

**SANDLER SYSTEMS, LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**

**SANDLER®**

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**For Use In: Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan (with Michigan notice), Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Vermont, West Virginia, Wisconsin, Wyoming, Washington D.C., Puerto Rico, Guam and the U.S. Virgin Islands.**

**The effective dates, if any, of this Disclosure Document for the states of California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin are listed on the page immediately preceding the last two pages of this disclosure document. The effective date in all other states, the District of Columbia, Puerto Rico, U.S. Virgin Islands and Guam is the issuance date of April 29, 2024, as amended September 11, 2024.**

## FRANCHISE DISCLOSURE DOCUMENT

**SANDLER SYSTEMS, LLC**  
a Maryland limited liability company  
300 Red Brook Boulevard, Suite 10  
Owings Mills, Maryland 21117  
(410) 653-1993  
info@sandler.com  
[www.sandler.com](http://www.sandler.com)

# SANDLER®

The franchisee will provide sales and sales management training to individual professionals and to businesses.

The total investment necessary to begin operation of a Sandler® franchise ranges from \$101,825 to \$147,100. This includes \$49,000 that must be paid to the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats contact Franchise Sales Department at 300 Red Brook Boulevard, Suite 10, Owings Mills, Maryland 21117, 800-669-3537.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: April 29, 2024, as amended September 11, 2024

## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

Certain states require that the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation only in Maryland. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to litigate with us in Maryland than in your own state.
2. The franchise agreement does not provide you with an exclusive territory. We may establish other franchises or company owned locations, or establish other channels of distribution, and may sell or distribute certain products or services to the general public in competition with your franchise.
3. You must pay a monthly service charge of up to \$1,200.00 each month during the first year (increasing annually) even if you have no revenues. See Item 6 for further information.
4. There may be other risks concerning this franchise.

We use the services of one or more franchise brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

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**EXHIBITS**

- Exhibit A - Franchise Agreement**
- Exhibit B - Franchisor’s Financial Statements**
- Exhibit C - Franchisee List – Current**
- Exhibit D - Franchisee List – Past**
- Exhibit E - State Administrators and Agents for Service of Process**
- Exhibit F - State Specific Addenda to Disclosure Document**
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- Exhibit H - Representative’s Non-Disclosure and Non-Compete Agreement**
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- Exhibit N - Data Use and Protection Agreement**
- Exhibit O - Receipt**

## **1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language in this Disclosure Document, “SSL” means Sandler Systems, LLC, the franchisor. “You” means the person or entity that buys the franchise, and includes owners of a corporation, partnership or other entity that buys the franchise.

SSL was incorporated in the State of Maryland on November 15, 1983. On May 31, 2022, SSL underwent a statutory conversion election from S-Corp (Sandler Systems, Inc.) to LLC. Our principal business address is 300 Red Brook Boulevard, Suite 10, Owings Mills, Maryland 21117. SSL does business under the name Sandler Systems, LLC and under its trade names, SANDLER and SANDLER TRAINING. From 1983 until 2008, SSL did business under its former trade name, SANDLER SALES INSTITUTE. SSL’s affiliate, Sandler Systems Canada Inc. (“Sandler Canada”), offers SANDLER TRAINING franchises in Canada and has as its principal business address 40 King Street West, Suite 2100, Toronto, Ontario M5H 3C2, Canada. SSL’s parent company is Sandler Holdings, LLC (“Sandler Holdings”) and its principal business address is the same as that of SSL. SSL does not have any other parents or predecessors, or any other affiliates that offer franchises or provide products or services to SSL’s franchisees. The names and addresses of SSL’s agents for service of process are listed in **Exhibit E**.

Our affiliate, Blue Marlin Sandler SPV, LLC (“BMS”), is a Delaware limited liability company formed on May 24, 2022. Its principal business address is 7920 Norfolk Avenue, Suite 340, Bethesda, Maryland 20814. BMS is a holding company. BMS does not offer and has never offered franchises in any line of business. You are not required to use the services of or purchase any products from BMS in the operation of your business.

SSL grants franchises (the “Franchise”) providing the right to operate a SANDLER business devoted to a distinctive style of training persons and organizations in the fields of sales and sales management, which includes coaching, consulting, hiring, staffing, placement and recruiting services, goal setting and achievement, self-awareness, motivation, personal development, relationship management, leadership development, negotiations, assessments, public speaking, template and playbook development, and related business development services as it relates to the fields of sales and sales management; and also methods of teaching these subjects through seminars and workshops. You must operate according to standards and procedures designated by SSL within a specific territory (Item 12, Territory).

SSL believes there is a developed market for the services offered by its franchises. The market for Sandler® services includes individual professionals and businesses that require sales, sales management and leadership training and consulting. SSL’s franchisees provide services to individuals and businesses in many fields, including information technology, construction and materials, medical devices, professional services, real estate, insurance, financial services, engineering and manufacturing. A Sandler franchise competes with local, regional and national businesses offering products and services related to sales and management.

There may be laws or regulations in your state that apply to providing educational courses on a commercial basis.

David H. Sandler, the late founder of SSL, began conducting a business similar to the type to be operated by you in 1967. Before November 1983, David H. Sandler & Associates, Inc. (“DHS Associates”) offered a distributor package similar to the Franchise. From November 1983 until April 1994, DHS Associates provided consulting services to SSL and other third parties. In April 1994, DHS Associates was merged into SSL. Franchises similar to the Franchise have been offered since November 1983. Franchisees who signed Franchise Agreements before March 31, 2008 operated under SSL’s former trade name, SANDLER SALES INSTITUTE, up until February 1, 2009. From February 1, 2009 to April 28, 2019, Franchisees operated under SSL’s trade name, SANDLER TRAINING. As of April 29, 2019, all Franchisees are required to operate under either SSL’s trade names, SANDLER or SANDLER TRAINING, as specified by SSL in the Operations Manual. SSL does not currently operate a business like the one operated by its franchisees. SSL does conduct in-house training programs similar to those offered by franchisees, and which may also include permission for the in-house client to continue the training, on a limited basis, within its organization. SSL has also established a separate educational division under which SSL provides content for courses on sales and sales management to be offered under the SANDLER and SANDLER TRAINING names in universities and colleges in the U.S. and internationally. SSL has not offered franchises in other lines of business.

Sandler Canada (formerly known as 7382953 Manitoba Ltd.) has offered SANDLER TRAINING franchises since November 2016. Sandler Canada does not operate a business like the one you would operate, and Sandler Canada has not offered franchises in other lines of business.

## **2. BUSINESS EXPERIENCE**

The principal officers and directors of SSL and other individuals who will have management responsibility relating to sale or operation of the franchises offered by this Disclosure Document are as follows:

### **Chief Executive Officer and Director: Craig Dempster**

Craig Dempster has been Chief Executive Officer of SSL since January 2024, and a Director of SSL since October 2022. Mr. Dempster has also been Chief Executive Officer of Trilliad in Annapolis, Maryland since May 2023. From January 2020 to December 2021, he was Chief Executive Officer of Merkle in Columbia, Maryland; and from January 2017 to January 2020, he was President of Merkle Americas in Columbia Maryland.

### **Executive Chairman, President of Franchise, and Director: David H. Mattson III**

David Mattson has been affiliated with SSL since September 1988. Mr. Mattson has been Executive Chairman and President of Franchise of SSL since January 2024. From October 2012 to January 2024, he was President of SSL; and from October 2007 to January 2024, he was CEO of SSL. Mr. Mattson has been a Director of SSL since July 1992.

### **Director: David S. Williams**

David Williams has been a Director of SSL since June 2022, and Chief Executive Officer

of MRE Capital in Annapolis, Maryland since January 2020. From December 1988 through December 2019, he was Chief Executive Officer of Merkle in Columbia, Maryland.

**Director: Peter Kirsch**

Peter Kirsch has been a Director of SSL since May 2023, and Founder and Managing Partner of Blue Marlin Partners in Bethesda, Maryland since January 2016.

**Executive Vice President of Operations: David Braun**

David Braun has been Executive Vice President of Operations of SSL since November 2022. From April 2003 to December 2020, he was Executive Vice President of Creative & Content of Merkle, Inc. in Chicago, Illinois.

**Chief Financial Officer: Luke Blazejak**

Luke Blazejak has been Chief Financial Officer of SSL since November 2022. From January 2022 until November 2022, he was Vice President, Finance of SSL; from November 2021 until January 2022, he was Director of Finance of SSL; and from July 2020 until November 2021, he was Assistant Controller of SSL. From August 2018 to July 2020, he was Manager – Financial Planning and Analysis of Beazer Homes, Inc. in Elkridge, Maryland.

**Vice President of Legal and Secretary: Shannon Howell, Esq.**

Shannon Howell has been Vice President of Legal of SSL since December 2017 and Secretary since April 2020. From October 2006 until December 2017, she was General Counsel of SSL; and from March 2007 until April 2020, she was Assistant Secretary of SSL.

