

	<p style="text-align: center;">FRANCHISE DISCLOSURE DOCUMENT</p> <p style="text-align: center;">JTH Tax LLC d/b/a Liberty Tax Service a Delaware limited liability company 2387 Liberty Way Virginia Beach, VA 23456 (800) 790-3863 (757) 493-8855 libtax@libtax.com www.libertytax.com</p>
---	---

JTH Tax LLC d/b/a Liberty Tax Service offers a franchise program to operate tax return preparation offices utilizing special marketing techniques and operating procedures.

The total investment necessary to begin operation of a single Liberty Tax office is \$~~42,200~~49,700 to \$671,400. This includes \$125,000 that must be paid to the franchisor.

The disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract to an advisor, such as a lawyer or 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, DC 20580. You can also visit the FTC's home page at 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 10~~April 22, 20245

TABLE OF CONTENTS

ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2 BUSINESS EXPERIENCE.....	5
ITEM 3 LITIGATION.....	6 <u>7</u>
ITEM 4 BANKRUPTCY.....	8 <u>7</u>
ITEM 5 INITIAL FEES.....	29 <u>24</u>
ITEM 6 OTHER FEES*.....	30 <u>25</u>
ITEM 7 ESTIMATED INITIAL INVESTMENT.....	34 <u>29</u>
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	36 <u>31</u>
ITEM 9 FRANCHISEE'S OBLIGATIONS.....	42 <u>37</u>
ITEM 10 FINANCING.....	43 <u>38</u>
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....	44 <u>39</u>
ITEM 12 TERRITORY.....	53 <u>48</u>
ITEM 13 TRADEMARKS.....	54 <u>49</u>
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	57 <u>52</u>
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	57 <u>52</u>
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	57 <u>52</u>
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	58 <u>53</u>
ITEM 18 PUBLIC FIGURES.....	61 <u>56</u>
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS.....	61 <u>57</u>
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION.....	64 <u>59</u>
ITEM 21 FINANCIAL STATEMENTS.....	74
ITEM 22 CONTRACTS.....	74
ITEM 23 RECEIPTS.....	75 <u>74</u>

ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, the terms “we,” “us,” “our,” and “JTH Tax” refer to JTH Tax LLC d/b/a Liberty Tax Service. The terms “you” and “your” refer to the person or entity that buys this franchise, including any guarantors.

The Franchisor and Prior Business Experience.

We were originally incorporated in Delaware on October 23, 1996 and then converted from a Delaware corporation to a Delaware limited liability company and changed our name to JTH Tax LLC on July 9, 2019. We do business as “Liberty Tax Service.” We have not offered franchises in any other line of business. Our agents for service of process are listed in Exhibit F.

We have been in the income tax preparation business and have offered franchises in this business since 1997. As of December 31, 2023~~4~~, we had ~~1,885~~1,764 Liberty Tax Service offices in the United States, ~~1,813~~1,686 of which we franchised and ~~72~~78 of which were operated by Wefile (as defined below).

In 2022, we began to offer certain existing franchisees a right to sign amendments to their existing franchise agreements to expand their Territory on a non-exclusive basis to perform tax returns outside of their Territory in certain geographic areas where traditional Liberty Tax Services offices were not located (each a “VTO”; the “Franchised VTO Program”).

These VTOs perform tax return services, but we do not consider them to be the same as Liberty Tax Service offices offered under this disclosure document and do not count them as Liberty Tax Service offices in Item 20 of this disclosure document. As of December 31, 2023~~4~~, ~~70~~11 existing franchisees signed amendments to their existing franchise agreements to operate a VTO for the 2024~~5~~ tax season—

In 2024, we began to offer certain existing franchisees the opportunity to sign a Marketing Rights Agreement for the exclusive right to market and promote their tax services to customers in a territory adjacent to their existing brick-and-mortar Liberty Tax office (the “MRA Program”). As these are not separate offices, virtual or otherwise, we do not count them as Liberty Tax Service offices in Item 20 of this disclosure document. As of December 31, 2024, 116 existing franchisees signed Marketing Rights Agreements for 189 territories for the 2025 Tax Season.

Our Parents.

Our indirect parent is BP LTCT LLC, a Delaware limited liability company (“BP LLC”) formed on November 2, 2023, whose principal place of business is 500 Grapevine Hwy., Suite 402, Hurst, TX 76054. On January 2, 2024, the sale of Liberty Tax assets to certain lenders associated with BP LLC closed; see Item 4. BP LLC has never offered franchises in any line of business.

Since January 2, 2024, there are a series of parent entities between BP LLC and us. Our direct parent is LT Intermediate Holdco, LLC, a Delaware limited liability company (“LT Intermediate”), whose parent is LT Holdco, LLC, a Delaware limited liability company (“LT Holdco”), whose parent is LTCT Intermediate Holdings LLC, a Delaware limited liability company (“LTCT Intermediate”), whose parent is LTCT Holdings LLC, a Delaware limited liability company (“LTCT Holdings”), whose parent is BP LLC. LTCT Intermediate and LTCT Holdings’ principal place of business is 500 Grapevine Highway, Suite 402, Hurst, Texas 76054. LT Intermediate and LT Holdco share our principal business address. None of the parent companies have ever offered franchises in any line of business.

Our Affiliates.

We have several affiliates that offer franchises, provide products or services to our franchisees or operate tax preparation business similar to those performed by our franchisees, as follows:

1. Our affiliate JTH Financial, LLC (“JTH Financial”) provides select Liberty offices with the ability to offer financial products, as described in Item 8 below. JTH Financial shares our principal business address and has never offered franchises in any line of business.
2. Our affiliate Community Tax LLC (“Community Tax”), an Illinois limited liability company formed on March 29, 2010, performs tax debt resolution and other tax-related services, including for customers of company-affiliated and franchised tax offices. We have entered into a referral agreement with Community Tax whereby you may refer clients to Community Tax for the provision of tax debt resolution and other tax-related services and receive a referral fee. Community Tax’s principal place of business is 17 N State Street, Suite 210, Chicago, IL 60602. Community Tax has never offered franchises in any line of business.
3. Our affiliate Wefile LLC (“Wefile”) operates company-owned Liberty Tax Service income tax preparation offices. Wefile shares our principal business address and has never offered franchises in any other line of business.
4. Our affiliate LTS Software LLC (“LTS”) offers online tax preparation through www.libertytax.com. LTS shares our principal business address and has never offered franchises in any other line of business.
5. Our affiliate Liberty Tax Service Inc. (“Liberty-Canada”) franchises income tax preparation offices in Canada under the name Liberty Tax Service. Liberty-Canada, through its predecessors, has been in the income tax preparation business since 1972 and in the income tax rebate discounting business since 1983. Through itself and predecessors, Liberty-Canada has offered franchises in Canada since 1975. As of December 31, 2023³⁴, Liberty-Canada had 246² Liberty offices in Canada, 243²³⁹ of which were franchised and 3 of which were company operated. Liberty-Canada’s principal place of business is 16-110 Riviera Drive, Markham, Ontario L3R 5M1 and its registered address is 800 Denison Street, Office #18, Markham, Ontario, Canada L3R 5M9. Liberty-Canada has never offered franchises in any other line of business.

Our Business and the Franchises Offered. In this Disclosure Document, we offer franchises to operate income tax preparation offices using our marks “Liberty Tax Service,” “Liberty Tax,” and “Liberty Income Tax,” any further marks we develop, and our proprietary business methods and marketing techniques in a specified geographic territory.

You will sign a single franchise agreement (“Franchise Agreement”) to operate a Liberty Tax office. Our form of Franchise Agreement is attached to this Disclosure Document as Exhibit B. A market territory will typically cover an area that generates approximately 7,000 to 8,500 paid federal tax returns based on IRS data coupled with population data. In certain instances, after your Liberty Tax office is open, we may enter into an amendment to your Franchise Agreement to expand your Territory on a non-exclusive basis to perform tax returns outside of your Territory under our Franchised VTO Program. You will be required to sign an amendment to your Franchise Agreement in the form attached as Exhibit B-6 to the Franchise Agreement to participate in the VTO Program.

We previously offered franchisees the opportunity to enter into a development agreement (the “Development Agreement”), which granted them the right to enter into multiple Franchise Agreements

Many localities have sign ordinances that limit or bar certain signs or require sign approval. Some localities apply these laws to limit or bar certain of our promotional techniques, such as costumed roadside wavers.

You should consult your lawyer concerning all federal, state, and local laws, regulations, and ordinances that may affect the franchised business. You are responsible for following all applicable laws and regulations.

ITEM 2 BUSINESS EXPERIENCE

Scott Terrell, Chief Executive Officer. Mr. Terrell has served as Chief Executive Officer of JTH Tax since June 2023. He previously was Chief Operating Officer of NextPoint Financial Inc. from July 2022 to June 2023, and also served as Chief Information Officer of JTH Tax from August 2019 to June 2023. Prior to joining JTH Tax, Mr. Terrell served as Chief Information Officer for HealthMarkets Inc., headquartered in North Richland Hills, TX, from February 2006 to August 2019.

Michael Miller, Chief Operating Officer. Mr. Miller has served as Chief Operating Officer since March 2024. Previously, Mr. Miller was the Group Vice President, Franchise Operations at Wyndham Hotels & Resorts in Parsippany, New Jersey, from October 2016 to March 2024.

Nick Evans, Chief Financial Officer. Mr. Evans has served as Chief Financial Officer of JTH Tax since November 2023. Prior to joining JTH Tax, Mr. Evans served as Senior Vice President of Finance for Community Choice Financial LLC in Dublin, Ohio, from November 2022 to November 2023. Mr. Evans served in a variety of roles at Big Lots, Inc. in Columbus, Ohio from April 2016 to October 2022, including Vice President of Finance from April 2022 to October 2022, Corporate Controller from August 2019 to March 2022, and Assistant Controller from April 2016 to July 2019.

William Harvey, Chief Legal Officer and General Counsel. Mr. Harvey has served as Chief Legal Officer since July 2023, and as General Counsel of JTH Tax since July 2021. From September 2019 to July 2021, Mr. Harvey served as Associate General Counsel and Human Resources Officer of JTH Tax. From August 2018 to September 2019, Mr. Harvey served as Senior Corporate Counsel, and from November 2016 to August 2018, Mr. Harvey served as Corporate Counsel. Prior to joining Liberty, Mr. Harvey was First Assistant Vice President and Associate Counsel for Astoria Bank in Lake Success, New York.

~~William McPherson, Chief Information Officer. Mr. McPherson has served as Chief Information Officer since July 2023. Previously, he was Senior Vice President of Systems Strategy at JTH Tax from July 2021 to July 2023, Vice President of Strategic Initiatives from September 2020 to July 2021, Assistant Vice President of Tax Systems from January 2020 to September 2020, Director of Special Products from May 2019 to January 2020, and Phoenix Tax Software Franchisee Group Manager from July 2018 to May 2019. Mr. McPherson has also been a Liberty Tax franchisee since 2004.~~

Rory Walters, Chief Accounting Officer. Ms. Walters has served as Chief Accounting Officer since July 2023. Previously, she was Senior Vice President of Finance from July 2022 to July 2023, and Assistant Vice President of Finance from August 2017 to June 2021.

Kyle Sawai, Chief Marketing Officer. Mr. Sawai has served as Chief Marketing Officer since April 2024. Previously, he served as Senior Vice President of Digital Marketing since October 2021. From June 1997 to May 2021, Mr. Sawai was Principal of Brand Management at The Richards Group in Dallas, TX.

David Allen Dulaney, Senior Vice President of Support and Compliance and Compliance Counsel. Mr. Dulaney has served as Senior Vice President of Support and Compliance since December 2022, and as Compliance Counsel since January 2022. He previously served as Vice President of Compliance since January 2022. Prior to joining JTH Tax, Mr. Dulaney served as Tax Manager for Ernst & Young (US), LLC in Dallas Texas, from June 2019 to December 2021. From May 1999 to June 2019, Mr. Dulaney served in the United States Army.

Timothy Magerle, Senior Vice President of Operations. Mr. Magerle has served as Senior Vice President of Operations since July 2023. Previously, he served as Vice President of Training from July 2020 to July 2023. Mr. Magerle was Regional Director at JTH Tax from November 2019 to July 2021, and has also been a Liberty Tax franchisee since January 2008.

Brian Ashcraft, Vice President of Franchise Development. Mr. Ashcraft has served as Vice President of Franchise Development since June 2022. He has served in a variety of roles at Liberty since 2013, including AVP of Product Development since July 2020, AVP of Operational Support from June 2019 to July 2020, Director of Customer Experience from June 2018 to June 2019, Regional Director from July 2017 to June 2018, Director of Compliance from June 2016 to July 2017, and Director of Company Stores from October 2013 to June 2016.

Jessie Seaman, Vice President of Tax Support. Ms. Seaman has served as Vice President of Tax Support of JTH Tax since November 2022. From April 2017 to November 2022, she served as Vice President of Client Servicing with Community Tax LLC in Chicago, Illinois.

Connor Smotherman, Director of Strategy and Innovation. Mr. Smotherman has served as Director of Strategy and Innovation of JTH Tax since September 2020. Prior to joining Liberty, Mr. Smotherman served as Manager, Marketing Programs, for Essilor of America in Dallas, Texas from January 2018 to September 2020. Prior to his employment with Essilor of America, Mr. Smotherman was a full-time student in the MBA program at Baylor University in Waco, Texas.

Liza Malinis, Director of Business Operations. Ms. Malinis has served as Director of Business Operations since August 2023. Previously, she was Field Operations Administrator at JTH Tax from May 2018 to August 2023.

Rebecca Doe, Franchise Development Sales Manager. Ms. Doe has served as Franchise Development Sales Manager since September 2024. She previously served as Franchise Development Sales Coordinator from May 2023 to September 2024. She served as Franchise Sales and Operations Compliance Manager, and Operations Coordinator at ILOVEKICKBOXING from January 2022 to May 2023. From ~~August 2015 to April 2018, Ms. Doe served as Sales and Operations Manager at Liberty, and from~~ April 2018 to July 2020, she was the Operations Specialist Manager at Liberty. ___

Clayton Clarkson, Franchise Development Sales Manager. Mr. Clarkson has served as Franchise Development Sales Manager since December 2024. He previously was Director of Franchise Development at Neighborly from April 2022 to December 2024, and Franchise Sales Representative at Neighborly from January 2021 to March 2022.

Ashley Acton, Franchise Development Sales Coordinator. Ms. Acton has served as Franchise Development Sales Coordinator since September 2024. She previously served as a Regional Support Coordinator in Operations from December 2017 to September 2024.

ITEM 3 LITIGATION

Pending Actions/Lawsuits Against LibertyUs Right Now:

~~*First Bank v. JTH Tax LLC*, (Case No. 1:22-cv-07303) U.S. District Court for the Eastern District of New York (Brooklyn). Plaintiff filed a replevin action against Liberty in connection with one of Liberty's former franchisee's failure to make payments on a certain commercial loan she secured for the purpose of operating her former Liberty franchise. Plaintiff asserts that tax preparation fees charged by Liberty's former franchisee are collateral to which Plaintiff is entitled under the terms of the loan between Plaintiff and Liberty's former franchisee. Liberty moved to dismiss the Complaint in April 2023. Before Liberty's motion to dismiss was heard, the matter was stayed pending the resolution of Bankruptcy proceedings in Canada by Nextpoint Financial Inc. and the related Chapter 15 Bankruptcy filings by Nextpoint Financial Inc., in its capacity as the duly appointed foreign representative of JTH Tax LLC and other subsidiaries of Nextpoint in the Bankruptcy Court for the District of Delaware. This alleged liability was not assumed via the bankruptcy sales process. Thus, this matter will be assigned to a residual company that will be wound down.~~

~~*Gorilla Tax Services, Inc., et al. v. JTH Tax, LLC, d/b/a Liberty Tax Service et al.* (Case No. 01-21-0017-9382). On November 2, 2021, Claimant initiated an arbitration before the American Arbitration Association alleging breach of an area developer agreement for failure to renew and violation of the Illinois Franchise Disclosure Act ("IFDA") and Wisconsin Franchise Disclosure Act ("WFDA"). Liberty denies the claims in full. On Liberty's motion to dismiss, the IFDA and WFDA claims were dismissed. The matter is stayed pending the resolution of Bankruptcy proceedings in Canada by Nextpoint Financial Inc. and the related Chapter 15 Bankruptcy filings by Nextpoint Financial Inc., in its capacity as the duly appointed foreign representative of JTH Tax LLC and other subsidiaries of Nextpoint in the Bankruptcy Court for the District of Delaware. This alleged liability was not assumed via the bankruptcy sales process. Thus, this matter will be assigned to a residual company that will be wound down.~~

~~*Rene Labrado v. JTH Tax, Inc.* (Case BC 715076). On July 3, 2018, a class action complaint was filed in the Superior Court of California, County of Los Angeles by a former employee alleging we violated the California Labor Code by failing to pay overtime, meal period premiums, rest premiums and minimum wages; that we did not timely pay final wages and wages; that wage statements were non-compliant; that we failed to keep records; and that we failed to reimburse business expenses in violation of California Business and Profession Code Section 17200. On May 24, 2021, the parties agreed to settle this matter in principle for \$1.2 million, inclusive of fees and costs, plus a \$10,000 individual payment to Labrado and a \$75,000 payment to Pugh, plus broad and customary releases. The Court held a hearing for preliminary approval of the settlement on April 14, 2022 and February 27, 2023 wherein the court ordered the Plaintiff by March 7, 2023 to submit an updated declaration and to revise the class notice, which the Plaintiff did timely file. On March 13, 2023, the Court granted preliminary approval of the settlement and set a hearing date for final approval of settlement for July 11, 2023, which was adjourned to September 8, 2023 and subsequently stayed based on bankruptcy filing. On December 11, 2023, the Bankruptcy Court entered an Order (I) Recognizing and Enforcing the CCAA Vesting Order, (II) Approving the Sale of Substantially All of the Debtors' Interests Free and Clear of Liens, Claims, and Encumbrances, and (III) Granting Related Relief. Pursuant to that Order, all liability of the Liberty Tax entities, including unsecured litigation claims, was vested into two residual companies under applicable Canadian law. On January 26, 2024, the Canadian Court issued an order setting forth the mechanism by which the residual companies and the remaining entities will be wound down, either through a bankruptcy in Canada or a wind down process in the United States. This order was recognized by the~~

~~Bankruptcy Court on February 15, 2024. This alleged liability was not assumed via the bankruptcy sales process. Thus, this matter will be assigned to a residual company that will be wound down.~~

~~*Road King Development, Inc., et al. v. JTH Tax LLC and Franchise Group, Inc.*, 2:21-cv-00055-RAJ-LRL, U.S. District Court for the Eastern District of Virginia. Defendants filed a complaint on January 28, 2021 alleging breach of Defendant's area developer agreements. Liberty successfully moved for summary judgment on Plaintiff's claims for failure to pay royalties and wrongful termination as to Plaintiff ZeeDee. The Court granted summary judgment in Plaintiff's favor on its claim for wrongful termination as to Road King. The matter is stayed pending the resolution of Bankruptcy proceedings in Canada by Nextpoint Financial Inc. and the related Chapter 15 Bankruptcy filings by Nextpoint Financial Inc., in its capacity as the duly appointed foreign representative of JTH Tax LLC and other subsidiaries of Nextpoint in the Bankruptcy Court for the District of Delaware.~~

