND OBLIGATIONS**

- 11.1 You agree to use your best efforts to increase the reputation of, and demand for, Coaching Services in the DDMA.
- 11.2 You agree to strictly comply with all present and future standards, specifications and procedures prescribed by Licensor or Franchisor and communicated by Master Licensee or set out in the Manuals, including but not limited to the following requirements:
  - A. You or your Managing Director Business Coach must complete the ActionCOACH induction training program, at a location designated by Franchisor. You must complete training before the Business opens. Your MDC is not permitted to provide Coaching Services until after he/she has completed Franchisor's training.

Attendance by You every year in at least one (1) of Franchisor's Regional Conferences is mandatory.

- B. You must identify all of your employees to Master Licensee and must ensure that they are suitably qualified to run the Business properly. You must keep Master Licensee informed at all times regarding the names, background and experience of all personnel.
  - C. You may offer only the Coaching Services and related products approved by Franchisor for sale by Business Coaches in the U.S.A. If Franchisor authorizes any additional Coaching Services or products for sale by ActionCOACH business coaches and designates such services or products as mandatory, you must begin offering them at the time and in the manner required by Franchisor.
  - D. All personnel must be professional in dress and appearance, in a manner consistent with the requirements of Franchisor and Master Licensee.
  - E. You must operate the Business only under the Marks and under no other trade name or business name. However, you must make it clear to Clients, employees and the general public that you are an independent party operating the Business under license from Master Licensee. You may not use the Marks as any part of a corporate or other legal name, but you may append "d/b/a ActionCOACH" after your corporate or legal name using the then current naming convention as approved by Master Licensee.
  - F. You must attend all seminars, workshops and exhibitions hosted or arranged on behalf of the Business and/or its Clients as reasonably required by Master Licensee. At your cost, you must display signs at such events in accordance with the Manuals' specifications.
  - G. You must pay all debts and taxes arising in connection with the Business when due, including debts payable to Master Licensee.
  - H. You must comply with all laws applicable to the Business.
  - I. You must participate in Client satisfaction surveys and participate in programs derived from such surveys. You must also cooperate with, and participate in, Across-Area Marketing Programs.
  - J. You must provide the supervision, support and instruction required under any support agreement you enter into with your Managing Director Business Coach .
  - K. Prior to contracting with or employing, You must require your employees and Managing Director Business Coach to sign a nondisclosure and non-compete agreement in a form acceptable to Master Licensee and Franchisor.
  - L. Throughout the Term, you must be of good character and must not indulge in what the Master Licensee reasonably considers to be unethical conduct or acts of moral turpitude or do anything which might damage the goodwill attaching to the Marks and other intellectual property associated with the System, or damage any other ActionCOACH businesses within or outside the DDMA, whether franchised or operated by Franchisor (or its Affiliates).
- 11.3 You must submit to Master Licensee the reports and information specified in the Manuals from time to time, and you must submit them in the form and manner prescribed by the Manuals. The required reports include:

- A. A report entitled "Action Plan," which outlines the goals, strategies, and actions you set for development of the Business. This report will be completed and delivered from time to time within ten (10) business days of Master Licensee's request.
  - B. A report entitled "Key Performance Indicators," which summarizes the activities of the Business for each week. This report must be completed and delivered to Master Licensee at the end of each week or as otherwise specified in the Manuals. If you fail to deliver the required information in a timely manner, Master Licensee, in addition to any other remedies available under this Agreement, may suspend or terminate the services provided to you by Master Licensee under this Agreement.
  - C. Weekly marketing results and sales performance reports.
  - D. Detailed financial statements for the Business by 31 March after the end of each Financial Year for that Financial Year including a balance sheet, a profit and loss statement and a source and application of funds statement prepared by the Franchisee's accountant certifying that the contents are true and correct and are a fair and accurate view of the Business.
- 11.4 You acknowledge and agree that the submission of all required reports is a primary responsibility of each Business Coach. You also agree to give Master Licensee and Franchisor independent access to the information in your computer system relating to your ActionCOACH Business.
- 11.5 A Managing Director Business Coach, must: (i) be approved by Master Licensee and trained by Franchisor; (ii) sign a Managing Director Business Coach Agreement with you; and (iii) have direct responsibility for all operations of the Business and has the authority to bind you in any dealings with Master Licensee or Franchisor.
- 11.6 Master Licensee has the right to inspect your office upon reasonable prior notice, which will not be less than seventy-two (72) hours if your office is located in your home. Master Licensee has the right, at any time, to discuss with your Clients and personnel any matters that may pertain to the Business and to compliance with this Agreement.
- 11.7 Master Licensee may call ad hoc meetings of Business Coaches, which will not number more than twelve (12) per year. You will use your best endeavors to attend.
- 11.8 While this Agreement is in effect, and for three (3) years after its termination or expiration or any transfer approved under Section 20, you agree to supply Master Licensee with your home address, telephone number, and email address, as well as the home addresses, telephone numbers, and email addresses of your directors, officers, and employees.
- 11.9 You must:
- A. Inform Master Licensee in writing of, and promptly act to address, all Client complaints at your cost and in accordance with any relevant provision set out in the Manuals.
  - B. If the Franchisee fails to address a Client complaint within two (2) Business Days, Master Licensee may attempt to address the complaint.
  - C. If Master Licensee acts to address a Client complaint due to your failure to satisfactorily address the complaint, You must pay the reasonable costs incurred by Master Licensee in attempting to address the complaint.
- 11.10 Subject to any applicable Law, You must:

- A. collect the information from Clients specified in the Manuals or otherwise in writing by Franchisor or Master Licensee;
  - B. collect Client information in the manner specified in the Manuals or otherwise in writing by Franchisor or Master Licensee;
  - C. provide Franchisor and Master Licensee with all Client Information, in the form specified in the Manuals, at the end of each Month or within twenty-four (24) hours after receiving a request from Master Licensee.
- 11.11 Franchisor and/or Master Licensee may establish and maintain a Client database to store Client Information.
- 11.12 All Clients and the information contained in both the Client Forms completed by Clients and the client database are and will remain the sole property of Franchisor and Master Licensee.

### **SECTION 12 - MINIMUM PERFORMANCE**

- 12.1 You must achieve Minimum Performance which the Franchisee accepts are minimum criteria which the Franchisee must perform and are not targets or objectives.
- 12.2 If You fail to achieve the Minimum Performance in any Assessment Period You must attend a meeting held by Master Licensee, at your cost, to discuss the performance of the Business.
- 12.3 You must at that meeting: (a) provide Master Licensee and Franchisor with a written explanation for the failure to achieve the Minimum Performance, if requested to do so by Master Licensee or Franchisor; and (b) if requested by Master Licensee or Franchisor, set out specific strategies or actions to be taken to address the failure which are acceptable to Master Licensee and Franchisor.
- 12.4 If Master Licensee and Franchisor consider that You have failed to achieve the Minimum Performance for reasons within your control, Master Licensee or Franchisor may require You, your MDC's and employees, to undertake additional training, at your cost.
- 12.5 If You fail to: (a) attend a meeting with Master Licensee in accordance with Section 12.2; (b) attend and complete additional training or procure additional training that You are required to attend and complete to the satisfaction of Franchisor as required by Master Licensee and Franchisor under Section 12.4; (c) implement any agreed strategy or action resulting from the meeting referred to in Section 12.2; (d) meet Minimum Performance within six (6) months of: attending a meeting with Master Licensee; or You completing additional training, as required under Section 12.4, You must, within six (6) months of the date upon which Master Licensee notifies You that You have failed to meet one (1) or more of your obligations under this section, transfer the Business in accordance with the procedure set out in Section 20.
- 12.6 If You are required to transfer the Business under Section 12.5 and fail to do so within the required time frame, Master Licensee may terminate this Agreement by written notice to You and the Master Licensee is not required to pay any compensation to You or any other person in respect of the termination.
- 12.7 Master Licensee will review and set a new Minimum Performance at each Renewal.

### **SECTION 13 - PURCHASE OF EQUIPMENT, INVENTORY AND SUPPLIES**

- 13.1 Except for equipment and products that are proprietary to Licensor or Franchisor, you may purchase your equipment, software, supplies, and other items from any reputable manufacturer or supplier.

To the extent that Franchisor publishes standards for non-proprietary equipment, software, telephone lines, Internet service, supplies, stationery, or other items used in the Business, you must use only items meeting the applicable standards. If you receive notice from Master Licensee of a change in the applicable standards, you agree to comply with the new or revised standards as soon as practicable.

#### **SECTION 14 - INSURANCE AND INDEMNIFICATION**

- 14.1 You must purchase before the Business opens, and at all times thereafter maintain in full force and effect, all insurance policies of the types and with the minimum policy limits prescribed by Master Licensee and/or Franchisor from time to time (but in no event less than the coverage required under applicable law), including without limitation:
- A. Professional indemnity insurance;
  - B. Comprehensive general liability insurance;
  - C. Workers' compensation insurance and employers' liability insurance without any limit as to the amount;
  - D. Insurance required by the terms of any lease, mortgage or other loan for the Business;
  - E. Any additional insurance that Master Licensee or Franchisor may inform you is required; and
  - F. All liability policies must list Master Licensee and Franchisor as additional named insureds. Your liability insurance will not be limited in any way by reason of any insurance that may be maintained by Master Licensee or Franchisor.
- 14.2 All policies of insurance must be with responsible companies qualified to do business and in good standing in the state where the Business is located. At Master Licensee's or Franchisor's request, you must furnish certificates issued by each of your insurers indicating that all premiums due have been paid, that all required insurance is in full force and effect, and that the insurance will not be terminated or changed without at least thirty (30) days' prior written notice from the insurer to Master Licensee and Franchisor. Within five (5) days of any request by Master Licensee, you must deliver a copy of all insurance policies to Master Licensee for examination.
- 14.3 If you fail to obtain or maintain adequate insurance, Master Licensee or Franchisor may, at its sole discretion, obtain insurance for you in your name. Within five (5) days of written request by Master Licensee or Franchisor, you must reimburse Master Licensee or Franchisor for any costs incurred in obtaining insurance on your behalf.
- 14.4 You agree to indemnify Master Licensee, Franchisor and Licensor and hold each of them harmless against all claims, expenses, and liabilities of any kind arising from, or in connection with, the operation of the Business, except to the extent that such liabilities arise from the gross negligence or willful acts of the party seeking indemnification from you. This indemnity will remain in force after expiration or termination of this Agreement or after any transfer approved under Section 20. This indemnity is not limited by the amount of insurance that you carry.
- 14.5 All property used in the Business will be maintained at your sole risk, and if any property is damaged in any way, Master Licensee will not compensate you except to the extent the damage was caused by Master Licensee's gross negligence or willful acts.

#### **SECTION 15 - TRADEMARKS AND CONFIDENTIAL INFORMATION**

- 15.1 You acknowledge Licensor's exclusive ownership of and rights in the Marks and in the System. All

goodwill now or in the future associated with your use of the Marks will accrue exclusively to the benefit of Licensor. You agree that you will not, during or after the term of this Agreement:

- A. contest or aid in contesting the validity or ownership of the Marks;
- B. take any action in derogation of Licensor's, Franchisor's, or Master Licensee's rights with respect to the Marks, whether now existing or later obtained; or
- C. use, register or attempt to register the Marks in your own name for any purpose, including but not limited to, any registration at any government or domain name registry. You may, however, register a "d/b/a" or a fictitious business name certificate in connection with the operation of the Business with the written permission of the Master Licensee.

15.2 You agree to:

- A. use the Marks only in connection with the Business;
- B. use the Marks only in accordance with the Manuals;
- C. reproduce the Marks exactly and accurately; and
- D. change, discontinue, or substitute for any of the Marks, at your own expense, if Master Licensee notifies you that Licensor or Franchisor has modified the Marks to be used in the U.S.A.

15.3 You acknowledge that you will have access to the Manuals and other valuable trade secrets, know how, methods, information, recruiting techniques, accounting procedures, control procedures, and marketing techniques relating to the System (collectively, the "Confidential Information"). The Confidential Information was developed at significant cost, is owned by Licensor, and is necessary to the operation of the Business. You further acknowledge that such Confidential Information was unknown to you prior to negotiation for and execution of this Agreement. You will take all steps necessary, at your own expense, to protect such Confidential Information and will not divulge it either during the Term of this Agreement or thereafter. Your employees may have access to the Confidential Information only to the extent necessary to perform particular tasks, and only after first signing a confidentiality agreement, in a form acceptable to Franchisor. You will be responsible for all unauthorized disclosures of Confidential Information by any person to whom you give access to the Confidential Information. Upon expiration or termination of this Agreement or any transfer approved under Section 20, you will return or destroy all Confidential Information.

15.4 You must immediately inform Master Licensee of any suspected, known or threatened infringement of or challenge to the Marks or unauthorized disclosure or use of Confidential Information. You must assist and cooperate with Master Licensee, Franchisor and Licensor in taking such action, if any, as they deem appropriate to protect the Confidential Information and the Marks.

15.5 You agree that all data you collect from Clients and prospective clients in connection with the Business is deemed to be jointly owned by Master Licensee and Franchisor. You are licensed to use such data while this Agreement is in effect. Upon expiration or termination of this Agreement or an approved transfer of the Business to a new owner, you must comply with Section 18 and not use any Client or prospective client data for any purpose contrary to Section 16.2.

## **SECTION 16 - RESTRICTIONS ON COMPETITION**

16.1 During the Term of this Agreement, you may not, either directly or indirectly through any other person or entity, participate in, be employed by, act as a Business Coach (or any similar capacity)

- to, provide financial assistance to, or acquire any interest in any business that offers services in competition with or similar to any of the Coaching Services (“Competing Business”) to clients in the U.S.A.
- 16.2 The restriction in Section 16.1 will also apply during the Restraint Period but only as to clients within the Restraint Area. In addition, during the Restraint Period, you will not solicit, for the benefit of any Competing Business, any person who was a Client of the Business during the two (2) years immediately before expiration, termination, or transfer of the Franchise Agreement.
- 16.3 During the term of this Agreement and during the Restraint Period, you may not employ or otherwise interfere with the employment relationship of any person who is employed by Licensor, Franchisor, or Master Licensee.
- 16.4 Master Licensee and Franchisor have the right unilaterally to reduce the scope of any restriction in this Section 16 by written notice to you.
- 16.5 This Section and Section 15 apply to your MDCs, employees and individuals holding an ownership interest in the Business, and any persons or legal entities controlled by the foregoing individuals. At Master Licensee’s request, you must furnish Master Licensee with executed agreements from such individuals, in forms acceptable to Master Licensee, in which they agree to be bound by Sections 15 and 16.
- 16.6 You agree that damages caused to Master Licensee, Franchisor, and Licensor for failure to comply with Section 15 or Section 16 are irreparable. You agree that Master Licensee, Franchisor, and Licensor may, notwithstanding the provisions of Section 22.9 hereof, seek injunctive relief, without notice to you, in addition to any other relief that may be available to them for breach of Section 15 or Section 16.
- 16.7 The event of a breach of the provisions of Sections 15 or 16, Master Licensee is entitled to liquidated damages from you in the amount of Two Hundred Fifty Thousand Dollars (US\$250,000.00). You expressly agree that this amount is not a penalty but a reasonable estimate of the damages that would result from any such breach. In the event that legal action becomes necessary for the enforcement of any of the provisions of Sections 15 or 16 of this Agreement or to collect the liquidated damages provided herein, the prevailing party shall receive in addition to any other damages or relief awarded, its reasonable attorney’s fees, together with appropriate costs and interest. You agree that in the event of a breach of any of the provisions of Sections 15 or 16, Master Licensee shall be entitled, notwithstanding the provisions of Section 22.9 hereof, to recover provisional or permanent injunctive relief as well as liquidated damages, and that the liquidated damages provision included herein does not provide Master Licensee with an adequate remedy at law for any such breaches which you may commit.
- 16.8 If a court or arbitrator determines that any restriction or provision in this Section 16, strictly applied, would be invalid or unenforceable, then the restriction or provision will be deemed modified to the extent necessary (but only to that extent) to make it valid and enforceable. If a dispute regarding enforceability of Section 16.2 or 16.3 is resolved in favor of Master Licensee and Franchisor, the two (2) year period (or the period deemed to be reasonable by the court or arbitrator) will run from the date of the order permitting its enforcement.

## **SECTION 17 – DEFAULT AND TERMINATION**

### **17.1 Termination by You.**

If you are in compliance with this Agreement and Master Licensee materially breaches this Agreement and fails to cure the breach within sixty (60) days after you deliver a written notice of the breach to Master Licensee, you may terminate this Agreement, effective ten (10) days after you deliver a notice of termination to Master Licensee. You must comply with the provisions of Section 18.

## 17.2 Termination by Master Licensee – No Right to Cure.

In addition to its other rights of termination contained in this Agreement, Master Licensee will have the right to terminate this Agreement by written notice, effective immediately, if you:

- A. voluntarily abandon the franchise relationship;
- B. are convicted of a criminal offense directly related to the Business, or convicted of any felony;
- C. fail to cure a default under this Agreement which materially impairs the goodwill associated with the Marks within twenty-four (24) hours after receiving written notice to cure;
- D. fail to cure a material violation of any health, safety, sanitation or other regulatory law, ordinance, standard, PARTNER or regulation, or operate the Business in a manner that presents a health or safety hazard to its employees, Clients, or the general public;
- E. make or permit an unauthorized transfer of this Agreement or of any direct or indirect interest in the Business;
- F. submit to Master Licensee two (2) or more sales reports, financial statements, or other information or supporting records, in any period of twelve (12) consecutive months, which understate by more than five percent (5%) the Gross Revenues of the Business;
- G. make material misrepresentations in your application for the franchise or any other material report or statement to Master Licensee;
- H. fail to submit sales reports or financial statements when due on three (3) or more occasions in any twelve (12) month period;
- I. fail to pay Royalty Fees, Marketing and Advertising Fees, or other amounts owed to Master Licensee when due on three (3) or more occasions in any twelve (12) month period;
- J. fail on three (3) or more occasions in a twelve (12-) month period to pay creditors, employees, or suppliers on a timely basis;
- K. fail on three (3) or more occasions in a thirty-six (36) month period to achieve an overall score of at least eighty percent (80%) on Franchisor's compliance audit or a score of at least seventy percent (70%) for any section of the compliance audit;
- L. fail to achieve Minimum Performance in three (3) or more Assessment Periods during the Term.

### 17.3 Termination by Master Licensee – Failure to Cure.

Except as provided in Section 17.2, you will have thirty (30) days from receipt of notice of default from Master Licensee to cure any material breach of this Agreement or failure to comply with any material specification, standard or operating procedure prescribed by Master Licensee or Franchisor. If you fail to cure the breach within the thirty (30) day period, Master Licensee will have the right to terminate this Agreement by written notice without any further opportunity to cure.

## SECTION 18 – OBLIGATIONS UPON EXPIRATION OR TERMINATION

18.1 Upon expiration or termination of this Agreement, you must:

- A. Notify your Clients and prospective clients that you are no longer an authorized ActionCOACH franchisee or Business Coach;
- B. Promptly pay to Master Licensee all amounts owed based on business conducted through the date of expiration or termination;
- C. Immediately discontinue the use of all Marks, the Manuals, the Confidential Information, and all materials of any kind that are identified with the System. You must return all of these materials to Master Licensee and, at Master Licensee's request, assign your telephone numbers, fax numbers, email addresses, domain names, related listings, and advertising to Master Licensee or Franchisor. You must execute an assignment ("Conditional Assignment of Telephone and Directory Listings"), in a form set forth in Attachment 4;
- D. Surrender an unaltered database of all Clients and prospective clients and remove and return any electronic database system provided to you by Master Licensee.
- E. Provide Master Licensee with executed copies of all Client agreements and immediately execute any further agreements requested by Master Licensee necessary to assign any Client agreements to Master Licensee.
- F. Immediately amend or terminate your business registration of any d/b/a or fictitious name or any other registration or filing containing the Marks, so as to delete the Marks and all references to anything associated with the System. If you have not furnished evidence of compliance with this obligation within thirty (30) days, you grant Master Licensee a limited power of attorney to amend or terminate all registrations and filings on your behalf, this appointment being coupled with an interest to enable Master Licensee to protect the System.
- G. Comply with the provisions of Section 16 (Restrictions on Competition).

- 18.1 The expiration or termination of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies that Master Licensee, Franchisor, or Licensor may have against you.
- 18.2 You acknowledge that injuries caused by your failure to comply with this Section 18 are irreparable. You agree that Master Licensee will be entitled to injunctive relief in addition to any other relief that may be available for breach of this Section 18.
- 18.3 If Master Licensee terminates this Agreement based on your default, you must pay Master Licensee liquidated damages, calculated as follows: (a) the average of your monthly Royalty Fees and Marketing and Advertising Fees due for the last twelve (12) months before termination (not including the months before the Royalty Fee and Marketing and Advertising Fee obligations begin under Sections 4.1 and 4.2); (b) multiplied by the lesser of twenty four (24) or the number of months remaining in the then-current term under Section 2, (c) discounted to present value using the then-current prime rate of interest quoted by Master Licensee's principal commercial bank; (d) minus the present value (determined using the same period as in (b) and the same discount rate as in (c)) of the expenses of performance avoided by Master Licensee as a result of termination of this Agreement.

#### **SECTION 19 – THIRD PARTY RIGHTS OF FRANCHISOR AND LICENSOR**

- 19.1 You acknowledge and agree that all of Master Licensee's rights and all of your obligations under this Agreement inure to the benefit of Franchisor and Licensor, and that they each have a third-party beneficiary interest in this Agreement. You agree that Franchisor and Licensor have the right to exercise any rights of Master Licensee and/or to enforce any of your obligations if Master Licensee fails to do so.
- 19.2 Upon termination or expiration of the Master License Agreement for any reason, this Agreement will remain in effect, and Master Licensee's interest in this Agreement will be deemed to be automatically assigned to and assumed by Franchisor. You agree to be bound by the assignment upon receipt of notice from Franchisor of the effective date of the assignment.

#### **SECTION 20 - TRANSFER**

- 20.1 **By Master Licensee.** Master Licensee may transfer its rights under this Agreement as it sees fit without notice to you, subject to the terms of the Master License Agreement. This Agreement will inure to the benefit of Master Licensee's successors and assigns.

## 20.2 By You -- General.

- A. None of your rights or obligations under this Agreement, nor any direct or indirect interest in the Business, may be transferred without Master Licensee's prior written consent, which will not be unreasonably withheld, and your full compliance in all other respects with the terms of this Section 20. Any action contrary to this Section 20 will be a material breach of this Agreement and will be void.
- B. If this Agreement has been transferred to an entity under Section 20.4 below, any proposed transfer of any ownership interest in the entity will be subject to all of the provisions of this Section 20.
- C. No transfer that requires Master Licensee's consent may be completed until at least sixty (60) days after Master Licensee receives written notice of the proposed transfer. You agree to provide all information and documentation relating to the proposed transfer that Master Licensee reasonably requests. Master Licensee may withhold its consent on any reasonable grounds, including, but not limited to, failure to satisfy any of the conditions imposed under Section 20.3.
- D. Master Licensee has the right to communicate with and counsel both you and the proposed transferee on any aspect of a proposed transfer.
- E. All approved transferees will be bound by this Agreement and liable for all obligations under it. No stockholder in any corporation or other entity to which you transfer this Agreement will have any rights under this Agreement by reason of such ownership.

