

“Marks”) at a location approved by us (the “Office”). How To Manage A Small Law Firm® franchised businesses will offer only the products and services we authorize, and use our distinctive business formats, business system, methods, procedures, signs, designs, layouts, standards, specifications, and the Marks, all of which we may periodically improve, further develop, or otherwise modify (collectively, the “System”).

To acquire a franchise for a Business, you must complete the Trial Program (defined below) and enter into a Franchise Agreement (the “Franchise Agreement”), which is attached as Exhibit A-2 to this Disclosure Document. The Franchise Agreement, along with our franchisee policy manual(s) (the “Operations Manual”), which we may modify as we see fit, govern the development and operation of your Business.

Before you sign a Franchise Agreement, you must sign and successfully satisfy the terms of a Trial Agreement (the “Trial Agreement”), which is attached as Exhibit A-1 to this Disclosure Document. Signing the Trial Agreement does not obligate you to purchase a franchise, nor does it obligate us to grant one to you. To be considered for a Franchise Agreement, you must successfully complete the trial program governed by the Trial Agreement (the “Trial Program”). The Trial Program is 210 days and consists of a Trial Period Training Program of 3 to 5 weeks (see Item 11) followed by a trial Membership Agreement sales period. In order to successfully complete the Trial Program, you (or your Operating Partner) and your Designated Manager must complete the Trial Period Training Program, sell at least 20 Membership Agreements during the Trial Program, and satisfy all other requirements of the Trial Program. You will not provide, nor be granted the right to use the Marks in connection with, services to Members during the Trial Program. We will pay you \$5,000 per Membership Agreement you sell during the Trial Program. If you successfully complete the Trial Program and opt to pursue a franchise opportunity, you will have the option to credit your commissions toward the initial franchise fee.

### **Overview of Industry and Competition**

The market for businesses providing executive training and fractional executive services is established and competitive, but the market for such programs provided in connection with law firms and solo practitioners is underdeveloped. You will face competition from various national and local businesses which perform training and executive services. You will offer services to a broad range of clients; however, most clients you service will be law firms staffed with 1 to 5 lawyers. The demand for the services offered by your Business is not seasonal.

### **Overview of Industry-Specific Regulations**

You must comply with all federal, state, and local laws that apply to the establishment and operation of Businesses. We are not aware of any special state laws that regulate the services provided by this particular type of business, but in connection with marketing and offering Membership Agreements, you must comply with state and federal laws regarding anti-discrimination. Additional applicable laws and regulations may include, but are not limited to, state laws and regulations regarding the authorized practice of law, privacy, and insurance, equal-employment opportunity, OSHA regulations, non-discrimination, employment, sexual harassment laws, the Fair Labor Standards Act (and similar state or local statutes), and laws governing the payment of wages (including, overtime wages, minimum wages, and paid sick leave). Additionally, certain states prescribe the term of memberships that can be sold, the escrowing of membership fees, and terminology that can be used in selling memberships.

## NORTH DAKOTA

(state administrator)

North Dakota [Insurance & Securities](#)  
Department  
600 East Boulevard Avenue  
~~State Capitol – Fourteenth Floor – Dept 414~~  
Bismarck, North Dakota 58505-0510  
(701) 328-~~4712~~[2910](#)

(agent for service of process)

~~Securities~~[Insurance](#) Commissioner  
600 East Boulevard Avenue  
~~State Capitol – Fourteenth Floor – Dept 414~~  
Bismarck, North Dakota 58505-0510  
(701) 328-~~4712~~[2910](#)

## OREGON

Department of Business Services  
Division of Finance & Corporate Securities  
350 Winter Street, NE, Room 410  
Salem, Oregon 97310-3881  
(503) 378-4387

## RHODE ISLAND

Department of Business Regulation  
Division of Securities  
John O. Pastore Complex  
Building 69-1  
1511 Pontiac Avenue  
Cranston, Rhode Island 02920  
(401) 462-9645

## SOUTH DAKOTA

Division of Insurance  
Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501  
(605) 773-3563

## VIRGINIA

(state administrator)

State Corporation Commission  
Division of Securities  
and Retail Franchising  
1300 East Main Street, Ninth Floor  
Richmond, Virginia 23219  
(804) 371-9051

(agent for service of process)

Clerk, State Corporation Commission  
1300 East Main Street, First Floor  
Richmond, Virginia 23219  
(804) 371-9733

## WASHINGTON

(state administrator)

Department of Financial Institutions  
Securities Division  
P.O. Box 41200  
Olympia, Washington 98504-1200  
(360) 902-8760

(agent for service of process)

Director  
Department of Financial Institutions  
Securities Division  
150 Israel Road, S.W.  
Tumwater, Washington 98501

**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.**

**ILLINOIS**

1. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Based upon the franchisor's financial condition, the Illinois Attorney General's Office has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

3. ~~2.~~ The following paragraphs are added to the end of Item 17:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a Franchise Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a Franchise Agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Your rights upon termination and non-renewal of a Franchise Agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

By reading this disclosure document, you are **not** agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

**MARYLAND**

1. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. **Trial Agreement:** Before the franchisor will sign a Franchise Agreement with you,

you must enter into a Trial Agreement. The Trial Agreement requires you to pay a non-refundable fee, undergo a long training period, and sell a minimum number of Membership Packages to clients who will engage the services of the franchisor, but with no guarantee that you will be accepted by the franchisor to become a franchisee. This franchise is a high-risk investment because you must invest your resources into the system, but you are not guaranteed to be a franchisee or to maintain the clients you solicit for the franchisor.