~~*789 Tremont Holding LLC v. WeFile LLC, et al.*, Tremont, 815112/2022E. Supreme Court of New York (Bronx County). Plaintiff Complaint filed on October 12, 2022 alleging failure to pay rent. Liberty moved to dismiss the Complaint in November 2022. Plaintiff amended the Complaint in December 2022. Liberty moved to dismiss the Amended Complaint on December 24, 2022. On April 19, 2023, the Court granted Liberty's motion, dismissing all claims against Defendants Nextpoint and WeFile, and all claims except for the breach of contract claim against Liberty. The matter is stayed pending the resolution of Bankruptcy proceedings in Canada by Nextpoint Financial Inc. and the related Chapter 15 Bankruptcy filings by Nextpoint Financial Inc., in its capacity as the duly appointed foreign representative of JTH Tax LLC and other subsidiaries of Nextpoint in the Bankruptcy Court for the District of Delaware. This alleged liability was not assumed via the bankruptcy sales process. Thus, this matter will be assigned to a residual company that will be wound down.~~

~~*State of New York Division of Human Rights v. JTH Tax, Inc.*, (Case No. 10122847) filed on or about January 17, 2008, in the State of New York Division of Human Rights ("NYDHR"). The NYDHR claims that we target communities of color and military families in marketing RALs, pay stub loans and holiday loans and seeks an injunction to stop these alleged practices. We intend to defend against these claims, but this matter is not active.~~

Litigation Against Franchisees During the Prior Fiscal Lawsuits from Last Year:

Litigation to Enforce Post Termination Duties Lawsuits Against Former Franchisees Who Broke Their Contract:

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Nisar Ahmed d/b/a Tax Services*, 1:23-cv-1119, U.S. District Court for the Northern District of Illinois. Complaint alleging breach of non-compete filed February 23, 2023. The parties reached a settlement on May 23, 2023.—~~

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Alexis Agnant, et al.*, 1:22-cv-02385, U.S. District Court for the Eastern District of New York. Complaint alleging breach of non-compete filed April 26, 2022. Defendant Alexis Agnant filed counterclaims for violation of N.Y. GBL § 680, fraud and unjust enrichment. The matter is stayed pending the resolution of Bankruptcy proceedings in Canada by Nextpoint Financial Inc. and the related Chapter 15 Bankruptcy filings by Nextpoint Financial Inc., in its capacity as the duly appointed foreign representative of JTH Tax LLC and other subsidiaries of Nextpoint in the Bankruptcy Court for the District of Delaware.—~~

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Kyle Anderson, et al.*, 2:23-cv-00209, U.S. District Court for the District of Arizona. Complaint alleging breach of non-compete filed January 31, 2023 and amended on March 2, 2023. Temporary restraining order entered against Defendants Kyle Anderson and RKA Tax LLC ("Anderson Defendants") on February 17, 2023 and remained in effect through resolution of Liberty's motion for preliminary injunction. Non-Anderson Defendants moved to dismiss the amended complaint on March 17, 2023. The parties reached a settlement on July 3, 2023.~~

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Ashley Beckwith, et al.*, 1:23-cv-00125, U.S. District Court for the District of Delaware. Complaint alleging breach of franchise agreement's post-termination obligations filed February 1, 2023. In April 2023, the Court granted our motion for preliminary injunction and ordered Defendant to assign the lease for former Liberty franchise location to Liberty. The matter is stayed pending the resolution of Bankruptcy proceedings in Canada by Nextpoint Financial Inc. and the related Chapter 15 Bankruptcy filings by Nextpoint Financial Inc., in its capacity as the duly appointed foreign representative of JTH Tax LLC and other subsidiaries of Nextpoint in the Bankruptcy Court for the District of Delaware.~~

JTH Tax LLC d/b/a Liberty Tax Service v. Cline, CL20-1467, Circuit Court for the City of Virginia Beach, Virginia. Complaint filed on February 13, 2020 alleging breach of non-compete, tortious interference, misappropriation of trade secrets and violation of Lanham Act. Motion for preliminary injunction against continued breaches of contract and violations of Lanham Act filed March 25, 2020 and granted as to continued use of trademarks and tortious interference. Defendant failed to meet discovery obligations. In response to our motion to compel discovery, the Court ordered Defendant to show cause why sanctions should not enter. After the hearing on this Order to Show Cause has been adjourned, without a new hearing date having been set, the Court issued sanctions preventing Defendant from presenting evidence at trial. A new judge was assigned to the case in January 2025, and we anticipate a ruling on pending motions shortly.

JTH Tax LLC d/b/a Liberty Tax Service v. Conner, 1:21-cv-00178, U.S. District Court for the Northern District of Mississippi. Complaint filed on December 7, 2021 alleging claims for breach of non-compete, Lanham Act violations, tortious interference, misappropriation of trade secrets, conversion, unfair competition and unjust enrichment. Injunction against further breaches of contract and violation of statute as to all Defendants except for Larrita Conner entered. Hearing on motion for default judgment as to all Defendants except for Larrita Conner ~~to be~~ heard in on May 14, 2024. The Court's decision on motion for default is pending.

JTH Tax LLC d/b/a Liberty Tax Service v. Cortoreal, 2:23-cv-00355, U.S. District Court for the Eastern District of Virginia. Complaint filed in the U.S. District Court for the Northern District of Texas on February 17, 2023 alleging claims for breach of non-compete and failure to pay royalty fees. The matter was transferred to the Eastern District of Virginia in July 2023. Court dismissed Liberty's claim for trade secret misappropriation on March 1, 2024. We filed an amended complaint on March 18, 2024. Defendants moved for summary judgment on December 2, 2024. Defendants' summary judgment motion is fully briefed as of January 17, 2025 and awaits the Court's decision.

JTH Tax LLC d/b/a Liberty Tax Service v. Xavier Curiel, et al., 5:22-cv-00027, U.S. District Court for the Southern District of Texas, Laredo Division. Complaint alleging breach of non-compete filed on April 12, 2022. Default entered in August 2022. In September 2023, the Court granted Liberty's motion for entry of default, in part (pending further evidence of unpaid royalties) and motion for a permanent injunction against further breaches of Defendants' post-termination obligations (including breach of the non-compete in the Franchise Agreement at issue). We await the Court's decision on our motion for unpaid royalties and liquidated damages. We await the Court's decision on our motion for unpaid royalties and liquidated damages.

JTH Tax LLC d/b/a Liberty Tax Service v. Cybulski, 1:21-cv-04716, U.S. District Court, Southern District of New York. Complaint alleging breach of non-compete and trade secret theft filed March 15, 2022. Preliminary injunction against continued breach of non-compete and use of Liberty's trade secrets entered May 18, 2022. ~~The parties are engaged in discovery~~On December 5, 2024, judgment entered in favor of Liberty for a total amount of \$1.6 million and a permanent injunction against the Defendant's use of trade secrets and trademarks.

JTH Tax LLC d/b/a Liberty Tax Service v. Patricia Daniels, et al., 4:20-cv-01683, U.S. District Court for the Southern District of Texas, Houston Division. Complaint alleging violation of non-compete and trade secret misappropriation filed May 13, 2020. Liberty also moved for a preliminary injunction against Defendants' further breaches of contract and trade secret misappropriation in May 2020. The Court granted Liberty's injunction and entered a preliminary injunction as requested in July 2020. The Clerk entered default against Defendant in August 2020. The Court issued a final judgment and terminated this matter in November 2020 ("Final Judgment"). In March 2022, Liberty learned that Defendant was in open violation of the Final Judgment and, accordantly, moved to reopen the case to seek sanctions against Defendant. Liberty's motion was granted in July 2022 and the Court ordered Daniels to show cause as to why contempt should not be entered against her for violating the final judgment. Liberty is pursuing its rights under the injunction order.

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Krissy Dehn, et al.*, 4:23-cv-00105, U.S. District Court for the Northern District of Texas, Ft. Worth Division. Complaint alleging breach of non-compete and motion for preliminary injunction against further breaches of non-compete filed on February 2, 2023. Stipulated injunction against further breaches of the non-compete filed July 2023. Liberty agreed to dismiss its claims in exchange for a settlement payment to Liberty. The matter was dismissed in November 2023.~~

JTH Tax LLC d/b/a Liberty Tax Service v. Shannon Dillard, 8:22-cv-01677, U.S. District Court, District of Maryland. Complaint alleging breach of non-compete filed on July 7, 2022. Counterclaim for unfair competition, violation of franchise agreement and violation of Maryland Consumer Protection Act filed on August 2, 2022 and amended on October 14, 2022. Liberty's motion to dismiss the counterclaims is fully briefed and awaiting Court decision. The matter ~~is~~ was stayed pending the resolution of Bankruptcy proceedings in Canada by Nextpoint Financial Inc. and the related Chapter 15 Bankruptcy filings by Nextpoint Financial Inc., in its capacity as the duly-appointed foreign representative of JTH Tax LLC and other subsidiaries of Nextpoint in the Bankruptcy Court for the District of Delaware. Defendants dropped counterclaims when the bankruptcy matters closed. Liberty is pursuing its claims now that the bankruptcy matter has concluded.

JTH Tax LLC d/b/a Liberty Tax Service v. Stephen Gilbert, 8:22-cv-00625, U.S. District Court for the Middle District of Florida. Complaint alleging breach of non-compete filed on March 17, 2022. Defendant filed counterclaims for breach of contract, wrongful termination, fraud in the inducement, concealment, violation of the Florida Franchise Act, violation of the Florida Deceptive and Unfair Trade Practices Act, tortious interference and defamation. Motion to dismiss the Counterclaims is pending. Preliminary injunction entered against Defendant in August 2022. The matter is stayed pending the resolution of Bankruptcy proceedings in Canada by Nextpoint Financial Inc. and the related Chapter 15 Bankruptcy filings by Nextpoint Financial Inc., in its capacity as the duly-appointed foreign representative of JTH Tax LLC and other subsidiaries of Nextpoint in the Bankruptcy Court for the District of Delaware.

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Irving*, 1:21-cv-03000, U.S. District Court for the District of Maryland. Complaint alleging breach of non-competes filed on November 22, 2021. The matter is stayed pending the resolution of Bankruptcy proceedings in Canada by Nextpoint Financial Inc. and the related Chapter 15 Bankruptcy filings by Nextpoint Financial Inc., in its capacity as the duly appointed foreign representative of JTH Tax LLC and other subsidiaries of Nextpoint in the Bankruptcy Court for the District of Delaware.~~

JTH Tax LLC d/b/a Liberty Tax Service v. Jasani, 1:24-cv-00699, U.S. District Court for the Middle District of Georgia. Complaint alleging breach of non-competes, unlawful use of Liberty Tax Service trademarks and unlawful use and/or disclosure of trade secrets filed on February 16, 2024. On JTH Tax LLC's motion, the Court ordered Defendants to transfer the lease and customer files for their former Liberty franchise location (where Defendants had been operating a competing tax preparation business in violation of their post-termination non-competition obligations under the franchise agreement at issue), and to cease offering tax preparation services within their non-competes zone. ~~Discovery will commence following the initial conference, which has not yet been set. No scheduling order is in place.~~ The parties settled in August 2024 with the Defendant agreeing to pay Liberty \$35,000.

JTH Tax LLC d/b/a Liberty Tax Service v. Edward Kukla, et al., 2:22-cv-01542, U.S. District Court for the Eastern District of New York, Central Islip. Complaint alleging breach of non-competes and unlawful use of trade secrets filed on March 21, 2022. Injunction against further breaches of non-competes entered in Liberty's favor in May 2022. Default Judgment and contempt orders entered on December 13, 2022. The Second Circuit denied Defendants' appeal on February 28, 2024. Liberty moved to reinstate its motion for attorneys' fees and costs on March 12, 2024, and the Court granted the motion. Liberty awaits the Court's decision on its motion for fees and costs.

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Donald Losso, et al.*, 1:22-cv-01683-00505, U.S. District Court for the Northern Eastern District of Illinois, Eastern Division Virginia. Complaint alleging breach of non-competes and unlawful use of trademark secrets filed on April 21, August 9, 2022. Preliminary injunction prohibiting Defendants from violating non-competes entered January 2023. Liberty agreed to dismiss its claims in exchange for a settlement payment to Liberty. The matter was dismissed in May. Default judgment and permanent injunction entered against the Defendant for \$165,000 on December 18, 2024. Liberty will submit its petition for attorneys' fees and costs in February 2023.~~

JTH Tax LLC d/b/a Liberty Tax Service v. Joseph Mathews, 2:22-cv-00247, U.S. District Court for the Eastern District of Virginia. Complaint alleging breach of non-competes filed on June 10, 2022. Preliminary injunction against further violations of the non-competes entered in December 2022. The matter ~~is~~ was stayed pending the resolution of the bankruptcy proceedings involving Nextpoint Financial Inc. in Canada and the Bankruptcy Court for the District of Delaware. The bankruptcy stay was lifted in November 2024. The parties are engaged in discovery and trial is scheduled for August 2025.

JTH Tax LLC d/b/a Liberty Tax Service v. Michael Merit, et al., 1:24-cv-683, U.S. District Court for the District of Colorado. Complaint filed on March 12, 2024 alleging breach of non-competes and failure to pay amounts due and owing to Liberty, conversion, violation of the Defend Trade Secrets Act of 2016, fraud, tortious interference and conspiracy to tortiously interfere. The Court granted Liberty's M motion for preliminary injunction against continued breaches of contract and trade secret misappropriation filed March on June 12, 2024. Defendants' deadline to respond is April 3, 2024. Liberty moved for default judgment on August 21, 2024. On January 28, 2025, the magistrate issued a decision recommending that the Court Grant the motion for default judgment.

JTH Tax LLC d/b/a Liberty Tax Service v. Morell, 8:24-cv-00237, U.S. District Court for the Middle District of Florida. Complaint alleging breach of non-competes, tortious interference with Liberty's

franchise agreement with former franchisee and trade secret theft filed on January 25, 2024. Default entered against Defendants Michael Morrell, My Business Group LLC, My Services Florida LLC and K Tax, LLC on March 15, 2018. The Court granted Liberty's motion for preliminary injunction to enjoin Defendants, including Defendants who are not signatories to the franchise agreement, from continued unlawful acts pending on September 18, 2024. The Vulpis Defendants settled their claims for \$245,000, plus a two-year injunction against unlawful competition, in late January 2024. Liberty moved for default against the Morrell Defendants on January 21, 2025, seeking an approximately \$330,000 judgment. The matter is stayed until the Court renders a decision on Liberty's pending motion for default judgment.

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Page*, 3:24-cv-00252, U.S. District Court for JTH Tax LLC d/b/a Liberty Tax Service v. Page, Adversary Case No. 1-24-01107-NHL, U.S. Bankruptcy Court for the Eastern District of New York. On February 9, 2024, Liberty filed a Complaint in the Middle District of Pennsylvania—Complaint—alleging breach of non-compete, tortious interference with Liberty's franchise agreement with former franchisees and trade secret theft—filed on February 9, 2024. Clerk entered default against all. The case was subsequently transferred to the Bankruptcy Court for the Eastern District of New York after the corporate Defendants on March 13, 2024. Corporate Defendants filed for bankruptcy, and, The case remains pending in the Bankruptcy Court—ordered the matter stayed on March 26, 2024.~~

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Debashish Paul, et al.*, 4:23-cv-00018, U.S. District Court for the Northern District of Texas. Complaint alleging breach of non-compete filed on January 5, 2023. Defendants' motion to dismiss was denied on March 24, 2023. Liberty agreed to dismiss its claims in exchange for a settlement payment to Liberty and a stipulated injunction preventing Defendants from offering tax preparation services within 25 miles of the Liberty territory in question through September 2025. The matter was dismissed in September 2023.—~~

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Michael Piasecinski, et al.*, 5:22-cv-01455, U.S. District Court for the Eastern District of Pennsylvania. Complaint alleging breach of non-compete filed on April 14, 2022. Liberty agreed to dismiss its claims in exchange for a stipulated injunction preventing Defendants from offering tax preparation services within 25 miles of the Liberty territory at issue through January 2026. The matter was dismissed in January 2024.—~~

JTH Tax LLC d/b/a Liberty Tax Service v. Pirapakaran, 2:24-cv-14071, U. S. District Court for the Southern District of Florida. Complaint alleging violation of non-compete and trade secret misappropriation filed on March 8, 2024. The Court granted Liberty's Motion for preliminary injunction against further breaches of non-compete and trade secret misappropriation filed March 11, 2024. Preliminary injunction hearing set for April 11, 2024 on May 21, 2024. The parties settled in January 2025, with Defendants agreeing to pay \$7,500 to Liberty.

JTH Tax LLC d/b/a Liberty Tax Service v. Pocker, CL19007307-00, Circuit Court for City of Virginia Beach. Complaint filed on December 27, 2019 alleging breach of non-compete and failure to pay amounts due and owing to Liberty. Liberty's preliminary injunction motion against further violations of franchise agreement and post-termination obligations heard on May 4, 2022 and taken under advisement. Default entered subsequently. The Court has not yet set a hearing on Liberty's motion for entry of final default judgment.

JTH Tax LLC d/b/a Liberty Tax Service v. Luz Reyes, et al., 3:22-00394, U.S. District Court for the Western District of Texas. Complaint alleging breach of non-compete filed on October 31, 2022. Defendants filed their Answer to the Complaint on January 30, 2023. ~~Discovery is ongoing. Trial is set for September 30,~~ Defendants filed for bankruptcy in July 2024, and their bankruptcy was discharged in October 2024.

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Julianne Richardson*, 1:23-cv-00082, U.S. District Court for the Northern District of Indiana. Complaint alleging breach of non-compete and motion for preliminary injunction filed on February 20, 2023. Liberty agreed to dismiss its claims in exchange for a settlement payment to Liberty and a stipulated injunction preventing Defendants from offering tax preparation services within 25 miles of the Liberty territory at issue through January 2026. The matter was dismissed in September 2023.—~~

JTH Tax LLC d/b/a Liberty Tax Service v. Esmerelda Roldan, Lola Julius and Nwachuku Agwu, 4:23-cv-04302, U.S. District Court for the Southern District of Texas (Houston). Complaint filed on July 17, 2023 alleging breach of non-compete (against former franchisee Lola Julius), misappropriation of trade secrets and trademarks and tortious interference with Liberty's contracts with its former franchisee (against former franchisee's former employee). In November 2023, Defendants moved to dismiss the Complaint and transfer the matter to the Eastern District of Virginia. Defendants' motions to dismiss and transfer were denied in December 2023. Liberty moved for entry of default against Defendant Roldan on March 19, 2024. [Roldan filed an Answer shortly after Liberty moved for default judgment. Discovery is ongoing.](#)

JTH Tax LLC d/b/a Liberty Tax Service v. Abdou Samb, Samb LLC Services d/b/a Samb Financial 3:24-cv-00102, U.S. District Court, Southern District of Ohio. Complaint filed on April 4, 2024 alleging claims for breach of non-compete, Lanham Act violations, and misappropriation of trade secrets. The Court granted a Temporary Restraining Order against the Defendants on April 10, 2024. Preliminary injunction prohibiting Defendants from violating the non-compete entered April 19, 2024. Liberty filed a motion for contempt sanctions on April 19, 2024. [The Court granted Defendants an extension of time to file a response to the motion for contempt until May 10, 2024., , and a hearing was held on September 24, 2024. The motion is pending awaiting the Court's decision.](#)

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Josue Sanchez, et al.*, 1:22-cv-06160, U.S. District Court for the Southern District of New York. Complaint filed on July 10, 2022 alleging breach of non-compete and misappropriation of trade secrets. In October 2022, Defendants Sanchez and Red Hills. On October 25, 2022, the Clerk issued default against Defendants Sanchez and Don Varghese. In January 2023, Liberty agreed to dismiss its claims against Defendants Merrick Henry and Red Hills in exchange for a settlement payment to Liberty. In February 2023, the Court entered judgment against Varghese in the amount of \$608,444.87. Liberty agreed to dismiss its claims against Sanchez in exchange for a stipulated injunction forbidding Sanchez to operate a tax preparation business within 25 miles of his former Liberty franchise territory through November 30, 2024. The matter was dismissed in December 2023.—~~

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Linda Sanchez-Roman*, 8:22-cv-02712, U.S. District Court for the Middle District of Florida, Tampa. Complaint alleging breach of non-compete filed on November 28, 2022. Liberty agreed to dismiss its claims in exchange for a settlement payment to Liberty and a stipulated injunction preventing Defendants from offering tax preparation services within 25 miles of the Liberty territory at issue through October 2024. The matter was dismissed in October 2023~~

JTH Tax LLC d/b/a Liberty Tax Service v. Serbus, 4:21-cv-00022. Complaint filed on March 5, 2021 alleging breach of non-compete and misappropriation of trade secrets. Liberty filed a motion for preliminary injunction against further breaches of non-compete and misappropriation of trade secrets on March 12, 2021. Before Liberty's motion could be heard, Defendants agreed to stipulate to a consent injunction against further violations of the franchise agreement at issue and misappropriation of trade secrets. In May 2021, Defendants asserted Counterclaims against Liberty. Liberty moved to dismiss Defendants' Counterclaims in June 2021. The Court granted Liberty's motion to dismiss in part in July 2021. Liberty moved for summary judgment in March 2023. The matter ~~is~~was stayed pending the resolution of Bankruptcy proceedings in Canada by Nextpoint Financial Inc. and the related Chapter 15 Bankruptcy filings by Nextpoint Financial Inc., in its capacity as the duly-appointed foreign representative of JTH Tax LLC and other subsidiaries of Nextpoint in the Bankruptcy Court for the District of Delaware. The bankruptcy stay was lifted in January 2025. Defendants are in the process of filing an amended Answer which will remove their now-dropped counterclaims against Liberty. The parties will file motions for summary judgment in May 2025.