## 20.3 Conditions to Transfers.

No transfer will be approved by Master Licensee or be effective unless and until:

- A. The proposed transferee has been approved by Master Licensee as meeting the then-current qualifications for a Business Coach;
- B. The proposed transferee has paid the then-current training fee and has satisfactorily completed the ActionCOACH induction training program, except that part or all of this requirement may be waived if the transferee has completed the training program within the last five (5) years;
- C. You have settled all outstanding accounts with Master Licensee, and there is no other existing material default in the performance of your obligations under this Agreement or any other agreement you may have with Master Licensee;
- D. You have executed a general release of all claims against Master Licensee, Franchisor, and Licensor, in a form acceptable to Master Licensee and Franchisor;
- E. You have paid to Master Licensee a transfer fee in the amount designated in Attachment 1 to this Agreement ("Transfer Fee"); and
- F. The transferee has executed a new Business Coach Franchise Agreement in the form then being offered by Master Licensee to new Business Coaches in the DDMA.

## 20.4 Transfer to a Corporation, LLC, etc.

If you are an individual (and not a business entity) and you desire to transfer this Agreement to a corporation, limited liability company, partnership, trust, or other entity, you may do so only if:

- A. The entity is newly formed and its authorized activities are limited to operating the Business;
- B. You are the majority owner and have sole power to direct and control the management and affairs of the entity;
- C. You remain jointly liable with the entity for all obligations of the Business Coach under this Agreement. You acknowledge and agree that the assumption of your obligations by the entity does not limit your personal obligations under this Agreement, and that you and the entity will be jointly and severally liable.
- D. You continue to devote your full time and best efforts to manage the operations of the Business, unless you have a Managing Director Business Coach approved by Master Licensee;
- E. The entity signs an agreement with Master Licensee assuming, jointly and severally, all of your obligations under this Agreement; and
- F. The stock certificates, certificated units of partnership or certificated beneficial interests of the corporation, partnership or trust bear the following legend:

"The (shares of capital stock) (partnership interest) (beneficial interest) represented by this certificate are subject to the terms and conditions set forth in that certain Business Coach Franchise Agreement with the effective date as stated in Attachment 1 between the Company and Oaktree Business Services of Ohio, LLC, a copy of which is on file in the Company's principal office and a copy of which will be provided to the holder of record hereof upon written request without charge."

## **20.5 Death, Incapacity or Personal Bankruptcy.**

- A. If You (or any owner, if this Agreement has been transferred to an entity) die, become incapacitated, or enter bankruptcy proceedings, the executor, administrator, personal representative, or trustee may apply to Master Licensee in writing within one hundred twenty (120) days after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the affected interest in the Business. The transfer will be subject to the provisions of Sections 20.2 and 20.3, except that no Transfer Fee will be required. In addition, if the deceased or incapacitated person is the Managing Director Business Coach, Master Licensee will have the right (but not the obligation) to take over operation of the Business until the transfer is completed and to charge a reasonable management fee for such services. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of thirty (30) or more consecutive days; or (ii) for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Sections 19.3, the executor may transfer the decedent's interest to another successor that Master Licensee has approved, subject to all of the terms and conditions for transfers contained in this Agreement.
- B. If you die (or any owner dies, if this Agreement has been transferred to an entity), the executor may terminate this Agreement by signing a termination agreement and release satisfactory to Master Licensee and Franchisor. Upon executing and submitting the appropriate termination documents, the estate and its representatives will have no further obligation under this Agreement except for any matters that exist as of the date of such termination.

## **SECTION 21 – OPTION TO PURCHASE**

- 21.1 Master Licensee will have the option, but no obligation, to purchase all of the assets of the Business upon receipt of notice from you under Section 20.2 of your intention to sell the Business to an independent third party pursuant to a bona fide written offer to purchase. The purchase price for assets will be the price specified in the written bona fide purchase offer from the third party. If Master Licensee cannot reasonably be required to furnish the same consideration as the third party, then Master Licensee may purchase the interest for the reasonable equivalent in cash. If you and Master Licensee cannot agree on the reasonable equivalent in cash within a reasonable time, each party will designate an independent appraiser, and the average of the two (2) appraised values will be binding. Master Licensee will have the right to set off all amounts due from you under this Agreement, as well as the cost of any appraisals, against the purchase price.
- 21.2 Master Licensee will notify you of its intention to exercise the option to purchase (a "Notice of Intent") within thirty (30) days following receipt of notice from you under Section 20.2. You will have fourteen (14) days following receipt of Master Licensee's Notice of Intent to object to any of its terms. If Master Licensee declines to exercise its rights under Section 21.1 within thirty (30) days, you may thereafter sell the Business to the third party identified in the disclosed purchase offer, but not at a lower price or on more favorable terms than you previously disclosed to Master Licensee. Any such sale will be subject to the terms set forth in Section 19.
- 21.3 The purchase and sale contemplated in this Section will be consummated as soon as practicable. Following the delivery of a Notice of Intent as specified in Section 20.2, Master Licensee, or its designee, will have the right to operate the Business pending the closing of the sale.

## **SECTION 22 – GENERAL PROVISIONS**

### **22.1 Relationship of Parties.**

You do not have any authority to act on behalf of, or as an agent of, Master Licensee, Franchisor, or Licensor for any purpose, nor may you hold yourself out as having such authority. No fiduciary, agency, employment, or partnership relationship exists between you and Master Licensee. You are an independent contractor responsible for all obligations and liabilities of the Business, including any claims or demands based on damage or destruction of property or on injury, illness or death of any person arising directly or indirectly from, or in connection with, the operation of the Business.

### **22.2 No Conflict with Other Agreements.**

You represent that you are not a party to or subject to any agreement that might conflict with the terms of this Agreement.

### **22.3 Prevailing Party Reimbursement.**

In any legal action or arbitration involving you and Master Licensee and/or Franchisor, the prevailing party will be entitled to recover its investigation costs, collection costs, reasonable attorneys' fees, court costs, and all litigation or arbitration expenses, including arbitrators' fees.

### **22.4 No Waiver.**

No failure or delay on the part of Master Licensee or Franchisor in connection with the enforcement or exercise of any rights under this Agreement will affect Master Licensee's or Franchisor's right to strictly enforce this Agreement at any time. No custom or PARTNER regarding this Agreement will preclude the strict enforcement of this Agreement. No waiver by Master Licensee of performance of any provision of

this Agreement will constitute a waiver of Master Licensee's or Franchisor's rights to enforce that provision at any future time.

#### **22.5 Entire Agreement; Amendments.**

This Agreement constitutes the entire agreement between you and Master Licensee and supersedes all prior agreements, negotiations, correspondence, and representations, whether oral or written, concerning the same subject matter; provided however, that nothing in the foregoing section is intended to disclaim any representations made by Master Licensee in the Franchise Disclosure Document provided to you in connection with your entry into this Agreement. Except as expressly provided herein, this Agreement may be modified only by a written document signed by you and an authorized representative of Master Licensee.

#### **22.6 Survival.**

All provisions of this Agreement that by their terms or by reasonable implication are intended to survive the termination or expiration of this Agreement or a transfer approved under Section 20, including your obligations of non-competition, confidentiality, return of proprietary items, and indemnity, will remain in effect after the expiration or termination of this Agreement or a transfer approved under Section 20.

#### **22.7 Severability.**

If any term or provision of this Agreement or the application thereof to any person, property or circumstance is determined by a court or arbitrator to be invalid or unenforceable, the remainder of this Agreement will be unaffected and will remain in full force and effect. Should this prove impractical, Master Licensee will have the option of terminating this Agreement upon written notice to you.

#### **22.8 Governing Law.**

This Agreement will be interpreted in accordance with and governed by the laws of the state in which Franchisor's principal office is located at the time of the dispute, except as otherwise required by the laws of the state in which the Business is located.

#### **22.9 Mediation and Arbitration.**

- A. This dispute resolution clause applies to claims (except claims by Master Licensee for any payment to be made by Franchisee to Master Licensee under this Agreement) by and against all parties and their affiliates, successors, owners, managers, officers, directors, employees, agents, and representatives, as to claims arising out of or relating to this Agreement, or of violation of any applicable law or regulation, except as stated below. This dispute resolution clause will survive expiration, termination or a transfer approved under Section 20.
- B. The parties will first attempt to resolve any dispute relating to or arising out of this Agreement by negotiation. Any dispute subject to negotiation, and not resolved within ten (10) days, will be submitted to nonbinding mediation. Mediation will be before a single skilled independent mediator mutually and reasonably agreed on by the parties. The parties will equally bear the costs of mediation. Mediation will be conducted in accordance with the procedures of the American Arbitration Association unless the parties agree to use a different mediation service. The mediation will be conducted in Las Vegas, Nevada if Franchisor is a party to or joined in the mediation.
- C. Any dispute relating to or arising out of this Agreement, and subject to negotiation and mediation, and not resolved within sixty (60) days, must be resolved exclusively by mandatory arbitration in accordance with the rules of the American Arbitration

Association. Arbitration will be conducted solely on an individual, not a class-wide, basis, unless all parties so agree. No award in arbitration will have any effect of preclusion or collateral estoppel in any other adjudication or arbitration. If Franchisor is a party to or joined in the arbitration, the exclusive venue of the arbitration will be set in the city or county in which Franchisor's principal office is located at the time the demand for arbitration is filed. If Franchisor is not a party to or joined in the arbitration, the exclusive venue of the arbitration will be set in the city or county in which Master Licensee's principal office is located at the time the demand for arbitration is filed.

- D. Notwithstanding Section 22.8, all issues relating to arbitrability or the enforcement of this Section 22.9 are governed by the U.S. Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the U.S. federal common law of arbitration. Judgment on an arbitration award, or on any award for interim relief, may be entered in any court having jurisdiction, and will be binding.
- E. Each party to any arbitration or litigation under this Agreement waives, to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against any other party, except as allowed under law for trademark, trade secret, and copyright infringement.
- F. Except as otherwise expressly provided in this Agreement, no right or remedy conferred upon or reserved to any party by this Agreement is intended to be, or will be deemed, exclusive of any other right or remedy provided herein or by law or equity, but each will be cumulative of every other right or remedy.

#### **22.10 Improvements.**

If Franchisee develops any improvement in the System, Franchisee will promptly notify Master Licensee and will provide all necessary information to Master Licensee. All such changes and improvements will be the sole property of Franchisor.

#### **22.11 Notices.**

All notices pursuant to this Agreement must be in writing and be delivered in person or mailed by certified or other receipted mail, or by Federal Express or other receipted commercial delivery service, or by facsimile or electronic mail. The addresses for notice will be those set forth in Attachment 1. You or Master Licensee, with notice to the other party, may change the address to which notices will be sent.

#### **22.12 Successors.**

This Agreement will inure to the benefit of and be binding on you and Master Licensee, and your and Master Licensee's respective successors, assigns, heirs, executors, administrators, and personal representatives.

#### **22.13 Costs to alter contracts.**

If you request, and Master Licensee approves, any amendment to this Agreement after the date of this Agreement, you agree to reimburse Master Licensee (and Franchisor, if applicable) for their reasonable costs (including attorneys' fees) incurred in connection with such amendment.

#### **22.14 Acknowledgments.**

**YOU ACKNOWLEDGE THAT YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS COACH FRANCHISE AND THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISK AND WILL BE LARGELY DEPENDENT UPON YOUR**

**ABILITY AS AN INDEPENDENT BUSINESSPERSON. MASTER LICENSEE EXPRESSLY DISCLAIMS THE MAKING OF, AND YOU ACKNOWLEDGE THAT YOU HAVE NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL SALES, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.**

**YOU ACKNOWLEDGE THAT YOU RECEIVED A FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 CALENDAR DAYS (10 BUSINESS DAYS IN MARYLAND, MICHIGAN, NEW YORK, OREGON RHODE ISLAND & WASHINGTON) BEFORE THE DATE ON WHICH YOU SIGNED THIS AGREEMENT OR PAID ANY CONSIDERATION.**

**YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THIS AGREEMENT, AND THAT MASTER LICENSEE HAS GIVEN YOU AMPLE TIME AND OPPORTUNITY, AND HAS ENCOURAGED YOU, TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT.**

THE PARTIES have caused this Agreement to be duly executed as evidenced by their signatures appearing below.

APPROVED AND EXECUTED AS OF THE EFFECTIVE DATE.

**FRANCHISEE**

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

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

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

If Franchisee is a corporation or other entity, all persons with ownership interest in Franchise must sign below and specify their ownership interest percentage. All such persons must personally, jointly and severally guarantee the obligations to Master Licensee under this Agreement by executing an Individual Guarantee in the form that appears as Attachment 2 to this Agreement.

Name	Signature	Percentage Interest:
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %

**MASTER LICENSEE**

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

Printed: \_\_\_\_\_

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

**ATTACHMENT 1  
TO THE PARTNER BUSINESS COACH FRANCHISE AGREEMENT**

- 1 Parties**
- Master Licensee:  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_
- Franchisee:  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_
- 2 DDMA**
- Master Licensee's Territory or Territory:  
See Attachment 3
- DDMA:  
See Attachment 3
- 3 Franchisee Fee**
- \$45,000
- 4 Term and Renewal**
- Term: 7 years  
Effective Date: \_\_\_\_\_, \_\_\_\_\_  
Expiry Date: \_\_\_\_\_, \_\_\_\_\_  
Renewal Term: 7 years
- 5 Royalty Fee**
- a) Monthly Base Royalty Fee of \$1,950 or 10% of the prior month's gross revenues, whichever is greater.
- b) If the prior month's gross revenues are below the Minimum Performance Requirement, the Royalty will be 10% of the Minimum Performance Requirement, or \$1950, whichever is greater.
- c) The Monthly Base Royalty Fee of \$1950 is due on the 1<sup>st</sup> day of the month. The percentage above the Monthly Base Royalty Fee is due on the 5<sup>th</sup> day of the month.
- 6 Marketing and Advertising Fee**
- The monthly Marketing and Advertising Fee is a Minimum of \$100 or 5% of Gross Revenues in the preceding month (capped at \$1000) and is due on the 5<sup>th</sup> day of each calendar month, except that no Marketing and Advertising Fee is due with respect to Gross Revenues in the month in which you or your MDC, as applicable, complete the induction training program

**7 Minimum Performance Requirement**

By Beginning of each Year:

<i>Year</i>	<i>Minimum Monthly Revenue (MMR)</i>
<i>1</i>	<i>N/A</i>
<i>2</i>	<i>\$5,000</i>
<i>3</i>	<i>\$7,500</i>
<i>4-7</i>	<i>\$10,000</i>

**8 Assessment Period**Each period of 3 consecutive months commencing on the 13<sup>th</sup> month from the commencement date.**9 Training Fee**

\$15,000 for the 7-day training. The fee includes accommodations and meals during the training sessions.

**10 Renewal Fee**

\$2,500

**11 Monthly Technology Fee**

\$135 per month

**12 Transfer Fee**

\$10,000

**13 Relocation Fee**

\$10,000

**14 Upgrade Fee**

Ten Thousand Dollars (\$10,000); plus the difference between the Franchise Fee You originally paid and the then current Franchise Fee You are upgrading to at the time You upgrade.

**15 Interest Rate**

1.5% per month or the maximum rate permitted by law, whichever is less

**16 Managing Director Business Coach**

\_\_\_\_\_

**17 Office Location** (if different than the address in #1 above)

\_\_\_\_\_

\_\_\_\_\_

**18 Tradenames and Trademarks**

ActionCOACH

**19 Restraint Area and Restraint Period**

Restraint Area means:

The Designated Territory and within 100 miles thereof;

Restraint Period means:

24 months after termination, expiration or transfer of the Agreement under Section 20 hereof;

## **20 Executive Coaching**

You or your MDC may be eligible to participate in the executive coaching program subject to compliance with Minimum Performance Requirements and other program guidelines. The executive coaching training shall be conducted by Franchisor (or its nominees) and shall be separate from the induction training program described in Item 10 above.

Notwithstanding the provisions of the Agreement, neither you or your MDC may offer or conduct executive coaching services without satisfactory completion of the executive training program.

**ATTACHMENT 2  
TO THE PARTNER BUSINESS COACH FRANCHISE AGREEMENT**

**PERSONAL GUARANTEE**

We, the undersigned, in order to induce Master Licensee to enter into a Business Coach Franchise Agreement (the "Agreement") with \_\_\_\_\_ ("Business Coach"), guarantee performance of Business Coach's obligations under the Agreement, including, without limitation, payment of all monetary obligations of Business Coach to Master Licensee. In addition, we agree to be personally bound by the confidentiality, non-competition, transfer, and dispute resolution provisions of the Agreement. We acknowledge that our obligations under this Personal Guarantee are joint, several, personal and irrevocable.

**GUARANTORS**

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Printed

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Printed

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Printed

\_\_\_\_\_  
Date

**ATTACHMENT 3  
TO THE PARTNER BUSINESS COACH FRANCHISE AGREEMENT**

**A. Master Licensee’s Territory:** \_\_\_\_\_

**B. DDMA**

The DDMA consists of the following zip codes, postal codes and/or counties in the State of \_\_\_\_\_


If the U.S. Postal Service alters the boundaries or numbers of any of the zip codes referencing the DDMA, Master Licensee will use its best endeavors to reassign the re-designated zip codes that corresponds as closely as possible to the previously held zip codes. You must advise Master Licensee if you become aware of any change to Zip Code boundaries or any other change which alters the DDMA.

**C. Franchisees that have the Right to Direct Market in the DDMA**

The following franchisees and their Business Coaches have the right to direct market within the DDMA.


**ATTACHMENT 4  
TO THE PARTNER BUSINESS COACH FRANCHISE AGREEMENT**

**CONDITIONAL ASSIGNMENT OF TELEPHONE AND DIRECTORY LISTINGS**

In consideration of Master Licensee (“Assignee”) concurrently granting an ActionCOACH PARTNER Business Coach Agreement (“Franchised Business”) to (“Assignor”), and other valuable consideration, Assignor assigns to Assignee all telephone numbers, directory listings, fax numbers, Internet web site addresses and domain names, and other listings, whether in electronic or other media, used or to be used by Assignor in the operation of the Franchised Business. Assignee assumes the performance of all of the terms, covenants, and conditions of the telephone or directory company with respect to these listings with the same force and effect as if they had been originally issued to Assignee. This Assignment is valid on the effective date and is irrevocable. Assignee may fill in, add or change the effective date and the listings at any time. The telephone or directory company is authorized to rely on this Assignment. The parties will hold harmless and indemnify the telephone or directory company from any claims based on reliance on this Assignment.

Date: \_\_\_\_\_, 20

**ASSIGN**

**ASSIGNEE**

\_\_\_\_\_

\_\_\_\_\_

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

Position/Title: \_\_\_\_\_

Position/Title: \_\_\_\_\_

**ATTACHMENT 5  
TO THE PARTNER BUSINESS COACH FRANCHISE AGREEMENT**

**DIRECT DEBIT AUTHORIZATION FORM**

Effective date of Authorization:	
Type of Authorization: <input type="checkbox"/> New Authorization <input type="checkbox"/> Change banking information <input type="checkbox"/> Change payment amount <input type="checkbox"/> Discontinue electronic payment <input type="checkbox"/> Change payment date	
Last Name	First Name
Address	
City	State                      Zip
Please debit payments from my (check one): <input type="checkbox"/> Checking Account (attach voided check when returning) <input type="checkbox"/> Savings Account (contact your financial institution for Routing#)	Routing Number: <i>(valid routing #'s must start with 0,1,2, or 3)</i> Account Number: _____
Date of first payment: ____/____/____ Date of last payment (optional): ____/____/____	Frequency of payment: <input type="checkbox"/> Monthly on the 1 <sup>st</sup> (ROYALTY) <input type="checkbox"/> Monthly on the 1 <sup>st</sup> CONFERENCE and TECH FEE <input type="checkbox"/> Monthly on the 5 <sup>th</sup> (MARKETING)
<b>Deduction Amount:</b>  <b>ROYALTY:</b> If you have signed a franchise agreement with percentage based Royalty Fee, you will be deducted the amount due based on gross revenues reported in the <b>ActionMEMBERS</b> KPI system.  <b>MARKETING:</b> If you have signed a franchise agreement with percentage based Marketing and Advertising Fee, you will be deducted the amount due based on gross revenues reported in the <b>ActionMEMBERS</b> KPI system.	
<b>AGREEMENT</b>  I authorize the Master Licensee to process debit entries to my account. I understand that this authority will remain in effect until I provide reasonable notification to terminate authorization.  Authorized Signature: _____ Date: _____	
FOR OFFICE USE ONLY:	DATE:



**EXHIBIT C**

**To**

**BUSINESS COACH**

**FRANCHISE DISCLOSURE DOCUMENT**

**STATE-REQUIRED ADDENDA TO FRANCHISE AGREEMENT**

**If you are purchasing a franchise subject to Illinois, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota or Washington law, please sign the applicable state addendum only.**

**The state of Hawaii currently does not require an addendum.**

**ADDENDUM**  
**REQUIRED BY THE STATE OF ILLINOIS**

Illinois law governs the franchise agreements.

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

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.

**[Name of Master Licensee]:**

**[Name of Franchisee]:**

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

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

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

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

**ADDENDUM  
REQUIRED BY THE STATE OF INDIANA**

In recognition of the requirements of Indiana Code, Title 23, Article 2, Chapter 2.5, Section 23-2-2.5-0.5 through Section 23-2-2.5-51 and Indiana Code, Title 23, Article 2, Chapter 2.7, Section 1 through Section 7 (collectively, "Indiana Code"), and the rules and regulations promulgated thereunder, the undersigned parties agree to modify the ActionCOACH Business Coaching Franchise Agreement entered into as of [date] (the "Franchise Agreement") as follows:

Notwithstanding any provisions in the Franchise Agreement to the contrary:

1. You shall not be required to release any claim against Master Licensee, Licensor and/or Franchisor arising under Indiana franchise law.
2. The rights of injunctive relief for Master Licensee, Licensor and/or Franchisor under the Franchise Agreement are subject to Indiana Code Section 23-2-2.7-1(10). In addition, nothing in the Franchise Agreement shall be construed as a waiver by you of any applicable bond requirement with regard to the entitlement to injunctive relief on the part of Master Licensee, Licensor and/or Franchisor.
3. The rights of Master Licensee, Licensor and/or Franchisor to enforce the non-competition provisions in the Franchise Agreement are subject to Indiana Code Section 23-2-2.7-1(9).
4. Indiana law governs the Franchise Agreement.
5. Courts of the State of Indiana or the United States District Court having jurisdiction in the State of Indiana will have jurisdiction over any legal action to enforce or relating to the Franchise Agreement. Your rights to litigate claims for breach of the Franchise Agreement are not limited by any terms and provisions in the Franchise Agreement.
6. No action may be brought by you for a violation of the Indiana Code by Master Licensee more than two (2) years after the date of the violation.
7. Upon your death, your spouse, heirs or estate, may have certain rights to participate in the ownership of your ActionCoach franchise, provided you have a valid franchise agreement with Master Licensee at the time of your death, and further provided such rights are only for a reasonable time period after your death and that your spouse, heirs or estate maintain, at all times, the standards and obligations of the ActionCoach franchise and the Franchise Agreement.
8. The election by Master Licensee, Licensor and/or Franchisor to not renew your ActionCoach franchise or the Franchise Agreement without good cause or in bad faith is not permitted under Section 23-2-2.7-1(8).
9. The Franchise Agreement may not be unilaterally terminated by Master Licensee, Licensor or Franchisor except for good cause, which includes any material violation of this Agreement.
10. All capitalized terms in this Addendum that are not separately defined in this Addendum have the meanings ascribed to such terms in the Franchise Agreement. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum will control. Except as specifically modified by this Addendum, the terms of the Franchise Agreement are in full force and effect.
11. This Addendum is effective as of the effective date of the Franchise Agreement.