**Head of Franchise Enablement: Christy Kallinger**

Christy Kallinger has been Head of Franchise Enablement of SSL since May 2024. From April 2021 to July 2023, she was Senior Director, Global Enablement & Experience of Rocket Software in Waltham, Massachusetts; and from June 2005 to April 2021, she was Director, Global Sales Enablement of Quest Software in Aliso Viejo, California.

**Head of Franchise Operations and Implementation: Janice Durant**

~~Janice Durant (Gileski) has been Head of Franchise Operations and Implementation of SSL since February 2022. From January 2021 until February 2022, she was Director of Franchise Implementation of SSL; and from August 2018 through December 2020, she was a Franchise Business Coach for SSL.~~

**Head of Franchise Strategy: Mike Montague**

Mike Montague has been Head of Franchise Strategy of SSL since January 2024. From June 2021 through December 2023, he was Director of Community Engagement of SSL, from

October 2019 through May 2021, he was Global Head of Content of SSL, and from June 2017 to October 2019, he was Vice President of Sandler LMS of SSL.

**Head of Global Brand & Marketing: Kerri Martinek**

Kerri Martinek has been Head of Global Brand & Marketing of SSL since September 2021. From September 2005 to September 2021, she was Founder and Principal Consultant of Small Pond Marketing in Northborough, Massachusetts; and from May 2019 to September 2021, she was Marketing Program Strategy of Magnetude Consulting in Needham, Massachusetts.

**Director of Franchise Development: Stephen L. Howell**

Stephen Howell has been Director of Franchise Development of SSL since January 2024. From January 2023 to January 2024, he was Franchise Vice President of SSL; from July 2005 through December 2022, he was Vice President, Franchise Operations of SSL; and from February 2001 until July 2005, he was Director of Operations of SSL.

**3. LITIGATION**

**Resolved Case:**

**Topline Solutions, Inc. v. Sandler Systems, Inc., Case No. 1:09-CV-03102-ELH, U.S. District Court for the District of Maryland, Northern Division; Sandler Systems, Inc. v. Topline Solutions, Inc. and Steven Kraner, Case No. 1:09-CV-03102-ELH, U.S. District Court for the District of Maryland, Northern Division.**

On November 19, 2009, Topline Solutions, Inc. (“TSI”), a franchisee of SSL, filed a lawsuit, Case No. 1:09-CV-03102-ELH, against SSL concerning a revenue sharing agreement for a co-developed training program and an agreement regarding use of a customized training program. TSI alleged that SSL breached one of the agreements by failing to report and pay royalties due to TSI as agreed, selling the program in bad faith, and failing to consult with TSI concerning the prices charged; and that SSL breached the other agreement by distributing program materials to SSL’s corporate customers in violation of the agreement. TSI further alleged that SSL fraudulently misrepresented the amount of net receipts concerning the programs. TSI sought compensatory damages in the amount of \$1.2 million; punitive damages of \$500,000; specific performance for SSL to provide TSI access to books and records; a permanent injunction enjoining SSL from violating TSI’s alleged exclusivity rights under one of the agreements; pre-judgment and post-judgment interest; attorneys’ fees; and court costs and expenses. SSL disputed the factual allegations. TSI and SSL both filed motions for partial summary judgment. A hearing on the motions was conducted on March 28, 2012. On April 18, 2012, the Court issued an order granting TSI’s motion in part. On April 30, 2012, the Court issued an order denying SSL’s motion and denying TSI’s motion in part. On November 30, 2016, SSL was granted its motion for partial summary judgment, eliminating TSI’s claims under the contract for the use of a customized training program.

On August 30, 2016, SSL filed a counterclaim and third-party complaint, Case No. 1:09-CV-03102-ELH, against TSI and Steven Kraner (“Kraner”) that arose out of TSI’s and Kraner’s

actions that resulted, in part, in TSI's and Kraner's breach of contracts that were the subject matter of TSI's lawsuit described above. Kraner was the president and sole stockholder of TSI. SSL alleged that TSI and Kraner breached the revenue sharing agreement described above by registering certain material with the U.S. copyright office and by producing certain materials without purchasing them from SSL; that TSI breached its franchise agreement with SSL by producing its own written material which contained SSL's proprietary assets, without the prior written approval of SSL; that TSI and Kraner had willfully and intentionally infringed SSL's copyright in SSL's proprietary assets contained within the publication that TSI registered with the copyright office; and that TSI and Kraner made false representations and omissions in connection with their copyright registration for the purpose of defrauding SSL. SSL sought compensatory damages in excess of \$75,000; statutory damages of \$150,000; punitive damages; interest, attorneys' fees and costs; declaration that TSI and Kraner materially breached the revenue sharing agreement and termination of that agreement; termination or rescission of the franchise agreement; and an injunction prohibiting TSI and Kraner from continuing to infringe on SSL's copyright. An answer to the counterclaim and third-party complaint was filed on September 16, 2016. The two lawsuits were scheduled to be tried together commencing on August 14, 2017.

Prior to the commencement of trial, SSL settled the lawsuit in order to avoid further waste of SSL resources and to allow management to focus on SSL's core mission. While the original claim was for a much more significant amount, SSL agreed to pay TSI \$760,000. On September 7, 2017, the Court dismissed the case with prejudice based upon the Stipulation of Dismissal filed by the parties.

Other than the foregoing 1 action, no litigation must be disclosed in this Disclosure Document.

**4. BANKRUPTCY**

No bankruptcies are required to be disclosed in this Disclosure Document.

**5. INITIAL FEES**

The initial franchise fee for an SSL franchise is \$49,000, which you must pay by ACH, wire transfer, or certified or cashier's check when you sign the Franchise Agreement. There are no refunds of the initial franchise fee under any circumstances. SSL applies payments of initial franchise fees to its general operating capital fund.

**6. OTHER FEES**

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Monthly Service Charge	\$1,200 <sup>2, 3</sup>	Payable on 1 <sup>st</sup> day of each month	_____

<b>Type of Fee<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Monthly Royalty	8% to 3% of Gross Revenues, depending on the cumulative amount of Gross Revenues received during each calendar year <sup>4</sup>	Payable on the 15 <sup>th</sup> day of each month	_____
Marketing Fee	Currently, \$527.90 per month <sup>3, 6</sup>	Payable on 1 <sup>st</sup> day of each month	_____
Newsletter Subscription Fee	Currently, \$50 per month <sup>5, 15</sup>	Payable on 1 <sup>st</sup> day of each month	_____
Transfer Fee	\$12,500, or 12% of the total sale price, whichever amount is greater	At the time of the transfer	Payable only if you transfer your franchise. "Total sale price" excludes monies for real estate. For transfers among existing owners where each transferee owner has been an owner for at least 3 years, or to family members, the transfer fee is \$12,500.
Transfer of Franchise to Corporation or Other Entity for Convenience of Ownership	\$1,000 <sup>15</sup>	After SSL's review and preparation of SSL's required documents for the transfer	Payable only if you transfer your franchise to an entity after 3 months from the date of the Franchise Agreement
Book of Business Transfer Fee	12% of the total purchase price	At the time of payment/s of the purchase price	Payable only if you purchase the accounts or client list of another franchised business.
Late Payment Fee	\$50	Immediately when assessed	Payable only if you do not make your payments on time; see Note 7
Late Report Fee	10% of amount due amount if report is not received by 11:59 PM ET on the tenth day of the month; plus an additional 1% for each day not	Immediately when assessed	Payable only if you do not submit your reports on time; see Note 8

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
	received after 11:59 PM ET on the fourteenth day of the month		
Renewal Fee	\$1,000 <sup>15</sup>	At the time of renewal	Payable only if you renew your franchise
Training Fee	\$1,000 per session <sup>9</sup>	At the time of training	_____
Certification Fee	Currently, there is no fee charged for you or your employees, or travel/lodging required <sup>10</sup>	At the times specified under the certification program	_____
Email Service Fee	Currently, \$584 per year, plus a one-time set-up fee of \$100, per email address <sup>3</sup>	Upon issuance of each email address, and then once annually.	You must participate in the email service we have established for our franchise network. You receive one email address at no charge until December 31 of your first year. Commencing in the first calendar quarter of the following year, you will be charged the \$584 email service fee annually per email address issued for each calendar year. The fee will be paid in full for the full year license and is not refundable if you or an employee leaves any time after the full year license purchase has occurred. You may, however, transfer the license to another user for the duration of the year upon payment of a \$100.00 transfer fee.
HubSpot Sales Hub (CRM) Fee	Currently, \$100 per month <sup>11, 15</sup>	Payable on the 1 <sup>st</sup> day of each month	Payable directly to HubSpot, Inc.
HubSpot Portal Sync App Fee	Currently, \$50 - \$150 per month, depending on the size of the franchise, data	Payable on the 1 <sup>st</sup> day of each month	Payable directly to Lynton, LLC