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Fayaaz Zahid, et al.*, 2:23-cv-10360, U.S. District Court for the Eastern District of Michigan. Complaint alleging violation of non-compete and motion for temporary restraining order and preliminary injunction filed on February 10, 2023. Liberty agreed to dismiss its claims in exchange for a settlement payment to Liberty and a stipulated injunction preventing defendants from offering tax preparation services within 25 miles of the Liberty territory at issue through November 2024. This matter was dismissed in September 2023.~~

~~*Litigation Lawsuits to Collect Royalty Payments and Past Due Debt During the Prior Fiscal Franchisee Debts Last Year :*~~

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Aquarius T. Johnson*, CL23-3661, Circuit Court for the City of Virginia Beach. This matter was filed on July 24, 2023. Liberty obtained a judgement in the amount of \$41,764.42, plus \$154 in costs, \$1,720.70 in attorneys' fees, and 6% interest on \$22,000 and 12% interest on \$19,764.42, on November 3, 2023.~~

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Chellise Gloria Porter*, GV23-16372, General District Court for the City of Virginia Beach. This matter was filed on June 21, 2023. Liberty obtained a judgment in the amount of \$17,998.37, plus \$80 in costs, \$2,500 in attorneys' fees, and 12% interest, on July 18, 2023.~~

JTH Tax LLC d/b/a Liberty Tax Service v. Giselle Robinson, CL23-4959, Circuit Court for the City of Virginia Beach. This matter was filed on October 23, 2023. It remains pending. Default judgment was entered against the Defendant on October 4, 2024.

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Ashley Gentle*, CL23-3845, Circuit Court for the City of Virginia Beach. This matter was filed on August 2, 2023.~~

JTH Tax LLC d/b/a Liberty Tax Service v. Harlon U. McCallister, CL23-4431, Circuit Court of the City of Virginia Beach. Complaint seeking unpaid royalties and outstanding accounts receivables filed on September 6, 2023. Liberty obtained a judgment in the amount of \$90,754.74, plus \$324 in costs, CL23-4959\$1,602 in attorneys' fees, and 12% interest on \$68,754.74 and 6% interest on \$22,000, on December 21, 2023.

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Sandra Deveaux-Coleman*, CL23-4430, Circuit Court of the City of Virginia Beach. Complaint seeking unpaid royalties and outstanding accounts receivables filed on September 6, 2023. Liberty obtained a judgment in the amount of \$34,455.78, plus \$154 in costs, \$1,350 in attorneys' fees, and 12% interest, on December 21, 2023.~~

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Katie E. Panther*, CL23-5494, Circuit Court of the City of Virginia Beach. Complaint seeking unpaid royalties and outstanding accounts receivables filed on November 3, 2023. The parties reached a settlement in February 2023.~~

JTH Tax LLC d/b/a Liberty Tax Service v. Patrick C. Perez, CL23-5495, Circuit Court of the City of Virginia Beach. Complaint seeking unpaid royalties and outstanding accounts receivables filed on November 3, 2023. The parties reached a settlement and the matter was dismissed on March 7, 2024.

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Greta Rene Maone and Adonai Professional Services, Inc.*, GV23-16373, General District Court for the City of Virginia Beach. Liberty was unable to obtain service on the defendants and the matter was dismissed on November 14, 2023.~~

Concluded Litigation Lawsuits That Are Finished:

Rene Labrado v. JTH Tax, Inc., BC 715076, Superior Court of California (LA). Putative class action complaint filed July 3, 2018 by a former employee alleging that we violated the California Labor Code by failing to pay overtime, meal period premiums, rest premiums and minimum wages; that we did not timely pay final wages and wages; that wage statements were non-compliant; that we failed to keep records; and that we failed to reimburse business expenses in violation of California Business and Profession Code Section 17200. On May 24, 2021, the parties agreed to settle this matter in principle for \$1.2 million inclusive of fees and costs, plus a \$10,000 individual payment to Labrado and a \$75,00 payment to Pugh, plus broad and customary releases. On March 13, 2023, the Court granted preliminary approval of the settlement and set a hearing date for final approval of settlement for July 11, 2023, which was adjourned to September 8, 2023 and stayed based on bankruptcy filing. On December 11, 2023, the Bankruptcy Court entered an Order (I) Recognizing and Enforcing the CCAA Vesting Order, (II) Approving the Sale of Substantially All of the Debtors' Interests Free and Clear of Liens, Claims, and Encumbrances, and (III) Granting Related Relief. Pursuant to that Order, all liability of the Liberty entities, including unsecured litigation claims, was vested into two residual companies under Canadian law. On January 26, 2024, the Canadian Court issued a wind down order, which was recognized by the Bankruptcy Court on February 15, 2024. This alleged liability was not assumed via the bankruptcy sales process. The Superior Court of California approved the class settlement on December 19, 2024 and dismissed the complaint on the same day. By joint stipulation so order by the Court dated December 19, 2024, the Parties, they agreed that based on the CCAA Proceeding the previous preliminary approval order dated March 13, 2023 is vacated; the condition certification of the class is vacated; and the matter is dismissed. In addition, the settlement administrator shall notify the putative class members by way of posting of a notice online, regarding the preliminary approval order and conditional certification being vacated, that Defendant filed bankruptcy, that the case was dismissed.

Gorilla Tax Services, Inc., et al. v. JTH Tax, LLC, d/b/a Liberty Tax Service et al. (Case No. 01-21-0017-9382). On November 2, 2021, Claimant initiated an arbitration before the American Arbitration Association alleging breach of an area developer agreement for failure to renew and violation of the Illinois Franchise Disclosure Act ("IFDA") and Wisconsin Franchise Disclosure Act ("WFDA"). Liberty denies the claims in full. On Liberty's motion to dismiss, the IFDA and WFDA claims were dismissed. The matter is stayed pending the resolution of Bankruptcy proceedings in Canada by Nextpoint Financial Inc. and the related Chapter 15 Bankruptcy filings by Nextpoint Financial Inc., in its capacity as the duly-appointed foreign representative of JTH Tax LLC and other subsidiaries of Nextpoint in the Bankruptcy Court for the District of Delaware. This matter was voluntarily dismissed on March 12, 2024. .

First Bank v. JTH Tax LLC, (Case No. 1:22-cv-07303) U.S. District Court for the Eastern District of New York (Brooklyn). Plaintiff filed a replevin action against Liberty in connection with one of Liberty's

former franchisee's failure to make payments on a certain commercial loan she secured for the purpose of operating her former Liberty franchise. Plaintiff asserts that tax preparation fees charged by Liberty's former franchisee are collateral to which Plaintiff is entitled under the terms of the loan between Plaintiff and Liberty's former franchisee. Liberty moved to dismiss the Complaint in April 2023. Before Liberty's motion to dismiss was heard, the matter was stayed pending the resolution of Bankruptcy proceedings in Canada by Nextpoint Financial Inc. and the related Chapter 15 Bankruptcy filings by Nextpoint Financial Inc., in its capacity as the duly-appointed foreign representative of JTH Tax LLC and other subsidiaries of Nextpoint in the Bankruptcy Court for the District of Delaware. This matter was voluntarily dismissed on November 27, 2024.

~~Mufeed Haddad Road King Development, Inc., et al. v. JTH Tax LLC d/b/a Liberty Tax Service (Case No. CL21000441-00) and Franchise Group, Inc., 2:21-cv-00055-RAJ-LRL, U.S. District Court for the City Eastern District of Virginia Beach. Plaintiffs. Defendants filed a Complaint in February 2021 (amended twice in January 2022 and September 2022 following Liberty's successful motions to dismiss), alleging wrongful termination of several on January 28, 2021 alleging breach of Defendant's area developer agreements, breach of the covenant of good faith and fair dealing, and . Liberty successfully moved for summary judgment on Plaintiff's claims for failure to pay royalties. Court granted Liberty's motions to dismiss certain breach of contract and breach of implied covenant of good faith and fair dealing claims. Claims related to alleged breaches of certain franchise agreements, which were not dismissed, are and wrongful termination as to Plaintiff ZeeDee. The Court granted summary judgment in Plaintiff's favor on its claim for wrongful termination as to Road King. The matter is stayed pending the resolution of Bankruptcy proceedings in Canada by Nextpoint Financial Inc. and the related Chapter 15 Bankruptcy filings by Nextpoint Financial Inc., in its capacity as the duly-appointed foreign representative of JTH Tax LLC and other subsidiaries of Nextpoint in the Bankruptcy Court for the District of Delaware. Mufeed and the other parties to the Virginia state court litigation (collectively the "ADs") filed an objection on October 31, 2023 (the "US AD Objection") to NextPoint's Recognition Motion (the "Chapter 15 Proceedings") in the United States Bankruptcy Court for the District of Delaware. Thereafter, the ADs filed a Notice of Application in the CCAA Proceedings objecting to the disclaimer of certain area developer contracts (the "Disclaimer Application") in the CCAA proceeding in Canada and in November 23, 2023 the ADs filed a Notice of Application for Leave to Appeal, and a Notice of Appeal in British Columbia Court of Appeal having Court File No. CA49489 (the "Appeal") seeking leave to appeal the Reverse Vesting Order granted on October 31, 2023 in the NextPoint CCAA proceedings. The matter was settled on November 28, 2023. The matter was settled on November 28, 2023 with the lenders to our former predecessor Nextpoint Financial Inc. paying a lump sum of \$1,200,000. We did not contribute to the settlement. This matter was dismissed with prejudice on December 27, 2024.~~

JTH Tax LLC d/b/a Liberty Tax Service v. Alexia Agnant, et al ., 1:22-cv-02385, U.S. District Court for the Eastern District of New York. Complaint alleging breach of non-compete filed April 26, 2022. Defendant Alexis Agnant filed counterclaims for violation of N.Y. GBL § 680, fraud and unjust enrichment. This matter was dismissed on February 28, 2025.

~~Convergent Mobile, Inc. v. JTH Tax, Inc. (N.D. Cal., 4:19-cv-06484) was a vendor, U.S. District Court for the Northern District of California. Lawsuit alleging wrongful termination of a vendor agreement and claiming millions in damages. Judgment in the amount of \$702,077, inclusive of prejudgment interest, was awarded in favor of Convergent (\$601,200.00 plus prejudgment interest in the amount of \$100,877.00) in July 2021. Convergent's motion for retrial was denied.~~

District of Columbia v. JTH Tax, LLC, 2022 CA 004285, Superior Court of the District of Columbia. The DC Attorney General ("AG") filed a complaint against JTH Tax, LLC on September 21, 2022 asserting an alleged violation of the DC Consumer Protection Procedures Act. The AG alleges that Liberty's

Cash-In-A-Flash promotion was deceptive and misleading as franchisees in the District allegedly increased their prices to offset the cost of the Cash-In-A-Flash promotion. The complaint seeks an unspecified money damages and injunctive relief. We dispute all the allegations of wrongdoing in the Complaint and intend to vigorously defend ourselves in this matter.

On October 17, 2022 JTH Tax removed the case to federal court of the District of Columbia and on October 24, 2022 filed a motion to dismiss, but the matter was remanded back to the Superior Court of the District of Columbia, and Liberty's motion to dismiss was stayed.. On January 9, 2024, Liberty Tax entered into a settlement agreement with the AG, wherein we agreed to: pay \$550,000 for customers who participated in the cash-in-a-flash promotion between tax years 2014-2021; stop using the Cash-in-a-Flash promotion nationwide; and not create any similar incentive type program; provide the AG certain marketing data and information concerning incentive type marketing for five years; and pay \$200,000.

~~*JTH Tax LLC d/b/a Liberty Tax Service v. John T. Hewitt, et al.*, 2:21-cv-00076, U.S. District Court for the Eastern District of Virginia. Complaint alleging violations of the Lanham Act, tortious interference with Liberty's franchise agreement, tortious interference with a purchase and sale agreement between Liberty and a former franchisee, breach of employment agreement, unfair competition and violation of the Defend Trade Secrets Act of 2016 filed on February 4, 2021 and amended on March 16, 2021. Liberty also filed a motion for temporary restraining order and preliminary injunction against continued violations of statute, common law and contract on March 16, 2021. On March 30, 2021, Defendants agreed to stipulate to certain injunctive relief requested in Liberty's injunction motion. Defendants answered the Complaint on May 11, 2021. The parties reached a settlement and the matter was dismissed on January 14, 2022.~~

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Stephen A. Gilbert, et al.*, 8:22-cv-00625, U.S. District Court for the Middle District of Florida. Complaint alleging breach of non-compete filed on March 17, 2022 and amended on March 22, 2022. Motion for temporary restraining order and preliminary injunction against continued violations of post-termination obligations under relevant franchise agreement filed on March 18, 2022. Defendants answered the Complaint and filed a Counterclaim for breach of the relevant franchise agreement, fraud related to a retail lease surrender and to certain terms in the franchise agreement and violation of the Florida Franchise Act on June 1, 2022. Liberty's injunction motion was granted on August 4, 2022. In response to Liberty's motion, the Court struck Defendants' amended complaint on November 7, 2022. In January 2023, Defendant Gilbert filed for bankruptcy, and the matter was automatically stayed in January 2023.~~

~~*JTH Tax LLC d/b/a Liberty Tax Service v. Martha O'Gorman*, CL18-5048 Circuit Court for the City of Virginia Beach. Liberty filed the complaint against the defendant on October 26, 2018 claiming that defendant breached multiple promissory notes. Defendant filed an answer to the complaint on December 19, 2018. Defendant filed a motion to compel on April 16, 2019. Liberty filed an opposition to defendant's motion to compel on July 24, 2019. Defendant filed a motion for rule to show cause on February 10, 2020. On June 1, 2020, the Court entered a scheduling order. The Defendant filed a motion to compel third set of interrogatories on September 28, 2020. Liberty filed an opposition to Defendant's motion to compel third set of interrogatories on October 22, 2020. On December 28, 2021, Defendant O'Gorman agreed to transfer 4,760 shares of Common Stock of FGI to us in exchange for a release of claims brought against O'Gorman in the Circuit Court of Virginia Beach, and ultimately transferred the shares on March 21, 2022.~~

~~*JTH Tax, LLC d/b/a Liberty Tax Service v. Natalie Grabowski et al.*, 1:2019-cv-08123 U.S. District Court for the Northern District of Illinois. Filed on December 12, 2019. Defendant filed for chapter 7 bankruptcy protection on March 12, 2020. Defendants filed and answer and counter-claims on May 12,~~

~~2020. Liberty received an order from the Bankruptcy Court allowing claims for injunctive relief on May 21, 2020. On June 2, 2020 Liberty filed a motion to dismiss the defendant's counterclaims. Liberty filed an amended complaint on July 21, 2020. Defendants filed an answer to the amended complaint on July 29, 2020. On October 13, 2020 Liberty filed a motion for default judgment against Natalie Grabowski and Supernat, LLC d/b/a Liberty Tax Franchise. On October 22, 2020, the Court granted in part and denied in part Liberty's motion to dismiss the defendant's counterclaim. Liberty filed an answer to the counterclaim on November 5, 2020. On December 29, 2020, the Court granted Liberty's motion for summary judgment. On February 17, 2021 Liberty filed an amended motion for summary judgement on the defendant's amended counterclaim. On March 14, 2022, the Court entered a Stipulation of Settlement reflecting a mutual walkaway and mutual releases, and the matter was dismissed.~~

~~*Piteairn Franchise Development LLC v. JTH Tax, Inc., d/b/a Liberty Tax Service*, filed with the America Arbitration Association on December 12, 2017, File No. 01-17-0007-4284. Plaintiff filed a petition for arbitration related to whether he had the right to renew his area developer agreement on the same terms of the prior agreement. Additionally, he sought a preliminary status quo injunction pending the determination of the parties' rights under an area developer agreement. By Order dated January 19, 2018, the Arbitrator granted a status quo injunction pending the outcome of the arbitration. On January 28, 2021, an Arbitrator for the American Arbitration Association ruled in a final, binding arbitration decision in favor of Liberty Tax and against Piteairn Franchise Development, LLC, allowing Liberty to terminate Piteairn's 2007 Area Developer Agreement effective immediately.~~

~~The Arbitrator ruled that Piteairn failed to comply with four requirements necessary for him to be able to enter into any AD Agreement with Liberty. First, Piteairn failed to provide at least 180 days written notice of his intent to renew his agreement. Second, Piteairn failed to execute a general release in favor of Liberty prior to attempting to enter into any new AD Agreement. Third, Piteain failed to abide by the 2007 AD Agreement by insisting that he be able to renew on identical terms to the 2007 Agreement. The Arbitrator found that the AD Agreement only allowed AD's to enter into Liberty's "then current" agreement, which is "a new agreement with Liberty for the provision of services to Liberty similar to those in the 2007 AD Agreement." Fourth, the Arbitrator found that because Piteairn failed to comply with the AD Agreement's minimum development requirements, he was not allowed to renew.~~

~~Piteairn also claimed that ADs were entitled to a cut of fees for monies Liberty makes from "ancillary services," or non tax preparation services provided at franchise locations. The Arbitrator also rejected this claim, ruling in favor of Liberty, and finding that the AD Agreements do not provide for payment of fees to ADs for anything other than royalties on tax preparation services. Liberty then filed a motion in Federal Court for the Eastern District of Virginia to confirm the arbitration decision, which the court confirmed the decision in whole on July 27, 2021.~~

~~*JTH Tax, Inc. and SiempreTax LLC v. Gregory Aime, Aime Consulting, LLC, Aime Consulting, Inc. and Wolf Ventures, Inc.*, We and SiempreTax+ LLC filed suit in the United States District Court for the Eastern District of Virginia against the defendants, former franchisees, on June 9, 2016, as amended on June 22, 2016, claiming the defendants breached the purchase and sale agreement (the "PSA") entered between the parties on January 21, 2016 and that the defendants had failed to comply with the post termination obligations of the franchise agreements (together with the PSA, the "Aime Agreements"). We and SiempreTax+ LLC sought damages in an amount equal to three times the defendants' earnings and profits, as well as injunctive relief to enforce the defendants to comply with the post termination obligations of the Aime Agreements, to be determined by the trier of fact. We and SiempreTax+ LLC specifically sought, in part, to enjoin the defendants from continued operation of a tax preparation business using our and SiempreTax+ LLC's protected trademarks, enforcement of the non-compete provision of the Aime Agreements, and an order that the defendants assign all of the leases related to the franchised businesses to us and SiempreTax+ LLC On July 1, 2016, the Magistrate Judge issued a report and recommendation finding a likelihood of success on the merits and recommending entry of the~~

2020. The United States Court of Appeals for the Second Circuit affirmed the U.S. District Court for the Eastern District of New York's order on October 21, 2020.