Franchisee:

[Name of Franchisee], a(n) [state of formation and type of entity]

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

Its: \_\_\_\_\_

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

Master Licensee:

Oaktree Business Services of Ohio, LLC,  
an Ohio limited liability company

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

Its: \_\_\_\_\_

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

**ADDENDUM  
REQUIRED BY THE STATE OF MARYLAND**

In recognition of the Maryland Franchise Registration and Disclosure Law, Maryland Stat. §§ 14-201 to 14-233, and the Rules and Regulations promulgated thereunder, the parties agree to modify the Franchise Agreement entered into as of [date] ("Franchise Agreement") as follows:

1. Sections 2.1(F) and 20.3(D) are amended to add the following:

Notwithstanding the foregoing, pursuant to COMAR 02.02.02.16L, the general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Section 22.5 is amended to add the following:

Notwithstanding anything to the contrary in this Franchise Agreement, you are not required to waive any of your rights under the Maryland Franchise Registration and Disclosure Law with regard to Master Licensee's prior representations.

3. Section 22.8 is amended to add the following:

Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern any claim arising under that law.

4. Section 22.9 is amended to add the following:

Notwithstanding the foregoing, you may bring any claims under the Maryland Franchise Registration and Disclosure Law in a Maryland court.

5. The acknowledgements in Section 22.13 do not constitute a release, estoppel or waiver by you of your rights under the Maryland Franchise Registration and Disclosure Law.

6. Notwithstanding anything to the contrary in this Franchise Agreement, any limitation of claims provision shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

7. This Addendum shall have effect only if the Franchise Agreement and/or the relationship between Master Licensee and you satisfy all of the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**[Name of Master Licensee]:**

**[Name of Franchisee]:**

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

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

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

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

**ADDENDUM**  
**REQUIRED BY THE STATE OF MINNESOTA**

In recognition of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01-80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to modify the Franchise Agreement entered into as of [date] ("Franchise Agreement") as follows:

1. Sections 2.1(F) and 20.3(D) are amended to add the following:

The release required by this section will not relieve any person from liability imposed by Minn. Stat. §§ 80C.01-80C.22. However, Minn. Stat. §§ 80C.01–80C.22 does not bar a release given in connection with the voluntary settlement of disputes.

2. The following paragraph is added as Section 15.6:

Notwithstanding other disclosures in this Item 13, Master Licensee will defend claims against you by, or indemnify you against liability to, a third party resulting from claims that your use of the Proprietary Marks infringes trademark rights of the third party; provided, however, that Master Licensee will not defend you or indemnify you against the consequences of your use of the Marks unless that use is in accordance with the requirements of the Franchise Agreement.

3. Notwithstanding anything to the contrary in Section 2.2, 17.2 or 17.3, Master Licensee will comply with Minn. Stat. §§ 80C.14, Subdivisions 3 and 4, which require, except in certain cases, that Minnesota franchisees be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of this Agreement.

4. Notwithstanding anything to the contrary in Section 20.2 and 20.3, Master Licensee will comply with Minn. Stat. §§ 80C.14, Subdivision 5, and Minnesota Rule 2860.4400H, which prohibit Master Licensee from unreasonably withholding its consent to an assignment, transfer or sale of Your franchise if the franchisee to be substituted for You meets Master Licensee's then-current qualifications and standards for ActionCOACH franchisees.

5. The second sentence of Section 18.3 is deleted and replaced with the following:

You agree that Master Licensee will be entitled to seek injunctive relief in addition to any other relief that may be available for breach of this Section 18.

6. A new Section 22.8 is added to include the following:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring You to consent to liquidated damages, termination penalties or judgment notes.

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring you to waive any of your rights as provided for in Minnesota Statutes, Chapter 80C, including, without limitation, your rights to a jury trial, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.

7. This Addendum shall have effect only if the Franchise Agreement and/or the relationship between Master Licensee and you satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01–80C.22.
8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. All capitalized terms in this Addendum that are not separately defined in this Addendum have the meanings ascribed to such terms in the Franchise Agreement. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum will control.

**[Name of Master Licensee]:**

**[Name of Franchisee]:**

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

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

**ADDENDUM**  
**REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of the New York General Business Law, Article 33, §§ 680-695, and the regulations promulgated thereunder (N.Y. Comp. Code R. & Rags., tit. 13, §§ 200.1-201.16), the parties agree to modify the Franchise Agreement entered into as of [date] ("Franchise Agreement") as follows:

1. Any provision in the Franchise Agreement that is inconsistent with New York General Business Law, Article 33, §§ 680-695 may not be enforceable.

2. Sections 2.1(F) and 20.3(D) are amended to add the following:

The release required by this Section will not apply to any claim you may have under New York General Business Law, Article 33, §§ 680-695.

3. Section 18.3 is amended to add the following:

Under New York General Business Law, Master Licensee's right to obtain injunctive relief exists only after the proper proofs are made and the appropriate authority has granted such relief.

4. Section 20.1 is amended to add the following:

Master Licensee will not assign its rights under the Franchise Agreement except to an assignee who in Master Licensee's good faith judgment is willing and able to assume Master Licensee's obligations under the Franchise Agreement.

5. Section 22.8 is amended to add the following:

Notwithstanding the foregoing, New York General Business Law shall govern any claim arising under that law.

6. This Addendum shall have effect only if the Franchise Agreement and/or the relationship between Master Licensee and you satisfy all of the jurisdictional requirements of New York General Business Law, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**[Name of Master Licensee]:**

**[Name of Franchisee]:**

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

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

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

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

**ADDENDUM**  
**REQUIRED BY THE STATE OF NORTH DAKOTA**

In recognition of the requirements of the North Dakota Franchise Investment Law, North Dakota Cent. Code §§ 51-19-01 to 51-19-17, and the Rules and Regulations promulgated thereunder, the parties agree to modify the Franchise Agreement entered into as of [date] ("Franchise Agreement") as follows:

1. Sections 2.1(F) and 20.3(D) are amended to add the following:

The release required by this Section will not apply to any claim you may have under the North Dakota Franchise Investment Law.

2. Section 16 is amended to add the following:

Covenants not to compete will be subject to Section 9-08-06, N.D.C.C.

3. Section 18.4 is amended to add the following:

Under North Dakota law, a requirement that franchisees consent to liquidated damages or termination penalties is unenforceable.

4. Section 20.3(D) is amended to add the following:

The release required by this Section will not apply to any claim you may have under the North Dakota Franchise Investment Law.

5. Sections 22.8, 22.9(B), and 22.9(C) are amended to add the following:

Pursuant to the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to the arbitration of disputes at a location that is remote from the site of the franchisee's business, consent to the application of laws of a state other than North Dakota, or consent to the waiver of a trial by jury is void.

6. Section 22.9(E) is amended to add the following:

Under North Dakota law, a requirement that franchisees consent to waiver of exemplary or punitive damages or penalties is unenforceable.

7. This Addendum shall have effect only if the Franchise Agreement and/or the relationship between Master Licensee and Franchisee satisfy all of the jurisdictional requirements of the North Dakota Franchise Investment Law, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**[Name of Master Licensee]:**

**[Name of Franchisee]:**

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

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

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

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

**ADDENDUM**  
**REQUIRED BY THE STATE OF RHODE ISLAND**

In recognition of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties agree to modify the Franchise Agreement entered into as of [date] ("Franchise Agreement") as follows:

1. Section 22.8 is amended to add the following:

Notwithstanding the foregoing, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.

2. This Addendum shall have effect only if the Franchise Agreement and/or the relationship between Master Licensee and you satisfy all of the jurisdictional requirements of the Rhode Island Franchise Investment Act, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**[Name of Master Licensee]:**

**[Name of Franchisee]:**

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

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

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

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

**ADDENDUM**  
**REQUIRED BY THE STATE OF WASHINGTON**

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the parties agree to modify the Franchise Agreement entered into as of [date] ("Franchise Agreement") as follows:

1. Sections 2.1(F) and 20.3(D) are amended to add the following:

The release required by this Section will not apply to your rights under the Washington Franchise Investment Protection Act.

2. Sections 3 and 22 are amended to add the following:

The Washington Franchise Investment Protection Act, RCW 19.100.180, may supersede this Agreement in your relationship with Master Licensee, including in the areas of termination and renewal of this Agreement. There also may be court decisions in Washington which may supersede this Agreement in your relationship with Master Licensee, including in the areas of termination and renewal of this Agreement.

3. Section 20.3(D) is amended to add the following:

The release required by this Section will not apply to your rights under the Washington Franchise Investment Protection Act.

4. Section 20.3(E) is amended to add the following:

Transfer fees are collectable to the extent that they reflect Master Licensee's reasonable estimated or actual costs in effecting a transfer.

5. Section 20.8 is amended to add the following:

In the event of a conflict between the Washington Franchise Investment Protection Act and the law chosen in this Agreement, the provisions of the Act shall prevail.

6. The last two sentences of Section 22.9(C) are deleted and replaced with the following:

Arbitration must take place in Washington, at a place mutually agreed by the parties at the time of arbitration, or at a place determined by the arbitrator. **[Note: Master Licensee and/or Franchisor reserve the right to challenge this restriction under the Federal Arbitration Act.]**

7. This Addendum shall have effect only if the Franchise Agreement and/or the relationship between Master Licensee and you satisfy all of the jurisdictional requirements of the Washington Franchise Investment Protection Act, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**[Name of Master Licensee]:**

**[Name of Franchisee]:**

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

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

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

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



**EXHIBIT D(1)**

**To**

**BUSINESS COACH  
FRANCHISE DISCLOSURE DOCUMENT**

**MANAGING DIRECTOR BUSINESS COACH AGREEMENT**



# MANAGING DIRECTOR BUSINESS COACH AGREEMENT

# Managing Director Business Coach Agreement

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This Agreement is entered into effective as of [date] between and among \_\_\_\_\_ (“Franchise Owner”), (“MDC”) and \_\_\_\_\_ (“Master Licensee”).

## RECITALS

- A. Franchise Owner is a franchisee of Master Licensee under a FIRM Business Coach Agreement (the “Franchise Agreement”).
- B. The Franchise Agreement permits only one (1) person at a time to act provide Coaching Services to Clients of the Business as a Managing Director Business Coach, and permits the Franchise Owner, under certain circumstances, to appoint a Managing Director Business Coach In lieu of Franchise Owner.
- C. Franchise Owner wishes to appoint MDC as Managing Director Business Coach under the Franchise Agreement effective as of \_\_\_\_\_ (“Appointment Date”).
- D. Master Licensee has approved the appointment of MDC and MDC has either completed the training required by \_\_\_\_\_ (“Franchisor”), or will complete such training prior to providing any Coaching Services under the Franchise Agreement.

The parties agree as follows:

## DEFINITIONS

- 1.1 Unless otherwise defined in this Agreement, all capitalized terms used in this Agreement have the same meaning as in the Franchise Agreement.

## APPOINTMENT AND AUTHORITY

- 2.1 Franchise Owner appoints MDC as the Managing Director Business Coach for the Business effective as of the Appointment Date.
- 2.2 Effective as of the Appointment Date, MDC shall have full responsibility for all operations of the Business and shall have the authority to speak for and bind Franchise Owner in any dealings with Master Licensee or Franchisor.

## FRANCHISE OWNER’S OBLIGATIONS

- 3.1 Franchise Owner shall:
  - (a) ensure that MDC is at all times trained, at the cost of Franchise Owner, in the delivery of the Coaching Services, to the reasonable satisfaction of Master Licensee and Franchisor; and
  - (b) ensure that MDC delivers the Coaching Services strictly in accordance with the System, including the Manuals, and strictly in accordance with the requirements of the Franchise Agreement.
- 3.2 Franchise Owner shall compensate MDC for his or her services as separately arranged between them. The form of the arrangement must generally conform to Franchisor’s then- current remuneration model or as otherwise agreed in writing by Master Licensee.
- 3.3 Franchise Owner acknowledges that its indemnity obligation under the Franchise Agreement

applies to any loss or claim suffered by Master Licensee, Franchisor, or ActionCOACH IPCo, Ltd. (which together with Franchisor shall be collectively referred to as "Licensor"), or any of their

respective affiliates in consequence of:

- (a) MDC not strictly observing or performing his or her obligations under this Agreement; or
- (b) MDC's acts, omissions or activities in the delivery of the Coaching Services to Clients.

#### **MDC'S OBLIGATIONS**

4.1 MDC acknowledges that: (i) as the Managing Director Business Coach for the Business, he or she will be given access to the System; (ii) the contents of the System are confidential and are proprietary to Licensor; and (iii) Franchise Owner has been licensed by Master Licensee to use the System subject to the terms of the Franchise Agreement. MDC represents that he or she has received and read a copy of the Franchise Agreement and agrees to be bound by its provisions.

#### **4.2 Personal Liability**

- (a) MDC agrees to be personally bound by all provisions of the Franchise Agreement relating to confidentiality (Section \_\_\_\_\_, Franchise Agreement), non-competition (Section \_\_\_\_\_, Franchise Agreement), restrictions on transfer (Section \_\_\_\_\_, Franchise Agreement), and dispute resolution (Section \_\_\_\_\_, Franchise Agreement).
- (b) MDC agrees that he or she must not:
  - (i) use the Confidential Information for any purpose other than carrying out his or her obligations under this Agreement and the Franchise Agreement; or
  - (ii) appropriate, copy, memorize or in any manner reproduce any of the Confidential Information, except to the extent required to carry out MDC's obligations under this Agreement and the Franchise Agreement.
- (c) MDC agrees that: (i) with respect to MDC, the two (2) year period specified in Section \_\_\_\_\_ of the Franchise Agreement shall run from the date on which MDC ends his or her association with Franchise Owner; and (ii) the non-competition obligations imposed by Section 16 of the Franchise Agreement are reasonable as to duration, geographical area and restrained conduct, and extend no further than is reasonably necessary to protect the legitimate interests of Franchise Owner, Master Licensee, Franchisor and Licensor. MDC represents that such restrictions will not prevent MDC from earning a living after ending MDC's association with the Franchise Owner.
- (d) Nothing in this Section 4.2 is intended to impose an obligation on MDC to keep confidential any information that is generally known or publicly available other than as a result of a breach by the MDC of his or her obligations under this section.
- (e) MDC specifically acknowledges that:
  - (i) damages are not a sufficient remedy for any breach of this section;
  - (ii) Franchise Owner, Master Licensee, Franchisor, and Licensor are entitled to specific performance or injunctive relief (as appropriate) as a remedy for any breach or threatened breach by the MDC, or any person to whom the MDC has disclosed Confidential Information; and
  - (iii) these remedies are in addition to any other remedies available either at law or in equity.

#### **4.3 Compliance with Manuals**

MDC must carry out his or her activities as the Managing Director Business Coach for the Business in accordance with the methods and procedures prescribed in the Manuals and in all supplemental bulletins and notices from Master Licensee or Franchisor. MDC acknowledges that compliance with the System and the Manuals is essential to preserve, maintain, and enhance the reputation and goodwill built by the System.

### **MDC'S OBLIGATIONS ON TERMINATION**

#### **5.1 No Further Involvement**

MDC agrees that he or she will not provide Coaching Services to Clients of the Business after the end of MDC's service as Managing Director Business Coach under the Franchise Agreement.

#### **5.2 Confidentiality and Non-Competition**

MDC acknowledges his or her personal obligations under the Franchise Agreement, particularly those in relation to confidentiality and non-competition, and agrees to continue to comply with such obligations after the end of MDC's service as Managing Director Business Coach under the Franchise Agreement. During the Term of this Agreement, you may not, either directly or indirectly through any other person or entity, participate in, be employed by, act as a coach to, provide financial assistance to, or acquire any interest in any business that offers business coaching and mentoring services ("Competing Business") to clients in . This restriction in Section 16.1 will also apply for a continuous two (2) year period after the expiration or termination of this Agreement or after a transfer approved under Section 20, but only as to clients in the Master Licensee's Territory and within one hundred (100) miles of the Master Licensee's Territory. In addition, for two (2) years after the expiration, termination, or approved transfer of this Agreement, you will not solicit, for the benefit of any Competing Business, any person who was a Client of the Business during the two (2) years immediately before expiration, termination, or transfer. During the term of this Agreement and for a continuous two (2) year period after its expiration or termination or after a transfer approved under Section 20, you may not employ or otherwise interfere with the employment relationship of any person who is employed by Licensor, Franchisor, or Master Licensee. In the event of a breach of the provisions of Sections 15 or 16 of the Franchise Agreement or this Section 5.2, Franchisor shall be entitled to liquidated damages from you in the amount of Two Hundred Fifty Thousand Dollars (US\$250,000.00). You expressly agree that this amount is not a penalty but a reasonable estimate of the damages that would result from any such breach. In the event that legal action becomes necessary for the enforcement of any of the provisions of Sections 15 or 16 of the Franchise Agreement or this Section 5.2 or to collect the liquidated damages provided herein, the prevailing party shall receive in addition to any other damages or relief awarded, its reasonable attorney's fees, together with appropriate costs and interest. You agree that in the event of a breach of any of the provisions of Sections 15 or 16, Franchisor shall be entitled to recover injunctive relief as well as liquidated damages, and that the liquidated damages provision included herein does not provide Franchisor with an adequate remedy at law for any such breaches which you may commit. If a court or arbitrator determines that any restriction or provision in this Section 16, strictly applied, would be invalid or unenforceable, then the restriction or provision will be deemed modified to the extent necessary (but only to that extent) to make it valid and enforceable. If a dispute regarding enforceability of Section 16.2 or 16.3 is resolved in favor of Master Licensee and Franchisor, the two (2) year period (or the period deemed to be reasonable by the court or arbitrator) will run from the date of the order permitting its enforcement.

### **GENERAL PROVISIONS**

#### **6.1 No Waiver**

No provision of this Agreement may be waived or varied except in writing signed by the party who is to be bound. None of the following things will preclude Master Licensee from insisting upon strict compliance by another party with the provisions of this Agreement:

- (a) Master Licensee's failure to take advantage of any default or breach of any

provision of this Agreement;

- (b) any custom or practice which may develop between the parties;
- (c) a previous waiver by Master Licensee of a particular breach; or
- (d) an attempt by Master Licensee to mitigate damages.

**6.2 Partial Invalidity**

If any provision of this Agreement is determined to be void or unenforceable by any court or arbitrator, that determination will not affect any other provision of this Agreement. It is the intention of the parties that if any provision is capable of two constructions, one of which would render the provision unenforceable and the other of which would render the provision valid, then the provision will have the meaning which renders it valid.

**6.3 Governing Law**

This Agreement is governed by the laws of the state in which Franchisor has its principal office.

**6.4 Further Assurance**

Each party must do, sign, execute and deliver all acts and documents reasonably required of it or them by notice from another party effectively to carry out and give full effect to this Agreement and the rights and obligations of the parties under it.

**FRANCHISE OWNER** - [Name of Master Licensee]

.....  
Name:  
Date:

**MDC** - [Name of Managing Director Business coach]

.....  
Name:  
Date:

**MASTER LICENSEE** - [Name of Master Licensee]

.....  
Name:  
Date:



**EXHIBIT D(2)**

**To**

**BUSINESS COACH**

**FRANCHISE DISCLOSURE DOCUMENT**

**EMPLOYEE BUSINESS COACH AGREEMENT**



## EMPLOYEE BUSINESS COACH AGREEMENT

FOR:

[Franchise Owner Name]

WITH:

[EBC Coach Name]

# EMPLOYEE BUSINESS COACH AGREEMENT

This Agreement (“Agreement”) is entered into effective as of [Effective Date] by and between [Name of Franchise Owner] (“Franchisee”) and [Name of Employee Business Coach (“EBC”; “You”), and together known as “The Parties”.

## DEFINITION OF TERMS:

“**Agreement**” means this “Employee Business Coach Agreement”.

“**Business**” means the ActionCOACH business coaching, training and mentoring services that you are authorized under this Agreement to conduct within the Designated Territory.

“**Client**” means a business owner or other customer who agrees to purchase Coaching Services from the Business.

“**Client Information**” means details, including forms and lists, of Clients collected by you or Franchisee in accordance with this Agreement.

“**Confidential Information**” has the meaning defined in Section 1 of this Agreement.

“**EBC**” means Employee Business Coach working directly under Franchisee.

“**Franchisee**” means [Name of Franchise Owner]

“**Franchisor**” means ActionCOACH North America, LLC, a limited liability company organized under the laws of the State of Nevada.

“**Master Licensee**” means Buji, LLC (if Franchisee is in the States of Wisconsin or Minnesota) or Oaktree Business Services of Ohio, LLC (if Franchisee is in the States of Indiana or Ohio), both limited liability companies organized under the laws of the State of Ohio.

“**Licensors**” means ActionCOACH IPCo, Ltd., a limited liability company organized under the laws of the United Kingdom.

“**Manuals**” means the operations manuals, policy statements, directives, and other written instructions issued by Franchisor with respect to the System, including, without limitation, information and materials posted in the Intranet areas of the ActionCOACH website. Part or all of the Manuals may be issued in electronic form. Franchisor may amend the Manuals from time to time.

“**Marks**” means the ActionCOACH trademark and such other registered and unregistered trade names, trademarks, service marks, logos, commercial symbols, Internet domain names, web site identifiers, designs, color schemes, and trade dress as Franchisor may designate from time to time for use with the System.

“**System**” means the business methods, specifications, procedures, and accumulated trial and error developed, and to be developed, by Licensors and/or Franchisor for the operation and management of an ActionCOACH business coaching and mentoring business.

“**Territory**” means [Franchisee’s territory per Franchise Agreement].

## **BACKGROUND:**

1. Franchisee has a Business Coach Franchise Agreement (“BCFA”) with Master Licensee to provide business coaching, training and mentoring services in the Territory.
2. Franchisee is entitled to employ business coaches per the terms of the BCFA and wishes to employ EBC as a business coach.
3. EBC will use Franchisee’s affiliation with Master Licensee, Franchisor and Licensor, as well as Franchisee’s community reputation and existing contacts to provide business coaching, training and mentoring services to new or existing Clients while employed by Franchisee in the Territory.
4. This Agreement shall also govern any other position or responsibility Franchisee may assign to EBC in the future.