3. The following language is added at the end of Item 5:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

4. ~~2.~~The following is added to the Item 17(c) and Item 17(m):

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

5. ~~3.~~The following is added to Item 17(h):

The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

6. ~~4.~~The following sentence is added to Item 17(v):

A franchisee may bring suit in Maryland for claims arising under the Maryland Franchise Registration Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

## **MINNESOTA**

1. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. The following language is added at the end of Items 5 and 7:

As a condition to becoming registered to offer and sell franchises in the State of Minnesota, the Minnesota Department of Commerce (Securities Section) requires us to defer payment of the initial franchise fees until your business opens.

3. ~~2.~~ The Item 6 line item entitled “Franchisor Training Compensation” is deleted in its entirety.

4. ~~3.~~ The following is added at the end of the chart in Item 6:

The Item 6 line item entitled “Lost Revenue Damages” will not be enforced to the extent prohibited by applicable law.

5. ~~4.~~ The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibits us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring the Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee’s rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by Governing Law with respect to claims arising under Minn. Rule 2860.4400D.

In compliance with Minnesota Statute 80C.17 Subd. 5, no action may be commenced pursuant to this section more than three years after the cause of action accrues.

NSF checks are governed by Minnesota Statutes 604.113, which puts a cap of \$30 on service charges.

You cannot consent to us obtaining injunctive relief. You may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

## SOUTH DAKOTA

1. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. The following paragraph is added at the end of Items 5 and 7:

Pursuant to an order of the South Dakota Securities Regulation Office, we will deposit all initial fees and payments received from you due under the Franchise Agreement into an escrow/impound account with an escrow agent. These funds will remain impounded until we and you acknowledge that our obligations have been met and the franchisee is open for business.

## VIRGINIA

1. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. The following language is added to the end of Item 17(h):

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

## WASHINGTON

~~1. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

~~2. The Item 6 line item entitled “Franchisor Training Compensation” is deleted in its entirety.~~

~~3. The Securities Division of the State of Washing Department of Financial Institutions requires the following language be added at the end of Item 17:~~

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW (the “Act”) will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement ~~in or related agreements concerning~~ your relationship with the franchisor.

including in the areas of termination and renewal of your franchise. There may also be court decisions ~~which may~~ that supersede the franchise agreement ~~in or related agreements concerning~~ your relationship with the franchisor. Franchise agreement provisions, including ~~the areas of termination and renewal of your~~ those summarized in Item 17 of the ~~Franchise~~ Franchise Disclosure Document, are subject to state law.

**3. Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

**4. General Release.** A release or waiver of rights ~~executed by a~~ in the franchise agreement or related agreements purporting to bind the franchisee ~~may not include rights to waive compliance with any provision~~ under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

**5. Statute of Limitations and Waiver of Jury Trial.** Provisions ~~such as those which~~ contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

**6. Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

**7. Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

**8. Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

**9. Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

**10. Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages may be void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

**11. Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable

business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflicts with these limitations are is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgements.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchisee Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The Franchise Disclosure Document does not waive any liability we may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

**RIDER TO THE HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC  
FRANCHISE AGREEMENT  
FOR USE IN ILLINOIS**

**THIS RIDER** is by and between **HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**, a Florida limited liability company with its principal business address at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133 ("Franchisor"), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ ("Franchisee").

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the Business that Franchisee will operate under the Franchise Agreement will be located in Illinois, and/or (b) Franchisee is domiciled in Illinois.

2. **ACKNOWLEDGMENT.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. **INITIAL FRANCHISE FEE.** The following language is added to the end of Section 6.A of the Franchise Agreement:

Based upon the franchisor's financial condition, the Illinois Attorney General's Office has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

4. ~~3-~~**ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added to the end of the Franchise Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Franchisee's rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

**RIDER TO THE HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC  
FRANCHISE AGREEMENT  
FOR USE IN MARYLAND**

**THIS RIDER** is by and between **HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**, a Florida limited liability company with its principal office at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133 (“Franchisor”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“Franchisee”).

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in Maryland, and/or (b) the Business that Franchisee will operate under the Franchise Agreement will be located in Maryland.

2. **ACKNOWLEDGMENT.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. INITIAL FRANCHISE FEE. The following language is added to the end of Section 6.A of the Franchise Agreement:

Based upon Franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement.