United States of America v. Franchise Group Intermediate L 1, LLC, d/b/a Liberty Tax Service, (Case No. 2:19-cv-653) filed on or about December 3, 2019 in the United States District Court for the Eastern District of Virginia. The Department of Justice ("DOJ") alleges that JTH Tax failed to maintain adequate controls over tax returns prepared by its franchisees, and failed to take steps to prevent the filing of potentially false or fraudulent returns prepared by its franchises, despite having the capability to do so and despite notice of fraud at some of its franchisee stores. Also, on December 3, 2019, the DOJ and FGI L1 filed a joint motion asking the court to approve a proposed order setting forth certain enhancements to the Liberty Tax Service compliance program, and requiring FGI L1 to retain an independent monitor to oversee the implementation of the required enhancements to the compliance program. The monitor will work with the Liberty Tax Service compliance team and may make recommendations for further refinements to improve the tax compliance program in the United States. As part of the proposed order, FGI L1 also agreed that it would not rehire or otherwise engage FGI's former chairman, John T. Hewitt, under whose supervision the conduct at issue occurred. FGI further agreed not to grant Mr. Hewitt any options or other rights to acquire equity in FGI, or to nominate him to the Company's board of directors. On December 20, 2019, the Court granted the joint motion and the motion to seal, which fully resolved the legal proceeding initiated by DOJ.

In addition, FGI and JTH, entered into a closing agreement resolving the previously disclosed investigation by the IRS with respect to the tax return preparation activities of the FGI's franchise operations and company-owned stores in the United States. Pursuant to that agreement, FGI and JTH, agreed to make a compliance payment to the IRS in the amount of USD\$3 million, to be paid in installments over four years, starting with an upfront payment of USD\$1 million, followed by a USD \$500,000 payment on each anniversary thereof.

On January 9, 2023, Liberty Tax and the DOJ agreed to a stipulation to the Order, dated December 3, 2019, for Liberty Tax to provide a supplemental report to the Final Annual Monitorship Report. Specifically, Liberty Tax will submit tax filing and compliance information for the 2023 season (i.e., from January 1, 2023, through April 18, 2023) to an external auditor agreed upon by both parties. Further, Liberty Tax agreed to expand the scope of its compliance monitoring systems designed to detect and deter fraudulent federal tax returns filed with Schedule C forms reporting the profit or loss from sole proprietorship businesses. The terms of this stipulation are only applicable to the 2023 tax filing season.

JTH Tax, Inc. d/b/a Liberty Tax Service, et al. v. Freedom Tax, Inc., et al., 3:19-cv-85-RGJU.S. District Court for the Western District of Kentucky. On February 1, 2019, we filed a complaint against Freedom Tax and Adisa Selimovic alleging federal trademark infringement, false designation and misrepresentation of origin, Federal trademark dilution, and misappropriation of trade secrets, tortious interference, unjust enrichment, and unfair competition. ~~This matter is related to the Warren matter, supra, and the Defendants are represented by the same counsel. Defendants purchased the franchise locations from Warren, which they are using to operate tax preparation services and using Liberty Marks.~~ Selimovic asserted counterclaims against JTH Tax for alleged tortious interference with contractual relations as it relates to Freedom Tax's contract with Republic Bank for offering tax time financial products. JTH Tax denies the allegations and filed a motion moved to dismiss, ~~which is pending before the Court.~~ Selimovic also asserted third-party complaint against Republic Bank ~~in the action~~ based upon alleged breach of contract, which Republic Bank also filed a motion moved to dismiss. This matter was settled in November 2019 with Liberty purchasing all ~~the~~ locations from Selimovic and Selimovic agreeing to help in the transition of the business via an independent contractor agreement ~~which expires at the end of tax season for tax year 2019.~~

settled on November 5, 2018 with Liberty paying \$7,500 in total to the plaintiffs in exchange for a release, and the Appeal has been withdrawn.

~~*K&A Publicidad, Inc. v. JTH Tax, Inc., d/b/a Liberty Tax Service, Liberty Tax, Inc. d/b/a Siempre Tax and John Hewitt*, Case No CL17-4169, filed in the Virginia Beach Circuit Court on September 5, 2017. Plaintiff is a company owned and controlled by Kirke Franz Szawronski. Plaintiff alleges that it entered into a contract with Liberty to provide promotional and strategic relationship services to help grow the SiempreTax brand. Plaintiff alleges that defendants breached the contract for failure to pay for services and seeks damages. Liberty filed a motion to dismiss this claim, but before being heard this matter (and two other matters involving Szawronski) settled on November 19, 2018 with Liberty agreeing to pay plaintiff \$50,000 in exchange for a release.~~

Broward Psychology P. A. v. JTH Tax, Inc., Case No. 18 CV 60412, filed on February 26, 2018 in the United States District Court for the Southern District of Florida. Plaintiff filed this class action against us and alleges that a single unsolicited fax was sent to his business offering tax preparation services in violation of the TCPA Junk Fax statute. This fax was allegedly sent by a former franchisee in 2014. Plaintiff seeks statutory damages, attorneys' fees, and an injunction. By Order dated August 21, 2018, the Court denied our motion to dismiss. A mediation was held on September 20, 2018 and the case was settled.

~~*JTH Tax, Inc. v. Tiffany Williams*, Case No. 2:18-cv-26 filed on January 17, 2018 in the United States District Court for the Eastern District of Virginia. On January 17, 2018, JTH Tax filed a complaint against Defendants alleging breach of 28 franchise agreements, among other allegations. On January 18, 2018, JTH Tax filed a motion for a temporary injunction for Defendants' violations of post termination obligations in their franchise agreements with JTH Tax. JTH Tax filed an amended complaint asserting additional claims against defendant Maurice Williams. Defendant Tiffany Williams has filed an amended counterclaim against JTH Tax and Defendant Maurice Williams has filed a motion to dismiss. JTH Tax has filed a motion to dismiss the counterclaim of Tiffany Williams and an opposition to Maurice Williams motion to dismiss. The court granted JTH Tax's motion for a temporary injunction, in part, against Maurice Williams and also granted, in part, Defendant Maurice Williams' motion to dismiss. JTH Tax requested a temporary injunction against Tiffany Williams is pending before the Court along with the motion to dismiss her counterclaims. A mediation was held on August 21, 2018 and the case was settled.~~

Kirke Franz Szawronski and Ana Szawronski v. JTH Tax, Inc., d/b/a Liberty Tax Service, Case No CL17-4515, filed in the Virginia Beach Circuit Court on September 21, 2017. Plaintiffs allege that Liberty breached the purchase and sale agreement related to the acquisition of the plaintiffs' business by improperly calculating his remaining payments owed. They bring claims for breach of contract, actual fraud and constructive fraud. They seek compensatory and punitive damages, plus attorney's fees and costs. Motions to dismiss, craving over and to consolidate this case with the two related cases listed below were filed in October 2017. Liberty filed a motion to dismiss this claim, but before being heard this matter (and two other matters involving Szawronski) settled on November 19, 2018 with Liberty agreeing to pay plaintiff \$50,000 in exchange for a release.

Kirke Franz Szawronski v. JTH Tax, Inc., d/b/a Liberty Tax Service, Liberty Tax, Inc., d/b/a Siempre Tax and John Hewitt, Case No CL17-4170, filed in the Virginia Beach Circuit Court on September 5, 2017. Plaintiff is a former employee and has filed a lawsuit claiming that we breached our employment agreement with Plaintiff by failing to pay 6-months' severance. Plaintiff also asserts a claim for defamation. We have filed a motion to dismiss. Liberty filed a motion to dismiss this claim, but before

any other relief the Court finds just and proper. The parties reached a settlement for \$3 million dollars on April 15, 2015 and the Court entered the Final Settlement Order on September 24, 2015.

~~*John Reilly v. JTH Tax, Inc. and Liberty Tax Service, Taunton*, (Case No. BRCV 2013 630) filed on July 5, 2013, in the State of Massachusetts, Bristol Superior Court. The plaintiff claimed breach of contract, negligence, and unfair trade practices due to alleged errors on his tax return. The matter was dismissed for a lack of amount in controversy without prejudice. The plaintiff re-filed the Complaint on March 18, 2014, in the Trial Court of the Commonwealth, Taunton Division (Case No. 14 13CV44). Liberty settled the matter in October 2014 by agreeing to pay the plaintiff \$7,500 and the plaintiff dismissed the matter with prejudice.~~

~~*Christopher Savoia d/b/a Liberty Tax Service 4324 and Savoia Enterprises, Inc. d/b/a Liberty Tax Service 4324 v. Wal Mart Stores, Inc. d/b/a Wal Mart and/or Wal Mart Supercenter and/or Wal Mart Store #5795, JTH Tax, Inc. d/b/a Liberty Tax Service and DAT, LLC*, (Case No. 2014 00746) filed January 30, 2014, in the Pennsylvania Court of Common Pleas, Chester County. The plaintiffs, a Liberty franchisee, alleged that we breached the franchise agreement and the implied duty of good faith and fair dealing by entering into an agreement with Wal Mart to operate a kiosk in the Oxford, Pennsylvania Wal Mart Supercenter (“Supercenter”) located in the plaintiffs’ territory without first providing the plaintiffs with reasonable notice or opportunity to operate in the Supercenter. The plaintiffs further alleged that we violated certain FTC rules and Pennsylvania laws. Additionally, plaintiffs alleged that Wal Mart and our area developer, DAT, LLC, tortiously interfered with the franchise agreement by seeking to place and run a company owned kiosk in the Supercenter. Plaintiffs obtained an ex parte Special Injunction Order on January 30, 2014, enjoining us from operating in the Supercenter and sought a preliminary injunctive order. On February 18, 2014, the Court of Common Pleas dissolved the Special Injunction Order and denied plaintiff’s request for a preliminary injunction. On March 13, 2014, plaintiffs filed an amended complaint adding a count for declaratory relief. On June 2, 2014, Savoia filed a second amended complaint. The second amended complaint alleged additional facts regarding communications between Liberty and Wal Mart and counts for civil conspiracy and tortious interference with business relations. We filed preliminary objections to the second amended complaint on June 22, 2014. The Court sustained those preliminary objections on August 29, 2014, and dismissed the case against us for improper venue. On August 22, 2014, the Court also dismissed the case against DAT, LLC.~~

~~*EQYInvest Owner I, Ltd. LLP, v. Coral Insurance Group, Inc. and Ambreen Ali v. JTX Tax, Inc. d/b/a Liberty Tax Service, Elizabeth Oeando and Hudson Peters Commercial*, (Case No. DC 13 05396) filed April 17, 2014, in the District Court for Dallas County, Texas. The plaintiff, a Liberty franchisee, alleged breach of contract, negligence, and gross negligence against us based on an alleged rescinded approval of a franchised location. The matter was settled by the parties with Liberty agreeing to pay Ali \$14,500 and Ali agreeing to a mutual termination of his franchise. The suit was dismissed on October 28, 2014.~~

The People of the State of California v. JTH Tax, Inc., Employees Plus Inc. and Does 1-150, (Case No. CCGC-07-560770) filed on February 26, 2007, in the Superior Court of California, City and County of San Francisco. The State alleged that in prior tax seasons we marketed loans by blurring the distinction between loans and refunds, giving misleading refund time frames and other deception; targeting earned income credit (“EIC”) clients without telling them they can get their money paid in the advance EIC instead of in refunds or loans; improperly failed to treat the ERC as a loan of tax preparation fees in violation of TILA; used cross collection in violation of state and federal debt collection laws and the California Legal Remedies Act (“CLRA”); used tax return information for debt collection and the sale of bank products without obtaining a separate consent; and facilitated loans without registering as a Credit Services Organization (“CSO”). The State sought civil penalties and restitution of at least \$6,000,000, costs, and a permanent injunction. Trial was held in October 2008.

In June 2009, the Court entered a ruling finding in favor of the State on certain of the advertising claims, on the TILA claim that ERCs are loans and on cross collections being a violation of the FDCPA and CLRA, and held us vicariously liable for certain false franchisee advertising. The Court ruled in our favor on the State’s CSO violation claims that we failed to use proper separate consents, took improper contingency fees in violation of IRS rules, and on certain advertising claims. The Court awarded the State civil penalties of \$1,161,699 and restitution of \$135,886 to customers who had authorized cross collections. The Court further entered a permanent injunction governing Liberty’s advertising practices, supervision of franchisee advertising, offering ERCs without disclosing them as loans, and offering cross-collection without up-front notice to the consumer about their debt. Part of the injunction requires us to turn over to the Attorney General any improper California franchise ads that we discover, and requires the franchisee to pay a \$15,000 fine, and requires us to terminate the franchise agreement upon the third such ad. We filed a notice of appeal in 2009, but on January 17, 2013, the Court of Appeals issued an opinion upholding the trial court’s judgment on all issues. We filed a petition for review with the Supreme Court of California on the TILA issue, but the court declined to take the case for review.

Commonwealth of Virginia ex. rel. State Corporation Commission v. JTH Tax, Inc., (Case No. SEC-2008-00087). We received a letter dated September 17, 2008 from the Virginia State Corporation Commission (“SCC”) which claimed that our previous non-disclosure of Commonwealth of Virginia ex. rel. State Corporation Commission v. JTH Tax, Inc., (Case No. SEC-2008-00024) (“prior matter”) in our Franchise Disclosure Document, which is now disclosed below, constituted a violation of the Virginia Retail Franchising Act (“Act”) and regulations thereunder. We denied that such non-disclosure was a violation of law as the settlement was not of an “action.” The SCC demanded that we admit to the allegations against us, mail a copy of the Commission’s Order in the prior matter to all franchisees, present as well as those who left for any reason within thirty days of the date of the Order settling the prior matter, pay monetary penalties of \$50,000 and agree not to violate the Act in the future. In December 2008, we settled this matter whereby we agreed to pay a \$10,000 penalty, mail a copy of the Settlement Order of the prior matter to all franchisees who purchased a Liberty Tax Service franchise in Virginia between March 5 and September 29, 2008, amend our disclosure document by January 15, 2009 to disclose this settlement, and not violate the Act in the future.

Commonwealth of Virginia ex. rel. State Corporation Commission v. JTH Tax, Inc., (Case No. SEC-2008-00024). Based on an investigation conducted by the Division of Securities and Retail Franchising of the Virginia State Corporation Commission, the Commonwealth alleged that we violated the Virginia Retail Franchise Act (the “Act”) of the Code of Virginia with respect to certain dealings that we had with a former Richmond, Virginia area franchisee. To resolve the matter, we entered into a Settlement Order in March 2008 wherein we agreed to pay \$4,000 costs of investigation and not violate the Act in the future.

Other than the [8251](#) actions above, no other actions are required to be disclosed in this item.

ITEM 4 BANKRUPTCY

In re NextPoint Financial, Inc., et al., United States Bankruptcy Court for the District of Delaware, Case No. 23-10983 (TMH) filed July 26, 2023. On July 26, 2023, our former parent, Canadian-based NextPoint Financial Inc., in its capacity as the duly-appointed foreign representative of us and certain of our US based affiliates, filed a petition for relief under chapter 15 of title 11 of the US Bankruptcy Code (the “US Case”). The US bankruptcy filing was preceded by our former parent filing for debtor relief in Canada from the Supreme Court of British Columbia under the Companies' Creditors Arrangement Act R.S.C. 1985, c. C-36, as amended *In The Matter of A Plan Of Compromise and Arrangement of NextPoint Financial, Inc. and Those Parties Listed On Schedule “A” Petitioners*, Vancouver Registry

No. S-235288 filed July 25, 2023 (the “Canadian Case”). By order made in the Canadian Case on October 31, 2023 (and as recognized by in the US Case on December 11, 2023), the sale of all of our Liberty Tax assets free and clear of all unassumed liabilities was approved, and on January 2, 2024 the sale of our Liberty Tax assets to certain lenders associated with our current parent closed. See Item 1. On January 26, 2024, the Canadian court issued an order setting out the mechanism by which the residual companies and the remaining entities of our former parent will be wound down, either through a bankruptcy in Canada or a wind-down process in the United States. Certain of our current management team, including Scott Terrell CEO, Nick Evans CFO, and William Harvey CLO, ~~and William McPherson, CIO~~ were principal officers of us and/or our former parent when these two bankruptcy cases were filed.

Other than these 2 matters, no bankruptcy is required to be disclosed in this item.

ITEM 5 INITIAL FEES

Initial Franchise Fees for a Single Franchise Agreement:

The initial franchise fee for a single territory Liberty Tax office is \$~~1~~25,000. See Items 1 and Item 12 for descriptions of the size of a standard market territory and a small market territory.

Except as otherwise specified, if you choose to pursue this franchise opportunity, you must submit ~~the full~~ a \$~~150~~150,000 as a deposit after you have held this disclosure document for at least 14 calendar days. If you receive financing, you may be required to attend additional training prior to closing. We will refund to you the initial franchise fee deposit if we do not approve your application or if you do not pass our Initial Owners Training (“IOT”), as defined in Section 11, in accordance with our passing standards provided that you return to us all materials which we distributed to you during training. Except as specifically described above, the initial franchise fee is fully earned and nonrefundable when both you and we execute the franchise agreement between us.

~~We will refund the deposit to you if we do not approve your application or if you do not pass IOT in accordance with our passing standards, provided that you return to us all materials that we distributed to you during IOT.~~

Adjusted Franchise Fee for a Single Franchise Agreement:

In certain instances, the initial franchise fee may be less depending on a variety of factors. For example, we have, on occasion, participated in programs where our franchises were awarded without an initial franchise fee. All additional terms, fees and costs as described herein continue to apply to such programs unless otherwise specified. During our last fiscal year, we sold some franchises for less than \$~~40~~25,000 ~~as part of a larger development plan~~. From time to time we offer existing and/or new franchisees special, limited time incentive programs which may provide for reduced franchise fees or special financing. These special, limited-time incentive programs are subject to change from time to time, and may be offered in connection with third parties that will dictate terms and conditions. These may include adjusted payment programs for existing business owners that wish to operate a Liberty location, adjusted payment terms to a specified number of qualified individuals through programs offered in cooperation with certain organizations and expansion offerings for existing franchisees to purchase an additional territory for a reduced purchase price or for certain financing terms. Additionally, we currently have the following programs which offer reduced initial franchise fees:

Single Franchise Agreement Territories containing existing Liberty Tax offices:

Territories with existing operations (“Developed Territories”) typically cost more. In general, the price is 105% of the prior tax season’s annual Net Fees (Gross Receipts, as defined in the table below, less discounts and sales tax) of the territory. The price may vary, and we base it upon ~~average fee, market share, growth potential~~ a variety of factors, including but not limited to, net revenue, owner involvement, length of time in business, any furniture, fixtures, equipment ~~or~~ and supplies that are transferring with the purchase and other pertinent market conditions. When you purchase a Developed Territory, the Franchise Fee is included in the purchase price and is not a separate fee.