**NOW, THEREFORE,** the Parties hereby agree as follows:

### **SECTION 1 - TRADEMARKS AND CONFIDENTIAL INFORMATION**

- 1.1 You acknowledge Licensor’s exclusive ownership of, and rights in, the Marks and in the System. All goodwill now or in the future associated with your use of the Marks will accrue exclusively to the benefit of Licensor. You agree that you will not, during or after the term of this Agreement:
  - A. contest or aid in contesting the validity or ownership of the Marks;
  - B. take any action in derogation of Licensor’s, Franchisor’s, or Master Licensee’s rights with respect to the Marks, whether now existing or later obtained; or
  - C. use, register or attempt to register the Marks in your own name for any purpose, including but not limited to, any registration at any government or domain name registry.
- 1.2 You agree to:
  - A. use the Marks only in connection with the Business;
  - B. use the Marks only in accordance with the Manuals;
  - C. reproduce the Marks exactly and accurately; and
  - D. change, discontinue, or substitute for any of the Marks, if Franchisee or Master Licensee notifies you that Licensor or Franchisor has modified the Marks to be used in the U.S.A.
- 1.3 You acknowledge that you will have access to the Manuals and other valuable trade secrets, know how, methods, information, recruiting techniques, accounting procedures, control procedures, and marketing techniques relating to the System (collectively, the “Confidential Information”). The Confidential Information was developed at significant

cost, is owned by Licensor, and is necessary to the operation of the Business. You further acknowledge that such Confidential Information was unknown to you prior to negotiation for and execution of this Agreement. You will take all steps necessary, at your own expense, to protect such Confidential Information and will not divulge it either during the Term of this Agreement or your employment or thereafter. Upon expiration or termination of this Agreement, you will return or destroy all Confidential Information.

- 1.4 You must immediately inform Franchisee and Master Licensee of any suspected, known or threatened infringement of or challenge to the Marks or unauthorized disclosure or use of Confidential Information. You must assist and cooperate with Master Licensee in taking such action, if any, as Master Licensee deems appropriate to protect the Confidential Information and the Marks.
- 1.5 You agree that all data you collect from Clients and prospective clients in connection with the Business is deemed to be jointly owned by Franchisee and per the BCFA, by Master Licensee. You are licensed to use such data while this Agreement is in effect. Upon expiration or termination of this Agreement, you must return the same to Franchisee and not use any Client Information or prospective client data for any purpose contrary to this Agreement.

## **SECTION 2 - RESTRICTIONS ON COMPETITION**

- 2.1 During the Term of this Agreement, You may not, either directly or indirectly through any other person or entity, participate in, be employed by, act as a coach or consultant or trainer to, provide financial assistance to, or acquire any interest in any business that offers business coaching and mentoring services ("Competing Business") to clients in the U.S.A.
- 2.2 The restriction in Section 2.1 will also apply for a continuous two (2) year period after the expiration or termination of this Agreement or your employment, whichever is later, but only as to clients in the Franchisee's Territory and within one hundred (100) miles of the Franchisee's Territory.
- 2.3 For two (2) years after the expiration or termination of your employment or this Agreement, whichever is later, you will not solicit, for the benefit of any Competing Business, any person who was a Client of the Franchisee, Master Licensee or any other franchisee in the Territory during the two (2) years immediately before such expiration or termination.
- 2.4 During the term of this Agreement and for a continuous two (2) year period after termination of this Agreement or your employment, whichever is later, you may not employ or otherwise interfere with the employment relationship of any person who is employed by Franchisee, Master Licensee or any other franchisee in the Territory.
- 2.5 You agree that damages caused by your failure to comply with Section 1 or Section 2 are irreparable. You agree that Master Licensee may seek injunctive relief, without notice to you, in addition to any other relief that may be available for breach of the provisions of Section 1 and/or Section 2.
- 2.6 In the event of your breach of the provisions of Sections 1 or 2, Master Licensee is entitled to liquidated damages from you in the sum of Two Hundred Fifty Thousand Dollars

(US\$250,000.00). You expressly agree that this amount is not a penalty but a reasonable estimate of the damages that would result from any such breach. In the event that legal action becomes necessary for the enforcement of any of the provisions of Sections 1 or 2 of this Agreement or to collect the liquidated damages provided herein, the prevailing party shall receive in addition to any other damages or relief awarded, its reasonable attorney's fees, together with appropriate costs and interest. You agree that in the event of a breach of any of the provisions of Sections 1 or 2, Master Licensee shall be entitled to recover injunctive relief as well as liquidated damages, and that the liquidated damages provision included herein does not provide Master Licensee with an adequate remedy at law for any such breaches which you may commit.

- 2.7 If a court or arbitrator determines that any restriction or provision in this Section 2, strictly applied, would be invalid or unenforceable, then the restriction or provision will be deemed modified to the extent necessary (but only to that extent) to make it valid and enforceable. If a dispute regarding enforceability of Sections 2.1 through 2.4 is resolved in favor of Master Licensee the two (2) year period (or the period deemed to be reasonable by the court or arbitrator) will run from the date of the order permitting its enforcement.
- 2.8 You hereby acknowledge that the restrictions set forth in Sections 2.1-2.4 do not interfere with your ability to earn a living, and that a violation by you of any of these restrictions would provide you an unfair competitive advantage over Franchisee and Master Licensee. You further acknowledge that Franchisee would not hire you, or continue your employment if you refuse the terms set forth in Sections 2.1-2.8.

### **SECTION 3 - TRANSFER WITHIN ACTIONCOACH**

- 3.1 Notwithstanding the restrictions in Sections 1 and 2 of this Agreement, so long as the conditions of this Section 3 are fully satisfied, for the purposes of Sections 2.1 and 2.2, neither other ActionCOACH Franchisees nor Master Licensees will be considered a Competing Business.
- 3.2 You may elect to terminate this Agreement and Transfer within ActionCOACH for the purposes of: (i) executing an ActionCOACH Business Coach Franchise Agreement (BCFA) directly with Master Licensee; or (ii) become an EBC or Nominated Business Coach of another ActionCOACH Franchisee or Master Licensee, under the following terms and conditions:
- A. You are in compliance with all terms of this and any other agreements You may have with Franchisee.
  - B. You provide Franchisee at least 90 days written notice of Your intent to Transfer and Franchisee approves such Transfer, which will not be unreasonably withheld.
  - C. You agree to work in good faith with Franchisee for the Transfer to take place on a date mutually agreed by the Parties and in such a way to preserve client Franchisee relationships and brand goodwill in the marketplace.
  - D. Master Licensee consents in writing to the Transfer.

- E. All Clients of the Business shall remain with the Franchisee. However, if Franchisee agrees that it is in the best interests of the Parties for You to retain any Clients after Transfer (“Transferred Clients”), You may do so under the following terms and conditions:
- i. Franchisee gives You written approval prior to You soliciting any Clients to become Transferred Clients and You shall only solicit Clients specifically approved in writing by the Franchisee.
  - ii. The provisions of this Section 3 shall also apply to any prospective clients You are actively soliciting at the time of Transfer if the Franchisee agrees it is in the best interests of the Parties for You to continue the solicitation process. Any such prospective clients Franchisee allows you to solicit shall be deemed Transferred Clients for the purposes of this Section.
  - iii. Franchisee, at its discretion, will determine if You or the Franchisee will collect client fees from any Transferred Clients. The party collecting the fees directly from the Transferred Clients shall compensate the other party as detailed in Schedule A (Transferred Client Compensation) of this Agreement.
  - iv. Any compensation for Transferred Clients shall be made within 5 business days of collection and in a method specified by the Franchisee. You will furnish Franchisee and Your bank such authorizations as may be necessary to effect payment by the method specified by the Franchisee.
  - v. Other than specifically allowed in this Section of the Agreement, all other provisions of Sections 1 and 2 shall hold.
- F. Simultaneous with Transfer, You sign a general release with Franchisee in a form acceptable to the Franchisee and Master Licensee.
- G. In the event you are executing a BCFA directly with the Master Licensee, You will be responsible to pay Master Licensee the then current Franchise Fees, Royalty Fees, Marketing and Advertising Fees or other fees payable to Master Licensee per the terms of the new BCFA.

#### **SECTION 4 – EBC OBLIGATIONS**

- 4.1 While under contract with Franchisee, You will perform any and all duties as assigned by Franchisee which may change from time to time.
- 4.2 You agree to deliver the business coaching, training and mentoring services in strict accordance with the System, including the Manuals and strictly in accordance with the policies, procedures and professional standards of the Franchisee.
- 4.3 During the term of this Agreement, You may be trained in, utilize, be exposed to and contribute to the development of other local proprietary processes, systems, procedures (“Other Proprietary Information”), by Franchisee and Master Licensee, not otherwise defined in Section 1 of this Agreement. You make no claim to have any form or ownership

of the Other Proprietary Information, agree that Other Proprietary Information is owned by Franchisee and Master Licensee and further agree to be bound to the same restrictions of Section 1 and Section 2 of this Agreement in regards to the Other Proprietary Information.

## SECTION 5 – FRANCHISEE OBLIGATIONS

- 5.1 You will be compensated as detailed in Schedule A (Compensation) of this Agreement.
- 5.2 Franchisee will ensure You are properly trained in the System, including the Manuals, to the reasonable satisfaction of the Master Licensee and Franchisor and if you have not yet graduated the Franchisor's initial training, Franchisee will arrange for Your attendance at such training.
- 5.3 Franchisee will inform You of any changes to the System including the Manuals that are pertinent to Your employment.
- 5.4 Franchisee will not unreasonably withhold its approval for You to Transfer under the terms of Section 3 of this Agreement.

## SECTION 6 – GENERAL PROVISIONS

- 6.1 **No Waiver:** No provision of this Agreement may be waived or varied except in writing signed by the party who is to be bound. None of the following things will preclude Franchisee from insisting upon strict compliance with the provisions of this Agreement:
  - A. Franchisee's failure to enforce any default or breach of any provision of this Agreement;
  - B. any custom or practice which may develop between the parties;
  - C. a previous waiver by Franchisee of a particular breach;
  - D. an attempt by Franchisee to mitigate damages.
- 6.2 **Assumption of Agreement:** If Franchisee closes the business or otherwise ceases to operate for any reason while this Agreement is in force, and both you and Master Licensee wish for you to stay with ActionCOACH, Master Licensee will assume all of Franchisee's rights and obligations of the Agreement. Master Licensee may, at its discretion, compel you to Transfer Within ActionCOACH per the terms of Section 3. \
- 6.3 **Partial Invalidity:** If any provision of this Agreement is determined to be void or unenforceable by any court or arbitrator, that determination will not affect any other provision of this Agreement. It is the intention of the parties that if any provision is capable of two constructions, one of which would render the provision unenforceable and the other of which would render the provision valid, then the provision will have the meaning which renders it valid.

6.4 **Governing Law:** This Agreement is governed by the laws of the state of [State Franchisee Business Located].

6.5 **Further Assurance:** Each party must do, sign, execute and deliver all acts and documents reasonably required of it or them by notice from another party effectively to carry out and give full effect to this Agreement and the rights and obligations of the parties under it.

**THE PARTIES** have caused this Agreement to be duly executed as evidenced by their signatures below on [Insert Date].

**EBC: [Name of Employed Business Coach]**

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Printed

**FRANCHISEE: [Name of Franchisee]**

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Printed

**SCHEDULE A**  
**to**  
**EMPLOYEE BUSINESS COACH AGREEMENT**

**1. Compensation**

**2. Transferred Client Compensation**



**EXHIBIT E**

**To**

**BUSINESS COACH**

**FRANCHISE DISCLOSURE DOCUMENT**

**NONDISCLOSURE AND NONCOMPETE AGREEMENT**

## **NONDISCLOSURE AND NONCOMPETE AGREEMENT**

This Agreement is entered into on [Date] between [Name of Franchisee] (referred to as “we,” “us,” and “our”), located at [Franchisee's Address], and [Name of Business Coach / Employee] (referred to as “you” and “your”), located at [Business Coach / Employee's Address]. You are signing this Agreement in consideration of, and as a condition to, your association with us and the compensation, dividends, or other payments and benefits you will receive from us.

### **BACKGROUND**

We are an ActionCOACH Business Coach franchisee of [Name of Master Licensee] (“Master Licensee”) under a Business Coach Franchise Agreement dated [Date]. We have a license to use the Marks, the System, and the Confidential Information owned by ActionCOACH IPCo, Ltd. and licensed to ActionCOACH North America, LLC (collectively, “Licensor”). Master Licensee recognizes that, in order to effectively operate our business, we must give our business coaches and employees access to certain confidential information and trade secrets owned by Licensor. Disclosure of this confidential information and trade secrets to unauthorized persons, or its use for any purpose other than the operation of our business, would harm us, Master Licensee, Licensor, other franchise owners, and ActionCOACH North America, LLC (“Franchisor”). Accordingly, Master Licensee requires us to have you sign this Agreement.

### **AGREEMENT**

1. As used in this Agreement, “Confidential Information” means all manuals, trade secrets, know how, methods, training materials, information, recruiting techniques, accounting procedures, control procedures, and marketing techniques relating to the ActionCOACH business coaching and mentoring business and system. In addition, Confidential Information includes all marketing plans, advertising plans, business plans, financial information, client information, employee information, and other proprietary information of Licensor, Franchisor, Master Licensee, or us (collectively, the “Interested Parties”) that you obtain during your association with us.
2. You agree not to disclose any Confidential Information to anyone outside of our organization (other than the Interested Parties) and not to use any Confidential Information for any purpose except to carry out your duties as our employee. You also agree not to claim any ownership in or rights to Confidential Information and not to challenge or contest Licensor's ownership of it. These obligations apply both during and after your association with us.
3. If your association with us ends for any reason, you must return to us all records described in Paragraph 1, all other Confidential Information, and any authorized or unauthorized copies of Confidential Information that you may have in your possession or control. You may not retain any Confidential Information after your association with us ends.
4. You may not, during your association with us, without our prior written consent:
  - (a) Own, operate, engage in, be employed by, act as a consultant to, provide financing or assistance to, participate in, or have any interest in any business that offers business coaching and mentoring services (“Competing Business”) to clients in the U.S.A.; or
  - (b) Divert or attempt to divert any clients or prospective clients to any Competing Business.
5. Paragraph 4 will continue to apply for (a) two (2) years if you are a Business Coach, and (b) one (1) year if you are an Employee, after your association with us ends, regardless of the reason that your association with us ends. However, Paragraph 4(a) will only continue to apply to businesses operating in the geographic area where you performed work for us. In addition, for two (2) years after your association with us ends, you may not solicit, for

the benefit of any Competing Business, any person who was a client of our business during the two (2) years immediately before your disassociation.

6. You may not attempt to circumvent the restrictions in Paragraphs 1 through 5 by engaging in prohibited activity indirectly through any other person or entity.
7. If you breach or threaten to breach any part of this Agreement, you agree that we will be entitled to injunctive relief (without posting bond) as well as a suit for damages.
8. If any part of this Agreement is declared invalid for any reason, the invalidity will not affect the remaining provisions of this Agreement. If a court finds any provision of this Agreement to be unreasonable or unenforceable as written, you agree that the court may modify the provision to make it enforceable and that you will abide by the provision as modified.
9. This Agreement is independent of any other obligations between us. This means that it is enforceable even if you claim a breach of any other agreement, understanding, commitment or promise between you and us.
10. You are signing this Agreement not only for our benefit, but also for the benefit of Licensor, Franchisor and Master Licensee. Licensor, Franchisor and Master Licensee have the right to enforce this Agreement directly against you.
11. This is not an employment agreement. Nothing in this Agreement creates or should be taken as evidence of an agreement or understanding by us, express or implied, to continue your association with us for any specified period.
12. Your obligations under this Agreement cannot be waived or modified except in writing.
13. This Agreement is governed by the laws of the state in which our principal office is located.
14. If we have to take legal action to enforce this Agreement, we will be entitled to recover from you all of our costs, including reasonable attorneys' fees, to the extent that we prevail on the merits.
15. You certify that you have read and fully understood this Agreement, and that you entered into it willingly.

**EMPLOYEE**

Witness:

.....  
Printed Name:  
Date:

.....  
Printed Name:  
Date:



**EXHIBIT F**

**To**

**BUSINESS COACH  
FRANCHISE DISCLOSURE DOCUMENT**

**RELEASE**

## RELEASE

THIS RELEASE is executed on [date] by [Name of Franchise Owner] (“Franchisee”) as an express condition of transfer or renewal of the Business Coach Franchise Agreement dated [date of BCFA] between [Name of Master Licensee] (“Master Licensee”) and Franchisee.

1. Release by Franchisee. Franchisee, for himself/itself and his/its heirs, personal representatives, and all other persons acting on his/its behalf or claiming under him/it (collectively, the “**Franchisee Releasers**”), hereby releases and forever discharges Master Licensee, ActionCOACH North America, LLC. and ActionCOACH IPCo, Ltd., and their respective past and present officers, directors, shareholders, members, parents, subsidiaries, affiliates, agents, employees, attorneys, insurers, representatives, predecessors, successors, and assigns, and each of them, from any and all claims, debts, liabilities, demands, obligations, costs, expenses, suits, actions, and causes of action, of whatever nature, known or unknown, suspected or unsuspected, vested or contingent (collectively, “**Claims**”) that the Franchisee Releasers ever had, now have, or may in the future have, arising out of or relating to any act, omission or event occurring on or before the date of this Release.

2. Risk of changed facts. The Franchisee Releasers understand that the facts in respect of which the release in Section 1 above is given may turn out to be different from the facts now known or believed by the parties to be true. The Franchisee Releasers hereby accept and assume the risk of the facts turning out to be different and agree that its release shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. No prior assignment. Franchisee represents and warrants that he/she/it is the sole owner of all Claims and rights released by Franchisee hereunder and that Franchisee has not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1 above.

4. Covenant not to sue. Franchisee (on behalf of the Franchisee Releasers) 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 person or entity released under Section 1 above with respect to any Claim released under Section 1 above.

5. Complete defense. Franchisee: (i) acknowledges that this Release shall be a complete defense to any Claim released under Section 1 above; and (ii) consents to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. Authorization. The person who executes this Release on behalf of Franchisee represents and warrants that Franchisee has authorized that person to enter into this Release on behalf of Franchisee. Franchisee represents and warrants that it has the authority to enter into this Release not only on its own behalf, but also on behalf of the other persons and entities to be bound by its signature.

7. Successors and assigns. This Release will inure to the benefit of and bind the successors, assigns, heirs and personal representatives of Franchisee.

IN WITNESS WHEREOF, Franchisee has executed this Release as of the date first above written.

**FRANCHISEE**

.....  
[Name]  
[If Franchisee is an entity, indicate Position/Title of signatory here]



**EXHIBIT G**

**To**

**BUSINESS COACH  
FRANCHISE DISCLOSURE DOCUMENT**

**COMPLIANCE QUESTIONNAIRE**

**QUESTIONNAIRE TO BE COMPLETED BEFORE  
YOU SIGN THE BUSINESS COACH FRANCHISE AGREEMENT**

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You are preparing to enter into an ACTIONCOACH Business Coach Franchise Agreement with Master Licensee ("we" or "us"). The purpose of this Questionnaire is to confirm that you understand the terms of the contract and that no unauthorized statements or promises have been made to you. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. When and where did you have your first face-to-face meeting with our representative(s)?

Approximate date of first meeting: \_\_\_\_\_

Place of meeting: \_\_\_\_\_

2. Which of our representative(s) have you been dealing with?

Name(s): \_\_\_\_\_

3. Have you personally read the ActionCOACH Business Coach Franchise Disclosure Document (FDD)?

Yes \_\_\_\_\_ No \_\_\_\_\_

4. Did you give us a signed receipt for the copy of the FDD that we furnished to you?

Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, on what date? \_\_\_\_\_

5. Do you understand all of the information contained in the FDD?

Yes \_\_\_\_\_ No \_\_\_\_\_

If not, what parts of the FDD do you not understand? (Attach additional pages, if necessary.)

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6. Have you personally read the Business Coach Franchise Agreement (the "Agreement")?

Yes \_\_\_\_\_ No \_\_\_\_\_

7. Do you understand all of the terms of the Agreement?

Yes \_\_\_\_\_ No \_\_\_\_\_

If not, what parts of the Agreement do you not understand? (Attach additional pages, if necessary.)

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8. Has any of our representatives recommended that you have the FDD and agreements reviewed by an attorney or other professional advisor?

Yes \_\_\_\_\_ No \_\_\_\_\_

9. Have you, in fact, discussed the FDD, the agreements, and the benefits and risks of operating an ACTIONCOACH Business Coach franchise with an attorney, accountant, or other professional advisor?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, name and profession of advisor: \_\_\_\_\_

If No, do you wish to have more time to do so?

Yes \_\_\_\_\_ No \_\_\_\_\_

10. In Item 19 of the FDD we have provided a historical financial performance representation. We do not authorize our salespeople to provide information concerning the actual or potential financial performance of a Business Coach franchise beyond what is stated in Item 19. Has any employee of ActionCOACH North America, LLC or Master Licensee, or any other person speaking on our behalf (this does not include Business Coaches whom you contact on your own) made any statement or representation (oral, written, or visual) which is inconsistent with Item 19 regarding:

a. The amount of money that others have made or that you may earn as a Business Coach?

Yes \_\_\_\_\_ No \_\_\_\_\_

b. The revenue that a Business Coach franchise will generate?

Yes \_\_\_\_\_ No \_\_\_\_\_

c. The costs you may incur in operating the Business Coach franchise?

Yes \_\_\_\_\_ No \_\_\_\_\_

d. Any other financial performance information about Business Coach franchises?

Yes \_\_\_\_\_ No \_\_\_\_\_

11. If your answer to any part of Question 10 is "yes," please describe the statement or representation. Please include when, where, and by whom the statement or representation was made. Please provide full details in the following space. (Attach additional pages, if necessary.)

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12. Have you contacted any existing Business Coaches about their financial performance?

Yes \_\_\_\_\_ No \_\_\_\_\_

13. If your answer to Question 12 is "yes," please describe the type of information that they shared with you in the following space. (You do not need to identify the Business Coaches with whom you spoke.)

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14. Please think about the statements or promises made to you by our employees (or by any other person purporting to speak on our behalf) concerning the advertising, marketing, training, support, or assistance that we will furnish to you. Were any such statements or promises contrary to, or different from, the information contained in the FDD?

Yes \_\_\_\_\_ No \_\_\_\_\_

15. If you answered "Yes" to Question 14, please provide full details in the following space. (Attach additional pages, if necessary.)

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16. Before today, have you entered into any agreement with us concerning our franchise opportunity?

Yes \_\_\_\_\_ No \_\_\_\_\_ If Yes, please describe: \_\_\_\_\_

17. Have you paid any money to us before today in connection with our franchise opportunity?

Yes \_\_\_\_\_ No \_\_\_\_\_ If Yes, please describe: \_\_\_\_\_

18. In entering into the Agreement, are you relying on any statement, promise, or assurances by us, or by anyone speaking or purporting to speak on our behalf, other than the terms of the Agreement itself? If "Yes", please provide full details in the following space. (Attach additional pages, if necessary.)

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19. Would you agree that the success or failure of your Business Coach franchise will depend in large part upon your own skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms, and other economic and business factors?