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
	usage and number of users <sup>11, 15</sup>		
Accounting System Fee	Currently, there is no fee charged <sup>12</sup>	Not applicable	_____
Participation in SSL's Internet Website Program Fees	Currently, \$70 per Sitelet URL, per month, prorated for the first month (includes the cost of the SSL certificate) <sup>13</sup>	Payment is due on the first day of each month	You must participate in SSL's Website Program; see Section 6.5 of Franchise Agreement
Conference Registration Fee	Currently, up to \$1,250 for a client, up to \$1,000 for a franchisee owner, and up to \$200 for a guest, per conference <sup>14</sup>	At the time of registration	_____
Attorneys' Fees and Costs	Varies	As incurred	Payable if we retain counsel to successfully litigate our claims against you, or to defend your claims against us, or to enforce a post-term non-compete against your former employee if you have failed to comply with your obligations in the Franchise Agreement relating to that employee, or to pursue trademark or copyright infringement against your current or former employee.
Indemnification	Varies	As incurred	Payable if we are sued by others for claims arising out of your operation of the franchised business
Inspection and Audit Expenses and Fees	Varies	As incurred	If an inspection (on-site or electronic) of your business operations, facilities or records reveals an occurrence of specified defaults, or a post-

<b>Type of Fee<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
			term audit reveals a failure to accurately report Gross Revenues, you are required to reimburse us for all expenses and fees incurred in connection with the inspection or audit.
Underreporting Fee	10% of the amount underreported	As incurred	Payable if you underreport Gross Revenues
Failure to Comply with Approved Supplier or Product Delivery Requirements Fee	\$25,000, or \$500 per person per instance, whichever amount is greater	As incurred	Payable if you provide your clients with materials, assessments or products not purchased from us or our designated suppliers without our prior written approval, or if you fail to comply with our product delivery requirements
Rescission of Credit Card Charge Fee	\$2,500	As incurred	Upon the termination or expiration of the Franchise Agreement, you are required to pay all sums due to us, including the Royalty for Gross Revenues received following the date of termination or expiration. Payable if you pay by credit card and then contact your credit card company and claim the charge is unauthorized.
Failure to Submit Client List Fee	\$25,000, or 10% of your gross revenues during the prior calendar year, whichever amount is greater	As incurred	Upon the termination or expiration of the Franchise Agreement, you are required to submit your client list to us. Payable if you fail to submit your client list within 10 business days of termination or expiration.

Notes:

1. Unless otherwise stated, all fees are payable to SSL, all fees are non-refundable, and all fees are uniformly imposed.
2. Monthly Service Charge is \$0 for the first and second months after completing Initial Training, Part I; \$400 for the third, fourth and fifth months; \$800 for the sixth, seventh and eighth months; and \$1,200 for the ninth through the twelfth months. The Monthly Service Charge increases by 10% the first day of the month following the anniversary month of the

signing of the Franchise Agreement each year for four years. It increases by 5% on the anniversary dates during the renewal term(s).

3. These amounts are increased by 25% for each office or training facility that you open over and above your primary office/training facility and one additional office or training facility, or outside your business focus area.
4. The Royalty shall be configured on an annual cumulative revenue method calculated on a calendar year basis. When Gross Revenues reach the next tier during any given calendar year, the Royalty decreases as set forth in the table below for that calendar year. Gross Revenues reset to zero on January 1 of each year.

<u>Gross Revenues During a Single Calendar Year Rounded to Nearest Dollar</u>	<u>Royalty Due to SSL</u>
\$0 to \$500,000	8%
\$500,001 to \$1,000,000	7%
\$1,000,001 to \$1,500,000	6%
\$1,500,001 to \$2,000,000	5%
\$2,000,001 to \$2,500,000	4%
\$2,500,001 and greater	3%

SSL has the right to increase the Royalty by up to one percent (1%) one (1) time during each Renewal Term upon written notice to you, effective the first January 1 following such notice.

5. The newsletter is currently produced on a quarterly basis in electronic format. The newsletter fee is currently \$50 per month. This amount is subject to change based upon SSL's change in frequency of production and/or format of delivery.
6. Marketing Fee is \$0 for the first and second months after completing Initial Training, Part I; \$150 for the third, fourth and fifth months; \$300 for the sixth, seventh and eighth months; and \$527.90 for the ninth month and each subsequent month during the term of the Franchise Agreement. The Marketing Fee increases annually to reflect increases in the Consumer Price Index over the prior year.
7. The Monthly Service Charge, Marketing Fee and Newsletter Subscription Fee are due on the first day of each month. The Royalty is due on the fifteenth day of each month. If you fail to pay your Monthly Service Charge, your Marketing Fee, your Newsletter Subscription Fee, your Royalty, or any other charges on the due date, you are subject to this late fee. In the event that any payment required to be made by you is not made within thirty (30) days of the date due, you will be charged a late fee, in addition to the amount due.
8. Monthly reports are due on the tenth day of each month for gross revenues received during the preceding month. Late charges begin to accrue at 12:00 AM ET on the eleventh day of the month.

9. Section 4.2 of the Franchise Agreement permits SSL to charge a training fee for training sessions that we provide to your employees. SSL charges a fee of \$1,000 or such other amount as may be set forth in the Operations Manual for each training session that your employees attend.
10. Section 8.4(u) of the Franchise Agreement requires you to attend and successfully complete, and cause each of your employees who provide sales and sales management training to your clients to attend and successfully complete, SSL's initial and ongoing certification programs within the times required by SSL, and pay the then-current per-person fees and travel and lodging expenses incurred by you and your employees in connection with attending the programs and maintaining your respective certifications.
11. Section 8.4(w) of the Franchise Agreement requires you to use the customer relationship management system ("CRM") that SSL has established for use by the franchise network, and pay the then-current licensing fee.
12. SSL may establish an accounting system or other software or system to assist you with your accounting. Such software or system may be accessible by SSL to understand the financial performance of the Franchise business. If so established by SSL, Section 8.4(y) of the Franchise Agreement requires you to use such software or system as required by SSL, and pay the then-current licensing fee for use of the accounting software or system.
13. The recurring fee for your use of the SSL franchise Website ("Sitelet"), dynamically linked to and a part of SSL's Corporate Internet Website, the hosting and maintenance of the Sitelet and related administrative expenses, is currently \$70 per month. The fee is paid to SSL, and is not refundable if your Franchise Agreement is terminated or expires prior to the date of your next payment due date. The fee will increase to \$150 per month effective January 1, 2025.
14. Section 8.4(t) of the Franchise Agreement requires you and your employees who provide sales and sales management training to your clients to attend at least one time per calendar year the conferences provided by SSL from time to time, and pay the registration costs thereof.
15. These fees are lower for franchisees who own more than one franchised business.

## 7. **ESTIMATED INITIAL INVESTMENT**

### **YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is To Be Made</b>
Initial Franchise Fee	\$49,000	ACH, wire transfer, or Certified or Cashier's Check <sup>1</sup>	When you sign the Franchise Agreement	SSL
Travel and Living Expenses While Training	\$1,000 to \$1,900 <sup>2</sup>	As incurred	During training	Airlines, hotels, restaurants <sup>9</sup>
Real Estate and Improvements	See Note 3	See Note 3	See Note 3	See Note 3
Office Furnishings and Equipment <sup>4</sup>	\$12,675 to \$30,750	As incurred	Before opening	Suppliers <sup>9</sup>
Office Supplies	\$250 to \$450	As incurred	Before opening	Suppliers <sup>9</sup>
Miscellaneous Opening Cost <sup>5</sup>	\$400 to \$1,000	As incurred	Before opening	Suppliers <sup>9</sup>
Insurance	\$8,500 to \$14,000	As incurred	Before opening	Suppliers <sup>9</sup>
Additional Funds (6 months)	\$30,000 to \$50,000 <sup>7</sup>	See Note 7	See Note 7	See Note 7
<b>TOTAL<sup>8</sup></b>	<b>\$101,825 to \$147,100</b>			

Notes:

1. Payment by ACH or wire transfer are SSL's preferred methods of payment.
2. These costs will vary depending on factors such as mode of travel, distance traveled to training and quality of hotel accommodations selected by you. This estimate includes the cost of one person.
3. You are not required to obtain or lease real property or office space meeting specifications prescribed by SSL for the operation of your business. All in-person training must be delivered from a physical location other than a home office. All virtual training must be delivered in accordance with the specifications set forth in the Operations Manual. A physical location is recommended but not required. Some of our franchisees rent a training facility. You may obtain an office in a location in your business focus area and of a size of your choosing. You may incur costs for the build out of your office space. If you lease the office space, you may be able to negotiate a construction allowance from your landlord to cover some of your costs. Because costs incurred for office space vary widely among our franchisees, SSL is unable to provide meaningful estimates of costs.
4. You must have a personal computer (see Item 11 for further description) and the ability to communicate by email. In addition to a personal computer, most franchisees find it necessary to have virtual audio/video and smartboard equipment, and voicemail service when they start the business. When you establish an office or training center, you will obtain these technologies as you feel it is necessary.