If you purchase an existing office, you must sign both the franchise agreement and a purchase and sale agreement. See Exhibit E, which contains the templates of a purchase and sale agreement for the sale of territories from us (“Liberty Tax Sells”) and for the sale of a territory from an existing franchisee that you or the seller may elect to use (“Franchisee Sells”).

From time to time we offer existing franchisees and employees special limited-time incentive programs to purchase existing company stores for a lower multiple and/or with favorable financing terms. For these programs, the lease generally must be placed in the name of the purchaser at closing.

During the last fiscal year, we sold single franchises ranging from \$0 (related to our existing company store purchase program) to \$40,000.

**ITEM 6
OTHER FEES***

Fee	Amount	Due Date	Remarks
Royalties	<p>14% of Gross Receipts subject to the following minimums:</p> <p>First year- No minimum royalties</p> <p>Second year- minimum \$5,000</p> <p>Third year - minimum \$8,000</p> <p>Fourth and fifth year – minimum \$11,000</p> <p>9% of BPA Gross Receipts subject to no minimums.</p>	<p>Royalties are due on 5th day of month with any balance owed to achieve minimum royalty due May 5th for the twelve months ending April 30th.</p>	<p>The term “Gross Receipts” means all revenue from all <u>tax</u> services and products offered by the franchised business (including, but not limited to, revenue from individual, corporate, estate and partnership tax returns) after approved deductions for customer discounts/refunds, send a friends; provided, however, Gross Receipts does not include revenue from the bookkeeping, payroll and advisory services by the franchised business after deductions for payments made pursuant to a pricing plan (“BPA Gross Receipts”).</p>

Fee	Amount	Due Date	Remarks
			See exclusion from Gross Receipts for pre-existing tax clients.
Advertising	5% of Gross Receipts 2% of BPA Gross Receipts	5th day of month	See definition of "Gross Receipts" above. See definition of "BPA Gross Receipts" above.
Exclusion of Pre-Existing Tax Clients**	\$5 per client	Upon closing of franchise purchase, and thereafter annually	You may pay to us a fee of \$5 per client in your existing tax practice and as a result exclude future tax preparation fees of these clients from Gross Receipts. This \$5 per client fee may be charged as often as annually.
Additional Services- Fee for Bookkeeping, Payroll & Advisory Services offered through Xero, Inc.	\$150 training course fee for each person in the franchised business that enrolls in the training course required by Xero to offer Bookkeeping, Payroll & Advisory Services	On or before the execution of the Stipulation for Bookkeeping, Payroll & Advisory Services	
Interest	12%	After amounts are owed that are more than fifteen days past due	
Transfer Fee (Franchise Agreement)	\$5,000 per territory	Upon transfer of business.	
Commission Fee	10% of the sales price, subject to a minimum of \$5,000	At time of sale of your business.	If you elect to ask our assistance to sell your franchise and we find a buyer, you must pay us this fee per territory sold.
National Call Center	\$.50-Appointments \$1.50-Tax School \$3.75-customer follow up \$5.25-Tax School kit sent	Billed by the 15th of the month for services performed the prior month.	If you elect to have us handle calls through our Call Center, these are the fees per call that we charge.
Customer Refunds, Penalty & Interest, Unpaid Send a Friends	The amount of tax preparation fee, Financial Product fees, misdelivered check amount, penalty and interest, or unpaid Send a Friend or E-Send a Friend.	Upon receipt of invoice.	If you do not resolve a customer complaint, fail to pay penalty and interest on an erroneous return, deliver a check to the wrong customer, or do not pay a Send a Friend or E-Send a

Fee	Amount	Due Date	Remarks
			Friend, we may issue a refund of fees paid by the customer, pay to the customer the penalty and interest, reimburse the customer for the misdelivered check or pay the Send a Friend, and bill you. You agree to pay the charges.
Change to opening schedule in multi-territory stipulation	\$3,500	At time of approval of change.	Although we are under no obligation to do so, we may approve a change to your opening schedule in a multi-territory stipulation upon the payment of this fee.
Sales or Gross Receipts Tax	If required by the state or locality in which your Territory is located, the initial franchise fee, royalties, and advertising fees will be subject to sales or gross receipts tax.	Due at the same time and in the same manner as franchise fees, royalties, and advertising fees to us.	
Transmitter, Electronic Filing, Handling or Software Fee	\$25.00 per Easy Advance for each approved loan. In California, \$39.95 handling fee for each Refund Transfer.	Due when the product is funded by the provider.	We reserve the right to impose a fee charged to you or customers related to Financial Products, electronic filing of tax returns or the provision of software and, if charged to customers, may rebate a portion of the fee to you. We may vary the amount of the fee and may change its name.
Set-Off	The amount you owe us for unbilled royalties or other amounts, which amount for the royalty can be in amount of 14% of Gross Receipts and advertising fee of 5% of Gross Receipts owed to Liberty from the Gross Receipts, plus an additional 25% for liquidated damages for	Collected as incurred through ACH	Our right to Set-Off shall include, but is not limited to, your use of an unauthorized EFIN or software to transmit returns to the IRS outside of the Liberty System to avoid paying royalties and advertising fees on said returns.

Fee	Amount	Due Date	Remarks
			proceeding); and (ii) in the defense of any claim you assert against us on which we substantially prevail in court or other formal legal proceedings.

*Except where otherwise specified, we impose all the fees in Table 6, you pay them to us, and we do not refund them. All fees due to us may be billed directly to your accounts and notes receivable balance with us.

** Preexisting Tax Clients. You may be eligible to grandfather preexisting tax clients (clients you served prior to signing the Franchise Agreement) into the Franchised Business under the terms of a separate stipulation to the Franchise Agreement (Exhibit B-1 to the Franchise Agreement), subject to mutual agreement between Liberty and you and execution of the signed stipulation. Applicable fees for grandfathering preexisting clients shall be as set forth in Item 5. Eligibility for grandfathering will be evaluated by Liberty on a case-by-case basis, based on factors determined at our sole discretion, including but not limited to client compliance with franchise standards and territorial considerations. Not all preexisting clients will qualify, and Liberty's decision regarding eligibility is final and not subject to appeal. You will submit a list of proposed preexisting clients for evaluation, along with any required documentation as specified by Liberty. Grandfathered clients, if approved, must conform to the franchise system's operational and branding standards.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT FOR A SINGLE FRANCHISE

	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee	\$ 125,000 (Note 1)	\$ 125,000 (Note 1)	Check	Upon signing of franchise agreement	Us
Initial Advertising	\$5,000 <u>2,500</u> (Note 2)	\$5,000 (Note 2)	Check/Charge	Before and after opening	Us, Third-party Vendors & Marketers
Travel and Living Expenses While Training	\$1,000 (Note 3)	\$2,500	Check/Charge	Before opening	Third-party Vendors
Equipment & Furniture	\$7,500 (Note 4)	\$15,000	Check/Charge	Before opening	Third-party Vendors
Signs	\$2,500 (Note 4)	\$5,000	Check/Charge	Before opening	Third-party vendors
Rent	\$3,000 (Note 5)	\$6,000	Check	Monthly	Landlord
Payroll	\$5,000 (Note 6)	\$7,000	Check	Bi-weekly	Employees
Insurance	\$200 (Note 7)	\$400	Check	Before opening	Insurance Agent/Company
Additional Funds – 3 months	\$3,000 (Note 8)	\$4,500	Check/Charge	As incurred	Suppliers, Utilities, etc.

	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
TOTAL FOR A SINGLE FRANCHISE AGREEMENT	\$42,200 <u>49,970</u>	\$671,400	(Does not include royalties, advertising fees or interest expense)		

* See Notes following the next chart.

*Notes:

**The initial franchise fee is refundable only upon the conditions described in Item 5 above. Otherwise, none of the expenses described in this chart are refundable. All fees are uniformly imposed unless otherwise noted in the chart or below.

Note 1: The initial franchise fee for a single territory Liberty Tax office is ~~\$125,000~~. Please see Item 5 for more detail of the separate pricing that may apply. We may in limited circumstances finance a portion of the initial franchise fee. The interest rate for all financing is typically 12%, and an origination fee of 1% is generally applicable. Financing must typically be repaid over four to five years through four to five annual payments. See Item 10.

Note 2: You are not required to spend any specific amount of money on any initial advertising for the opening of your Liberty office, but most franchisees will spend about \$5,000 on initial advertising -- there is no requirement and initial advertising is not uniformly imposed. You will also begin paying us 5% of your Gross Receipts for advertising fees once you are open for business.

Note 3: Travel and living expenses will vary significantly depending upon whether you live in the local area and are local to a Liberty office offering Hands on Training (“HOT”), or whether you must drive a distance, fly, rent a car, or incur lodging expenses. The cost of air travel varies considerably based upon time of year, city of origination, how far in advance you purchase your ticket, and other factors. Travel costs associated with HOT and IOT will vary. Low figures are for a local commuter with only meals and minimal travel expenses. We base the high figure upon flying to training, lodging at a mid-grade motel in Dallas, Texas, a compact rental car and \$500 of expenses to attend HOT, though your cost may be less. We also strongly encourage you to come to a one to two-day open house seminar, typically in Dallas but sometimes offered elsewhere, as part of the process through which you and we consider if this franchise is right for you. The travel and lodging costs of any open house seminar are not included in the above figures.

Note 4: Standard office equipment and furniture, such as computers, desks and signs, are necessary to operate the franchised business. We base this estimate on you leasing furniture and purchasing computers for an office with ~~one~~two tax preparers.

Note 5: A typical office is 1,000 to 1,200 square feet. Rent varies depending upon office size, location and market conditions in your area. If you make renovations, repairs or improvements to the property, you will incur additional expense which is not included in the above dollar amounts.

Note 6: Wage rates vary by market areas. In California, Maryland, and Oregon, your payroll will likely be significantly higher due to state laws applicable to tax preparers.

Note 7: The amount for insurance does not include the cost to procure insurance for other services and products outside of tax preparation.

Note 8: Additional funds for the Franchise Agreement are to pay government fees, miscellaneous supplies, utility costs, security deposits, internet access, professional expenses and other items during the time period before you commence operations and the three-month period after you commence operations. We base this estimate upon the experience of our management in the tax industry.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase or lease certain goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the franchised business either from us, from our affiliates, from suppliers approved by us or our affiliates, or under our specifications, as described below.

1. Required Purchases from Us and our Affiliates.

Software. You must use the computer software that we provide or recommend. See Exhibit D-2.

Financial Products. If we negotiate an arrangement with a third-party provider for the provision of Financial Products, you must use this provider to provide Financial Products to your customers. If we enter into arrangements with more than one provider, we select which offices will use each provider. The term “Financial Products” refers to refund-based loan programs and/or a means for customers to obtain a refund using electronic deposit services that Liberty, or a company associated with Liberty, may offer to you. Financial Products include EAs and RTs as explained further below. These products allow a customer to receive a loan or tax refund more quickly through use of electronic filing of a tax return. Typically, Financial Product customers also elect to pay for tax preparation and other fees out of the loan or refund, rather than at the time of tax preparation.

Easy Advance (“EA”). An Easy Advance RAL (which is also known as a Refund Anticipation Loan) is a loan to a tax customer for a portion of their expected tax refund, less fees, which the customer typically receives within one or two days of electronic filing of the tax return. A customer must qualify for an EA under the lender’s underwriting criteria.

Refund Transfer (“RT”). An RT is the customer’s actual tax refund, net of fees, which according to IRS data, the customer typically receives in less than 21 days of electronic filing of the tax return. During the ~~2019, 2020, 2021, 2022~~ and 2023 and 2024 calendar year tax seasons, the IRS did not begin issuing refunds for Earned Income Tax Credit (EITC) and Additional Child Tax Credit (ACTC) related tax returns until February 15th or later.

During calendar year ~~2023~~ 2024 tax season, we had arrangements with JTH Financial to provide Financial Products for our offices. If we provide you the opportunity to offer Financial Products, you must sign a separate agreement with the provider and agree to abide by the provider’s rules. See agreements attached at Exhibit D-1. If your loan default rate is unacceptably high, based upon the levels experienced at the time by other offices and the provider, or if we or the provider determine that your participation in the

Pre-approved materials for the current tax season are available for download through Marketing Central on Liberty Resource Center, through suppliers, and through Fusion, and cannot be altered except by the Liberty Marketing Department. Any marketing and promotional materials other than those Liberty has pre-approved and allowed for download on Marketing Central either through the Liberty Resource Center, our suppliers, and/or Fusion, must be submitted for prior written approval before use to Liberty through the Liberty Resource Center. Any unapproved materials must be submitted for approval via Support Central with the necessary contact and material details. This policy applies to all marketing across various media, including print, digital, outdoor signage, and in-office displays.

~~For most advertising material, such as coupons, brochures, and print ads, we have implemented an ad builder system available on Liberty Resource Center (“Ad Builder”). Under this system, you log in to Liberty Resource Center and select from the AdLib ad builder system the type of product and artwork for the ad, select from available templates, and enter any information that is permitted, such as your office address. Ad Builder automatically sends a proof of the ad to us that we will approve or reject with explanation, normally within two business days. Once the ad is approved, you will be able to download the artwork and send it to the vendor of your choice to produce.~~

We generally negotiate purchase arrangements with outside suppliers so you may purchase pre-approved marketing material, furniture, equipment and supplies that meet our specifications and offer possible volume discounts.

5. Our and Our Affiliate-Provided Products and Services.

We and/or our Affiliates are approved suppliers for certain products, services and supplies you may use in your franchised business:

Financial Products and Electronic Filing. If we provide or recommend a source for Financial Products and/or electronic filing, you must use the recommended source. Our affiliate, JTH Financial, is currently an approved supplier of financial products.

Office Lease. Under certain circumstances, we may offer to you to sublease or assign office space to you, but you are not obligated to lease space from us, our affiliates, or any designated lessor.

Processing and Tax Preparation Computers. You must purchase your processing and tax return preparation computers from our approved vendor.

Software. We, or our designated third party, are the only approved supplier of computer software for tax return preparation, electronic filing and the provision of Financial Products.

Officer Interests. No officers currently own a direct interest in us or any approved supplier.

6. Strategic Alliances.

As noted in Item 1, we have developed a strategic relationship with affiliate Community Tax that provides you the opportunity to refer clients to Community Tax for the provision of tax debt resolution and other tax-related services and receive a referral fee.

In addition to Community Tax we have the following strategic alliance:

On July 2, 2021, Xero, Inc. (“Xero”) and JTH Tax entered into a Xero Business Plan whereby JTH Tax selected Xero as the preferred cloud accounting software for its new small business offering. Xero and JTH Tax entered into a new Xero Business Plan effective December 27, 2023. JTH Tax has integrated

Xero’s cloud accounting software platform to expand its services and launch a service for small business that includes monthly bookkeeping, payroll services and advisory services. Franchisees may participate in the Xero Partner Program to receive discounts or certain prices on Xero’s services and potential access to co-marketing funds. To participate in the Xero alliance, franchisees must sign a Stipulation for Bookkeeping, Payroll & Advisory Services in the form attached as Stipulation B-4 to the Franchise Agreement.

We reserve the right to enter into new strategic alliances with affiliates or unaffiliated vendors in the future, and require you to enter into a Stipulation to your Franchise Agreement to participate in the offerings that may arise for franchisees from such strategic alliances.

7. Revenue Derived from Products, Services

We and/or our Affiliates have contracted with a supplier that provides volume discounts, rebates and/or other cash payments to us based on volume purchases of supplies, products or services used by our affiliated-owned offices and franchised offices. We anticipate that some or all of such discounts, rebates, or other cash payments received by us will be retained by us, but we may also use such payments for advertising purposes. We reserve the right to receive revenue from the sale of other items to you by third parties. We do not offer you any material benefits based on your purchase of particular goods or services or use of particular approved vendors.

During our last fiscal year, we and our affiliates received \$0 from franchisee purchases of training materials, which is 0% of our total revenue of \$~~100,894,000~~88,586,000 during such fiscal year.

We have not arranged any purchasing cooperatives for our franchisees.

We do not provide material benefits to franchisees based on their use of a particular supplier.

8. Percentage of Total Purchases

You must purchase or lease virtually all goods and services necessary to establish and operate your franchised business from us or our designees, from suppliers approved by us, or in accordance with our specifications. We estimate that required purchases and leases from us will be approximately 20% of the total purchases and leases that you will make while establishing and operating your franchised business.

9. Cooperatives

At this time, we do not have any purchasing or distribution cooperatives.

**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.

Franchisee’s Obligations	Section In Franchise Agreement	Item in Disclosure document
a. Site selection and acquisition/lease	5, 6	8
b. Pre-opening purchases/leases	5, 6	8
c. Site development and other pre-opening	5, 6	8, 11

qualified franchisees to finance furniture, fixtures, signs, equipment, and, to highly qualified franchisees, working capital and franchise fees.

We do not guarantee your note, lease or obligation.

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

A. Before Opening.

Initial Owners Training. We provide a minimum ~~43~~ 43-day IOT in-classroom training as well as 12-15 hours of online training that addresses critical aspects of operating an income tax preparation business. Please see the following chart for the course schedule. We expect to hold IOT approximately ~~four to~~ four to seven (~~7~~) times per year during select weeks. We hold trainings in business conference rooms or classrooms, as well as in a local Liberty Tax office. The instructional material consists of our Operations Manual, PowerPoint presentations, a policy & procedures video, vendor handouts, an office visit and marketing exercises. (Franchise Agreement, paragraph 6.a)

You and/or any general manager must attend and successfully complete IOT and HOT, described below, to our satisfaction prior to operating a Liberty office. Family members who may be involved in your Liberty franchise may also attend. It is to your benefit to attend IOT shortly after signing the franchise agreement and you must attend IOT before you open for business. We do not charge for IOT or HOT, but you must pay for any expenses that you incur as a result of attending training, such as travel, lodging and meals. (Franchise Agreement, paragraph 5.a.). All attendees at IOT must sign a confidentiality agreement before classes begin. (Exhibit I.)

Hands On Training. After you have attended IOT, we provide a one-day HOT at select existing franchisee locations throughout the United States. We may also offer HOT online if there are special public circumstances preventing its attendance in-person. HOT covers the steps involved in preparing and processing tax returns, delivering Financial Products, and related office functions. (Franchise Agreement, paragraph 5.a.).

Operations Manual. We offer guidance in the operation of your franchised business in our Operations Manual. We provide you with updates to the Manual electronically. We may amend the Manual at any time to adjust for legal, technical or competitive changes or attempt to improve in the marketplace. You must abide by the terms of our current Manual and all updates thereto. (Franchise Agreement, paragraph 5.b.).

Our standards do not include any personnel policies or procedures that we (at our option) may describe in the Operations Manual or otherwise suggest for your optional use. You will determine to what extent, if any, these policies and procedures might apply to your operations and business. We neither dictate nor control labor or employment matters for franchisees and their employees.

Employees. You will agree in your Franchise Agreement that we are not joint employers of your employees and other personnel. We do not and will not share or codetermine any of your employees' essential terms and conditions of employment. More specifically, in no case do we have any authority to determine or set your employees': (1) wages, benefits, and other compensation; (2) hours of work and scheduling; (3) the assignment of duties to be performed; (4) the supervision of the performance of duties; (5) work rules and directions governing the manner, means, and methods of the performance of

duties and the grounds for discipline; (6) the tenure of employment, including hiring and discharge; and/or (7) working conditions related to the safety and health of employees. You alone have sole authority to determine any or all your employees' essential terms and conditions of employment.