Yes \_\_\_\_\_ No \_\_\_\_\_

20. In which state do you reside? \_\_\_\_\_

21. In which state do you intend to operate the Business Coach franchise? \_\_\_\_\_

22. Have you selected a specific office location from which you propose to operate the Business Coach franchise?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please specify the location: \_\_\_\_\_

\_\_\_\_\_

23. Do you have personal knowledge of the market area in which you will operate?

Yes \_\_\_\_\_ No \_\_\_\_\_

24. Did you obtain advice from anyone other than our representatives in selecting your market and/or your office location?

Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, name of advisor: \_\_\_\_\_

If not, do you wish to have more time to do so?

Yes \_\_\_\_\_ No \_\_\_\_\_

25. Have all of your questions concerning your proposed investment in a Business Coach franchise been answered to your satisfaction?

Yes \_\_\_\_\_ No \_\_\_\_\_

\* \* \*

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

**FRANCHISE APPLICANT**

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Date:



**EXHIBIT H**

**To**

**BUSINESS COACH**

**FRANCHISE DISCLOSURE DOCUMENT**

**ADDITIONAL STATE-REQUIRED INFORMATION**

We are required to provide you with additional information as a condition of registering our franchise offering in certain states. The additional disclosures are set out below.

**INFORMATION REQUIRED  
BY THE STATE OF CALIFORNIA**

The following information is added to the disclosure document for California residents:

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.

See the cover page of the disclosure document for the ActionCOACH North America, LLC website address. THE WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT [www.dbo.ca.gov](http://www.dbo.ca.gov).

**Item 3. Additional Disclosure.** The following is added to Item 3 of the disclosure document:

Neither we, nor any person identified in Item 2 above, 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, 15 U.S.C. § 78a *et seq.*) suspending or expelling such person from membership in such association or exchange.

**Item 17. Additional Disclosures.** The following is added to Item 17 of the disclosure document:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 101 *et seq.*).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the agreement. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires application of the laws of the state of Nevada. This provision may not be enforceable under California law.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Las Vegas, Nevada if you initiate the proceeding or in the Territory if we initiate the proceeding, with the costs being borne by the losing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

You must sign a general release if you renew or transfer your franchise. A release may be void under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000-31516). Business and Professional Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043).

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

**Item 19. Additional Disclosure**

The financial performance representation figures do not reflect the costs of sales, operating expenses, or other 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 franchise business. Franchisees or former franchisees, listed in the franchise disclosure document, may be one source of this information.

**INFORMATION REQUIRED  
BY THE STATE OF HAWAII**

The following information is added to the disclosure document for Hawaii residents:

**THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

The name and address of the agent in this state authorized to receive service of process on behalf of ACNA is Commissioner of Securities, Department of Commerce and Consumer Affairs, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

**INFORMATION REQUIRED  
BY THE STATE OF ILLINOIS**

The following information is added to the disclosure document for Illinois residents:

**Item 17. Additional Disclosures.** The following is added to Item 17(v) and (w) of the disclosure document:

The Illinois Franchise Disclosure Act requires that Illinois law apply to any claim arising under the Illinois Franchise Disclosure Act.

The conditions under which your Franchise Agreement can be terminated and your rights upon non-renewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Pursuant to Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement that designates jurisdiction or venue for litigation in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

**INFORMATION REQUIRED  
BY THE STATE OF INDIANA**

The following is added to the disclosure document with respect to Indiana franchises and franchisees:

1. Special Risk(s) to Consider About *This* Franchise:

The page entitled, "Special Risks to Consider About *This* Franchise" of this disclosure document is modified to comply with Indiana law by adding the following disclosure after the stated "Risk Factors":

"INDIANA LAW IS CONTROLLING FOR INDIANA FRANCHISEES."

2. Item 17 of the disclosure document is hereby modified as follows:

- (a) by adding the following to row "r", row "v" and row "w" of the chart regarding the Franchise Agreement:

"Subject to applicable Indiana law. See Indiana addenda to the Franchise Agreement."

- (b) by adding the following paragraph to the end of the chart regarding the Franchise Agreement:

"With respect to row "c" and row "m" of the table above, you are not required to release any claims against us, the Licensor and/or Franchisor arising under Indiana franchise law."

**INFORMATION REQUIRED  
BY THE STATE OF MARYLAND**

The following is added to the disclosure document for Maryland residents:

**Item 17. Additional Disclosures.** The following is added to Item 17 of the disclosure document:

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 101 *et seq.*).

Pursuant to COMAR 02.02.08.16L, a general release required as a condition of renewal or transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any choice of forum for litigation is subject to your right to bring an action under the Maryland Franchise Registration and Disclosure Law in Maryland.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

**Exhibit H (Compliance Questionnaire). Additional Disclosure.** Your responses to this questionnaire do not act as a release, estoppels, or waiver of any liability that we may incur under the Maryland Franchise Registration and Disclosure Law.

**INFORMATION REQUIRED  
BY THE STATE OF MICHIGAN**

The following is added to the disclosure document for Michigan residents:

**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 document relating to a franchise:

- (a) A prohibition of 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 protections provided in the Michigan Franchise Investment Law. 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. **[Note: ACNA reserves the right to challenge the restriction on the location of arbitration, as it applies to arbitration under the Federal Arbitration Act.]**

(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 ATTORNEYGENERAL.**

Any questions regarding this Notice shall be directed to the Department of Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, MI 48913 (517) 373-7117.

**INFORMATION REQUIRED BY THE STATE OF MINNESOTA**

**Item 6. Additional Disclosures.** The following is added to Item 6 with respect to liquidated damages to be paid by a franchisee;

Minn. Rule 2860.4400J. prohibits a requirement that a franchisee consent to liquidated damages.

**Item 13. Additional Disclosures.** The following is added to Item 13:

Notwithstanding other disclosures in this Item 13, we will defend claims against you by, or indemnify you against liability to, a third party resulting from claims that your use of the Marks infringes trademark rights of the third party; provided, however, that we will not defend you or indemnify you against the consequences of your use of the Marks unless that use is in accordance with the requirements of the Franchise Agreement.

**Item 17. Additional Disclosures.** The following is added to Item 17:

We will comply with Minn. Stat. § 80C.14, subdivisions 3 and 4 and Minnesota Rule 2860.4400E and M, which require, except in specified circumstances, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minn. Stat. §§ 80C.01-80C.22, except in circumstances of a voluntary settlement of a dispute between us and you.

We will comply with Minn. Stat. § 80C.14, subdivision 5 and Minnesota Rule 2860.4400H which prohibit us from unreasonably withholding our consent to an assignment, transfer or sale of your franchise if the franchisee to be substituted for you meets our then-current qualifications and standards of ActionCOACH franchisees.

Minnesota Rule 2860.4400J prohibits us from requiring you to waive your rights to a jury trial or to consent to liquidated damages, termination penalties, or judgment notes; provided, however, that the rule will not bar exclusive arbitration as required under the Franchise Agreement.

Pursuant to Minn. Stat. §80C.21 and Minnesota Rule Part 2860.4400J, the choice of law provision in the Franchise Agreement shall not in any way abrogate or reduce any rights of a franchisee as provided for in Minnesota Statutes, Chapter 80C, which include, without limitation, the rights of franchisees to any procedure, forum or remedies provided under Chapter 80.C.

The general release referenced in row “c” and row “m” of the Item 17 table concerning the Franchise Agreement does not apply to any claims under Minnesota Stat. §§ 80C.01-80C.22, except in circumstances of a voluntary settlement of a dispute between us and you.

**INFORMATION REQUIRED  
BY THE STATE OF NEW YORK**

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 SOURCES OF 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 THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.**

**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 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 Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. 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.

6. 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.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. 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.

**INFORMATION REQUIRED  
BY THE STATE OF NORTH CAROLINA**

The following is added to the disclosure document for North Carolina residents:

**Cover Page.** The following is inserted as the first page of this disclosure document:

**DISCLOSURES REQUIRED BY NORTH CAROLINA LAW**

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure document has not been verified by the State of North Carolina. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

**Item 11. Additional Disclosures.** The following is added to Item 11:

If ACNA fails to deliver product(s), equipment or supplies to be supplied by ACNA that are necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify ACNA in writing and demand that the contract be cancelled.

**INFORMATION REQUIRED  
BY THE STATE OF NORTH DAKOTA**

The following is added to the disclosure document for North Dakota residents:

**Item 17. Additional Disclosures.** The following is added to Item 17:

Pursuant to the North Dakota Franchise Investment Law, any provision requiring a North Dakota franchisee to consent to arbitration or the jurisdiction of courts outside North Dakota, the application of laws of a state other than North Dakota, or the waiver of a trial by jury is void. **[Note: ACNA reserves the right to challenge the restriction on the location of arbitration, as it applies to arbitration under the Federal Arbitration Act.]**

You are not required to release any claims you might have against us under the North Dakota Franchise Investment Law.

You are not required to consent to a waiver of exemplary or punitive damages against us under the North Dakota Franchise Investment Law.

Covenants not to compete will be subject to Section 9-08-06, N.D.C.C.

**INFORMATION REQUIRED  
BY THE STATE OF RHODE ISLAND**

The following is added to the disclosure document for Rhode Island residents:

**Item 17. Additional Disclosure.** The following is added to Item 17:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

**INFORMATION REQUIRED  
BY THE STATE OF SOUTH CAROLINA**

The following is added to the disclosure document for South Carolina residents:

**Cover Page.** The following is inserted as the first page of this disclosure document:

**DISCLOSURES REQUIRED BY SOUTH CAROLINA LAW**

The State of South Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure document has not been verified by the State of South Carolina. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

**Item 11. Additional Disclosures.** The following is added to Item 11:

If ACNA fails to deliver product, equipment or supplies to be supplied by ACNA that are necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify ACNA in writing and demand that the contract be cancelled.

**INFORMATION REQUIRED  
BY THE COMMONWEALTH OF VIRGINIA**

The following is added to the disclosure document for Virginia residents:

**Cover Page.** The words “or grant” are added at the end of the third sentence in the third paragraph on Page i.

**Receipts.** The words “or grant” are added at the end of the second paragraph on each Receipt.

**INFORMATION REQUIRED  
BY THE STATE OF WASHINGTON**

The following is added to the disclosure document for Washington residents:

**Item 17. Additional Disclosures.** The following is added to Item 17:

RCW § 19.100.180 and court decisions may supersede the Franchise Agreement in your relationship with us, including in the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. **[Note: ACNA reserves the right to challenge the restriction on the location of arbitration, as it applies to arbitration under the Federal Arbitration Act.]**

In the event of a conflict between the Washington Franchise Investment Protection Act and the law chosen in the Franchise Agreement, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

A release or waiver of rights executed by a franchisee will not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable in Washington.

Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.



**EXHIBIT I**

**To**

**BUSINESS COACH**

**FRANCHISE DISCLOSURE DOCUMENT**

**STATE REGULATORY AUTHORITIES AND AGENTS FOR  
SERVICE OF PROCESS**

## STATE FRANCHISE ADMINISTRATORS

### California:

Department of Business Oversight  
1-866-275-2677

#### Los Angeles

320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, CA 90013-2344  
(213) 576-7500

#### Sacramento

1515 K Street, Suite 200  
Sacramento, CA 95814-4052  
(916) 445-7205

#### San Diego

1350 Front Street, Room 2034  
San Diego, CA 92101-3697  
(619) 525-4233

#### San Francisco

1 Sansome Street, Suite 600  
San Francisco, CA 94104 (415)  
972-8559

### Hawaii:

Tung Chan  
Commissioner of Securities  
Department of Commerce  
and Consumer Affairs  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
(808) 586-2722

### Illinois:

Kwame Raoul  
Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706  
(217) 782-4465

### Indiana:

Christopher W. Naylor  
Securities Commissioner  
Securities Division  
Room E-111  
302 West Washington Street  
Indianapolis, IN 46204  
(317) 232-6681

### Maryland:

Office of the Attorney General  
Division of Securities  
200 St. Paul Place  
Baltimore, MD 21202-2020  
(410) 576-6360

### Michigan:

Katharyn Barron Franchise  
Administrator Antitrust and  
Franchise Unit Consumer  
Protection Division  
Department of Attorney General  
670 Law Building  
525 W. Ottawa Street  
Lansing, MI 48913  
(517) 373-7117

### Minnesota:

Minnesota Department of  
Commerce  
Securities Section  
85 7th Place East, Suite 280  
St. Paul, MN 55101  
(651) 539-1638

### New York:

NYS Department of Law  
Investor Protection Bureau  
28 Liberty St., 21<sup>st</sup> Floor  
New York, NY 10005  
(212) 416-8236

**North Dakota:**

Diane Lillis  
Franchise Examiner  
North Dakota Securities Department  
State Capitol, 5th Floor  
600 East Boulevard Avenue  
Bismarck, ND 58505-0510  
(701) 328-2910

**Oregon:**

Floyd G. Lanter  
Administrator  
Div. of Finance & Corp. Securities  
Department of Consumer &  
Business Services, Room 410  
350 Winter Street, NE  
Salem, OR 97301-3881  
(503) 378-4140

**Rhode Island:**

Maria D'Allessandro Piccirilli  
Associate Director and Superintendent  
of Securities  
Securities Division  
Department of Business Regulation  
1511 Pontiac Ave., Bldg 69-1  
Cranston, RI 02920  
(401) 462 9527

**South Dakota:**

Melita Hauge  
Division of Securities  
Department of Labor and Regulation  
124 S EUCLID, Suite 104  
Pierre, SD 57501  
(605) 773-4823

**Virginia:**

State Corporation Commission  
Division of Securities &  
Retail Franchising  
1300 East Main Street, 9<sup>th</sup> Floor  
Richmond, VA 23219  
(804) 371-9051

**Washington:**

Michael Stevenson  
Director of Securities  
Securities Division  
Department of Financial Institutions  
150 Israel Road, SW  
Olympia, WA 98501  
(360) 902-8760

**Wisconsin:**

Mary Wells  
Franchise Examiner  
Division of Securities  
Department of Financial Institutions  
345 W. Washington Avenue, 4<sup>th</sup> Floor  
Madison, WI 53703  
(608) 266-8557

**AGENTS FOR SERVICE OF PROCESS**

STATE	AGENT
CALIFORNIA	<p>California Commissioner of Business Oversight 1-866-275-2677 (toll free)</p> <p>Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505</p> <p>Sacramento: 1515 K Street, Suite 200 Sacramento, CA 95814-4017 (916) 445-7205</p> <p>San Diego: 1350 Front Street Room 2034 San Diego, CA 92101 (619) 525-4233</p> <p>San Francisco: 1 Sansome Street San Francisco, CA 94104 (415) 972-8559</p>
CONNECTICUT	<p>Banking Commissioner Department of Banking Securities &amp; Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230</p>
GEORGIA	<p>Secretary of State of Georgia Corporations Division 2 Martin Luther King, Jr. Dr., SE Suite 315, West Tower Atlanta, Georgia 30334</p>
HAWAII	<p>Commissioner of Securities State of Hawaii 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722</p>
ILLINOIS	<p>Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465</p>

STATE	AGENT
INDIANA	Secretary of State of Indiana Administrative Offices 201 State House Indianapolis, IN 46204 (317) 232-6681
LOUISIANA	Secretary of State of Louisiana 8549 United Plaza Blvd. Baton Rouge, LA 70809
MAINE	Maine Securities Administrator Office of Securities Department of Professional & Financial Regulation 124 Northern Avenue Gardiner, ME 04345
MARYLAND	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Commerce Corporations and Securities Bureau 670 Law Building, 525 W. Ottawa Lansing, MI 48913 (517) 373-7117
MINNESOTA	Minnesota Department of Commerce Securities Section 85 7th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1638
NEW YORK	Attention: NYS Department of Law Investor Protection Bureau 28 Liberty St., 21 <sup>st</sup> Floor New York NY 10005 (212) 416 8236
NORTH CAROLINA	North Carolina Secretary of State 2 South Salisbury Street Raleigh, NC 27601-2903
NORTH DAKOTA	North Dakota Securities Commissioner 600 East Blvd. Avenue, Fifth Floor Bismarck, ND 58505
OREGON	Director, Oregon Dep't of Insurance & Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387
RHODE ISLAND	Director, Rhode Island Dep't of Business Regulation Division of Securities 1511 Pontiac Ave., Bldg. 69-1 Cranston, RI 02920 (401) 462 9527

STATE	AGENT
SOUTH CAROLINA	CT Corporation System 75 Beattie Place Greenville, SC 29601
SOUTH DAKOTA	Director, Division of Securities South Dakota Dep't of Labor & Regulation 124 S EUCLID, Suite 104 Pierre, SD 57501-3185 (605) 773-4823
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Director, Department of Financial Institutions Securities Division 150 Israel Road, SW Olympia, WA 98501 (360) 902-8760
WISCONSIN	Wisconsin Commissioner of Securities Department of Financial Institutions P.O. Box 1768 345 W. Washington Avenue, 4 <sup>th</sup> Floor Madison, WI 53701 (608) 261-9555



**EXHIBIT J**

**To**

**BUSINESS COACH**

**FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISE OUTLETS AS OF DECEMBER 31, 2023**

The list below shows the names, last known addresses and telephone numbers of Franchisees as of ACNA's fiscal year ended December 31, 2022. Some Franchisees may own more than 1 franchise outlet and some Franchisees may also own only 1 franchise but for several territories.

Note:

\* Franchisee has multiple franchise outlets in the State; The no. of franchise outlets is listed beside the name.

## ARIZONA

Tom Dougherty  
13803 S. 33rd St.  
Phoenix, AZ 85044  
949-945-8781

Steve Moore  
14362 F.L. Wright Blvd. Ste. 1000  
Scottsdale, AZ 85260  
480-794-0969

## CALIFORNIA

Bernard Powers  
24530 Lowe Dr.  
Corona, CA 92883  
951-236-5365

Karie Kaufman  
2815 Camino del Rio, South #235  
San Diego, CA 92108  
619-321-9262

Joseph Siecinski  
4340 Stevens Cr Blvd., Ste. #161  
San Jose, CA 95129  
408-771-4259

## COLORADO

Bob Liebhauser  
303 S. Broadway Ste. 200-515  
Denver, CO 80209  
303-282-0800

## CONNECTICUT

David Olchowski  
32 Cider Mill Heights  
North Granby, CT 06060  
860-653-6331

## FLORIDA

Michael Dill  
7352 N.W. 45 Ave.  
Coconut Creek, FL 33073  
954-675-9536

Jody Johnson  
1200 Anastasia Ave., Ste. 100  
Coral Gables, FL 33134  
305-285-9207

Juan Ortega  
1451 5318 NW 99th Lane  
Coral Springs, FL 33076  
954-773-8835

Steve Goranson  
3023 Cornelia Dr.  
Jacksonville, FL 32257  
904-739-0200

Anapaula Lagarriga  
1155 Brickell Bay Dr., Ste. PH111  
Miami, FL 33131  
305-759-4818

Barbara Kyes (2) \*  
2963 46<sup>th</sup> Ave. N.  
St. Petersburg, FL 33714  
727-786-2900

Patrick Leask  
2301 S. Carolina Ave.  
Tampa, FL 33629  
813-251-8069

Mauricio Pierson 8557  
SW 115 Pl,  
Miami, FL 33173  
786-497-7247

Arif Boysan  
221 Greymon Drive  
West Palm Beach, Florida 33405  
917-834-9807

## **GEORGIA**

Russ Hall  
3500 Lenox Road, Ste. 1500  
Atlanta, GA 30326  
770-649-6730

Jeff Lovejoy  
3355 Lenox Road, Ste. 750  
Atlanta, GA 30326  
404-444-1836

Nathaniel Woods  
406 Burgess Pt  
Peachtree City, GA  
30269 404-313-9286

John Davis  
1687 Bristol Farms Ct  
Grayson, GA 30017  
817-538-8864

Mike Conner  
1603 Heritage Pass  
Milton, GA 30004  
770-655-9803

Kolin Kirschenmann  
115 Bay Drive  
Newnan, GA, 30263  
701-269-4250

## **ILLINOIS**

PJ Weiland  
1443 Midway Lane  
Glenview, IL 60025  
847-739-3079

## **INDIANA**

Tom Harris  
3201 Stellhorn Road  
Fort Wayne, IN 46815  
260-450-9163

Mark McNulty  
110 E. Market St. #301  
New Albany, IN 47150  
812-350-4903

Tim Campsall  
15373 Dunrobin Drive  
Noblesville, IN 46062  
262-994-9038

Mike Ronchetti  
2660 Boulder Crest Ct  
South Bend, IN 46628  
312-593-9946

## **IOWA**

Lee Iben  
26 E. Market Street  
Iowa City, IA 52245  
319-359-8776

Linda Krei (2) \*  
4545 Derocher Path  
Sioux City, IA 51106  
712-251-7189

Michael Torrez (2)\*  
6131 Sudbury CT,  
Johnston, IA 50131  
(505) 288-1601

Heather Marquez  
119 Ruby Drive  
Waterloo, IA 50702  
563-260-1530

Gabriel Moore  
206 North Union St  
Madrid, 50156  
515-230-9190

## **KANSAS**

Earl Kemper  
3620 SW Fairlawn Rd, Ste. 101  
Topeka, KS 66614  
970-222-9455

Lee Gray  
200 N. Broadway, Ste. 450-C  
Wichita, KS 67202  
316-640-2193

## **KENTUCKY**

Tim Jones  
800 Lily Creek Road, Ste. 201  
Louisville, KY 40243  
502-240-6244

Foster McCarl  
800 Lily Creek Road, Ste. 201  
Louisville, KY 40243  
502-552-7354

Mark McNulty  
800 Lily Creek Rd Ste 201  
Louisville, KY 40243  
812-350-4903

Jennifer Sheffel  
50 E. Rivercenter  
Blvd; Unit 1900  
Covington, KY 41011

## **LOUISIANA**

Dan Zimanski  
201 Holiday Blvd., Ste. 400  
Covington, LA 70433  
985-624-8065

Everardo Recendiz  
111 Halette Dr.  
Shreveport, LA 71115  
318-550-3490

## **MICHIGAN**

Manon Bennett  
25616 Dogwood Ln.  
Novi, MI 48374  
248-880-5120

## **MINNESOTA**

David Ford  
11149 Zealand Ave. N  
Champlin, MN 55316  
612-719-8192

Stacy Caslow (3) \*  
724 Bielenberg Drive  
Woodbury, MN 55125  
612-256-2210

Martin Rasussen (3) \*  
7760 France Ave S – Suite 1100  
Bloomington, MN 55435  
925-640-6460

## **MISSISSIPPI**

Chris Vickrey (2) \*  
796 Howard Ave. 2F Ste. 106  
Biloxi, MS 39530  
228-260-0020

## **NEVADA**

Saad Sahawneh  
8975 Warm Springs Rd, Unit 1076  
Las Vegas, NV 89148  
702-701-4144

Peter Williamson  
6490 S McCarran Blvd, Ste #42  
Reno, Nevada 89509  
775-284-3768