5. Includes security deposits, utility deposits, business licenses (if required), and professional advisors fees (attorney, accountant). You should consult your lawyer or your local county and state authorities about the specific legal requirements for business licenses in your local area and the cost of these licenses.
6. SSL supplies you with an Initial Inventory of reference materials, the current contents of which are listed on **Exhibit CC** to the Franchise Agreement, at no additional cost to you. Many franchisees deplete the Initial Inventory within 2 to 3 months after starting the franchised business. Your cost to replace the initial inventory is approximately One Thousand Seven Hundred Dollars (\$1,700).
7. This estimate is for 6 months. SSL estimates that, in general, you can expect to put additional cash into the business during at least the first 3 to 18 months, and sometimes longer, but SSL cannot estimate or promise when, or whether, you will achieve positive cash flow. You should also be sure to have a reserve for your personal living expenses.
8. This is an estimate only of a range of initial start-up expenses you may incur. These expenses do not include payroll costs for your employees, if any, or an owner's draw. These figures are estimates and SSL cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: your management skill, experience and business acumen; economic conditions; the market for your services; competition in your area; and other factors. SSL has relied on its own experience and the experience of a number of its franchisees to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.
9. Amounts paid to SSL are non-refundable. Amounts paid to other suppliers may be non-refundable.

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

You must purchase all materials, programs and assessment tools for use with clients in your Sandler business from SSL or its designated suppliers, and may not purchase or use any materials, programs and assessment tools for use with clients in your Sandler business without SSL's prior written approval. If you desire to purchase any of these items from an unapproved supplier, you or the supplier must submit to SSL a written request for approval. You must provide SSL with all materials or information as SSL may reasonably request as to items for approval and the supplier. SSL will use its best efforts to notify you in writing, within 30 days of SSL's receipt of the materials and information it requests, of its approval or disapproval of the proposed supplier. SSL may revoke its approval of particular products or suppliers when SSL determines, in its sole discretion, that the products or suppliers no longer meet its standards. You may not use any disapproved product or purchase from any disapproved supplier after receiving notice that SSL's approval of the product or supplier has been revoked. SSL is not required to issue its specifications and standards to franchisees or approved suppliers, nor are criteria for supplier approval made available to franchisees.

You and your associates will be required to attend and successfully complete the initial and ongoing certification programs which SSL intends to implement. SSL produces its own copyrighted facilitator materials, student materials, client certification program, web applications, audio, video and online programs and support materials. SSL charges fees for required email service, website service, employee training, and conference attendance. SSL also provides private label materials (including the Sandler learning management system) that are purchased by you for resale to your clients. All materials, programs and assessment tools used in your franchised business must be purchased from SSL or its designated suppliers. There is no other source for those items. In the year ending December 31, 2023, SSL's revenues from the sale of those items and those fees charged was \$2,380,490, or 9% of SSL's total revenues of \$27,679,007. SSL receives payments from designated suppliers of assessments ranging from 5% to 40% of franchisees' purchases from such suppliers. SSL may derive revenue from the required trainer certification programs. SSL does not receive other payments from any designated suppliers due to the suppliers' transactions with SSL's franchisees. Other than SSL, there are no required suppliers in which any of SSL's officers owns an interest. Sandler Holdings currently has plans to acquire a minority ownership interest in AuctusIQ, LLC, which is a designated supplier of assessments, in 2024.

You must deliver the appropriate SSL product in the format and method of delivery as determined and required by SSL, to each participant enrolled in a training or other program or session that you conduct. The method of delivery may be the fulfillment of the appropriate SSL product directly from SSL to the participants, whether electronically or otherwise. SSL does not require you to maintain a specific level or composition of product inventory. SSL expects that the programs and material required to be purchased from SSL will constitute substantially all the goods and materials sold by you. During your first year, you may spend more with other vendors to purchase the equipment, supplies and services to establish your business than you spend on programs and materials purchased from SSL. SSL expects that you will spend 3-5% of your total expenses for services on programs and materials purchased from SSL during your first year. Beginning in your fifth full calendar quarter, SSL expects that you will spend more purchasing programs and materials from SSL. SSL expects that you will spend 5-10% of your total expenses for and services on programs and materials purchased from SSL beginning in your fifth full calendar quarter.

You must secure and maintain the minimum insurance requirements below:

- a. Commercial general liability with limits no less than \$1,000,000 for each occurrence and \$2,000,000 in the aggregate, including bodily injury and property damage;
- b. Worker's compensation insurance with limits no less than the limits of worker's compensation laws in each state where work is performed;
- c. Commercial automobile liability insurance, with limits no less than \$1,000,000, combined single limit;
- d. Professional liability or errors and omissions (E&O) insurance, with limits no less than \$1,000,000 per occurrence and \$1,000,000 in the aggregate; and

e. Umbrella (Excess) liability for the coverage in (a) and (c) with limits no less than \$2,000,000.

Except as described above, SSL has no required specifications, designated suppliers or approved suppliers for goods or services related to your franchise business. There are no purchasing or distribution cooperatives in existence. SSL does not provide any material benefits to franchisees based on franchisees' purchases of particular products or services or use of particular suppliers. SSL may negotiate purchase arrangements with some of SSL's suppliers (including price terms) for the benefit of our franchisees, but SSL is under no obligation to do so.

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## 9. FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	1.5; 1.6	Item 7
b. Pre-opening purchases/leases	3.1; 8	Items 5 and 7
c. Site development and other pre-opening requirements	Not applicable	Not applicable
d. Initial and ongoing training	4; 8.4(q); 8.4(t); 8.4(u)	Item 11
e. Opening	8.4(q); 10.1(l)	Item 11
f. Fees	3; 4.3(d); 4.3(e); 6.1; 6.2; 8.4(f); 8.4(t); 8.4(u); 8.4(w); 8.4(y); 8.9; 8.16; 10.3; 10.4(a); 10.4(b); 10.4(g); 10.4(j); 11.1; 11.7(l); 15.6	Items 5 and 6
g. Compliance with standards and policies/ operations manual	5; 7.1; 8	Item 15
h. Trademarks and proprietary information	5; 8	Items 13 and 14
i. Restrictions on products/services offered	8.4; 8.5; 12.1(a)	Item 16
j. Warranty and customer service requirements	8.4(m)	Not applicable
k. Territorial development and sales quotas	Not applicable	Not applicable

Obligation	Section in Franchise Agreement	Disclosure Document Item
l. Ongoing product/service purchases	3.9; 3.10	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	Not applicable	Not applicable
n. Insurance	8.6	Item 8
o. Advertising; Internet website	6; 8.4(r)	Items 6 and 11
p. Indemnification	9; 12.1(g)	Not applicable
q. Owner's participation/management/staffing	7.1; 8.1; 8.2; 8.4(j); 8.4(o); 8.4(t)	Item 15
r. Records and reports	3.3, 7.1; 8.4(h); 8.4(w); 8.4(x); 8.8; 8.9; 10.4(g)	Not applicable
s. Inspections and audits	8.4(f); 10.4(h); 10.4(j)	Not applicable
t. Transfer	11	Item 17
u. Renewal	2.2	Item 17
v. Post-termination obligations	10.4; 12.1; 12.2; 12.3	Item 17
w. Non-competition covenants	8.4(o); 12	Item 17
x. Dispute resolution	14; 15.5; 15.6	Item 17
y. Required purchases	3.9	Item 6
z. Owner's and employee's residence within territory	7.1	Item 12

## 10. FINANCING

~~SSL does not offer direct or indirect financing. SSL does not guarantee your note, lease or obligation. Neither SSL nor any affiliate of SSL, either directly or indirectly, offers any financing arrangements to franchisees. SSL does not receive any direct or indirect payments or other consideration for placing financing, nor does SSL guarantee your obligations to third parties.~~

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

**Except as listed below, SSL is not required to provide you with any assistance.**

Pre-Opening Obligations. Before you start your business:

1. SSL will approve the location of your primary office and training facility (Franchise

Agreement – Section 1.5). The factors that SSL considers in approving the location of your primary office and training facility are its proximity to other franchisees in the territory and the compliance with Section 7.1 of the Franchise Agreement as to who establishes or operates the office and training facility. SSL does not provide any assistance to you in locating an office or training facility, or negotiating the purchase or lease of an office or training facility.

2. SSL will train you in the operation of your Sandler franchise as described below in this Item 11 (Franchise Agreement – Section 4.1).

3. Upon your completion of Initial Training, Part I, SSL will provide you with an Initial Inventory of reference materials, the current contents of which are listed on **Exhibit CC** to the Franchise Agreement, which may be delivered in one or more partial shipments over a 90-day period and which will include electronic delivery, and an initial set of business cards as you select from SSL’s pre-approved layouts. SSL will have these items delivered to you. (Franchise Agreement - Section 4.4).