Site Selection. We provide guidance and advice regarding the selection of the location of your office(s). We do not generally own the premises and lease it to you. We require you to select three potential sites and may send a site selector Field Consultant or experienced franchisee to help with this task. We require that you fill out site selection forms and submit them to us through your Field Consultant along with pictures of the proposed location. We will then approve or disapprove of the site. You may not sign a lease until we approve the site for your office. We will consider whether the site location includes visibility, accessibility by car or public transportation, reasonableness of the office size for a tax preparation office and other related factors. We may require the lease to be held in our name at our option. If the lease is held in your name and unless otherwise agreed in writing, you must attempt to include a provision in any lease for an approved location that the lessor consents to an assignment of the lease to us without your consent upon termination of your franchise agreement, or our designee, with the right to sublease at our sole option at no cost. You agree to provide us with a copy of the lease for each approved location within 7 days of execution. We intend to approve or disapprove site selections within 14 days of submission to us. If we do not approve a site selection for you, you cannot open for business and we may terminate your franchise. (Franchise Agreement, paragraphs 5.c. and 8.b.(v)). ~~However, if you return our Manual and any other materials we provided to you, we will refund any fees that you paid to us. We also may elect not to terminate at that time and allow you additional time to find a site that we do approve. (Franchise Agreement, paragraph 12.b.)~~

Software. We provide tax return preparation software capable of preparing federal and state income tax returns for individuals. (Franchise Agreement, paragraph 5.e.). This software includes recommended prices.

Operational Assistance. We give you access to Liberty Resource Center, our proprietary intranet site containing specifications and assistance for our franchisees. There, you will find our current version of the Operations Manual, employment contract templates to use in the hiring of employees, specifications for technical aspects of the operation of the franchise, ~~Ad Builder~~[Marketing Central](#), a list of pre-approved suppliers and the products, supplies and equipment that you can order through pre-approved suppliers with whom we have formed relations, and other information to help you set up and operate your office. (Franchise Agreement, paragraph 5.i.). We do not assist you by providing or installing specific equipment, fixtures, or signs for your franchise office, but we do provide a list of pre-approved suppliers for certain supplies. You must work with the landlord or owner of your franchise office location to identify which exterior fixtures and signs are appropriate for the location. You must display an exterior lighted sign at each of your offices identifying each as a Liberty Tax office. Liberty must approve all such signs before you order or display them. (Franchise Agreement, paragraph 6.c). We will provide various interior posters and materials for advertising which must conform to various state and federal laws concerning marketing.

B. After Opening

Tax and Technical Support. We will provide reasonable telephone and/or internet support for your questions regarding federal and state individual income tax return preparation, electronic filing, and the use of software specified by us. (Franchise Agreement, paragraph 5.f.).

Electronic Filing. We will provide the ability to file electronically individual federal tax returns and certain state tax returns, provided that such method of filing is reasonably available from the respective taxing authority. You must have a valid EFIN and comply with all IRS publications related to EFINs

including, but not limited to, IRS Publication 3112, 1345 and any successor publications, as well as all applicable state laws and regulations related to electronic filing. (Franchise Agreement, paragraphs 5.g. and 6.w.).

Financial Products. If reasonably available and feasible, we will offer Financial Products, as discussed in Item 8.1. above. Your participation in Financial Products, if we offer them, is subject to a mutual agreement being reached between you, us and the provider of the Financial Products. (Franchise Agreement, paragraph 5.h.).

Marketing. You are not required to spend any specific amount of money on any initial advertising for the opening of your Liberty office, but most franchisees will spend about \$5,000 on initial advertising.

Pursuant to your franchise agreement, you will pay us 5% of your ~~Gross Receipts or 2% of your BPA~~ Gross Receipts as advertising/marketing fees, referred to as advertising fees. See Item 6. We will also contribute advertising fees for company stores at a rate we determine in our sole discretion. We disburse advertising fees to develop, produce, distribute and/or conduct advertising programs, marketing programs, public relations, and marketing research. We spend advertising fees on a national, regional or local basis for television, radio, electronic, and print advertising as we determine to be appropriate. We produce advertising in-house and through a local advertising agency. Marketing and advertising programs may include advertising to sell franchises. We are not required to spend any specific amount on advertising in your area or territory.

We pay all our costs of marketing activities with advertising fees including, but not limited to, a share of corporate overhead (including, but not limited to, wages and benefits) related to advertising and marketing. We do not guarantee that you will benefit directly from any advertising or marketing. We make available pre-approved advertising templates that should normally be used. If you wish to use other advertising material, we must first approve it for compliance with our specifications. (Franchise Agreement, paragraph 5.d.).

We do not have the power to require the formation, change, dissolution, or merger of any local or regional advertising cooperatives and you are not required to participate in any regional or local advertising cooperatives that other franchisees may form. We do not have an advertising council comprised of franchisees and cannot require you to join or participate in any advertising council. You are not required to participate in any other advertising funds or activities or spend a specific amount on advertising other than the 5% or 2% advertising fee described above.

For the fiscal year ending December 31, 2023~~4~~, we spent the following amounts on advertising in the United States:

	Dollar Amount	Percent
Media Placement and Other Direct Marketing	\$ 13,002,087 <u>11,087,433</u>	95 <u>94</u> %
Administrative Expenses	\$ 666,275 <u>721,373</u>	5 <u>6</u> %
Total	\$ 13,668,362 <u>11,808,806</u>	100%

For fiscal year ending December 31, 2023~~4~~, we spent ~~1.9~~ 0.7% of our advertising expenses on advertising to sell franchises. Our franchisees may obtain an accounting of advertising expenditures by sending a written request to the attention of our accounting department, but we do not audit our accounting of our advertising expenditures.

Operating Assistance. We provide you access to Liberty Resource Center which contains various resources regarding operation of the franchised business. Additionally, we will provide telephone and email support for you and respond to your questions regarding operational issues. (Franchise Agreement, paragraph 5.i.).

Advanced Training. We will provide and may require your attendance at a one- to four- day advanced training for experienced franchisees. We may hold this training at various sites that we select across the country or we may offer such training on the web or electronically. The agenda for advanced training varies but often focuses on improving business skills in order to increase profitability. We do not charge for this training, but you must pay for all travel, lodging and other expenses you incur to attend. ~~We may also require that you attend a reasonable number of toll free conference calls to learn operational and marketing tips. Such calls are normally recorded and made available for online replay.~~ (Franchise Agreement, paragraph 5.j.). In the event we determine there to be abusive tax returns practices related to the operation of your franchised business, we also have the right to require that you attend additional trainings that we may provide.

C. Computer Requirements

Computer Equipment. Computer equipment is required to meet our specifications; we hold long-term and reliable relationships with preferred vendors, however these items may be purchased from any merchant of your choosing. In the processing room, each office is required to have one computer, two printers (one check printer and one report printer) and scanner. Each tax preparation station in the office is required to have a computer, an electronic signature pad and access to a printer. The current average cost of one workstation from our current supplier is \$~~700~~750, which does not include a monitor. Additional computer equipment is also required, but you may purchase such equipment from any supplier, or use equipment which you already own, as long as it meets our specifications. Additional computer equipment includes printers, signature pads, monitors and scanners. The initial cost of such items will vary based on your needs, as will updating costs. The current average costs of such items from our current supplier are as follows: Printer - \$200, Monitor - \$75, Signature Pad - \$95, Scanner - \$300. You may also incur costs for other items such as software, cabling and internet equipment. Our equipment requirements are updated and communicated to franchisees annually. When the specifications are updated, you must either update or upgrade the computer systems, at your sole cost, to meet the updated requirements. We have no contractual or other obligation to provide you maintenance, repairs, updates or upgrades to your computer equipment or system. Specifications will not be updated during a tax season except upon an emergency, as determined by us.

Software. We provide tax return preparation software capable of preparing federal and state tax returns for individuals. You must use the tax return preparation software we provide. If we negotiate with a third party to provide Financial Products, we will provide you with the required software for processing these products. You must use this software to provide Financial Products and services to your customers. Likewise, all electronically filed returns must be filed using our supplied software. We may also require you to purchase other third-party software, such as Microsoft Office, and valid licenses for the software. You must also maintain the anti-virus, anti-spyware, and firewall software that we specify.

Prohibited Software and Hardware. We need the Liberty system to adhere to certain technical standards and platform consistency in order to operate properly. We prohibit unapproved software from being installed on any computer within the tax preparation office. We also prohibit unapproved hardware. We designate the prohibited software and hardware within our equipment requirements, which can be found on Support Central or in the Operations Manual.

Subject ¹	Hours of Classroom Training	Hours of On the Job Training	Location
<ul style="list-style-type: none"> • Recruiting Students and Marketing the School • Tracking Inquiries and Registrations • Converting Students to Employees • Learning Management System • Tax Preparer Certification 			
Staffing <ul style="list-style-type: none"> • Office Positions • Employment Law • Training Employees • Scheduling Suggestions • Productivity • 	1 hour		Virginia Beach or Dallas Fort Worth
New Office Setup <ul style="list-style-type: none"> • Signage • Physical Characteristics • Office Layout • Office Equipment • Kiosk Panels • Computer Systems • Office Hours • New Office Setup Checklist 	30 minutes		Virginia Beach or Dallas Fort Worth
Marketing Tools <ul style="list-style-type: none"> • Marketing Tools Resource Center 	1 ¼ hours		Virginia Beach or Dallas Fort Worth
Guerrilla Marketing <ul style="list-style-type: none"> • What it is. • Plan, Prepare, Execute • B2B/P2P 	1.5 hours		Virginia Beach or Dallas Fort Worth
Marketing Theory <ul style="list-style-type: none"> • Marketing Approval • Marketing Overview • Paid Advertising • Off Season Marketing and Public Relations • Tracking Results • Common Marketing Mistakes • Location, Visibility, Signage • Referrals and Customer Service • 4 Walls Marketing • Client Follow-Up Calls • 	4 hours		Virginia Beach or Dallas Fort Worth or Online
Management Tools <ul style="list-style-type: none"> • Report Timetable 	1 hour		Virginia Beach or Dallas Fort Worth

Subject ¹	Hours of Classroom Training	Hours of On the Job Training	Location
<ul style="list-style-type: none"> • Daily Monitoring • Liberty Tax Service Budget • Liberty Tax Service Profit & Loss Statement • 			
Temperature Check <ul style="list-style-type: none"> • Fears • Weekly/Monthly Focus • Their Why (are they doing this) 	1 hour		Virginia Beach or Dallas Fort Worth
Processing Center/Paperless <ul style="list-style-type: none"> • Equipment and Supplies • Processing Center Layout • Processing Procedures • 	30 minutes		Virginia Beach or Dallas Fort Worth
Supply <ul style="list-style-type: none"> • Points of Contact • Purpose of Supply Dept. • Vendors • How to Contact • 	30 minutes		Virginia Beach or Dallas Fort Worth or Online
Products <ul style="list-style-type: none"> • What is a Financial Product? • Pre-Season Options • Tax Season Options • What's New • <u>Partner Products</u> 	1 Hour		Virginia Beach or Dallas Fort Worth
Internal Audit- Revenue Protection <ul style="list-style-type: none"> • Fraud Opportunities • Excessive Discounting • Alternative Software 	45 minutes		Virginia Beach or Dallas Fort Worth
Franchise Compliance <ul style="list-style-type: none"> • Compliance Monitoring • Alert Notification System • Compliance Reviews • Self-Monitoring • Due Diligence Requirements • Preparer Blacklisting • Compliance Hotline 	45 minutes		Virginia Beach or Dallas Fort Worth
Season Readiness <ul style="list-style-type: none"> • Season Readiness Plan 	1 Hour		Virginia Beach or Dallas Fort Worth

Subject ¹	Hours of Classroom Training	Hours of On the Job Training	Location
<ul style="list-style-type: none"> • Policies & Procedures • Closing the Sale • Situation & Dialogue • On-Deck Training 			
Reporting <ul style="list-style-type: none"> • Report Central • Most Commonly Used End of Year Reports 	30 minutes		Virginia Beach or Dallas Fort Worth

Note 1: Each topic is taught by one or more of the instructors below, whose business experience is as follows:

Samantha Slapnik, Assistant Vice President of Training. Ms. Slapnik has served as Assistant Vice President of Training since August 2023. She was Director of Training from July 2022 to August 2023. Ms. Slapnik has also been a Liberty Tax franchisee since December 2012.

Randall White, Director of Training. Mr. White has served as Director of Training since September 2023. He previously served as District Manager of Company Stores from June 2019 to September 2023.

Patricia Old, Training Project Coordinator. Ms. Old has served as Training Project Coordinator since November 2021. Previously, she served as a Company Store Operations Specialist from January 2021 to November 2021 and Operations Training Manager from July 2016 to January 2021.

Kyle Sawai, Senior Vice President of Digital Chief Marketing Officer. Mr. Sawai has served as Chief Marketing Officer since April 2024. Previously, he served as Senior Vice President of Digital Marketing since October 2021.

Kristi Klindienst, Compliance Specialist. Mrs. Klindienst has served as Compliance Specialist since June 2016.

Jessica Plank, Director of Franchise Compliance. Ms. Plank has served as Director of Franchise Compliance since January 2024. Previously, she served as Manager of Franchise Compliance Auditor from August 2018 to January 2024. She served as Senior Compliance Auditor from October 2015 to August 2018, and as Auditor from January 2013 to October 2015.

Jessica Huard, Staff Compliance Auditor. Ms. Huard has served as Staff Compliance Auditor since November 2015.

Jim Forgunson, Director of Marketing Technology. Mr. Forgunson has served as Director of Marketing Technology since December 1997.

Bryan Nester, Director of Brand Assistant Vice President of Creative Marketing. Mr. Nester has served as Assistant Vice President of Creative Marketing since October 2024, and served as Director of Brand in the Marketing Department since December 2019.

In addition, from time to time, various existing franchisees and field consultants visit IOT to discuss their experiences and answer questions that the class may have.

ITEM 12 TERRITORY

Franchise Agreement

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, from other channels of distribution or competitive brands that we control.

However, your franchise agreement restricts us from operating a physical location of an income tax preparation service business using the Liberty name and marks described in this disclosure document within your Territory as described on Schedule A of your franchise agreement (the “Territory”).

The geographic area granted in the Territory will typically cover an area that generates approximately 7,000 to 8,500 paid federal tax returns based on IRS data coupled with population data. You agree that in the event of a mapping error, as determined by us, which results in a territory population which exceeds 35,000, Liberty may re-size your Territory.

You may only operate within the Territory. You may operate from one or more offices in the Territory. All office locations must be approved by us prior to your execution of a lease for the site. We consider several factors in reviewing sites for offices, including the demographics, visibility, and traffic flow around the office as well as your lease terms, and ability to obtain our required lease terms. See Item 8. You may add or relocate offices in your Territory subject to our prior approval, which will be subject to the same factors we consider when reviewing your first office in the Territory.

As noted in Item 1, In certain instances, after your Liberty Tax office is open, we may enter into an amendment to your Franchise Agreement to expand your Territory on a non-exclusive basis to perform tax returns outside of your Territory under our Franchised VTO Program. You will be required to sign an amendment to your Franchise Agreement in the form attached as Exhibit B-6 to the Franchise Agreement to participate in the VTO Program.

[Also as noted in Item 1, in certain instances, after your Liberty Tax office is open, we may enter into a Marketing Rights Agreement for the exclusive right to market and promote your Liberty tax services to customers in a territory adjacent to your existing Liberty Tax office, through the MRA Program. You will be required to sign a Marketing Rights Agreement in the form attached as Exhibit B-7 to the Franchise Agreement to participate in the MRA Program.](#)

Except as described below, neither we nor another franchisee may operate a tax return preparation office using the Liberty name and related Marks in your Territory. We may sell any other territory to other franchisees. You may not advertise outside of your Territory through any channels of distribution (such as the Internet, catalogs, telemarketing, or other direct marketing), without our written approval. There is no restriction on you accepting clients from outside your Territory, but you may not solicit them. We may advertise in your Territory. Except as described below for online tax preparation, we do not pay any compensation for soliciting in your Territory or compensation on fees for clients that live in your Territory but patronize a company store. We may not alter your Territory without your consent, even if there is an increase in population in your Territory, except in the case of a mapping error as specified above.

If your Territory includes an outlet or site of a national or regional account that we negotiate, you may operate in that outlet or site if you are in compliance with your franchise agreement. If you choose not to operate in the national or regional account outlet or site, we may operate in that outlet or site. Otherwise, we will not establish a company-owned outlet in your Territory. We may establish channels of distribution other than a retail or storefront location to distribute similar products or services using our Marks in your Territory.

You are restricted from advertising outside of your Territory without our written prior approval.

At present, we offer online income tax preparation at the website www.libertytax.com for a fee. We accept customers for the online services from your Territory and may advertise these services in your Territory, including the sale of gift cards for these services. We will pay to you a reverse royalty of 14% of the tax preparation fees that we receive from these Liberty websites from customers in territories where you have a Liberty Tax Service office. (Franchise Agreement, Exhibit B, Section 4.c.).

Liberty, Liberty’s parent company, and affiliates may establish franchised or company-owned outlets or other channels of distribution of similar products or services under a different trademark in your Territory. Liberty, Liberty’s parent company and affiliates may also grant franchises in other lines of business using different marks in your Territory. Within your Territory, you may offer services to any individual or business and may relocate your office(s) upon our approval based on the site selection criteria in our Operations Manual. We do not grant options or rights of first refusal to acquire other or contiguous territories.