## **NEW JERSEY**

Marcie Hanhart  
15 N. Maple Ave.  
Basking Ridge, NJ 07920  
908-696-9500

Carl Shoemaker  
2-83 Saddle River Rd.  
Fair Lawn, NJ 07410  
201-796-1396

## **NEW MEXICO**

Mark Tobiassen  
4801 Lang NE, Ste. 210  
Albuquerque, NM 87109  
505-263-5657

## **NEW YORK**

Nana Agyekum  
198 13th Street  
Brooklyn, NY 11215  
646-858-8801

Michael Breitman  
PO Box 236  
Greenvale, NY 11548  
516-801-6452

## **NORTH CAROLINA**

Steve Brock/Ross Cox (2) \*  
3820 N. Elm Street, Suite 101  
Greensboro, NC 27455  
336.288.8858

Ross Cox  
3820 N. Elm St., Ste. 101  
Greensboro, NC 27455  
336-288-8858

Bill Gilliland  
97 Shenandoah Terrace  
Montreat, NC 28757  
540-290-2389

Brian Johnson  
113 Fielding Street  
Mount Holly, Ohio 28120  
419-509-2978

Reggie Shropshire  
107 Chestnut  
Wilmington, NC 28401  
910-471-2725

Mary Ann Hauser  
511 High Street  
Winston-Salem, NC 27101  
336-499-3251

Mike Cooper  
427 Cape Cod Way  
Rock Hill, SA 29732  
803-579-4730

## **OHIO**

Brian Alquist  
P.O. Box 41276  
Brecksville, OH 44141  
440-746-0534

Rick Plasket  
8233 Howe Industrial Pkwy  
Canal Winchester, OH 43110  
770 842 5833

Bonita Palmer  
1029 Crisfield Dr.  
Cincinnati, OH 45245  
937-609-2504

Rick Phelps  
1985 W 28th Street 3rd Floor  
Cleveland, OH 44113  
216-533-1387

Peg Buehrle  
1600 Lane Ave., Ste. 431  
Columbus, OH 43221  
614-582-8346

Peter McDowell  
716 Mt. Airyshire Blvd., Ste. 100  
Columbus, OH 43235  
614-306-7922

Todd Rodden  
11064 Cold Spring Drive  
Dayton, OH 45458  
937-271-0105

Chuck Visocky  
9981 Snoddy Rd.  
Lakeville, OH 44638  
440-281-4200

John Warfel  
2990 Pine Hills Dr.  
Medina, OH 44256  
330-723-8515

Annette Hohnberger  
8233 Howe Industrial Pkwy;  
Suite C  
Canal Winchester, OH 43110  
614-929-3355

Heather Yakes  
7115 Logan Thornville Rd., N.E.  
Rushville, OH 43150  
740-277-3900

Dennis Willis  
5201 Waterford Dr.  
Sheffield, OH 44035  
216-965-9129

Andrew Valley  
1093 Lyndale Dr.  
Westerville, OH 43081  
614-746-5969

Bruce Henderson  
10514 Summit Cove  
Blue Ash, OH 45241  
513-325-8885

Jennifer Sheffel  
3825 Edwards Road, Suite 102  
Cincinnati, OH 45209  
513-214-1501

Scott MacMeans (3)\*  
6100 Oaktree Blvd, Suite 200  
Independence, OK 44131  
508-298-4679

Joe Farago  
9400 Avon Belden Rd  
North Ridgeville, OH. 44039  
(216) 965-3025

## OKLAHOMA

Eric Knam  
5311 E. 140<sup>th</sup> Street South  
Bixby, OK 74008  
918-223-3442

## PENNSYLVANIA

Sam Mugavero  
1219 North New Street  
Bethlehem, PA 18018  
713-936-3814

Doug Savidge  
11 Reitz Blvd., Ste. 201  
Lewisburg, PA 17837  
570-524-3547

## TEXAS

Rory Sheppard (5) \*  
600 S. Tyler Suite 2100  
Amarillo, TX 79101  
210-385-1275

Scott Finkelstein  
4036 Berkman Drive  
Austin, TX 78723  
512-781-1280

Douglas Winnie  
6300 W. Loop S., Ste. 502  
Bellaire, TX 77401  
713-206-4144

Cecilio Flores  
16809 W. Caramel Apple Trail  
Cypress, TX 77433  
409-292-6224

Sean Schoenmakers (2)\*  
8279 Southwestern Blvd.  
Dallas, TX 75206  
210-364-7326

Dale Wolter  
4155 Buena Vista Street  
Dallas, TX 75204  
972 310 7741

Cynthia DeHaro  
1042 Calle Flor  
El Paso, Texas 79912  
915-920-3316

Andrew Buchan  
1810 Wilson St.  
Houston, TX 77019  
832-240-6312

Greg Hess  
1110 Pennybury Drive  
Houston, TX 77094  
281-744-3341

Andrew Lamb  
20333 State H-way 249, Ste. 200  
Houston, TX 77070  
832-953-6219

Karl Williams  
9801 Westheimer Rd, Ste. 302  
Houston, TX 77042  
713-351-6480

Nanchon Guyton  
900 Rockmead Drive Suite 235,  
Kingwood TX 77339  
832-273-0043

Robert Belt  
4001 Technology Blvd., Ste. 303  
Longview, TX 75605  
903-926-4118

Rory Harrod  
504 South Main St.  
Lumberton, TX 77657  
409-659-7606

David Girault  
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McAllen, TX 78501  
956-639-2702

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6250 Rosewood Dr.  
North Richland Hills, TX 76180  
972-268-6307

Angie Gilbert  
7931 Meadow Ridge Drive  
Northlake, TX 76247  
214-236-8249

Ted Hair  
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Pearland, TX 77581  
281-896-7325

Breanne Salcedo  
9330 Broadway St., Ste B304  
Pearland, TX 77584  
786-357-6522

Sheles Wallace  
2500 Business Center Ste 1034  
Pearland, TX 77584  
314-503-0469

David Braddy  
6810 Brazos Lakes Dr  
Richmond, TX 77469  
281-546-6176

Kevan Hanson  
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6103 Richmond, TX 77469  
832-729-5008

Brad Clark  
2223 Hyer Dr.  
Rockwell, TX 75087  
972-971-6556

Michael Hartley  
PO Box 8388  
Round Rock, TX 78638  
512-240-2623

Andy O'Brien  
402 A West Palm Valley Blvd  
Round Rock, TX 78664  
641-420-8496

Lee Hernandez  
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San Antonio, Texas 78222  
210-393-1129

Robert Keplinger  
2203 Timberloch Pl., Ste. 132  
The Woodlands, TX 77380  
832-691-1144

Regan Patterson  
3000 Austin Ave

Dona Kappmeyer  
5350 S.Staples, Suite 333-A,

Hala Dabboussy  
27762 Antonio Parkway L1-521

Waco, TX 76710  
210-241-5104

Warren Fiihr  
14 Dartmoor Court  
Sugarland, TX. 77479

Corpus Christi, TX 78121  
210-273-9577

Travis Lairson  
7631 Summer Night Lane  
Rosenberg, TX. 77469

Ladera Ranch, CA 92694  
949-415-8089

## **UTAH**

Frank Bonnin (2) \*  
579 S Main St  
Kaysville, UT 84037

## **VIRGINIA**

Stephen Chiama  
13905 Cristo Ct.  
Centerville, VA 20120  
703-638-3316

Sheliah McDaniel  
2 Tankard Road  
Stafford, VA 22554  
571-264-357

## **WASHINGTON**

Ted Schmidt  
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Spokane, WA 99202  
509-710-1433

Kevin Weir  
421 W. Riverside, Ste. 1015  
Spokane, WA 99201  
509-290-6156

## **WISCONSIN**

Chris Carman  
13150 Watertown Plank Rd.  
Elm Grove, WI 53122  
262-365-9414

Iain MacFarlane  
6219 S. Highlands Ave.  
Madison, WI 53705  
608- 238-7844

Mike McKay (2)\*  
440 Science Dr., Ste. 301  
Madison, WI 53711  
608-347-2018

Susan Thomson (2)\*  
440 Science Dr., Ste. 301  
Madison, WI 53711  
608-441-5374

Dave Steffen  
S74W17095 Janesville Road  
Muskego, WI 53150  
262-443-3204

Monica Gunderson (3)\*  
5810 Main Street  
McFarland, WI 53558  
608-673-7711



**EXHIBIT K**

**To**

**BUSINESS COACH**

**FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISE OUTLETS CLOSED DURING THE  
FISCAL YEAR ENDED DECEMBER 31, 2023**

The list below shows the name, last known addresses and telephone numbers of every Franchisee who had an agreement terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business during ACNA's fiscal year ending December 31, 2022.

**TRANSFERS (from Franchisees to New Owners other than a master licensee or ACNA)**

**IOWA**

Michael Torrez (1)\*  
6131 Sudbury CT,  
Johnston, IA 50131  
(505) 288-1601

**OHIO**

Bruce Henderson  
10514 Summit Cove  
Blue Ash, OH 45241  
(513) 325-8885

**TERMINATED BY ACNA OR MASTER LICENSEE FOR DEFAULT. CANCELLED. NOT RENEWED.  
OTHERWISE CEASED OPERATION OR NO COMMUNICATION IN THE LAST TEN (10) WEEKS**

Notes: \* Franchisee ceased operation of franchise due to purchase of new franchise/franchise model upgrade  
\*\* Employee business coach of a franchisee who continues to provide Coaching Services for the franchise but is no longer considered a separate franchise outlet

**CALIFORNIA**

George Preston  
19191 Calle Teresa  
Murrieta, CA 92562

Mahmoud Khairy  
31151 Samantha Lane,  
Temecula, CA, 92592  
951-760-3394

**CONNECTICUT**

Tom Maier  
1 Enterprise Drive, Ste. 110  
Shelton, CT 06484  
203-763-4005

**FLORIDA**

Mark Raciappa  
1717 Hermitage Blvd., Ste. 102  
Tallahassee, FL 32308  
850-597-6627

**GEORGIA**

Sonya Howard  
5707 Rock Shoals Way  
College Park, GA 30349  
770-742-9887

**INDIANA**

Paul McCoy  
85 E. Cedar St.  
Zionsville, IN 46077  
317-832-0912

**IOWA**

Greg Thompson  
2965 100th St.  
Urbandale, IA 50322  
515-727-1707

**MISSISSIPPI**

Chris Vickrey (2) \*  
796 Howard Ave. 2F Ste. 106  
Biloxi, MS 39530  
228-260-0020

**NEBRASKA**

Shannon Filing  
PO Box 360  
Panama, NE 68419-0360  
402-314-2181

**PENNSYLVANIA**

Ken Sevick  
440 W. Main St., Ste. 203  
Monongahela, PA 15063  
724-310-3296

**WISCONSIN**

Kory Dogs  
PO Box 2  
West Bend, WI. 53095  
262-853-3912



**EXHIBIT L**

**To**

**BUSINESS COACH  
FRANCHISE DISCLOSURE DOCUMENT**

**AUDITED FINANCIAL STATEMENTS**

**ACTIONCOACH NORTH AMERICA, LLC**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023, 2022 AND 2021**

**ACTIONCOACH NORTH AMERICA, LLC  
FINANCIAL STATEMENTS  
DECEMBER 31, 2023, 2022 AND 2021**

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*Independent Auditor's Report*

To the Member  
ActionCOACH North America, LLC

Opinion

We have audited the accompanying financial statements of ActionCOACH North America, LLC, which comprise the balance sheets as of December 31, 2023, 2022 and 2021, and the related statements of income and 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 ActionCOACH North America, LLC as of December 31, 2023, 2022 and 2021, and the results of its operations and its cash flows for the years then ended 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 ActionCOACH North America, LLC 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 ActionCOACH North America, LLC'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 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 ActionCOACH North America, LLC'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 ActionCOACH North America, LLC'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.

*Velez & Hardy*

March 27, 2024  
Las Vegas, Nevada

**ACTIONCOACH NORTH AMERICA, LLC**  
**BALANCE SHEETS**  
**DECEMBER 31, 2023, 2022 AND 2021**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash	\$ 28,163	\$ 30,569	\$ 105,383
Accounts receivable, net	34,057	24,777	31,853
Current portion of deferred contract costs	3,907	3,904	3,904
Due from related parties, net	3,694,648	2,569,950	1,688,037
Other current assets	191,153	235,906	236,287
Total current assets	<u>3,951,928</u>	<u>2,865,106</u>	<u>2,065,464</u>
<b>Property and Equipment, net</b>	420,683	601,266	578,300
<b>Other Assets:</b>			
Intangible lease asset, net	866,984	997,031	-
Deferred contract costs, net of current	6,668	10,575	14,479
<b>Total Assets</b>	<u>\$ 5,246,263</u>	<u>\$ 4,473,978</u>	<u>\$ 2,658,243</u>
<b>LIABILITIES AND MEMBER'S EQUITY</b>			
<b>Current Liabilities:</b>			
Accounts payable and accrued expenses	\$ 972,138	\$ 559,662	\$ 329,299
Borrowings against line of credit	2,500	62,500	62,500
Unearned revenue	345,073	560,774	421,801
Current portion of deferred franchise fees	38,167	38,167	38,167
Current portion of long-term debt	404,472	413,083	-
Current portion of lease obligations	105,782	96,408	-
Total current liabilities	<u>1,868,132</u>	<u>1,730,594</u>	<u>851,767</u>
<b>Long Term Liabilities:</b>			
Deferred franchise fees, net of current	65,832	103,999	142,166
Long-term debt, net of current	155,956	163,738	159,161
Lease obligations, net of current	807,574	913,356	-
	<u>1,029,362</u>	<u>1,181,093</u>	<u>301,327</u>
<b>Total Liabilities</b>	2,897,494	2,911,687	1,153,094
<b>Member's Equity</b>	<u>2,348,769</u>	<u>1,562,291</u>	<u>1,505,149</u>
<b>Total Liabilities and Member's Equity</b>	<u>\$ 5,246,263</u>	<u>\$ 4,473,978</u>	<u>\$ 2,658,243</u>

See accompanying notes to the financial statements.

**ACTIONCOACH NORTH AMERICA, LLC**  
**STATEMENTS OF INCOME AND MEMBER'S EQUITY**  
**YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>	\$ 3,000,109	\$ 3,141,607	\$ 2,574,982
<b>Cost of Revenues</b>	973,400	942,130	379,861
<b>Gross Profit</b>	<u>2,026,709</u>	<u>2,199,477</u>	<u>2,195,121</u>
<b>Operating Expenses:</b>			
Bank charges and merchant fees	49,169	46,281	23,961
Depreciation	180,583	156,636	96,036
Dues and subscriptions	157,974	193,367	87,851
Equipment lease	31,560	36,428	33,919
Global recharge	(914,800)	(1,584,000)	(1,810,000)
Information technology	307,505	323,634	205,469
Insurance	35,334	47,517	50,953
Legal and accounting	49,901	46,925	30,120
Marketing and advertising	40,891	61,096	55,581
Office expense and other	64,276	55,414	72,270
Provision for credit claims	2,344	8,780	17,280
Recruitment	13,693	15,193	5,713
Rent	153,716	112,399	129,900
Taxes and licenses	1,986	18,252	41,055
Telephone	124,767	83,643	104,588
Travel	179,521	199,395	240,371
Utilities	13,355	9,731	8,633
Wages and related expenses	1,210,195	1,564,585	1,951,681
Total operating expenses	<u>1,701,970</u>	<u>1,395,276</u>	<u>1,345,381</u>
<b>Income from Operations</b>	<u>324,739</u>	<u>804,201</u>	<u>849,740</u>
<b>Other Income (Loss):</b>			
PPP loan forgiveness	-	-	268,750
Interest expense	(70,726)	(20,712)	(12,281)
Gain (loss) on foreign currency exchange	(4,987)	(13,012)	(14,129)
Total other income (loss)	<u>(75,713)</u>	<u>(33,724)</u>	<u>242,340</u>
<b>Net Income</b>	249,026	770,477	1,092,080
<b>Member's Equity, Beginning of Year</b>	1,562,291	1,505,149	795,091
<b>Member Contributions</b>	1,000,000	-	3,570
<b>Member Distributions</b>	<u>(462,548)</u>	<u>(713,335)</u>	<u>(385,592)</u>
<b>Member's Equity, End of Year</b>	<u>\$ 2,348,769</u>	<u>\$ 1,562,291</u>	<u>\$ 1,505,149</u>

See accompanying notes to the financial statements.

**ACTIONCOACH NORTH AMERICA, LLC**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities:</b>			
Net Income	\$ 249,026	\$ 770,477	\$ 1,092,080
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
PPP loan forgiveness	-	-	(268,750)
Accrued interest expense	5,625	4,577	9,879
Depreciation	180,583	156,636	96,036
Provision for credit claims	2,344	8,780	17,280
Amortization of intangible lease asset	130,046	43,349	-
(Increase) decrease in:			
Accounts receivable	(11,624)	(1,704)	35,646
Due from related parties	(1,124,698)	(881,913)	(1,147,444)
Other assets	44,753	381	140,742
Deferred contract costs	3,904	3,904	3,904
Increase (decrease) in:			
Accounts payable and accrued expenses	412,476	230,363	144,482
Unearned revenue	(215,701)	138,973	226,918
Deferred franchise fees	(38,167)	(38,167)	(38,167)
Lease principal payments	(96,407)	(30,617)	-
Net cash provided by (used in) operating activities	<u>(457,840)</u>	<u>405,039</u>	<u>312,606</u>
<b>Cash Flows from Investing Activities:</b>			
Purchase of property and equipment	<u>-</u>	<u>(179,601)</u>	<u>(265,233)</u>
<b>Cash Flows from Financing Activities:</b>			
Proceeds from debt borrowings	-	427,098	264,720
Principal payments on debt	(22,018)	(14,015)	-
Line of credit payments	(60,000)	-	(12,500)
Member contributions	1,000,000	-	3,570
Member distributions	<u>(462,548)</u>	<u>(713,335)</u>	<u>(385,592)</u>
Net cash provided by (used in) financing activities	<u>455,434</u>	<u>(300,252)</u>	<u>(129,802)</u>
<b>Net Change in Cash</b>	<b>(2,406)</b>	<b>(74,814)</b>	<b>(82,429)</b>
<b>Cash, Beginning of Year</b>	<u>30,569</u>	<u>105,383</u>	<u>187,812</u>
<b>Cash, End of Year</b>	<u>\$ 28,163</u>	<u>\$ 30,569</u>	<u>\$ 105,383</u>
<b><u>Supplemental disclosure of cash flow information:</u></b>			
Cash paid for interest	<u>\$ 65,101</u>	<u>\$ 16,135</u>	<u>\$ 2,402</u>

*See accompanying notes to the financial statements.*

**ACTIONCOACH NORTH AMERICA, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023, 2022 AND 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of ActionCOACH North America, LLC (the Company) is presented to assist in understanding the Company’s financial statements. The financial statements and notes are representations of the Company’s management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Nature of the Company**

The Company was incorporated under the laws of the State of Nevada on March 14, 2012.

The Company markets business coaching, mentoring and training programs, and services, through the sale of master license franchises and their sub-franchisees (known as business coaches) in approved territories throughout the United States.

Master licensees sell and support ActionCOACH Business Coaching franchises within a defined territory. The franchisees provide coaching and training to small and medium-sized business sectors.

**Use of Estimates in Preparation of Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Company considers all highly liquid investments available for current use with original maturity of three months or less to be cash equivalents.

**Accounts Receivable**

The Company’s receivables are primarily generated from ongoing business relationships with franchisees as a result of franchise agreements.

Accounts receivable are reported net of an allowance for doubtful accounts. Accounts are charged to provision for credit claims as they are deemed uncollectible, based upon periodic review of the accounts.

As of December 31, accounts receivable consisted of the following balances:

	2023	2022	2021	2020
Accounts receivable	\$ 39,838	\$ 30,558	\$ 49,371	\$ 148,073
Allowance for doubtful accounts	(5,781)	(5,781)	(17,518)	(63,294)
Accounts receivable, net	<u>\$ 34,057</u>	<u>\$ 24,777</u>	<u>\$ 31,853</u>	<u>\$ 84,779</u>

**ACTIONCOACH NORTH AMERICA, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023, 2022 AND 2021**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property and Equipment**

The Company capitalizes significant expenditures for property and equipment at cost, generally those that exceed \$1,000. Depreciation is calculated using the straight-line method over the following useful lives:

Description	Estimated Useful Lives (Years)
Furniture and fixtures	5-7
Vehicles	5-7
Computer equipment and software	3-5
Building improvements	20

Maintenance, repairs and minor renewals are expensed as incurred. The cost of property sold or otherwise disposed of and the related accumulated depreciation is relieved from the accounts, and any gains or losses arising from sale or disposal are included in income.

**Revenue Recognition**

The Company executes franchise agreements for each franchise which set out the terms of the agreement with the franchise. Franchise agreements typically require the franchise to pay an initial, non-refundable fee and continuing fees based upon a percentage of sales or a percentage fee for each single unit franchise awarded. Subject to the Company’s approval and payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

Services provided in exchange for the initial upfront master license fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to its franchisees. As a result, initial master license fees collected up front are recognized as revenue over the term of each respective franchise agreement. Revenues for these initial master license fees are recognized on the straight-line basis, which is consistent with the franchisee’s right to use and benefit from intellectual property.

The Company’s contract liabilities are comprised of unamortized initial master license fees. As of December 31, deferred franchise fees consisted of the following:

	2023	2022	2021
Deferred franchise fees	\$ 103,999	\$ 142,166	\$ 180,333
Less: current maturities	(38,167)	(38,167)	(38,167)
	\$ 65,832	\$ 103,999	\$ 142,166

**ACTIONCOACH NORTH AMERICA, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023, 2022 AND 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition (Continued)**

As of December 31, the Company expects to recognize contract liabilities as revenue over the remaining term of the associated franchise agreements as follows:

2024	\$	38,167
2025		13,167
2026		13,167
2027		13,167
2028		13,167
Thereafter		13,164
	\$	<u>103,999</u>

Training fees were recognized as revenue upon the completion of initial training.

Continuing fees were recognized monthly, as they were earned.

The Company incurs incremental costs in the course of obtaining franchise agreements. The Company's incremental costs of obtaining franchise agreements are capitalized and presented on the accompanying balance sheets. Costs for these incremental costs are recognized on the straight-line basis which is consistent with the franchisee's right to use and benefit from intellectual property.

The Company's contract assets are comprised of unamortized incremental contract costs. As of December 31, deferred contract costs consisted of the following:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Deferred contract costs	\$ 10,575	\$ 14,479	\$ 18,383
Less: current maturities	<u>(3,907)</u>	<u>(3,904)</u>	<u>(3,904)</u>
	<u>\$ 6,668</u>	<u>\$ 10,575</u>	<u>\$ 14,479</u>

**Marketing and Advertising**

The Company expenses all marketing and advertising costs as incurred. The marketing and advertising expense for the years ended December 31, 2023, 2022 and 2021 was \$40,891, \$61,096 and \$55,581, respectively.

**Reclassifications**

Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. Member's equity was unchanged due to these reclassifications.

**Intangible Lease Asset**

The Company recognizes intangible right-of-use lease assets and associated lease obligation under its non-cancelable lease arrangements. The intangible lease asset is amortized on a straight-line basis over the shorter of the term of the lease or the useful life of the underlying asset.