4. SSL will provide you with access to the operating manuals, directives, price lists or other memoranda issued by SSL (collectively, the “Operations Manual”) that SSL makes available to other franchisees (Franchise Agreement – Section 4.5).

Time to Open. Franchisees typically begin the business within 1 to 3 months after they sign the Franchise Agreement. The factors that affect this time period are specific to individual franchisee’s readiness to begin the business.

Obligations After Opening. During the operation of your franchised business:

1. SSL will provide individual or group advice, consultation and assistance rendered by on-site visits, telephone, audio/video communication devices, newsletters or bulletins regarding the operation of the Franchised business. (Franchise Agreement - Section 4.3(c));

2. SSL may conduct periodic conferences to discuss sales techniques, programs, and other topics of interest to franchisees. We currently charge a registration fee of up to \$1,000 per franchisee owner to attend each conference. You must pay all travel and living expenses for you and your eligible employees who do attend. These conferences are currently held 1 time per year virtually, 1 time per year in Arlington, Virginia, and 1 time per year in Orlando, Florida. (Franchise Agreement - Sections 4.2 and 8.4(t));

3. SSL may make available other resources and assistance periodically (Franchise Agreement - Section 4.3(f)).

4. SSL will provide you with an individualized website describing your business (Franchise Agreement – Section 4.3(d)).

5. SSL will provide an email address for you and each of your employees at our then-current email service charge (currently, this is \$584 per year, plus a one-time set-up fee of \$100, per email address; you receive your first email address for free up until December 31 of your first year) (Franchise Agreement – Section 4.3(e)).

### Advertising Programs.

Advertising Fund. You must participate in the system-wide marketing and advertising fund (the “Fund”) established by SSL. You must contribute to the Fund on the first day of each month a Marketing Fee in the amount of \$527.90 per month, which amount will be increased annually to reflect increases in the Consumer Price Index over the prior year. The Marketing Fee is reduced for all new franchisees for the franchisee’s first eight months of operations. (See Item 6 for more information.) (Franchise Agreement – Sections 6.1 and 6.2). Other franchisees do not contribute to the Fund at different rates.

SSL will direct all marketing and advertising programs, with the sole and absolute right of approval over agencies, spokespersons, creative concepts, materials, and media placements and allocations used in the programs. The Fund may be used to increase general public recognition and acceptance of the Marks for the benefit of the Sandler System, and SSL and its designees undertake no obligation in administering the Fund to make expenditures for you that are equivalent or proportionate to your contributions, or to ensure that you benefit directly or pro rata from the placement of advertising. (Franchise Agreement – Section 6.3(b)).

The Fund may be used to meet the costs of advertising and promotional materials and programs in any media. SSL will not use Fund contributions to defray its general operating expenses, except for reasonable administrative costs and overhead incurred in activities related to the administration or direction of the Fund. Except as indicated above, SSL does not receive payment for providing goods or services to the Fund. No portion of the Fund may be used to market or advertise the sale of Sandler franchises. (Franchise Agreement – Section 6.3(c)). During SSL’s last fiscal year, SSL expended 67% of Fund contributions on digital and social media and content creation, 11% on lead distribution, and 22% on the administrative expenses of outside marketing agencies.

If all contributions to the Fund received during a fiscal year are not expended during the same fiscal year, SSL may expend those contributions in subsequent years. If the Fund expends more than the contributions than are accumulated during any fiscal year, SSL may receive from the Fund reimbursement or credit during the same or subsequent years to the extent of the excess expenditure. (Franchise Agreement – Section 6.3(d)). The Fund is not audited. An unaudited summary report on the operation of the Fund will be prepared annually and will be made available to you on request made more than 120 days after each fiscal year end. (Franchise Agreement – Section 6.3(e)). This summary report will provide an accounting of advertising expenditures.

Although the Fund is intended to be of perpetual duration, SSL may in its sole and unrestricted discretion terminate the Fund, but in that case all contributions will be used for the purposes described above or returned to contributors on a prorated basis. (Franchise Agreement – Section 6.3(f)).

Local Advertising. SSL may, on occasion, make available to you sample marketing materials. You are permitted to create your own marketing materials, which are subject to approval by SSL. (Franchise Agreement - Section 6.4).

Internet Website. You must participate in SSL's Internet Website Program. SSL reviews and approves your Website before it can be accessible by the public. (Franchise Agreement – Section 6.5).

Advertising Council. Currently, there is no advertising council composed of franchisees that advises SSL on advertising policies.

Advertising Cooperatives. You are not required to participate in any local or regional advertising cooperative.

Computer Systems. SSL requires you to have a personal computer and to have email capability. As of the date of this Disclosure Document, SSL requires that your computer system be equipped, at a minimum, with a properly licensed copy of Microsoft Windows that is still fully supported by Microsoft or Mac OS X released within the last three years and fully supported by Apple, Microsoft, a printer, Internet access, and virus/spyware protection software (free versions are not sufficient or acceptable). Email is provided through a web-based portal and requires additional current release free software such as Microsoft Edge, Google Chrome or Apple Safari, and that you purchase a full copy of MS Office 365 Outlook to gain access to the full feature set. You are required to use the Outlook App on your mobile devices to access email which is available for free for both Android and Apple devices. The estimated cost of the computer system is \$850 to \$2,500. SSL does not require that you update or upgrade your computer hardware or software during the term of your franchise. You are required to participate in the email service that SSL has established for the franchise network, and SSL owns and has the right to review your emails in limited circumstances. SSL has access to the data that you and your clients input into SSL's online learning management system, and to the data that you input into the HubSpot CRM. SSL will not otherwise have independent access to the information that will be generated or stored in your computer system.

Confidential Training and Operations Manual, and Marketing Resources and Tools. As part of your Initial Training, you will receive instructional material, including a Training Manual, an Operations Manual, and Marketing Resources and Tools (through the One Sandler Website). **Exhibit K** to this Disclosure Document contains a copy of the table of contents of the Operations Manual. SSL will permit you to view these manuals at SSL's headquarters before you purchase the franchise. To protect the confidentiality of these manuals, you must sign a confidentiality agreement (see **Exhibit G**).

Training Program. Initial Training, Part I is generally conducted every two months for 8 to 10 days, depending on the number of attendees and/or whether virtual or in-person. Initial Training, Part II is generally a 1-day session, generally conducted 1 time a year. Initial Training, Part I is held virtually or at SSL's home office or at a hotel conference facility in the Baltimore area. Initial Training, Part II is held virtually or at a hotel conference facility in the Baltimore area, or elsewhere in the United States, as determined by SSL. Continuing Education Training is currently an ongoing program conducted throughout the year in-person, virtually and via a self-paced course. Initial Training, Part II and Continuing Education Training are recommended, but not required. (Franchise Agreement - Section 4.1).

Initial Training and Continuing Education Training sessions are open only to franchisees or, in cases where the Franchisee will not be involved in the day-to-day operation of the business,

managers who have signed the Manager’s Non-Disclosure and Non-Compete Agreement attached to this Disclosure Document as **Exhibit I**.

Franchisees and their employees are required to attend new content training and attain certification as a pre-requisite to being permitted to train new Sandler programs, such as the Sales Leader Growth Series and the Sales Development Series. New content training will be conducted in-person, virtually, or through on-demand recordings. SSL does not currently charge a fee for new content training or certification.

SSL may train your employees in separate sessions designed for employees only, and may conduct these sessions less frequently than Initial Training sessions. SSL charges you a training and materials fee of \$1,000.00 or such other amount as may be set forth in the Operations Manual for each session your employees attend. SSL may also impose certain conditions on which employees are qualified to attend training. (Franchise Agreement - Section 4.2).

During Initial Training, you will receive access to the Essentials and Sales Development Series Courses in Sandler LMS to learn the Sandler Selling System® methodology, and instruction in the following areas:

### TRAINING PROGRAM

<b>INITIAL TRAINING – PART I</b>			
<b>Subject</b>	<b>Minimum Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location if In-Person</b>
Welcome to Sandler	2.00	0	Baltimore area
DISCover Communication Styles	1.75	0	Baltimore area
Business Systems Training	3.00	0	Baltimore area
Defining Success	3.50	0	Baltimore area
Business Structure	1.50	0	Baltimore area
What We Sell	2.00	0	Baltimore area
Ideal Client Profile	2.00	0	Baltimore area
Executive Briefings & Free Talks	1.00	0	Baltimore area
Tips for Fast Ramp Up	1.50	0	Baltimore area
Starting Your First Group	2.00	0	Baltimore area
The Sandler Selling Methodology	12.00	0	Baltimore area
Application Session with Coach Feedback: First Delivery of Executive Briefing	1.00 - 1.25 per participant	0	Baltimore area
Creating Your Prospecting Plan	3.00	0	Baltimore area
Application Sessions: Sandler concepts are delivered and applied through role-plays to practice and get owners comfortable	11.00	0	Baltimore area

<b>INITIAL TRAINING – PART I</b>			
<b>Subject</b>	<b>Minimum Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location if In-Person</b>
Using LinkedIn to Grow Your Business	1.00	0	Baltimore area
Operations Manual & Code of Ethics	1.00	0	Baltimore area
Next Steps: Continuing Education	0.50	0	Baltimore area

The primary instructors who teach the various Initial Training subjects listed above (except marketing) on an assignment basis are:

David Mattson – has been affiliated with SSL since September 1988, and has been Executive Chairman and President of Franchise since January 2024; from October 2012 to January 2024, he was President of SSL, and from October 2007 to January 2024, he was CEO of SSL; he has been a Director since July 1992.