4. ~~3.~~ **RELEASES.** The following is added to the end of Sections 3.C.(6) and 16.C.(3) of the Franchise Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

5. ~~4.~~ **INSOLVENCY.** The following is added to the end of Section 17.A.(15) of the Franchise Agreement:

; however, Franchisor and Franchisee acknowledge that certain aspects of this provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

6. ~~5.~~ **ARBITRATION.** The following paragraph is added to the end of Section 20.B of the Franchise Agreement:

A Maryland franchise regulation states that it is an unfair or deceptive practice to require Franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

7. ~~6.~~ **GOVERNING LAW.** The following paragraph is added to the end of Section 20.G of the Franchise Agreement:

Notwithstanding the foregoing, (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (2) Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

8. ~~7.~~ **CONSENT TO JURISDICTION.** The following language is added to the end of Section 20.H of the Franchise Agreement:

Notwithstanding the foregoing, Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

9. ~~8.~~ **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.** The following is added to the end of Section 20.J of the Franchise Agreement:

Notwithstanding the forgoing, Franchisee may bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after Company grants Franchisee the franchise.

*[Signature Page to Follow]*

**RIDER TO THE HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC  
FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

**THIS RIDER** is by and between **HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**, a Florida limited liability company with its principal business address at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133 (“Franchisor”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“Franchisee”).

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Business that Franchisee will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **ACKNOWLEDGMENT.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. INITIAL FRANCHISE FEE. The following language is added to the end of Section 6.A of the Franchise Agreement:

As a condition to becoming registered to offer and sell franchises in the State of Minnesota, Franchisor will defer Franchisee’s obligation to pay the initial franchise fee and initial payments until Franchisor has met its pre-opening obligations and Franchisee has commenced operation of Franchisee’s Business.

4. RELEASES. The following is added to the end of Sections 3.C.(6) and 16.C.(3) of the Franchise Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

5. HIRING PRACTICES. Section 8.D of the Franchise Agreement is deleted in its entirety.

6. LOST REVENUE DAMAGES. The following language is added to the end of Section 18.H of the Franchise Agreement:

Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

7. ~~6.~~ **INJUNCTIVE RELIEF.** The following is added to the end of Section 20.E of the Franchise Agreement:

Notwithstanding the foregoing, a court will determine if a bond is required.

8. ~~7.~~ **LIMITATIONS OF CLAIMS.** The following is added to the end of the first paragraph of Section 20.J of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

9. ~~8.~~ **MINNESOTA LAW.** The following language is added to the end of the Franchise Agreement:

Notwithstanding anything to the contrary contained in the Franchise Agreement, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring Franchisee to waive Franchisee's rights to a jury trial or to waive Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties or judgment notes.

Franchisor will protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect Franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits Franchisor from requiring Franchisee to assent to a general release.

Franchisee cannot consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief. See Minn. Rules 2860.440DJ. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

NSF checks are governed by Minnesota Statutes 604.113, which puts a cap of \$30 on service charges.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

*[Signature Page to Follow]*

**RIDER TO THE HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC  
FRANCHISE AGREEMENT AND RELATED AGREEMENTS FOR USE IN WASHINGTON**

THIS RIDER is by and between **HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**, a Florida limited liability company with its principal business address at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133 ("Franchisor"), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ ("Franchisee").

~~1. **BACKGROUND.**~~ Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in the State of Washington; and/or (b) the Business that Franchisee will operate under the Franchise Agreement will be located in Washington; and/or (c) Franchisee accepted the offer for the sale of the franchise in Washington.

~~2. **ACKNOWLEDGMENT.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

~~3. **NON-DISPARAGEMENT.** The following is added to the end of Section 8.B of the Franchise Agreement:~~

~~This restriction does not apply to communications with any state or federal regulatory or law enforcement agencies.~~

~~4. **HIRING PRACTICES.** Section 8.D of the Franchise Agreement is deleted in its entirety.~~

~~5. **INDEMNIFICATION BY FRANCHISEE.** The following is added to the end of Section 12.D of the Franchise Agreement:~~

~~Franchisee's obligations under this Section do not extend to liabilities caused by the Indemnified Parties' negligence, willful misconduct, strict liability, or fraud.~~

~~6. **WASHINGTON LAW.** The following paragraphs are added to the end of the Franchise Agreement:~~

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, ~~Chapter 19.100 RCW,~~ shall will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede ~~this Agreement~~ in provisions in the franchise agreement or related agreements concerning your relationship with ~~us~~ the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions ~~which may that~~ supersede this the franchise Agreement in or related agreements concerning your relationship with ~~us~~ the franchisor. Franchise agreement provisions, including the areas of termination and renewal of your ~~those summarized in Item 17 of the f~~ Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the ~~S~~ State of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if

litigation is not precluded by ~~this~~the franchise Agreement, ~~you, a franchisee~~ may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights ~~executed by you may not include rights~~ in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder, is void except when executed pursuant to a negotiated settlement after ~~this~~the Agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions ~~such as those which~~ contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the ~~Washington Franchise Investment Protection Act~~, such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages may be void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent

that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in ~~this~~the franchise Agreement or elsewhere that conflicts with these limitations ~~are~~is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in ~~this~~the franchise Agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgements.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

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