**ACTIONCOACH NORTH AMERICA, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023, 2022 AND 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income Taxes**

The Company was organized as a Limited Liability Company. Income is not taxed at the Company level, but is passed through to the member. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

As defined by Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 740, Income Taxes, no provision or liability for materially uncertain tax positions was deemed necessary by management. Therefore, no provision or liability for uncertain tax positions has been included in these financial statements.

As of December 31, 2023, the tax years that remain subject to potential examination by taxing authorities begin with 2020.

**NOTE 2 – PROPERTY AND EQUIPMENT**

As of December 31, property and equipment consisted of the following:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Building improvements	\$ 150,645	\$ 150,645	\$ 150,645
Computer equipment and software	865,245	865,245	685,643
	<u>1,015,890</u>	<u>1,015,890</u>	<u>836,288</u>
Less accumulated depreciation	<u>(595,207)</u>	<u>(414,624)</u>	<u>(257,988)</u>
Total	<u>\$ 420,683</u>	<u>\$ 601,266</u>	<u>\$ 578,300</u>

Depreciation expense for the years ended December 31, 2023, 2022 and 2021 was \$180,583, \$156,636, and \$96,036, respectively.

**NOTE 3 – RELATED PARTIES**

The Company is a member of a controlled group of companies that are either wholly owned or majority owned by its member. The other companies are located in the United States, Australia, Canada and Europe, and are engaged in the same business activity as ActionCOACH North America, LLC. Balances due from and due to related parties include transactions with the companies related through common ownership.

Amounts transferred between the Company and its related parties are for various purposes including training income, royalties, support recharges and costs and rent.

**ACTIONCOACH NORTH AMERICA, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023, 2022 AND 2021**

**NOTE 3 – RELATED PARTIES (Continued)**

As of December 31, the net balance due from related parties consisted of the following:

	2023	2022	2021
ActionCOACH America, Inc	\$ 72,789	\$ 72,789	\$ 69,939
ActionCOACH Asia Pacific, PTY	59,096	(21,527)	(27,651)
ActionCOACH Canada	(191,182)	(166,533)	(95,608)
ActionCOACH Corporate Firms LLC	642,013	617,733	268,233
ActionCOACH EMEA	(684,225)	(1,353,412)	(2,190,379)
ActionCOACH Global Marketing Fund	-	19,104	(13,857)
ActionCOACH Holdings, LLC	(987,968)	(932,025)	(741,620)
ActionCOACH OneCo, LLC	472,887	763,205	725,228
Bucket List Training, LLC	146,647	141,648	141,421
Coby Holdings, Ltd	(657,645)	(588,242)	(161,894)
ProfitPlus Accounts, LLC	103,152	82,252	68,220
ProfitPlus Australia	106,527	106,527	106,527
Sugar Enterprises	4,606,637	3,804,147	3,533,668
Other related parties	5,920	24,284	5,810
Total due from related parties	<u>\$ 3,694,648</u>	<u>\$ 2,569,950</u>	<u>\$ 1,688,037</u>

Substantially all balances due from and due to related parties are non-interest bearing and are due on demand.

The Company charges royalty and license fees to ActionCOACH OneCo, LLC, as part of the franchise agreement. Total royalty and license fees were \$173,335 and \$0, respectively, for the year ended December 31, 2023, \$192,749 and \$0, respectively, for the year ended December 31, 2022 and \$174,970 and \$0, respectively, for the year ended December 31, 2021.

**NOTE 4 – REVENUE RECOGNITION**

As of December 31, revenue sources for were as follows:

	2023	2022	2021
Master and license coach fees	\$ 49,667	\$ 314,175	\$ 88,313
Training fees, royalties, product income and others	2,387,748	2,308,516	2,378,212
Conferences and seminars	562,694	518,916	108,457
Total	<u>\$ 3,000,109</u>	<u>\$ 3,141,607</u>	<u>\$ 2,574,982</u>

**ACTIONCOACH NORTH AMERICA, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023, 2022 AND 2021**

**NOTE 4 – REVENUE RECOGNITION (Continued)**

As of December 31, the timing and recognition of revenue was as follows:

	2023	2022	2021
Services transferred at a point in time	\$ 2,950,442	\$ 2,827,432	\$ 2,486,669
Services transferred over time	49,667	314,175	88,313
	<u>\$ 3,000,109</u>	<u>\$ 3,141,607</u>	<u>\$ 2,574,982</u>

Various economic factors such as supply and demand, law and policies, and labor affect revenues and cash flows. The Company’s revenue is derived from sources within the United States.

**NOTE 5 – LONG-TERM DEBT**

As of December 31, long-term debt consisted of the following:

	2023	2022	2021
On May 22, 2020, the Company was granted an Economic Injury Disaster Loan (EIDL) from a financial institution in the aggregate amount of \$150,000, pursuant to Section 7(b) of the Small Business Act, as amended. The loan matures in May 2050 and bears interest at a fixed rate of 3.75% per annum, payable monthly commencing in December 2022. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used as working capital to alleviate economic injury caused by the disaster occurring in the month of January 2020. The loan is collateralized by assets of the Company.	\$ 169,363	\$ 163,738	\$ 159,161
Note payable to a financial institution, due in monthly installments between \$3,161 and \$3,479 beginning in May 2022, with interest between 3.95% and 6.00%. The note matures in April 2032 and requires a final ballon payment of \$183,043. Additionally, this note can be called due at any time during the term of note.	391,065	413,083	-
Total long-term debt	560,428	576,821	159,161
Less: current maturities	(404,472)	(413,083)	-
	<u>\$ 155,956</u>	<u>\$ 163,738</u>	<u>\$ 159,161</u>

As of December 31, long-term debt matures as follows:

2024	\$ 404,472
2025	3,891
2026	3,904
2027	4,029
2028	4,182
Thereafter	139,950
	<u>\$ 560,428</u>

**ACTIONCOACH NORTH AMERICA, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023, 2022 AND 2021**

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**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

The Company is involved, from time to time, in disputes and claims incidental to the conduct of its business. Based on consultation with legal counsel, the Company does not believe that any claims or disputes, either individually or in the aggregate, will have a material adverse effect on the Company's financial condition or results of operations.

**NOTE 7 – INTELLECTUAL PROPERTY**

Under a license agreement dated July 1, 2012, the Company became licensed by ActionCOACH IPCo, Ltd. (Licensor) to use and sublicense, within the United States of America and Canada, the trademarks, copyrighted materials and other intellectual property associated with the ActionCOACH concept. The license is for a term of 99 years and is terminable by the Licensor if: (1) the Company fails to cure a material default within 90 days after receiving notice of default from the Franchisor; (2) the Company or any of its directors or executive officers is convicted (or pleads no contest to) of a felony, crime involving moral turpitude, or other crime that is likely to harm the Licensor's goodwill in the trademarks; (3) the Company's assets are attached pursuant to court order; (4) the Company becomes insolvent or the subject of bankruptcy or dissolution proceedings, or ceases to do business.

**NOTE 8 – LEASING ARRANGEMENTS**

The Company leases office space under a non-cancelable operating lease. This leased commenced in September 2022, with monthly payments ranging from \$11,941 to \$14,686 and expires in August 2030.

Minimum lease commitments for the remainder of the leases are as follows:

Year Ending December 31,

2024	\$	149,072
2025		153,544
2026		158,150
2027		162,895
2028		167,782
Thereafter		290,307
Less: Interest		<u>(168,394)</u>
	\$	<u>913,356</u>

**NOTE 9 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 27, 2024, the date which the financial statements were available to be issued. No events were identified that would require additional disclosure.

BUJI, LLC

dba ACTIONCOACH BUSINESS COACHING

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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**INDEPENDENT AUDITOR'S REPORT**

To the Members  
Buji, LLC  
dba ActionCoach Business Coaching  
Canal Winchester, Ohio 43110

**OPINION**

We have audited the accompanying financial statements of Buji, LLC dba ActionCoach Business Coaching (an Ohio limited liability company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, changes in members' capital, 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 Buji, LLC dba ActionCoach Business Coaching as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended 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 Buji, LLC dba ActionCoach Business Coaching 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 Buji, LLC dba ActionCoach Business Coaching'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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Buji, LLC dba ActionCoach Business Coaching'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Buji, LLC dba ActionCoach Business Coaching'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.

*Co & Co Tax and Accounting Services, LLC*

Logan, Ohio

February 14, 2024

BUJI, LLC  
 dba ACTIONCOACH BUSINESS COACHING  
 BALANCE SHEETS  
 DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS:		
CASH	\$ 184,497	\$ 148,081
ACCOUNTS RECEIVABLES (\$0 ALLOWANCE)	0	204,500
TOTAL CURRENT ASSETS	<u>184,497</u>	<u>352,581</u>
OTHER ASSETS		
MASTER LICENSE-MINNESOTA	928,000	928,000
MASTER LICENSE-WISCONSIN	<u>1,000,000</u>	<u>1,000,000</u>
	1,928,000	1,928,000
LESS: ACCUMULATED AMORTIZATION	<u>(1,928,000)</u>	<u>(1,928,000)</u>
NET OTHER ASSETS	0	0
TOTAL ASSETS	<u>\$ 184,497</u>	<u>\$ 352,581</u>
LIABILITIES AND MEMBERS' CAPITAL		
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	\$ 0	\$ 47,750
OTHER LIABILITIES	43	68
MASTER LICENSE PAYABLE	502,250	562,250
LONG TERM LIAB. CURRENT PORTION	<u>3,485</u>	<u>2,193</u>
TOTAL CURRENT LIABILITIES	505,778	612,261
LONG TERM LIABILITIES:		
SBA LOAN	37,613	59,750
LESS CURRENT PORTION	<u>( 3,485)</u>	<u>( 2,193)</u>
TOTAL LONG TERM LIABILITIES	34,128	57,557
TOTAL LIABILITIES	539,906	669,818
MEMBERS' CAPITAL	<u>( 355,409)</u>	<u>( 317,237)</u>
TOTAL LIABILITIES AND AND MEMBERS' CAPITAL	<u>\$ 184,497</u>	<u>\$ 352,581</u>

The accompanying notes are an integral part of the financial statements.

BUJI, LLC  
 dba ACTIONCOACH BUSINESS COACHING  
 STATEMENTS OF INCOME  
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUE:		
FRANCHISE SALES (CONTRACT)	\$ 0	\$ 658,350
ROYALTIES AND SUPPORT (CONTRACT)	216,313	232,761
MARKETING INCOME AND FEES (CONTRACT)	24,165	7,055
OTHER	2,524	8,860
TOTAL REVENUE	<u>243,002</u>	<u>907,026</u>
OPERATING EXPENSES:		
MANAGEMENT FEES	267,500	599,925
FRANCHISE SUPPORT	8,496	0
BAD DEBT	0	18,845
TRAINING	7,500	28,500
PROFESSIONAL FEES	1,816	0
BANK CHARGES	436	243
OTHER EXPENSES	110	181
TOTAL OPERATING EXPENSES	<u>285,858</u>	<u>647,694</u>
INCOME FROM OPERATIONS	( 42,856)	259,332
OTHER INCOME (EXPENSES):		
OTHER INCOME	0	0
AMORTIZATION	0	( 48,194)
INTEREST INCOME	6,522	0
INTEREST EXPENSE	( 1,838)	( 2,651)
TOTAL OTHER INCOME (EXPENSE)	<u>4,684</u>	<u>( 50,845)</u>
NET INCOME	<u>\$ ( 38,172)</u>	<u>\$ 208,487</u>

The accompanying notes are an integral part of the financial statements.

BUJI, LLC  
 dba ACTIONCOACH BUSINESS COACHING  
 STATEMENTS OF CHANGES IN MEMBERS' CAPITAL  
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
MEMBERS' CAPITAL- BEGINNING OF YEAR	\$( 317,237)	\$( 525,724)
NET INCOME (LOSS)	( 38,172)	208,487
CONTRIBUTIONS	0	0
DISTRIBUTIONS	0	0
MEMBERS' CAPITAL- END OF YEAR	<u>\$( 355,409)</u>	<u>\$( 317,237)</u>

The accompanying notes are an integral part of the financial statements.

BUJI, LLC  
 dba ACTIONCOACH BUSINESS COACHING  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME (LOSS)	\$( 38,172)	\$ 208,487
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
AMORTIZATION	0	48,194
CHANGE IN OPERATING ASSETS:		
ACCOUNTS RECEIVABLE	204,500	(202,318)
CHANGE IN OPERATING LIABILITIES:		
ACCOUNTS PAYABLE	( 47,750)	47,750
OTHER LIABILITIES	( 25)	36
NET CASH PROVIDED BY OPERATING ACTIVITIES	118,553	102,149
CASH FLOWS USED BY INVESTING ACTIVITIES:		
PURCHASE OF MASTER LICENSES	0	0
MEMBER (DISTRIBUTIONS) CONTRIBUTIONS	0	0
NET CASH PROVIDED BY INVESTING ACTIVITIES	0	0
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:		
PAYMENTS ON MASTER FRANCHISE LICENSE	( 60,000)	( 60,000)
PAYMENTS ON SBA LOAN	( 22,137)	( 20,134)
NET CASH PROVIDED BY FINANCING ACTIVITIES	( 82,137)	( 80,134)
NET INCREASE IN CASH AND CASH EQUIVALENTS	36,416	22,015
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>148,081</u>	<u>126,066</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$184,497</u>	<u>\$ 148,081</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
CASH PAID DURING THE YEAR FOR INTEREST	<u>\$ 1,863</u>	<u>\$ 2,616</u>

The accompanying notes are an integral part of the financial statements.

BUJI, LLC  
dba ACTIONCOACH BUSINESS COACHING  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization and Nature of Activities

Buji, LLC dba ActionCoach Business Coaching was formed as a limited liability company under the laws of the State of Ohio on January 27, 2009.

The Company has a Master Licensing Agreement for Minnesota and Wisconsin that allows the company to market business coaching and training services through the sale of coaching franchises in Minnesota and Wisconsin.

Method of Accounting

The accounting records are maintained on the accrual basis for the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Property, Equipment and Franchise Fees

Master Licensing fees are carried at the cost of acquisition and cost of renewals. Amortization is computed using the straight line method over a 15 year period. Amortization expense for 2023 and 2022 amounted to \$0 and \$48,194 respectively.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

Revenue Recognition

The Company markets coaching franchises in Minnesota and Wisconsin. Upon the sale of a coaching franchise the Company is required to provide training and other initial support services. Once the Company has completed its performance obligations to the franchisee, it recognizes income from the sale of the franchise. The franchise agreement is for a period of 10 or 15 years and may be renewed for additional 10 or 15 year intervals if the franchisee is in compliance with the terms of the franchise agreement.

The Company also provides ongoing support services to its franchisees. The Company receives a monthly royalty fee from the franchisees for these services for the term of the franchise agreement. The Company retains a portion of the royalty fee while the balance is remitted to the Master License supplier. The Company recognizes royalty income as the services are provided to the franchisees.

The Company also provides monthly mentoring services to various business clients.

Cash Equivalents

Cash equivalents have original maturities of three months or less.

Accounts Receivable (12-31-2022)

Accounts receivable are shown at their net realizable value. The allowance method is used to record bad debts and is based on our history of write offs. Bad debt expense for the year ended December 31, 2022 amounted to \$18,845. Accounts receivable are shown at cost and are contract related. Accounts receivable serve as part of the collateral for the SBA loan. There is no allowance for bad debt at December 31, 2022.

BUJI, LLC  
dba ACTIONCOACH BUSINESS COACHING  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

Accounts Receivable (12-31-2023)

The Company uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables. The Company has no accounts receivable at December 31, 2023. As a result, an allowance for credit losses is not required.

Advertising and Marketing

The Company expenses all advertising and marketing costs as incurred. The advertising and marketing expense for the years ended December 31, 2023 and 2022 was \$0.

Income Taxes

No provision or benefit for income taxes has been included in these financial statements since taxable income passes through to, and is reported by, the individual members of the company.

The 2021, 2022, and 2023 years are still open for possible examination by the Internal Revenue Service. However, there has been no indication by the IRS that these will be audited.

**NOTE 2 - REVENUE**

Revenue was as follows:

	<u>2023</u>	<u>2022</u>
Franchise Sales	\$ 0	\$ 658,350
Royalties and Support	216,313	232,761
Marketing and Fees	24,165	7,055
Franchise Agreements/Other	2,524	8,860
	<u>\$ 243,002</u>	<u>\$ 907,026</u>

Subsequent events have been evaluated through February 14, 2024, which is the date on which the financial statements were available to be issued.

**NOTE 6 - SUBSEQUENT EVENTS**

On February 1, 2009 the Company purchased a master license for Minnesota and Wisconsin from the prior Master Licensee. The Master License (i.e: the Company) will pay to the prior Master Licensee and the Franchisor one-half of the Franchise revenue from new and existing franchisees until the aggregate amount paid to the prior Master Licensee and the Franchisor with respect to the territory reaches \$1,928,000. On January 31, 2014 any remaining unpaid balance on the purchase amount was due. The Company is presently making monthly payments on this liability.

**NOTE 5 - PURCHASE OF TERRITORY**

The Company paid management fees to a related entity (related through common ownership). The amounts paid to the related entity for 2023 and 2022 amounted to \$267,500 and \$599,925 respectively.

**NOTE 4 - RELATED PARTY TRANSACTIONS**

The Company also has Employed Business Coaches under franchisees. These totaled six and seven at December 31, 2023 and 2022.

		as of December 31
	Number of franchisees	
	Number of franchisees closed out	
2023	0	1
2022	3	(2)
		11

Franchisees are summarized as follows:

**NOTE 3 - FRANCHISEES**

BUJI, LLC  
 dba ACTIONCOACH BUSINESS COACHING  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2023 AND 2022

BUJI, LLC  
dba ACTIONCOACH BUSINESS COACHING  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022

**NOTE 7- FAIR VALUE MEASUREMENTS**

Accounting principles generally accepted in the United States define fair value as the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. This establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels:

Level 1 - Quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 - Observable inputs other than quoted prices in active markets.

Level 3 - Unobservable inputs for which there is little or no market data available. This fair value hierarchy gives the lowest priority to Level 3 inputs.

No assets or liabilities were required to be measured at fair value.

**NOTE 8 - LONG TERM DEBT**

The Company's long-term debt consists of the following:

Small Business Administration (SBA) disaster loan for \$82,600 with a 3.75% annual interest rate. Monthly payments of \$403 are required on this loan. The loan is payable over thirty years with a maturity date of June 5, 2050. It is secured by the assets of the Company.

BUJI, LLC  
dba ACTIONCOACH BUSINESS COACHING  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022

The principal repayment requirements relating to long-term debt are as follows:

Year Ended:	
2024	\$ 3,485
2025	3,618
2026	3,756
2027	3,899
2028	4,048
Thereafter	<u>18,807</u>
Total	<u>\$ 37,613</u>

**NOTE 9 - ADOPTION OF ASU 2016-13 AND RELATED STATEMENTS**

Effective January 1, 2023, the Company adopted ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Company adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have any impact on the Company's financial statements but did change how the allowance for credit losses is determined.

BUJI, LLC  
dba ACTIONCOACH BUSINESS COACHING  
FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

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James K Copenhaver, CPA  
jim.copenhaver.yahoo.com

**INDEPENDENT AUDITOR'S REPORT**

To the Members  
Buji, LLC  
dba ActionCoach Business Coaching  
Canal Winchester, Ohio 43110

**OPINION**

We have audited the accompanying financial statements of Buji, LLC dba ActionCoach Business Coaching (an Ohio limited liability company), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, changes in members' capital, 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 Buji, LLC dba ActionCoach Business Coaching as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended 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 Buji, LLC dba ActionCoach Business Coaching 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 Buji, LLC dba ActionCoach Business Coaching'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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 including 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 Buji, LLC dba ActionCoach Business Coaching'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 professional judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Buji, LLC dba ActionCoach Business Coaching'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.

*Co & Co Tax and Accounting Services LLC*

Logan, Ohio  
March 28, 2022

BUJI, LLC  
 dba ACTIONCOACH BUSINESS COACHING  
 BALANCE SHEETS  
 DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS:		
CASH	\$ 126,066	\$ 144,133
ACCOUNTS RECEIVABLES (\$0 ALLOWANCE)	<u>2,182</u>	<u>783</u>
TOTAL CURRENT ASSETS	128,248	144,916
OTHER ASSETS		
MASTER LICENSE-MINNESOTA	928,000	928,000
MASTER LICENSE-WISCONSIN	<u>1,000,000</u>	<u>1,000,000</u>
	1,928,000	1,928,000
LESS: ACCUMULATED AMORTIZATION	<u>(1,879,806)</u>	<u>(1,751,269)</u>
NET OTHER ASSETS	48,194	176,731
TOTAL ASSETS	<u>\$ 176,442</u>	<u>\$ 321,647</u>
LIABILITIES AND MEMBERS' CAPITAL		
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	\$ 0	\$ 0
OTHER LIABILITIES	32	1,782
MASTER LICENSE PAYABLE	622,250	682,250
LONG TERM LIAB. CURRENT PORTION	<u>1,714</u>	<u>0</u>
TOTAL CURRENT LIABILITIES	623,996	684,032
LONG TERM LIABILITIES:		
SBA LOAN	79,884	82,600
LESS CURRENT PORTION	<u>( 1,714)</u>	<u>0</u>
TOTAL LONG TERM LIABILITIES	78,170	82,600
TOTAL LIABILITIES	702,166	766,632
MEMBERS' CAPITAL	<u>( 525,724)</u>	<u>( 444,985)</u>
TOTAL LIABILITIES AND AND MEMBERS' CAPITAL	<u>\$ 176,442</u>	<u>\$ 321,647</u>

The accompanying notes are an integral part of the financial statements.

BUJI, LLC  
 dba ACTIONCOACH BUSINESS COACHING  
 STATEMENTS OF INCOME  
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUE:		
FRANCHISE SALES (CONTRACT)	\$ 0	\$ 74,500
ROYALTIES AND SUPPORT (CONTRACT)	222,163	157,338
MARKETING INCOME AND FEES (CONTRACT)	2,542	4,905
OTHER	42,664	147,635
TOTAL REVENUE	<u>267,369</u>	<u>384,378</u>
OPERATING EXPENSES:		
MANAGEMENT FEES	212,500	236,750
FRANCHISE SUPPORT	0	2,600
TRAINING	0	25,000
PROFESSIONAL FEES	3,500	3,500
BANK CHARGES	380	568
OTHER EXPENSES	160	450
TOTAL OPERATING EXPENSES	<u>216,540</u>	<u>268,868</u>
INCOME FROM OPERATIONS	50,829	115,510
OTHER INCOME (EXPENSES):		
OTHER INCOME	0	1,000
AMORTIZATION	(128,534)	( 128,534)
INTEREST EXPENSE	( 3,034)	( 1,782)
TOTAL OTHER INCOME (EXPENSE)	<u>( 131,568)</u>	<u>( 129,316)</u>
NET INCOME	<u>\$ ( 80,739)</u>	<u>\$ ( 13,806)</u>

The accompanying notes are an integral part of the financial statements.