Stephen Howell – has been Director of Franchise Development since January 2024; from January 2023 to January 2024, he was Franchise Vice President of SSL; from July 2005 through December 2022, he was Vice President, Franchise Operations of SSL; and from February 2001 to July 2005, he was Director of Operations of SSL.

~~Janice Durant – began her association with SSL in February 2006 as a SSL Franchisee, training local and national clients in sales training and sales management training utilizing the Sandler Selling System; became an associate for a SSL Franchisee in October 2016; and joined SSL as an employee in August 2018 to provide coaching, support, and training to SSL Franchisees, as well as participating in Initial Training of new Franchise owners.~~

Mike Montague - has been Head of Franchise Strategy of SSL since January 2024. From June 2021 through December 2023, he was Director of Community Engagement, from October 2019 through May 2021, he was Global Head of Content, and from June 2017 to October 2019, he was Vice President of Sandler LMS of SSL.

John Shrum – began his association with SSL in June 2001 as a SSL Franchisee, training local and national clients in sales training and sales management training utilizing the Sandler Selling System; and joined SSL as an employee in August 2007 to provide coaching, support, and training to SSL Franchisees, as well as participating in Initial Training of new Franchise owners, Associate Training, and presenting various topics at SSL Conferences.

Scott Sherwin – began his association with SSL in June 2004 as a SSL Franchisee, training local and national clients in sales training and sales management training utilizing the Sandler Selling System; became an associate for a SSL Franchisee in January 2022; and joined SSL as an employee in January 2022 to provide coaching, support, and training to SSL Franchisees, as well as participating in Initial Training of new Franchise owners.

Susan Sykes – began her association with SSL in November 2012 as a SSL Franchisee, training local and national clients in sales training and sales management training utilizing the Sandler Selling System; became an associate for a SSL Franchisee in September 2021; and joined SSL as an employee in February 2022 to provide coaching, support, and training to SSL Franchisees, as well as participating in Initial Training of new Franchise owners.

Trish Lacombe – began her association with SSL in September 2016 as Director of Client Success for an SSL Franchisee, supporting the client life cycle from prospect to client and training local clients in sales training utilizing the Sandler Selling System; and joined SSL as an employee in November 2021 to provide coaching, support and training to SSL Franchisees, as well as participating in Initial Training of new Franchise owners.

Before beginning business, all new franchisees must attend and successfully complete Initial Training, Part I. This must be done within 3 months of signing the Franchise Agreement. (Franchise Agreement - Section 8.4(q)). Before renewing your Franchise Agreement, SSL at its discretion may require you to attend a mandatory refresher course (Franchise Agreement - Section 2.2(g)). SSL, at its discretion, may require you to attend training at any time during the term of your Franchise Agreement if SSL reasonably believes that additional training is necessary (Franchise Agreement - Section 8.4(j)). You may, at other times during the term of your contract, attend optional training programs that SSL provides.

SSL charges you a training fee of \$1,000 or such other amount as may be set forth in the Operations Manual for each training session that your employees attend, and you must also pay for their travel and living expenses.

Location Selection. SSL must approve the location and relocation of your office and training facility. If you want to change your primary office or training facility, or desire to add to or change any of your other offices or training facility locations, SSL must approve their location. (Franchise Agreement – Section 1.1). The factors SSL considers in approving the location or relocation of any of your offices or training facilities are the proximity of these offices or training facilities to the approved offices and training facilities of other franchisees in your territory and the compliance with Section 7.1 of the Franchise Agreement as to who establishes or operates these offices or training facilities.

## **12. TERRITORY**

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

### **Territory**

You will be granted a non-exclusive right to solicit clients within a specific geographic area (“Territory”). Typically a Territory is defined by a group of contiguous U.S. Postal ZIP Code Sectional Areas, generally representing an entire state, as determined by us, but we reserve the right to determine the size of your Territory based on metrics such as business potential, demographics and population size specific to your Sandler business. The minimum population size

of the target demographic group within your Territory is determined on a case-by-case basis depending on the results of demographic research. The defined measurable geographic area of the Territories we establish range in size depending on where Sandler businesses are located. Typically, Sandler businesses located in metropolitan areas will receive a smaller Territory than Sandler businesses located in suburban/rural areas. If your Territory is determined by Zip Codes and the U.S. Postal Service alters the boundary(ies) or number(s) of any assigned ZIP Code(s), SSL shall reassign to you the redesignated ZIP Code(s) which most nearly correspond to any previously held ZIP Code(s). You will negotiate and agree upon the size of your Territory with us at the time you identify a site for your Sandler business. Your Territory will be described in Exhibit AA to your Franchise Agreement. There will be no minimum geographic size to your Territory.

There is no limit on the number of franchises that we may grant in your Territory. We will determine the number of franchises appropriate for a Territory based on the factors described above.

The continuation of your rights does not depend on achievement of any sales volume, market penetration or other contingency. You will not be granted any option, right of first refusal or similar right to acquire additional franchises within your territory, or in a contiguous territory.

You and your employees who sell or aid in selling services for you must reside within the Territory.

You may not conduct your Sandler business outside of your Territory unless you receive business that is “obtained without solicitation, which means that you have not initiated actions to develop or obtain business outside your Territory through direct or indirect means; provided that, Optional Programs (described below) and the ability of persons outside of your Territory to view your web pages is not be considered direct or indirect solicitation by you. Other franchisees have the right to conduct their Sandler businesses within your Territory so long as it is “obtained without solicitation.” We will make reasonable efforts to see that no other franchisee, other than a franchisee who also has purchased a franchise in your Territory, solicits clients in your Territory, but under no circumstances are we required to resort to litigation or any similar measure to accomplish this objective, and we are not responsible for recompensing you for any such action if undertaken by you. You will not receive any compensation for any sales made by us or other franchisees in your Territory.

You may not solicit clients outside your territory under any channel of distribution (including virtually, the Internet, catalog sales, telemarketing, or other direct marketing sales).

We may from time to time offer franchisees the right to participate in a new seminar, workshop, method or set of materials acquired or developed by us (“Optional Program”). You are under no obligation to participate in Optional Programs. If you do not participate in an Optional Program offered we and other franchisee may present seminars and workshops, sell materials, and do direct mailings in your Territory in connection with the Optional Program. You will not receive any compensation for Optional Program activities conducted by or sales made by us or other franchisees within your Territory.

Without our approval, you may not conduct business outside of the United States and Canada or within the United States or Canada for employees or independent contractors of clients who reside and/or work outside of the United States and Canada.

### **Business Focus Area**

While you may conduct your Sandler business activities throughout your Territory, you will be required to focus the majority of your business efforts in a geographic area within your Territory (“Business Focus Area”) determined by us based on the same metrics we use to determine the size of your Territory (see above) and typically consists of U.S. Postal Service Zip Codes. You must establish and operate your principal office and/or principal training facility (“Primary Place of Business”) in the Business Focus Area at a site approved by us. Your Business Focus Area will be described in Exhibit AA to your Franchise Agreement. There will be no minimum geographic size to your Business Focus Area.

### **Extra Office**

You may establish and operate one additional office or training facility within your Territory (“Extra Office”) upon receiving our prior written approval. Our approval is based upon our site approval standards and your compliance with your Franchise Agreement, our Operations Manual, and the standards of quality and service we establish to protect the goodwill and enhance the public image of the Sandler System. Your Extra Office does not have to be within your Business Focus Area but must be within your Territory. You will be required to pay the additional fees described in Item 6, Note 3 for your Extra Office

### **Relocation**

You may not operate your Sandler business from any other location except the location we approve and you may not relocate your Primary Place of Business without our approval. Any relocation of your Primary Place of Business or your Extra Office, if applicable, within your Territory must be approved in writing by us. This approval will be based upon considerations of proximity to the approved offices and training facilities of other franchisees in the territory. We do not charge a relocation fee.