* * *

ITEM 13 TRADEMARKS

The franchise agreement licenses to you the right to use the Marks described below, in accordance with our specifications and standards:

Registration Number	Description of Mark	Principal or Supplemental Register of the U.S. Patent and Trademark Office	Registration Date	Owner
7,489,105	YOUR TRUSTED TAX EXPERTS FOR LIFE	Principal	August 27, 2024	JTH Tax LLC
7,489,106	SUS EXPERTOS FISCALES DE CONFIANZE DE POR VIDA	Principal	August 27, 2024	JTH Tax LLC
7,404,505	FREETAX	Principal	June 4, 2024	JTH Tax LLC
7,368,359	LIBERTY TAX HOLIDAY ADVANCE	Principal	April 23, 2024	JTH Tax LLC
7,288,133	A BRIGHER WAY TO DO TAXES	Principal	January 23, 2024	JTH Tax LLC
7,231,676	TAXIEDAD	Principal	November 28, 2023	JTH Tax LLC
7,231,672	TAXIETY	Principal	November 28, 2023	JTH Tax LLC
6,951,063	DEEPBLUE	Principal	January 10, 2023	JTH Tax LLC
6,702,761	SAY HELLO TO LIBERTY TAX	Principal	April 12, 2022	JTH Tax LLC

Registration Number	Description of Mark	Principal or Supplemental Register of the U.S. Patent and Trademark Office	Registration Date	Owner
6,623,433	LIBERTY AUDIT ARMOR	Principal	January 18, 2022	JTH Tax LLC
6,442,112	LIBERTYTAX DEBT RESOLUTION	Principal	August 3, 2021	JTH Tax LLC
6,442,113	LIBERTYTAX RESOLUTION	Principal	August 3, 2021	JTH Tax LLC
6,246,708	LIBERTY TAX	Principal	January 12, 2021	JTH Tax LLC
6,235,080	LIBERTY CREDIT REPAIR	Principal	December 29, 2020	JTH Tax LLC
6,229,611	LIBERTY TAX CREDIT REPAIR	Principal	December 22, 2020	JTH Tax LLC
6,229,839	LIBERTY TAX & LOANS	Principal	December 22, 2020	JTH Tax LLC
6,229,388	LIBERTY TAX	Principal	December 22, 2020	JTH Tax LLC
6,229,390	LIBERTY TAX & LOANS	Principal	December 22, 2020	JTH Tax LLC
6,148,749	LIBERTY LOAN	Principal	September 8, 2020	JTH Tax LLC
6,113,663	BRING IT. WE'LL HANDLE IT.	Principal	July 28, 2020	JTH Tax LLC
5,904,483	WINNING CUSTOMERS FOR LIFE	Principal	November 5, 2019	JTH Tax LLC
5,542,087	FILES TAXES FOR YOURSELF, NO BY YOURSELF	Principal	August 14, 2018	JTH Tax LLC
5,509,978	YOU DO LIFE. WE DO TAXES	Principal	July 30, 2018	JTH Tax LLC
3,738,741	Statue of Liberty	Principal	January 19, 2010	JTH Tax LLC
3,574,394	Costume of over-sized Statue of Liberty	Principal	February 17, 2009	JTH Tax LLC
3,167,134	Costume of the Statue of Liberty	Principal	November 7, 2006	JTH Tax LLC
2,479,692	LIBERTY TAX SERVICE and Design	Principal	August 21, 2001	JTH Tax LLC
2,465,670	LIBERTY TAX	Principal	July 3, 2001	JTH Tax LLC
2,459,756	Liberty Income Tax®	Principal	June 12, 2001	JTH Tax LLC
2,314,991	Liberty Tax Service®	Principal	February 1, 2000	JTH Tax LLC
2,802,038	COMPLETETAX	Principal	January 6, 2004	LTS Software LLC
4,204,477	ESMART TAX	Principal	September 11, 2012	LTS Software LLC
4,216,379	eSmart	Principal	October 2, 2012	LTS Software LLC
2,526,313	ESMART TAX	Supplemental	January 1, 2002	LTS Software LLC

We have also filed applications for the following Marks:

Application Number	Description of Mark*	Application Date	Owner
98,344,427	YOUR TRUSTED TAX EXPERTS FOR LIFE	January 5, 2024	JTH Tax LLC
98,344,436	SUS EXPERTOS FISCALES DE CONFIANZA DE POR VIDA	January 5, 2024	JTH Tax LLC
98,176,324	TORCHIE Image	September 12, 2023	JTH Tax LLC
98,176,315	TORCHIE	September 12, 2023	JTH Tax LLC
97,607630	LIBERTY CONNECT	September 26, 2022	JTH Tax LLC
97,550643	LIBERTY TAX HOLIDAY ADVANCE	August 16, 2022	JTH Tax LLC
97,242350	FREETAX	January 27, 2022	JTH Tax LLC

| **Note that we are no longer offering the “Liberty Tax & Loans” special stipulation agreement. — It is not available in California, so you will not use the loan-related trademarks in California.*

****We do not have a federal registration for certain of the above-described Principal Marks. Therefore, these Principal Marks do not have as many legal benefits and rights as a federally registered trademark. If our right to use one or more of these Principal Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.**

There are presently no effective determinations of the United States Patent and Trademark Office (“USPTO”), any trademark trial and appeal board, any state trademark administrator or any court, any pending interference, opposition, or cancellation proceeding involving any of the above-referenced Marks. There are no currently effective agreements that significantly limit our rights to use or license the use of the Marks listed in this section in a manner material to the franchise.

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

We have filed all required affidavits and required renewal filings.

We are not obligated but intend to protect your right to use our Marks. We are not obligated to protect, defend or indemnify you against claims of infringement, unfair competition or any other claim arising out of your use of our Marks. We intend to control any litigation or proceeding regarding the Marks, including any settlements.

We do not know of either superior prior rights or infringing uses that could materially affect your use of our Marks anywhere except as follows: In the Medford area of New Jersey, Liberty Tax Services, LLC has apparently been doing business under the name Liberty Tax Service since 1994. In St. Helens, Oregon, Liberty Bookkeeping and Tax has apparently been registered to do business under that name since September 1992. These other users may have superior rights to these names and confusingly similar names in the geographic areas where they have been operating.

Pursuant to the franchise agreement, you have a limited license to use our Marks and any other mark we may develop in connection with the franchised business. You must use the Marks in accordance with the franchise agreement and the Operations Manual. You may not use the Marks, or any marks likely to be confused with these Marks, as part of any company name. You may not use the Marks, or any marks likely to be confused with these Marks, including “Phoenix,” other than to offer the products and services specifically described in the franchise agreement. We must approve in advance all use of the Marks.

If we develop new marks or modify existing marks, you must adopt and use these marks as described by us. Any expenses you incur because of adopting and using these marks are your responsibility. However, absent a legal requirement, we will not change exterior signage requirements more than once every four years.

Our Marks are our sole property and you acquire no rights to these Marks by signing a franchise agreement or by using the Marks. When your franchise agreement expires, is terminated, or is transferred, you retain no goodwill from the Marks. All goodwill associated with the Marks belongs to us.

Provision	Section In Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	IN, IL, and ND Addenda to Franchise Agreement	For Franchisees in Indiana, Illinois and North Dakota Only: Indiana, Illinois and North Dakota franchisees must bring claims against us before the American Arbitration Association.
v. Choice of forum	18	For Franchisees in all states except Indiana, Illinois, and North Dakota: All suits must be tried in Virginia (except as modified by Addenda to this disclosure document and subject to applicable state law).
w. Choice of Law	18	Virginia law governs (except as modified by Addenda to this disclosure document and subject to state law).

**ITEM 18
PUBLIC FIGURES**

We do not use any public figures to promote our franchises at this time.

**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 this 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.

Some outlets have earned these amounts. Your individual results may differ. There is no assurance that you’ll earn as much.

Written substantiation for the financial performance representations in this Item 19 will be made available to you upon reasonable request.

Table 1: Statement of Average Prep Fees and Returns:

This table displays return count results and prep fee charges for the ~~1,789~~1,599 franchise owned Liberty Tax offices that operated during tax season 202~~3~~4 and also remained active in our systems into tax season 202~~4~~5. It excludes all processing centers (which are outlets dedicated solely to verifying returns include all the necessary paperwork and are properly signed, transmitting and receiving acknowledgements from the IRS and state taxing authorities, identifying and correcting problems with any rejected returns, and printing checks and debit card funding reports) and seasonal offices (which only provide a more limited period of operations

due to annual partnership and agreements with third parties to operate a temporary kiosk, for example, and do not have year-round operations of a typical storefront outlet).

The store count for tax season 2023⁴ was determined on February 15, 2023⁴. At that point, there were a total of 2,297,853 US Liberty Tax offices, of which 1,972,791 were franchise locations. This table represents 91.89% of those offices. Offices that are omitted were either (1) not active into tax season 2024⁵ as of February 15, 2024⁵; (2) processing centers or (3) seasonal offices. We only have one tax season per calendar year (see below).

~~Offices in the table are grouped by “vintage,” or number of annual tax seasons they have continuously operated. To determine annual tax seasons of continuous operations, we totaled the consecutive number of annual tax seasons each store was marked active in our system for the annual tax season and had charged at least \$1 dollar in tax preparation services during the same year and completed at least 10 Returns during the same year. These annual tax seasons have been grouped to highlight stages of maturity of the stores (1-2 annual tax seasons, 3-5 annual tax seasons, and 6 or more annual tax seasons).~~

Calculated in this table are arithmetic mean (average), median, highest value, lowest value, number of offices above average, number of offices below average, and percent of offices above average for the total number of offices in each vintage.

Notes:

Prep Fees defined:

Prep Fees represent total amounts related to the preparation and transmission of tax returns, less any discounts applied by the selected offices. These amounts do not include revenue earned by franchisees related to services such as financial product incentive, check printing, bookkeeping, credit repair, etc.

In order to provide a complete view of store volume, the analysis includes prep fee activity between January 1st and December 31st of 2023⁴.

Returns defined:

Reflects a count of Federal Tax Returns transmitted between January 1st and December 31st of 2023⁴.

Tax Season defined:

Refers in general to the period of time between January and April of each year when the majority of individual US tax returns are prepared. For the purposes of counting Liberty Tax Offices, this count reflects offices that are either marked active in our system or have processed at least ten tax returns during the calendar year on or about February 15th.

Statement of Average Prep Fees and Number of Returns for 1,789,599 Liberty Franchise-Operated Offices for Tax Season 2023⁴

(Added)

	All Years	
	Fees	Returns
# Offices	1,599	1,599
Highest	\$978,288	4,422
Lowest	\$5,573	19
Average	\$151,872	544
Median	\$129,445	453
# Offices Above Avg.	630	631
# Offices Below Avg.	969	968
% Offices Above Avg.	39%	39%

All Franchise Offices	Prep Fees			Number of Returns		
	# of Years in Operation			# of Years in Operation		
	1-2	3-5	6+	1-2	3-5	6+
# Offices	67	63	1,659	67	63	1,659
Highest	114,157	231,547	925,747	507	704	4,295
Lowest	1,845	15,217	6,371	12	39	15
Average	41,734	82,226	153,979	160	298	542
Median	38,757	73,188	132,191	141	251	455
# Offices Above Avg.	31	28	641	29	23	642
# Offices Below Avg.	36	35	1,018	38	40	1,017
% Offices Above Avg.	46%	44%	39%	43%	37%	39%

Other than the preceding financial performance representation, we do not make any financial performance representations. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting William Harvey, General Counsel, 500 Grapevine Hwy., Suite 402, Hurst, Texas 76054, (757) 453-6165, the Federal Trade Commission, and the appropriate state regulatory agencies.

[\[continued on the following page\]](#)

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
SYSTEMWIDE OUTLET SUMMARY**

For Fiscal Years Ending December 31, 202~~1~~2, December 31, 202~~2~~3 and December 31, 202~~3~~4

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	2255	2121	-134
<u>Franchised</u>	2022	2121	1991	-130
	2023	1991	1813	-178
Company-Owned	2021	174 <u>1813</u>	135 <u>1686</u>	-39 <u>-127</u>
<u>Company-Owned</u>	2022	135	114	-21
	2023	114	72	-42
Total Outlets	2021	2429 <u>72</u>	2256 <u>78</u>	-173 <u>6</u>
<u>Total Outlets</u>	2022	2256	2104	-151
	2023	2104	1885	-220
	<u>2024</u>	<u>1885</u>	<u>1764</u>	<u>-121</u>

Table No. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)

For Fiscal Years Ending December 31, 202~~1~~², December 31, 202~~2~~³ and December 31, 202~~3~~⁴

State	Year	Number of Transfers
Alabama	202 1 ²	1
	202 3 ³	2
	202 4 ⁴	0
Alaska	2022	10
	2023	20
Arizona	202 1 ⁴	20
Arizona	2022	4
	2023	2
Arkansas	202 1 ⁴	0
Arkansas	2022	2
	2023	2
California	202 1 ⁴	150
California	2022	18
	2023	7
	2024	7
Colorado	202 1 ⁴	18
Colorado	2022	4
	2023	0
Connecticut	202 1 ⁴	43
Connecticut	2022	0
	2023	2
Delaware	202 1 ⁴	0
Delaware	2022	0
	2023	1
	2024	1
District of Columbia	202 1 ⁴	1
District of Columbia	2022	0
	2023	0
	2024	0
Florida	202 1 ⁴	50
Florida	2022	2
	2023	2
	2024	2
Georgia	202 1 ⁴	26
Georgia	2022	3
	202 3 ³	2
	202 3 ⁴	21
Hawaii	202 2 ²	0
	202 3 ³	0
Idaho	202 1 ³	0
	202 4 ⁴	1
	2022	0

State	Year	Number of Transfers
<u>Idaho</u>	2023	2
Illinois	202 1 <u>4</u>	1 <u>0</u>
<u>Illinois</u>	2022	2
	2023	1
Indiana	202 1 <u>4</u>	0 <u>2</u>
<u>Indiana</u>	2022	1
	2023	0
Iowa	202 1 <u>4</u>	0 <u>1</u>
<u>Iowa</u>	2022	1
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>2</u>
<u>Kansas</u>	<u>2022</u>	<u>0</u>
	2023	0
Kentucky	202 1 <u>4</u>	1 <u>0</u>
<u>Kentucky</u>	2022	0
	2023	0
Louisiana	202 1 <u>4</u>	0 <u>2</u>
<u>Louisiana</u>	2022	4
	2023	1
Maine	202 1 <u>4</u>	0 <u>1</u>
<u>Maine</u>	2022	0
	2023	0
Maryland	202 1 <u>4</u>	3 <u>0</u>
<u>Maryland</u>	2022	0
	2023	2
Massachusetts	202 1 <u>4</u>	0
<u>Massachusetts</u>	2022	2
	2023	1
Michigan	202 1 <u>4</u>	5 <u>2</u>
<u>Michigan</u>	2022	7
	2023	2
Minnesota	202 1 <u>4</u>	0 <u>5</u>
<u>Minnesota</u>	2022	1
	2023	1
Missouri	202 1 <u>4</u>	4 <u>2</u>
<u>Mississippi</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>0</u>
<u>Missouri</u>	2022	1
	<u>2023</u>	<u>0</u>

State	Year	Number of Transfers
	<u>2024</u>	<u>1</u>
<u>Montana</u>	<u>2022</u>	<u>0</u>
	2023	0
	<u>2024</u>	<u>0</u>
<u>Nebraska</u>	<u>2022</u>	<u>0</u>
Nevada	202 <u>13</u>	10
	<u>2024</u>	<u>0</u>
<u>Nevada</u>	2022	3
	2023	3
	202 <u>14</u>	0 <u>1</u>
New Hampshire	2022	0
<u>New Hampshire</u>	2023	0
	202 <u>14</u>	10
New Jersey	2022	0
<u>New Jersey</u>	2023	1
	202 <u>14</u>	0 <u>1</u>
New Mexico	2022	2
<u>New Mexico</u>	2023	2
	202 <u>14</u>	40
New York	2022	5
<u>New York</u>	2023	4
	202 <u>14</u>	86
North Carolina	2022	5
<u>North Carolina</u>	2023	2
	202 <u>14</u>	0 <u>3</u>
North Dakota	2022	1
<u>North Dakota</u>	2023	1
	202 <u>14</u>	60
Ohio	2022	7
<u>Ohio</u>	2023	5
	202 <u>14</u>	4
Oklahoma	2022	2
<u>Oklahoma</u>	2023	2
	202 <u>14</u>	10
Oregon	2022	1
<u>Oregon</u>	2023	0
	202 <u>14</u>	20
Pennsylvania	2022	0
<u>Pennsylvania</u>	2023	3
	<u>2024</u>	<u>1</u>

State	Year	Number of Transfers
<u>Rhode Island</u>	<u>2022</u>	<u>0</u>
South Carolina	2021 <u>3</u>	1 <u>0</u>
	<u>2024</u>	<u>0</u>
<u>South Carolina</u>	2022	2
	2023	1
South Dakota	2021 <u>4</u>	0 <u>8</u>
<u>South Dakota</u>	2022	1
	2023	1
Tennessee	2021 <u>4</u>	2 <u>3</u>
<u>Tennessee</u>	2022	2
	2023	1
Texas	2021 <u>4</u>	1 <u>0</u>
<u>Texas</u>	2022	6
	2023	14
Utah	2021 <u>4</u>	0 <u>9</u>
<u>Utah</u>	2022	1
	2023	1
Virginia	2021 <u>4</u>	2 <u>3</u>
<u>Vermont</u>	2022	0
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>0</u>
<u>Virginia</u>	<u>2022</u>	<u>0</u>
	2023	3
Washington	2021 <u>4</u>	4 <u>2</u>
<u>Washington</u>	2022	1
	2023	0
West Virginia	2021 <u>4</u>	3 <u>1</u>
<u>West Virginia</u>	2022	0
	2023	1
Wisconsin	2021 <u>4</u>	1 <u>0</u>
<u>Wisconsin</u>	2022	0
	2023	2
	<u>2024</u>	<u>0</u>
<u>Wyoming</u>	<u>2022</u>	<u>0</u>
Total	2021 <u>3</u>	9 <u>60</u>
	<u>2024</u>	<u>0</u>
<u>Total</u>	<u>2022</u>	<u>92</u>
	<u>2023</u>	<u>77</u>
	<u>2024</u>	<u>81</u>

Table No. 3

STATUS OF FRANCHISED OUTLETS

For Fiscal Years Ending December 31, 202~~1~~², December 31, 202~~2~~³, and December 31, 202~~3~~⁴

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired By Franchisor	Ceased Operations-Other Reasons	Franchised Stores Operating at Year End
Alabama	2021	24	2	1	2	0	1	22
<u>Alabama</u>	2022	22	3	1	0	0	1	23
	2023	23	3	1	1	0	1	23
Alaska	2021	7	0	0	0	0	0	7
<u>Alaska</u>	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	2	5
Arizona	2021	45	30	0	0	0	10	47
<u>Arizona</u>	2022	47	0	5	1	0	1	40
	2023	40	1	2	0	0	3	36
Arkansas	2021	23	10	1	0	0	0	23
<u>Arkansas</u>	2022	23	1	0	0	0	0	24
	2023	24	2	1	0	0	1	24
California	2021	255	90	142	40	30	100	233
<u>California</u>	2022	233	4	11	5	1	2	218
	2023	218	1	9	10	3	7	200
Colorado	2021	35	0	15	0	0	0	34
<u>Colorado</u>	2022	34	0	0	2	0	0	32
	2023	32	0	6	0	0	1	25
Connecticut	2021	30	0	12	0	0	10	28
<u>Connecticut</u>	2022	28	0	0	0	0	0	28
	2023	28	0	0	0	0	0	28
Delaware	2021	8	1	0	0	0	0	9
<u>Delaware</u>	2022	9	0	2	0	0	0	7
	2023	7	0	0	0	0	0	7
District of Columbia	2021	6	0	0	10	0	1	4
<u>District of Columbia</u>	2022	4	0	0	0	0	0	4
	2023	4	0	1	0	0	1	2
Florida	2021	141	100	190	20	30	10	126
<u>Florida</u>	2022	126	5	14	0	0	5	112
	2023	112	4	13	4	0	2	97
Georgia	2021	75	54	101	23	60	24	60
<u>Georgia</u>	2022	60	3	3	0	0	2	58
	2023	58	0	9	1	0	1	47
Hawaii	2021	5	0	0	0	0	0	5
<u>Hawaii</u>	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Idaho	2021	12	0	0	0	0	0	11
<u>Idaho</u>	2022	12	0	0	1	0	0	11
	2023	11	0	0	0	0	0	11