BUJI, LLC  
 dba ACTIONCOACH BUSINESS COACHING  
 STATEMENTS OF CHANGES IN MEMBERS' CAPITAL  
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
MEMBERS' CAPITAL- BEGINNING OF YEAR	\$( 444,985)	\$( 431,179)
NET INCOME (LOSS)	( 80,739)	( 13,806)
CONTRIBUTIONS	0	0
DISTRIBUTIONS	0	0
MEMBERS' CAPITAL- END OF YEAR	<u>\$( 525,724)</u>	<u>\$( 444,985)</u>

The accompanying notes are an integral part of the financial statements.

BUJI, LLC  
 dba ACTIONCOACH BUSINESS COACHING  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME (LOSS)	\$( 80,739)	\$( 13,806)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
AMORTIZATION	128,534	128,534
CHANGE IN OPERATING ASSETS:		
ACCOUNTS RECEIVABLE	( 1,396)	( 783)
CHANGE IN OPERATING LIABILITIES:		
ACCOUNTS PAYABLE	0	0
OTHER LIABILITIES	<u>( 1,750)</u>	<u>1,782</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	44,649	115,727
CASH FLOWS USED BY INVESTING ACTIVITIES:		
PURCHASE OF MASTER LICENSES	0	0
MEMBER (DISTRIBUTIONS) CONTRIBUTIONS	<u>0</u>	<u>0</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	0	0
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:		
PAYMENTS ON MASTER FRANCHISE LICENSE	( 60,000)	( 55,000)
PROCEEDS FROM SBA LOAN	0	82,600
PAYMENTS ON SBA LOAN	<u>( 2,716)</u>	<u>0</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	( 62,716)	27,600
NET INCREASE IN CASH AND CASH EQUIVALENTS	( 18,067)	143,327
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>144,133</u>	<u>806</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$126,066</u>	<u>\$ 144,133</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
CASH PAID DURING THE YEAR FOR INTEREST	<u>\$ 4,784</u>	<u>\$ 0</u>

The accompanying notes are an integral part of the financial statements.

BUJI, LLC  
dba ACTIONCOACH BUSINESS COACHING  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization and Nature of Activities

Buji, LLC dba ActionCoach Business Coaching was formed as a limited liability company under the laws of the State of Ohio on January 27, 2009.

The Company has a Master Licensing Agreement for Minnesota and Wisconsin that allows the company to market business coaching and training services through the sale of coaching franchises in Minnesota and Wisconsin.

Method of Accounting

The accounting records are maintained on the accrual basis for the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Property, Equipment and Franchise Fees

Master Licensing fees are carried at the cost of acquisition and cost of renewals. Amortization is computed using the straight line method over a 15 year period. Amortization expense for 2021 and 2020 amounted to \$128,534 and \$128,534 respectively.

BUJI, LLC  
dba ACTIONCOACH BUSINESS COACHING  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021 AND 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

Revenue Recognition

The Company markets coaching franchises in Minnesota and Wisconsin. Upon the sale of a coaching franchise the Company is required to provide training and other initial support services. Once the Company has completed its performance obligations to the franchisee, it recognizes income from the sale of the franchise. The franchise agreement is for a period of 10 or 15 years and may be renewed for additional 10 or 15 year intervals if the franchisee is in compliance with the terms of the franchise agreement.

The Company also provides ongoing support services to its franchisees. The Company receives a monthly royalty fee from the franchisees for these services for the term of the franchise agreement. The Company retains a portion of the royalty fee while the balance is remitted to the Master License supplier. The Company recognizes royalty income as the services are provided to the franchisees.

The Company also provides monthly mentoring services to various business clients.

Cash Equivalents

Cash equivalents have original maturities of three months or less.

Accounts Receivable

Accounts receivable are shown at their net realizable value. The allowance method is used to record bad debts and is based on our history of write-offs. Bad debt expense for the years ending December 31, 2021 and 2020 amounts to \$0. Accounts receivable are shown at cost and are contract related. Accounts receivable serve as part of the collateral for the SBA loan.

BUJI, LLC  
dba ACTIONCOACH BUSINESS COACHING  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021 AND 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

Advertising and Marketing

The Company expenses all advertising and marketing costs as incurred. The advertising and marketing expense for the years ended December 31, 2021 and 2020 was \$0.

Income Taxes

No provision or benefit for income taxes has been included in these financial statements since taxable income passes through to, and is reported by, the individual members of the company.

The 2019, 2020, and 2021 years are still open for possible examination by the Internal Revenue Service. However, there has been no indication by the IRS that these will be audited.

**NOTE 2 - REVENUE**

Revenue was as follows:

	<u>2021</u>	<u>2020</u>
Franchise Sales	\$ 0	\$ 74,500
Royalties and Support	222,163	157,338
Government Grant	0	1,000
Marketing and Fees	2,542	4,905
Franchise Agreements/Other	42,664	146,635
	<u>\$ 267,369</u>	<u>\$ 384,378</u>

BUJI, LLC  
dba ACTIONCOACH BUSINESS COACHING  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021 AND 2020

**NOTE 3 - FINANCIAL LOCATIONS**

Franchised Locations are summarized as follows:

	<u>2021</u>	<u>2020</u>
Number of franchises sold	0	1
Number of franchises purchased	0	0
Number of franchises closed/not renewed	0	0
Number of locations in operation as of December 31	10	10

The Company also has Employed Business Coaches under franchisees. These totaled six and six at December 31, 2021 and 2020.

**NOTE 4 - RELATED PARTY TRANSACTIONS**

The Company paid management fees to a related entity (related through common ownership). The amounts paid to the related company for 2021 and 2020 amounted to \$212,500 and \$236,750 respectively.

**NOTE 5 - PURCHASE OF TERRITORY**

On February 1, 2009 the Company purchased a master license for Minnesota and Wisconsin from the prior Master Licensee. The Master License (i.e: the Company) will pay to the prior Master License and the Franchisor one-half of the franchise revenue from new and existing franchisees until the aggregate amount paid to the prior Master Licensee and the Franchisor with respect to the territory reaches \$1,928,000. On January 31, 2014 any remaining unpaid balance on the purchase amount was due. The Company is presently making monthly payments on this liability.

**NOTE 6 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through March 28, 2022, which is the date on which the financial statements were available to be issued.

BUJI, LLC  
dba ACTIONCOACH BUSINESS COACHING  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021 AND 2020

**NOTE 7- FAIR VALUE MEASUREMENTS**

Accounting principles generally accepted in the United States define fair value as the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. This establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels:

Level 1 - Quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 - Observable inputs other than quoted prices in active markets.

Level 3 - Unobservable inputs for which there is little or no market data available. This fair value hierarchy gives the lowest priority to Level 3 inputs.

No assets or liabilities were required to be measured at fair value.

**NOTE 8 - LONG TERM DEBT**

The Company's long-term debt consists of the following:

Small Business Administration (SBA) disaster loan for \$82,600 with a 3.75% annual interest rate. Monthly payments of \$403 are required on this loan. The loan is payable over thirty years with a maturity date of June 5, 2050. It is secured by the assets of the Company.

BUJI, LLC  
dba ACTIONCOACH BUSINESS COACHING  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021 AND 2020

The principal repayment requirements relating to long-term debt are as follows:

Year Ended:	
2022	\$ 1,714
2023	1,938
2024	2,012
2025	2,088
2026	2,168
Thereafter	<u>69,964</u>
Total	<u>\$ 79,884</u>



**EXHIBIT M**

**To**

**BUSINESS COACH**

**FRANCHISE DISCLOSURE DOCUMENT**

**OPERATIONS MANUAL – TABLE OF CONTENTS**

Please note that as of the Issuance Date of this Disclosure Document, ACNA has completely implemented an online dashboard format version of the Manuals and no longer issues written Manuals.

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1.	Your Landing Page
2.	<p>The HUB (global dashboard)</p> <ul style="list-style-type: none"> <li>• <i>Microsoft, Sharepoint, Teams, Planner, Yammer, Office Cloud</i></li> <li>• <i>Email License Options – E1, E3 Discussion and best practice forum Town Hall</i></li> <li>• <i>Partner Success Teams / ML Pods</i></li> </ul>
3.	<p>WEBINARS</p> <ul style="list-style-type: none"> <li>• <i>Global Event Calendar</i></li> <li>• <i>The HUB (global dashboard)</i></li> </ul>
4.	<p>EVENTS AND SPECIAL TRAINING</p> <ul style="list-style-type: none"> <li>• <i>Global Conference</i></li> <li>• <i>Brad Sugars Events</i></li> <li>• <i>Coach Conference Information</i></li> <li>• <i>Events Calendar</i></li> <li>• <i>BizX</i></li> <li>• <i>Global special trainings</i></li> <li>• <i>UK Events</i></li> <li>• <i>Executive Coach Training</i></li> <li>• <i>Past Event Information</i></li> </ul>
5.	<p>SYSTEM AND RESOURCE GUIDE</p> <ul style="list-style-type: none"> <li>• <i>Systems and Resource Reference Guide (located on The HUB)</i></li> </ul>
6.	<p>GLOBAL</p> <ul style="list-style-type: none"> <li>• <i>Presidents / Chairman’s Club/ Hall of Fame Coach Levels</i></li> <li>• <i>14 Points of Culture</i></li> <li>• <i>ActionCOACH Vision / Mission / Purpose</i></li> <li>• <i>ML Manual</i></li> </ul>
7.	<p>4 WEEK FOUNDATION PROGRAM – NEW FRANCHISE TRAINING</p> <ul style="list-style-type: none"> <li>• <i>Business Operations Set Up</i></li> <li>• <i>Documents and Learning Aids</i></li> <li>• <i>Marketing</i></li> <li>• <i>Systems Set Up</i></li> <li>• <i>Week 1 Pre-Training</i></li> <li>• <i>Week 2 Pre-Training</i></li> <li>• <i>Week 3 Pre-Training</i></li> <li>• <i>Week 4 Pre-Training</i></li> <li>• <i>What to Expect from Training Meetings</i></li> <li>• <i>Training Class Chat Group</i></li> </ul>

8.	<p>12 WEEK POST TRAINING PROGRAM – NEW FRANCHISE TRAINING</p> <ul style="list-style-type: none"> <li>• <i>Business Operations Set Up</i></li> <li>• <i>Documents and learning Aids</i></li> <li>• <i>Marketing</i></li> <li>• <i>Systems Set Up</i></li> <li>• <i>Week 01 Post Training</i></li> <li>• <i>Week 02 Post Training</i></li> <li>• <i>Week 03 Post Training</i></li> <li>• <i>Week 04 Post Training</i></li> <li>• <i>Week 05 Post Training</i></li> <li>• <i>Week 06 Post Training</i></li> <li>• <i>Week 07 Post Training</i></li> <li>• <i>Week 08 Post Training</i></li> <li>• <i>Week 09 Post Training</i></li> <li>• <i>Week 10 Post Training</i></li> <li>• <i>Week 11 Post Training</i></li> <li>• <i>Week 12 Post Training</i></li> </ul>
9.	<p>COACHING SYSTEM</p> <ol style="list-style-type: none"> <li>1. <i>ActionCOACH System Overview</i></li> <li>2. <i>Start a New Client</i></li> <li>3. <i>First Six weeks of Coaching</i></li> <li>4. <i>13 Week Coaching Cycle</i></li> <li>5. <i>Coaching 6 Steps – Mastery</i></li> <li>6. <i>Coaching 6 Steps – Niche</i></li> <li>7. <i>Coaching 6 Steps – Leverage</i></li> <li>8. <i>Coaching 6 Steps – Team</i></li> <li>9. <i>Coaching 6 Steps – Synergy and Results</i></li> <li>10. <i>Coaching Tools</i></li> <li>11. <i>KPI's The COM</i></li> <li>12. <i>Coaching Tools – The COM</i></li> <li>13. <i>PlanningCLUB</i></li> <li>14. <i>GrowthCLUB</i></li> <li>15. <i>BusinessRICH</i></li> <li>16. <i>Six Steps Workshop</i></li> <li>17. <i>Five Ways Seminar</i></li> <li>18. <i>BookCLUB</i></li> <li>19. <i>12 Week ActionCLUB</i></li> <li>20. <i>12 Week Programs (Management &amp; Sales)</i></li> <li>21. <i>Membership</i></li> <li>22. <i>Alignment Manual</i></li> <li>23. <i>Finding Your Fee in 90 Days</i></li> </ol>
10.	<p>SALES</p> <ul style="list-style-type: none"> <li>• <i>Step 01 Identify Target Customer</i></li> <li>• <i>Step 02 Marketing</i></li> <li>• <i>Step 03 Prospect Inbound</i></li> <li>• <i>Step 04 Prospect Follow Up</i></li> <li>• <i>Step 05 Info Pack</i></li> <li>• <i>Step 06 Con'f of Receipt</i></li> <li>• <i>Step 07 Follow Up</i></li> <li>• <i>Step 08 Info Pack CD</i></li> <li>• <i>Step 09 Coach on Deck</i></li> <li>• <i>Step 10 Postcard</i></li> <li>• <i>Step 11 24hr PreCall</i></li> <li>• <i>Step 12 Diag/6 Steps</i></li> <li>• <i>Step 13 Starter pack</i></li> <li>• <i>13 Editable Process Scripts</i></li> <li>• <i>Sales Training</i></li> </ul>

11.	<p><b>GUARANTEE</b></p> <ul style="list-style-type: none"> <li>• <i>What is the ActionCOACH Guarantee?</i></li> <li>• <i>Point 1</i></li> <li>• <i>Point 2</i></li> <li>• <i>Point 3</i></li> <li>• <i>Point 4</i></li> <li>• <i>Point 5</i></li> <li>• <i>Point 6</i></li> <li>• <i>Point 7</i></li> <li>• <i>History Behind the Guarantee</i></li> <li>• <i>Frequently Asked Questions</i></li> <li>• <i>Supporting Media "Finding Your Fee"</i></li> </ul>
12.	<p><b>COACHING FOR A CAUSE</b></p> <ul style="list-style-type: none"> <li>• <i>ActionCOACH Foundation</i></li> <li>• <i>YESS Program</i></li> <li>• <i>5 Ways For Non-Profits</i></li> <li>• <i>Introduction</i></li> <li>• <i>Q&amp;A w/Brad Sugars</i></li> <li>• <i>Recommended Reading</i></li> <li>• <i>Structure of Regional Board</i></li> </ul>
13.	<p><b>MASTERCOACH</b></p> <ul style="list-style-type: none"> <li>• <i>Introduction</i></li> <li>• <i>Eligibility Criteria &amp; Performance Standards</i></li> <li>• <i>Coaching Agreements</i></li> <li>• <i>Fees</i></li> <li>• <i>Monthly Reporting</i></li> <li>• <i>Approved MasterCOACHes</i></li> <li>• <i>Marketing and Promoting</i></li> <li>• <i>Removal</i></li> </ul>
14.	<p><b>FIRM</b></p> <ul style="list-style-type: none"> <li>• <i>Marketing</i></li> <li>• <i>Operations</i></li> <li>• <i>People</i></li> <li>• <i>Planning and Reporting</i></li> </ul>
15.	<p><b>EXECUTIVE COACH</b></p> <ul style="list-style-type: none"> <li>• <i>'IN' The Executive Coach Business</i></li> <li>• <i>'ON' The Executive Coach Business</i></li> <li>• <i>Assessments 24x7</i></li> <li>• <i>PowerPoints</i></li> </ul>
16.	<p><b>RESOURCES</b></p> <ul style="list-style-type: none"> <li>• <i>ActionCOACH TV</i></li> <li>• <i>Continuing Education</i></li> <li>• <i>The How Thinkific Learning Management System</i></li> <li>• <i>Brad Sugars Titled Books</i></li> <li>• <i>Newsletters</i></li> <li>• <i>Email Requests</i></li> <li>• <i>ActionCOACH Store</i></li> <li>• <i>IT ticket helpdesk</i></li> </ul>
17.	<p><b>MARKETING</b></p> <ul style="list-style-type: none"> <li>• <i>4 Ways</i></li> <li>• <i>5 Ways</i></li> <li>• <i>6 Steps</i></li> <li>• <i>7 Reasons</i></li> <li>• <i>18 Questions</i></li> <li>• <i>28 Questions</i></li> <li>• <i>ActionCLUB</i></li> <li>• <i>ActionCOACH Letterhead</i></li> </ul>

	<ul style="list-style-type: none"> <li>• <i>ActionCOACH Video Trailer and Online Policy</i></li> <li>• <i>Assessments Online</i></li> <li>• <i>Brochures</i></li> <li>• <i>Brand Standards Guide</i></li> <li>• <i>Branded Assets and Calendar</i></li> <li>• <i>Business Cards</i></li> <li>• <i>Business Valuation</i></li> <li>• <i>BusinessRICH</i></li> <li>• <i>Coach Level Certificates</i></li> <li>• <i>Continuing Education Credits (NASBA, US only)</i></li> <li>• <i>E-books</i></li> <li>• <i>Flip Chart Covers</i></li> <li>• <i>GrowthCLUB</i></li> <li>• <i>Infographics</i></li> <li>• <i>Logo Package</i></li> <li>• <i>Leverage Game Nights</i></li> <li>• <i>MasterCLASS</i></li> <li>• <i>Podcast shorts</i></li> <li>• <i>PPT Design</i></li> <li>• <i>PlanningCLUB</i></li> <li>• <i>Reels</i></li> <li>• <i>ProfitCLUB</i></li> <li>• <i>Roll-Up Banners</i></li> <li>• <i>Setting Up A Seminar/Workshop/Training Room</i></li> <li>• <i>SeminarCLUB</i></li> <li>• <i>Testimonials</i></li> <li>• <i>Tickets/Gift Certificates/Vouchers</i></li> <li>• <i>Wallpapers</i></li> <li>• <i>Translations</i></li> </ul>
18.	<p>MARKETING MEDIA</p> <ul style="list-style-type: none"> <li>• <i>ActionCOACH Policies and Procedures</i></li> <li>• <i>ActionCOACH Social Media Links</i></li> <li>• <i>ActionCOACH Vision/Mission/Purpose</i></li> <li>• <i>Advertising and General Marketing</i></li> <li>• <i>FAQ's</i></li> <li>• <i>Marketing Strategies</i></li> <li>• <i>Public Relations</i></li> <li>• <i>Video Platforms</i></li> <li>• <i>Webinars</i></li> <li>• <i>Media</i></li> </ul>
19.	<p>ActionMEMBERS</p> <ul style="list-style-type: none"> <li>• <i>The COM KPI</i></li> <li>• <i>The COM Coaching Tools</i></li> </ul>
20.	<p>ActionMEMBERSHIPS</p> <ul style="list-style-type: none"> <li>• <i>Brad Sugars on Membership</i></li> <li>• <i>Training and Certification</i></li> <li>• <i>Latest Coach Interview</i></li> <li>• <i>International Speaker Highlight</i></li> <li>• <i>Marketing Fundamentals</i></li> <li>• <i>Membership Material</i></li> </ul>



**EXHIBIT N**

**To**

**BUSINESS COACH**

**FRANCHISE DISCLOSURE DOCUMENT**

**COMMUNICATIONS SYSTEM SPECIFICATIONS**

## **Communications System Specifications**

### Hardware Requirements:

Intel or AMD-based system capable at a minimum of running Microsoft Windows 11

- Alternatively, Macintosh system capable of running the latest version of MacOS
- Desktop, laptop or table depending on your preference
- Surge protector
- For complete protection, purchase an uninterruptible power supply (or UPS)

### Software Requirements:

- Microsoft Office 365
- Standard edition or better – must contain PowerPoint
- Latest Subscription to Adobe Acrobat (free download from <http://adobe.com>)
- QuickBooks (recommended) or equivalent business finance software
- Anti-Virus, Anti-Malware, and Anti-Ransomware software is recommended.
- Customer relationship management (CRM) software HubSpot recommended.

### Communications and Collaborative Software:

- Broadband connectivity, minimum of 768kb/s download speed and 384 kb/s upload speed is recommended but not required, as download speed is generally limited by geographical restrictions
- Microsoft Team (Included in any ActionCOACH software bundle) is the recommended communication platform for group meetings and IM.

### State Effective Dates

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

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

State	Effective Date
Minnesota	
Wisconsin	May 7, 2024

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.

## FDD RECEIPT

**{You Date, Sign, and We Keep This 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 we or ActionCOACH North America, Inc. ("ACNA") offer you a franchise, we or ACNA must provide this disclosure document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, us, ACNA or an affiliate in connection with the proposed franchise sale.

If we or ACNA do 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 to the appropriate state agency listed in Exhibit I.

The franchisor is BUJI, LLC, 10496 Red Fox Street, Canal Winchester, OH 43110, tel no. (614) 778-0120. Our agent for service of process is listed in Exhibit I. Our Franchisor is ActionCOACH North America, LLC at 5781 S. Fort Apache Rd., Las Vegas, NV, 89148, tel. no. 888-483-2828. ACNA's agents for service of process, if any, are listed in Exhibit I.

The franchise seller for this offering is:

Name	Employer	Title	Principal Business Address	Telephone
Craig Hohnberger	Oaktree Business Services of Ohio	President and CEO	10496 Red Fox Street Canal Winchester, OH 43110	(614) 778-0118
Annette Hohnberger	Oaktree Business Services of Ohio	Vice President and COO	10496 Red Fox Street Canal Winchester, OH 43110	(614) 778-0120
Matthew Fields	Oaktree Business Services of Ohio	Franchise Sales Recruiting Mgr	10496 Red Fox Street Canal Winchester, OH 43110	(614) 974-9807

Issuance date: **May 1, 2024**

I have received a Franchise Disclosure Document dated May 1, 2024, which included the following exhibits: Exhibit A: The FIRM Business Coach Agreement; Exhibit B: The PARTNER Business Coach Agreement; Exhibit C: State- Required Addenda to Franchise Agreement; Exhibit D(1): Nominated Business Coach Agreement; Exhibit D(2): Employee Business Coach Agreement; Exhibit E: Nondisclosure and Noncompete Agreement; Exhibit F: Release; Exhibit G: Compliance Questionnaire; Exhibit H: Additional State-Required Information; Exhibit I: State Regulatory Authorities and Registered Agents in Certain States; Exhibit J: Franchisees as of December 31, 2022; Exhibit K: Franchisees who left the system during the fiscal year ended December 31, 2022; Exhibit L: Financial Statements; Exhibit M: Operations Manual Table of Contents; Exhibit N: Communications System Specifications.

If I received the Franchise Disclosure Document by electronic means, then by printing this receipt for signature, I acknowledge that I have the equipment, software and other means necessary to open and to review the Franchise Disclosure Document in its entirety.

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

Signed: \_\_\_\_\_

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

## FDD RECEIPT

### {You Date, Sign, and You Keep This 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 we or ActionCOACH North America, Inc. ("ACNA") offer you a franchise, we or ACNA must provide this disclosure document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, us, ACNA or an affiliate in connection with the proposed franchise sale.

If we or ACNA do 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 to the appropriate state agency listed in Exhibit I.

The franchisor is BUJI, LLC, 10496 Red Fox Street, Canal Winchester, OH 43110, tel no. (614) 778-0120. Our agent for service of process is listed in Exhibit I. Our Franchisor is ActionCOACH North America, LLC at 5781 S. Fort Apache Rd., Las Vegas, NV, 89148, tel. no. 888-483-2828. ACNA's agents for service of process, if any, are listed in Exhibit I.

The franchise seller for this offering is:

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

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