### **Our Reserved Rights**

We (and our affiliates) expressly retain all rights and discretion with respect to the Marks, the Sandler System, the Sandler Services, and the Proprietary Assets including, but not limited to the right to:

- a. establish, and franchise or license others the right to establish, a Primary Place of Business and Business Focus Area at any location within or outside of your Territory as we deem appropriate;
- b. establish, and license others to establish, other businesses including, but not limited to, engaging in, directly or indirectly (including through licensing or franchising), offering or conducting seminars, training sessions, meetings, workshops or other programs, or

selling educational materials, or utilizing educational material involving subject matters that are the same as, similar to or competitive with the subject matters, products and services delivered in connection with the Sandler System (“Competitive Businesses”) under other systems using other proprietary marks at such locations, including within your Territory and Business Focus Area, and on such terms and conditions as we deem appropriate;

- c. purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to the Sandler System and Sandler Services (and/or acquire franchise, license and/or similar agreements for such businesses), some or all of which may be located anywhere, including within the Territory and/or Business Focus Area. If we purchase or acquire franchises or licenses, we may, in our sole discretion, act as franchisor or licensor with respect to such franchisees or licensees wherever located, pursuant to the individual franchise or license agreement(s) between us and such franchisee(s) or licensee(s);
- d. be acquired (regardless of the form of transaction) by any business, even if the other business operates, franchises and/or licenses Competitive Businesses within the Territory and/or Business Focus Area;
- e. sell the products and services authorized by SSL for Sandler System businesses using the Marks or other trademarks, service marks and commercial symbols through an alternate channel of distribution such as joint marketing with partner companies, direct mail, catalogue sales, virtual platforms, Internet sites and co-branding strategies, pursuant to such terms and conditions as we deem appropriate whether within or outside your Territory and/or Business Focus Area; and
- f. expand the definition of “Sandler Services” (defined above) to include any activities not expressly forbidden by this Agreement.

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### 13. **TRADEMARKS**

Under the Franchise Agreement, SSL grants you the right to use the name SANDLER TRAINING or SANDLER and the service marks SANDLER TRAINING<sup>®</sup> and SANDLER<sup>®</sup>. You must use the name and service mark SANDLER TRAINING or SANDLER, as specified by SSL, to identify your business.

SSL registered its service mark SANDLER TRAINING<sup>®</sup> on the Principal Register of the U.S. Patent and Trademark Office (the “Principal Register”) on September 9, 2008 under Registration No. 3,498,182. SSL registered its service mark SANDLER<sup>®</sup> on the Principal Register on September 2, 2008 under Registration No. 3,495,228.

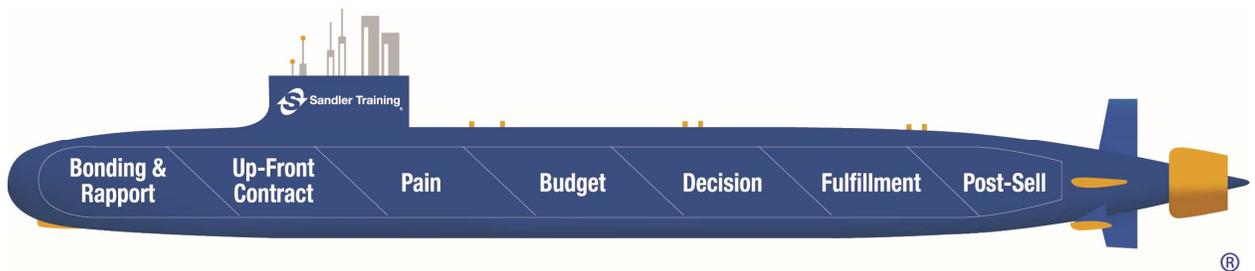
SSL also grants you the right to use the following service marks (including the above mark, the “Marks”):

# SANDLER®

The service mark SANDLER (stylized). SSL registered its service mark SANDLER (stylized) on the Principal Register on February 21, 2023 under Registration No. 6,983,576.



The service mark E (stylized). SSL registered its service mark E (stylized) on the Principal Register on January 3, 2023 under Registration No. 6,944,920.



The service mark Sandler submarine. SSL registered its service mark Sandler submarine (words and design) on the Principal Register on July 25, 2017 under Registration No. 5,249,798.

## SANDLER WORKS®

The service mark SANDLER WORKS®. SSL registered its service mark SANDLER WORKS on the Principal Register on July 8, 1997 under Registration No. 2,077,423.



The service mark SANDLER WORKS! (stylized). SSL registered its service mark SANDLER WORKS! (stylized) on the Principal Register on October 16, 2001 under Registration No. 2,498,251.



The service mark SANDLERWORKS! (stylized). SSL registered its service mark

SANDLERWORKS! (stylized) on the Principal Register on October 2, 2001 under Registration No. 2,494,343.



The service mark S Sandler Training (with design). SSL registered its service mark S Sandler Training (with design) on the Principal Register on May 20, 2008 under Registration No. 3,430,984.



The service mark S Sandler Training (with design). SSL registered its service mark S Sandler Training (with design) on the Principal Register on February 24, 2009 under Registration No. 3,579,710.



The service mark S (with design). SSL registered its service mark S (with design) on the Principal Register on October 20, 2020 under Registration No. 6,180,301.



The service mark S Sandler (with design). SSL registered its service mark S Sandler (with design) on the Principal Register on August 24, 2021 under Registration No. 6,460,633.



The service mark No Guts, No Gain! (with design). SSL registered its service mark No Guts, No Gain! (with design) on the Principal Register on October 21, 2003 under Registration No. 2,775,860.

### **NO GUTS, NO GAIN!®**

The service mark No Guts, No Gain!®. SSL registered its service mark No Guts, No Gain! on the Principal Register on October 14, 2003 under Registration No. 2,773,745.

### **WIMP JUNCTION®**

The service mark WIMP JUNCTION®. SSL and Terry Slattery are joint owners of the service mark WIMP JUNCTION, which was registered on the Principal Register on September 28, 1999 under Registration No. 2,280,369.

We have filed all required renewal applications and affidavits for the Marks.

You must follow our rules when you use the Marks. You cannot use the Marks as part of your business name or in any way not authorized by SSL. You may use other Proprietary Marks as SSL may designate in writing for your use. You may not use any non-SSL trade names, marks, symbols, emblems, logos or insignias on your stationery, business cards, envelopes, signs, websites, advertisements in any medium, or on any other material used and distributed in connection with the franchised business.

There are no currently effective material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which may be relevant to their use in this state or otherwise. There are no agreements currently in effect that significantly limit the rights of SSL to use or license the use of the Marks.

You must notify SSL immediately when you learn about an infringement of or challenge to your use of the Marks. SSL will take the action we think appropriate. SSL intends to protect your rights to use the Marks. However, the Franchise Agreement does not require SSL to do so. The Franchise Agreement does not provide you with any specific rights in connection with a proceeding or settlement that may require you to discontinue the use of or modify the use of an SSL mark.

SSL does not know of any superior prior rights or infringing uses that could materially affect your use of the Marks.

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

Marketing, training and management materials created by SSL are protected under the U.S. Copyright Act, whether or not registrations have been obtained. SSL's copyright registrations which are material to the franchise currently include the following:

Why Salespeople Fail...and what you can do about it!, Registration Number TX-5-638-474, dated October 30, 2002. The duration of this copyright is until October 23, 2097.

No Guts, No Gain!<sup>®</sup> (leader's guide), Registration Number TX 5-676-166, dated January 10, 2003. The duration of this copyright is until December 31, 2097.

No Guts, No Gain!<sup>®</sup> (trainee edition), Registration Number PA 1-151-007, dated February 6, 2003. The duration of this copyright is until November 27, 2097.

Tactics For Sales Professionals, Registration Number TX-6-610-379, dated May 25, 2007. The duration of this copyright is until February 22, 2102.

Sandler Management Solutions (Leader's Guide), Registration Number TX-6-855-010, dated April 11, 2008. The duration of this copyright is until February 21, 2103.

Sandler Management Solutions (student workbook), Registration Number TX-6-941-256, dated April 11, 2008. The duration of this copyright is until February 21, 2103.

Strategic Customer Care: Student Materials and Pocket Card, Registration Number TX-7-325-489, dated December 22, 2010. The duration of this copyright is until November 4, 2105.

Strategic Customer Care: Leader's Guide, Registration Number TX-7-325-490, dated December 22, 2010. The duration of this copyright is until November 4, 2105.

Sandler Enterprise Selling: Winning and Growing Enterprise Accounts, Registration Number TX-8-158-332, dated July 14, 2015. The duration of this copyright is until February 13, 2110.

The Sales Coach's Playbook for Maximizing Performance (workbook), Registration Number TX-8-332-300, dated October 6, 2016. The duration of this copyright is until September 12, 2111.

The Sales Coach's Playbook Breaking the Performance Code, Registration Number TX-8-332-285, dated October 6, 2016. The duration of this copyright is until February 28, 2111.

The Coach's Playbook (workbook), Registration Number TX-8-332-332, dated October 6, 2016. The duration of this copyright is until September 12, 2111.

SalesMastery Knowledge Growth Success, Registration Number TX-8-367-278, dated February 1, 2017. The duration of this copyright is until December 26, 2111.

Sandler Foundations, Registration Number TX 8-367-303, dated February 1, 2017. The duration of this copyright is until November 10, 2111.

No Guts, No Gain!<sup>®</sup> Workbook, Registration Number TX-8-643-750, dated August 28, 2018. The duration of this copyright is until April 10, 2113.