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired By Franchisor	Ceased Operations-Other Reasons	Franchised Stores Operating at Year End
Illinois	2021	79	10	30	40	20	10	70
<u>Illinois</u>	2022	70	6	1	1	0	2	72
<u>Illinois</u>	2023	72	1	1	1	0	0	71
Indiana	2021	33	10	20	0	10	1	30
<u>Indiana</u>	2022	30	0	1	1	0	0	28
<u>Indiana</u>	2023	28	0	1	0	0	2	25
Iowa	2021	12	1	0	10	0	0	12
<u>Iowa</u>	2022	12	0	2	0	0	0	10
<u>Iowa</u>	2023	10	0	2	0	0	0	8
Kansas	2021	15	10	10	0	0	20	13
<u>Kansas</u>	2022	13	1	1	0	0	0	13
<u>Kansas</u>	2023	13	0	0	0	0	1	12
Kentucky	2021	19	0	1	0	0	10	14
<u>Kentucky</u>	2022	14	0	1	0	0	0	13
<u>Kentucky</u>	2023	13	0	0	0	0	0	13
Louisiana	2021	23	1	20	10	0	10	20
<u>Louisiana</u>	2022	20	2	5	1	0	0	16
<u>Louisiana</u>	2023	16	0	1	0	0	1	14
Maine	2021	1	0	0	0	0	0	1
<u>Maine</u>	2022	1	0	0	0	0	0	1
<u>Maine</u>	2023	1	0	0	0	0	0	1
Maryland	2021	24	10	30	0	10	10	20
<u>Maryland</u>	2022	20	2	0	2	0	2	18
<u>Maryland</u>	2023	18	0	0	0	0	1	17
Massachusetts	2021	52	6	0	10	0	0	57
<u>Massachusetts</u>	2022	57	1	0	1	0	0	57
<u>Massachusetts</u>	2023	57	2	1	1	0	0	57
Michigan	2021	75	23	10	40	10	0	92
<u>Michigan</u>	2022	92	0	26	1	0	1	64
<u>Michigan</u>	2023	64	0	1	0	0	0	63
Minnesota	2021	28	0	1	0	0	0	27
<u>Minnesota</u>	2022	27	0	1	0	0	0	26
<u>Minnesota</u>	2023	26	0	1	0	0	0	25
Mississippi	2021	10	4	0	0	0	0	14
<u>Mississippi</u>	2022	14	6	0	1	0	1	18
<u>Mississippi</u>	2023	18	0	12	0	0	0	6
Missouri	2021	47	1	0	30	0	10	44
<u>Missouri</u>	2022	44	4	0	0	0	3	45
<u>Missouri</u>	2023	45	0	1	0	0	0	44
Montana	2021	2	0	0	0	0	0	2
<u>Montana</u>	2022	2	0	1	0	0	0	1
<u>Montana</u>	2023	1	0	0	0	0	0	1
Nebraska	2021	10	0	10	0	0	10	8
<u>Nebraska</u>	2022	8	0	0	0	0	1	7
<u>Nebraska</u>	2023	7	0	0	0	0	0	7
Nevada	2021	23	20	0	0	10	0	24
<u>Nevada</u>	2022	24	1	0	0	0	1	24

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired By Franchisor	Ceased Operations-Other Reasons	Franchised Stores Operating at Year End
	2023	24	0	1	1	0	0	22
New-Hampshire	202 1 <u>4</u>	6 <u>22</u>	0 <u>3</u>	0 <u>1</u>	0 <u>1</u>	0	0	6 <u>23</u>
<u>New Hampshire</u>	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
New Jersey	202 1 <u>4</u>	4 <u>46</u>	0	0	2 <u>0</u>	1 <u>0</u>	0	4 <u>6</u>
<u>New Jersey</u>	2022	41	1	0	1	0	0	41
	2023	41	0	0	0	0	0	41
New Mexico	202 1 <u>4</u>	13 <u>41</u>	0 <u>1</u>	0 <u>8</u>	1 <u>2</u>	0	0 <u>2</u>	13 <u>29</u>
<u>New Mexico</u>	2022	13	0	0	0	0	0	13
	2023	13	0	1	1	0	0	11
New York	202 1 <u>4</u>	14 <u>61</u>	3 <u>0</u>	1 <u>0</u>	1 <u>0</u>	1 <u>0</u>	4 <u>0</u>	12 <u>41</u>
<u>New York</u>	2022	124	2	13	2	0	3	108
	2023	108	1	3	3	0	7	96
North Carolina	202 1 <u>4</u>	12 <u>59</u>	1	6 <u>9</u>	1 <u>3</u>	4 <u>2</u>	2	11 <u>38</u>
<u>North Carolina</u>	2022	113	9	3	1	0	1	117
	2023	117	3	1	2	0	0	117
North-Dakota	202 1 <u>4</u>	10 <u>11</u>	0 <u>1</u>	0 <u>3</u>	0 <u>2</u>	0	0 <u>3</u>	1 <u>10</u>
<u>North Dakota</u>	2022	10	0	1	0	0	0	9
	2023	9	0	0	0	0	1	8
Ohio	202 1 <u>4</u>	9 <u>28</u>	2 <u>0</u>	1 <u>0</u>	1 <u>0</u>	1 <u>0</u>	2 <u>1</u>	8 <u>9</u>
<u>Ohio</u>	2022	89	2	3	4	0	0	84
	2023	84	0	1	0	0	1	82
Oklahoma	202 1 <u>4</u>	3 <u>4</u>	5 <u>3</u>	0 <u>1</u>	0 <u>2</u>	0	1 <u>0</u>	3 <u>5</u>
<u>Oklahoma</u>	2022	35	2	3	0	0	0	34
	2023	34	0	4	0	0	2	28
Oregon	202 1 <u>4</u>	1 <u>8</u>	1 <u>0</u>	0	0 <u>2</u>	0	0	1 <u>9</u>
<u>Oregon</u>	2022	19	0	0	0	0	0	19
	2023	19	0	0	1	0	0	18
Pennsylvania	202 1 <u>4</u>	7 <u>4</u>	1 <u>1</u>	3 <u>0</u>	0	1 <u>0</u>	2 <u>0</u>	7 <u>0</u>
<u>Pennsylvania</u>	2022	70	4	0	0	0	2	72
	2023	72	0	0	0	0	2	70
Rhode Island	202 1 <u>4</u>	1 <u>0</u>	0 <u>2</u>	0 <u>6</u>	0 <u>1</u>	0	0 <u>1</u>	1 <u>0</u>
<u>Rhode Island</u>	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	1	9
South-Carolina	202 1 <u>4</u>	6 <u>9</u>	0	3 <u>0</u>	2 <u>0</u>	1 <u>0</u>	3 <u>0</u>	6 <u>0</u>
<u>South Carolina</u>	2022	60	1	0	1	0	1	59
	2023	59	0	0	0	0	0	59
South-Dakota	202 1 <u>4</u>	8 <u>5</u>	1 <u>0</u>	2 <u>6</u>	0 <u>1</u>	0	0 <u>3</u>	7 <u>4</u>
<u>South Dakota</u>	2022	7	0	1	0	0	0	6
	2023	6	0	0	0	0	0	6
Tennessee	202 1 <u>4</u>	3 <u>5</u>	4 <u>0</u>	0	0	0	1 <u>0</u>	3 <u>8</u>
<u>Tennessee</u>	2022	38	4	1	0	0	0	41

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired By Franchisor	Ceased Operations-Other Reasons	Franchised Stores Operating at Year End
	2023	41	0	1	0	0	1	39
Texas	2021	279 <u>39</u>	150	154	61	0	80	265 <u>34</u>
<u>Texas</u>	2022	265	6	11	5	2	17	236
	2023	236	5	23	9	0	13	196
Utah	2021	201 <u>96</u>	06	16	38	03	14	151 <u>81</u>
<u>Utah</u>	2022	15	0	0	0	0	1	14
	2023	14	0	0	0	0	0	14
Vermont	2021	1 <u>14</u>	0	0	0	0	0	1 <u>14</u>
<u>Vermont</u>	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Virginia	2021	70 <u>2</u>	20	10	10	30	10	66 <u>2</u>
<u>Virginia</u>	2022	66	3	3	0	0	3	62
	2023	62	0	5	0	0	0	57
Washington	2021	40 <u>57</u>	12	02	1	0	01	40 <u>55</u>
<u>Washington</u>	2022	40	1	0	1	0	1	39
	2023	39	0	15	0	0	0	24
West Virginia	2021	21 <u>24</u>	10	10	0	10	1	19 <u>23</u>
<u>West Virginia</u>	2022	19	0	0	0	0	2	17
	2023	17	0	0	0	0	0	17
Wisconsin	2021	20 <u>17</u>	0	1	0	0	1	18 <u>15</u>
<u>Wisconsin</u>	2022	18	1	1	0	0	2	16
	2023	16	0	0	2	0	0	14
Wyoming	2021	4 <u>14</u>	0	0	0	0	0	4 <u>14</u>
<u>Wyoming</u>	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
TOTALS	2021	225 <u>54</u>	112 <u>0</u>	109 <u>0</u>	440	400	530	212 <u>14</u>
	2022	2121	75	115	32	3	55	1991
<u>TOTALS</u>	2023	1991	23	119	30	0	52	1813
	2024	1813	34	73	38	12	38	1686

If multiple events occurred affecting an outlet, this table shows the event that occurred last in time. Additionally, as the nature of the tax business is seasonal, many of our offices operate on a seasonal basis and shut down each year during the off season.

Table No. 4

STATUS OF COMPANY-OWNED OUTLETS

For Fiscal Years Ending December 31, 202~~1~~2, December 31, 202~~2~~3 and December 31, 202~~3~~4

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
<u>Alabama</u>	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
Alabama	2021 <u>3</u>	20 <u>0</u>	0	0	0	0	20 <u>0</u>
	2022 <u>4</u>	20 <u>0</u>	0	0	10 <u>0</u>	10 <u>0</u>	0
<u>Alaska</u>	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
	2023	0	0	0	0	0	0
Arizona	2021	2	0	0	0	0	2
<u>Arizona</u>	2022	2	0	0	0	0	2
	2023	2	1	0	2	0	1
Arkansas	2021	2	0	0	0	0	2
<u>Arkansas</u>	2022	2	0	0	0	0	2
	2023	2	0	0	1	0	1
California	2021	9	0	3	1	4	7
<u>California</u>	2022	7	3	1	1	1	9
	2023	9	0	0	9	0	0
Colorado	2021	2	0	0	0	0	2
<u>Colorado</u>	2022	2	0	0	0	0	2
	2023	2	1	0	0	0	3
Florida	2021	8	1	3	2	6	3
<u>Connecticut</u>	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
<u>Delaware</u>	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
<u>Florida</u>	2022	3	2	0	0	3	2
	2023	2	0	0	2	0	0
Georgia	2021	8	0	6	1	3	1
<u>Georgia</u>	2022	10	0	0	0	2	8
	2023	8	0	0	7	0	1
Hawaii	2021	2	0	0	0	0	2
<u>Hawaii</u>	2022	2	0	0	0	0	2
	2023	2	0	0	1	0	1
Idaho	2021	4	0	0	2	1	1
<u>Idaho</u>	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Illinois	2021	2	0	2	0	0	4
<u>Illinois</u>	2022	4	0	0	0	4	0
	2023	0	0	0	0	0	0
Indiana	2021	5	0	1	1	0	5
<u>Indiana</u>	2022	5	0	0	0	0	5
	2023	5	0	0	2	0	3
Iowa	2021	1	0	0	0	0	1
<u>Iowa</u>	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Kansas	2021	4	0	0	1	1	2
<u>Kansas</u>	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
Kentucky	2021	8	0	0	2	0	6
<u>Kentucky</u>	2022	6	0	0	1	0	5
	2023	5	0	0	3	0	2
Louisiana	2021	0	0	1	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Louisiana	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Maine	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Maryland	2021 4	2 0	0	1 0	1 0	0	2 0
Maryland	2022	2	0	0	1	0	1
	2023	1	0	0	0	0	1
Massachusetts	2021 4	1	0	0	1 0	0	0 1
Massachusetts	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Michigan	2021 4	6 0	0	2 0	4 0	5 0	2 0
Michigan	2022	2	5	0	0	0	7
	2023	7	0	0	1	0	6
	2024	6	0	1	1	0	6
Minnesota	2021 2	1	0	0	0	0	1
	2022 3	1	0	0	0	0	1
	2023 4	1	0	0	0	0	1
Mississippi	2021 2	3 0	0	0	0	0	3 0
	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
Missouri	2022	3	0	0	0	2	1
	2023	1	0	0	0	0	1
Nevada	2021 4	1	0	1 0	0	1 0	1
Montana	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Nebraska	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Nevada	2022	1	0	0	0	1	0
	2023	0	1	0	0	0	1
New Jersey	2021 4	2 1	0	1 0	0	0 1	3 0
New Hampshire	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
New Jersey	2022	3	0	0	0	1	2
	2023	2	0	0	2	0	0
New Mexico	2021 4	2 00	0	0	2 0	1 30	5 0
New Mexico	2022	5	2	0	1	0	6
	2023	6	0	0	4	0	2
New York	2021 4	6 2	0	1 00	0	2 0	1 42
New York	2022	14	1	0	4	2	9
	2023	9	0	0	7	0	2
North Carolina	2021 4	4 2	0 1	4 2	0	1 0	7 5
North	2022	7	0	0	1	5	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Carolina	2023	1	0	0	1	0	0
Ohio	20214	60	0	10	30	10	30
North Dakota	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Ohio	2022	3	2	0	1	2	2
	2023	2	0	0	1	0	1
Oklahoma	20214	01	0	0	0	0	01
Oklahoma	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
Oregon	20214	41	0	0	0	10	31
Oregon	2022	3	0	0	0	0	3
	2023	3	0	0	1	0	2
Pennsylvania	20214	42	0	10	1	0	41
Pennsylvania	2022	4	1	0	0	0	5
	2023	5	0	0	3	0	2
South Carolina	20214	12	0	10	0	0	2
Puerto Rico	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Rhode Island	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
South Carolina	2022	2	1	0	0	0	3
	2023	3	0	0	2	0	1
South Dakota	20214	01	01	0	0	0	02
South Dakota	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Tennessee	20214	180	0	0	30	20	130
Tennessee	2022	13	0	0	2	3	8
	2023	8	0	0	7	0	1
Texas	20214	111	0	0	40	60	1
Texas	2022	1	4	2	0	0	7
	2023	7	2	0	3	0	6
Utah	20214	16	0	03	02	01	16
Utah	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Vermont	20214	1	0	0	0	0	1
Vermont	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
Virginia	20214	90	0	30	30	10	80
Virginia	2022	8	0	0	0	3	5
	2023	5	1	0	1	0	5
Washington	20214	95	01	0	10	01	85
Washington	2022	8	0	0	0	0	8
	2023	8	15	0	3	0	20

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
West Virginia	2021 4	0 <u>20</u>	0	1 <u>0</u>	0 <u>1</u>	0	1 <u>19</u>
Washington, DC	2022	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2023	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2024	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
West Virginia	2022	1	0	0	0	0	1
	2023	1	0	0	1	0	0
Wisconsin	2021 4	2 <u>0</u>	0	0	1 <u>0</u>	0	1 <u>0</u>
Wisconsin	2022	1	0	0	0	1	0
	2023	0	1	0	0	0	1
Wyoming	2021 4	1	0	0	0	0	1
Wyoming	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Total	2021 4	17 <u>41</u>	0	4 <u>2</u>	3 <u>2</u>	4 <u>9</u>	13 <u>5</u>
Total	2022	135	22	3	13	33	114
	2023	114	22	0	64	0	72
	2024	<u>72</u>	<u>4</u>	<u>12</u>	<u>6</u>	<u>4</u>	<u>78</u>

**Table No. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2023~~4~~**

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	1 <u>0</u>	1 <u>0</u>	0
Alaska	1	0	<u>2</u>
Arizona	6 <u>5</u>	2 <u>1</u>	<u>0</u>
Arkansas	1 <u>0</u>	0	<u>0</u>
California	12 <u>6</u>	2	4
Colorado	<u>0</u>	<u>0</u>	<u>4</u>
Colorado Connecticut	1	1 <u>0</u>	<u>2</u>
D. of Columbia	1	0	0
Florida Delaware	3 <u>1</u>	4 <u>0</u>	0
Georgia Florida	14 <u>4</u>	3 <u>2</u>	<u>2</u>
Georgia	<u>0</u>	<u>1</u>	<u>1</u>
Hawaii	<u>1</u>	<u>0</u>	<u>1</u>
Idaho	<u>0</u>	<u>0</u>	<u>1</u>
Illinois	1	1	0
Indiana	1	1	<u>0</u>
Iowa	1 <u>0</u>	0	<u>0</u>
Kansas	1	0	<u>2</u>
Kentucky	0	<u>2</u>	1

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Louisiana	1	1 0	0
<u>Maine</u>	<u>0</u>	<u>0</u>	<u>0</u>
Maryland	1 2	2 0	0 1
<u>Massachusetts</u>	<u>1</u>	<u>1</u>	<u>0</u>
Michigan	1	1	2 6
<u>Minnesota</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Mississippi</u>	<u>0</u>	<u>0</u>	<u>1</u>
Missouri	3	0	0 1
<u>Montana</u>	<u>0</u>	<u>0</u>	<u>0</u>
Nebraska	1	0	0
Nevada	0	1	0
<u>New Hampshire</u>	<u>0</u>	<u>0</u>	<u>0</u>
New Mexico Jersey	0 2	2 0	0
New York Mexico	4 0	1	2
<u>New York</u>	<u>4</u>	<u>0</u>	<u>9</u>
North Carolina	6 5	2	0
North Dakota	1 0	0	0
Ohio	1	2	0 1
Oklahoma	2 0	1	0 1
Pennsylvania <u>Orego</u> <u>n</u>	2 0	2 0	1
<u>Pennsylvania</u>	<u>0</u>	<u>0</u>	<u>2</u>
Rhode Island	1	0	0
South Carolina	2 0	2 1	0 2
Tennessee <u>South</u> <u>Dakota</u>	6 0	1 0	0
Texas <u>Tennessee</u>	1 64	3 0	4 1
<u>Texas</u>	<u>12</u>	<u>2</u>	<u>6</u>
Utah	1	0	0 1
<u>Vermont</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Virginia</u>	<u>2</u>	<u>0</u>	<u>5</u>
Virginia <u>Washingto</u> <u>n</u>	1	1	0 19
Washington <u>West</u> <u>Virginia</u>	1 0	0	0
West Virginia <u>Wisconsin</u>	1 0	0	0 1
<u>Wyoming</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTALS	8365	3921	2081

Exhibit G-1 contains the names of all current franchisees and the addresses and telephone numbers of their outlets as of December 31, 2023~~34~~. Exhibit G-2 contains a list of the last known home address and telephone number of every franchisee who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently complete fiscal year, or who has not communicated with us within ten weeks (10) of the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances during the last three years, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. 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.

Exhibit J lists the names, addresses, telephone numbers, e-mail address, and Web address of (1) each trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored, or endorsed and/or (2) each independent franchisee association that has asked to be included in this disclosure document.

We encourage our existing franchisees and others to refer potential franchisees to us and to cooperate with potential franchisees by responding to questions or inquiries they may have. To compensate for the time expended, we may pay an existing franchisee or another person up to \$3,000 if they refer a new franchisee to us.

ITEM 21 FINANCIAL STATEMENTS

Exhibit H contains the following for our indirect parent LT Holdco, LLC:

1. The audited Consolidated Financial Statements of LT Holdco, LLC as of December 31, 2023~~34~~ (Successor) and December 31, 2022~~23~~ (~~Sue~~Predecessor) and for the Year Ended December 31, 2023~~34~~ (Successor), Year Ended December 31, 2022~~23~~ (~~Sue~~Predecessor), ~~the Period from July 3, 2021 through December 31, 2021 (Successor), and the Period from Year Ended December 27~~31~~, 2020~~2~~ through July 2, 2021 (Predecessor).~~

~~2. Exhibit H also contains the unaudited Consolidated Financial Statements of LT Holdco, LLC for the Quarters Ended March 31, 2023 (Predecessor) and March 31, 2024 (Successor).~~

~~3~~2. The Guarantee of Performances by LT Holdco, LLC of our obligations under the Franchise Agreements into which we enter.

We and LT Holdco share the same fiscal year, which changed to December 31 each year on July 2, 2021.

ITEM 22 CONTRACTS

Franchise Agreement - Exhibit B

Promissory Notes - Exhibit C

Republic Bank Easy Advance ERO Agreement, JTHF, RBT and ERO Program Services Agreement - Exhibit D-1