Negotiations Mastery: Leader's Guide, Registration Number TX-8-634-301, dated August 7, 2018. The duration of this copyright is until February 8, 2113.

Negotiations Mastery: Workbook, Registration Number TX 8-639-176, dated August 7, 2018. The duration of this copyright is until February 8, 2113.

Dashboard Posters, Registration Number TX 9-350-701, dated October 9, 2023. The duration of this copyright is until February 20, 2118.

Sales Development Series – The Buyer-Seller Dynamic Module, Registration Number TXu 2-366-704, dated February 22, 2023. The duration of this copyright is until the year 2142.

Sales Development Series – The Buyer-Seller Dynamic Video, Registration Number PAu 4-171-653, dated February 22, 2023. The duration of this copyright is until the year 2142.

Sales Development Series – Better Understanding through Asking Questions Module, Registration Number TXu 2-366-699, dated February 22, 2023. The duration of this copyright is until the year 2142.

Sales Development Series – Communicating the Solution and Closing the Sale Module, Registration Number TXu 2-376-364, dated May 18, 2023. The duration of this copyright is until the year 2142.

Sales Development Series – Developing Successful Habits Module, Registration Number TXu 2-376-379, dated May 18, 2023. The duration of this copyright is until the year 2143.

Sales Development Series – Understanding Your Communication Style as a Seller Module, Registration Number TXu2-376-383, dated May 18, 2023. The duration of this copyright is until the year 2143.

Sales Development Series – Elevating Your Up-Front Contract Module, Registration Number TXu 2-366-702, dated February 22, 2023. The duration of this copyright is until the year 2142.

Sales Development Series – Pain Discovery Workshop Module, Registration Number TXu 2-376-387, dated May 18, 2023. The duration of this copyright is until the year 2142.

Sales Development Series – Uncovering Truth Behind Stall and Objections Module, Registration Number TXu 2-366-698, dated February 22, 2023. The duration of this copyright is until the year 2142.

Sales Development Series – Essential Investment Conversations Module, Registration Number TXu 2-366-703, dated February 22, 2023. The duration of this copyright is until the year 2142.

Sales Development Series – Equipping Buyers to Champion Your Solution Module, Registration Number TXu 2-366-693, dated February 22, 2023. The duration of this copyright is until the year 2142.

Sales Development Series – Pain Indicators by Buyer Persona Module, Registration Number TXu 2-376-388, dated May 18, 2023. The duration of this copyright is until the year 2143.

Sales Development Series – Negative Reverse Selling Module, Registration Number TXu 2-376-404, dated February 22, 2023. The duration of this copyright is until the year 2142.

Sales Development Series – Negative Reverse Selling Video, Registration Number Pau 4-171-652, dated February 22, 2023. The duration of this copyright is until the year 2142.

Sales Development Series – Guiding Your Buyer’s Decision Process Module, Registration Number TXu 2-366-695, dated February 22, 2023. The duration of this copyright is until the year 2142.

Sales Development Series – Understanding the Impact of the Buyer-Seller Ego States Module, Registration Number TXu 2-366-690, dated February 22, 2023. The duration of this copyright is until the year 2143.

Sales Development Series – Getting Commitments throughout the Sales Process Module, Registration Number TXu 2-366-697, dated February 22, 2023. The duration of this copyright is until the year 2142.

Sales Development Series – Quantifying Customer Pain Module, Registration Number TXu 2-366-701, dated February 22, 2023. The duration of this copyright is until the year 2142.

Sales Development Series – Executive-Level Selling Module, Registration Number TXu 2-376-417, dated May 18, 2023. The duration of this copyright is until the year 2143.

Sales Leader Growth Series – Building an Operating Framework Module (Activity Calculator), Registration Number TXu 2-361-500, dated January 24, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Building an Operating Framework Module (Facilitator Guide, Workbook, Training Deck Coach Clinic, Training Deck), Registration Number TXu2-388-641, dated April 26, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Coach to Success Module (Coach Clinic Facilitator Guide), Registration Number TXu 2-361-497, dated January 24, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Coach to Success Modules (Worksheet, Facilitator Guide, Participant Interactive Workbook, Training Deck Coack Clinic, Training Deck), Registration Number TXu 2-374-758, dated April 26, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Coach to Success Video, Registration Number Pau 4-168-633, dated January 31, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Coaching Client Meetings (Coach Clinic Facilitator Guide), Registration Number TXu 2-361-492, dated February 22, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Coaching Client Meetings (Observation Form, Facilitator Guide, Participat Interactive Workbook, Training Deck, Training Deck Coach Clinic), Registration Number TXu 2-374-709, dated April 26, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Coaching Deal Advancement (Coach Clinic Facilitator Guide), Registration Number TXu 2-361-490, dated January 24, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Coaching Deal Advancement (Tool Pursuit Navigator, Facilitator Guide, Participant Interactive Workbook, Training Deck Coach Clinic, Training Deck), Registration Number TXu 2-376-334, dated April 26, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Coaching Pipeline Optimization (Coach Clinic Facilitator Guide), Registration Number TXu 2-361-506, dated January 24, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Coaching Pipeline Optimization (Facilitator Guide, Interactive Workbook, Training Deck Coach Clinic, Training Deck), Registration Number TXu 2-376-350, dated April 26, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Navigating Candidate Identification and Interviewing Module, Registration Number TXu 2-356-245, dated January 23, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Onboarding Productivity and Retention Module (Coach Clinic Facilitator Guide), Registration Number TXu 2-361-487, dated January 24, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Onboarding Productivity and Retention Module (Facilitator Guide, Participant Interactive Workbook, Onboarding Template, Training Deck, Training Deck Facilitator Guide), Registration Number TXu 2-376-349, dated April 26, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Securing the Best Candidate Module (Coach Clinic Facilitator Guide), Registration Number TXu 2-361-507, dated January 24, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Securing the Best Candidate Module (Activity Handout A – A Case for Hiring, Facilitator Guide, Activity Handout B – Making the Offer, Interactive Workbook, Training Deck, Training Deck Coach Clinic), Registration Number TXu 2-380-797, dated June 21, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Strategic Coaching Module (Coach Clinic Facilitator Guide), Registration Number TXu 2-361-488, dated January 24, 2023. The duration of this copyright is until the year 2142.

Sales Leader Growth Series – Strategic Coaching Module (Facilitator Guide, Participant Interactive Workbook, Training Deck Coach Clinic, Training Deck), Registration Number TXu 2-375-312, dated April 26, 2023. The duration of this copyright is until the year 2142.

SSL intends to renew these registrations when they expire and to file registration applications for new marketing, training and management materials it creates.

You may use SSL’s copyrighted materials during the term of the Franchise.

In addition, SSL has a proprietary Training Manual, Operations Manual, and Marketing Resources and Tools consisting of guidelines, standards and policies relating to the operation of the Franchise. The Training Manual, Operations Manual, and Marketing Resources and Tools are for your use during the term of the Franchise, and may not be reproduced, lent or shared with any person outside the franchise system.

There are no currently effective determinations of the U.S. Copyright Office or any court involving SSL’s copyrighted materials.

There are no agreements currently in effect which significantly limit the rights of SSL to use or license the use of such copyrighted materials in any manner material to the Franchise.

You must notify SSL immediately when you learn about an infringement of or challenge to our use of these copyrights. SSL will take the action we think appropriate. SSL intends to protect your rights to use the copyrights. However, the Franchise Agreement does not require SSL to do so. SSL has the right to control any litigation pertaining to the copyrights. The Franchise Agreement does not provide you with any specific rights in connection with a proceeding or settlement that may require you to discontinue the use of or modify the use of SSL’s materials or the copyrighted material.

SSL does not own any rights in or to any patents that are material to the Franchise.

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

You (if you are an entity, then the owners of your entity) must devote full business time and attention to the operation of the Franchise and cause the Franchise to be effectively and efficiently operated (Franchise Agreement - Section 8.4(j)). You may not operate any other business without SSL's prior written consent. If SSL consents to you operating another business, then SSL may require you to delegate primary responsibility for the operation of your Franchise to a manager who devotes his or her full business time to the operation of your Franchise (Franchise Agreement – Section 8.4(o)). You may not delegate primary responsibility for the operation of the Franchise, the primary office or primary training facility of the Franchise or any additional office or training facility, without SSL's prior written consent. If you choose to delegate primary responsibility for the operation of your Franchise to a specific person, SSL must be notified in advance and this individual must sign a Manager's Non-Disclosure and Non-Compete Agreement (Franchise Agreement - Section 7.1). There are no restrictions on who you hire as a Manager. SSL does not require a Manager to have any ownership interest in the Franchise but must reside in your territory and must successfully complete our initial training program.

Each individual who owns any interest in the Franchisee entity must sign an agreement assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement and agreeing to the covenants not to compete. See the Guarantee on page 44 of the Franchise Agreement, attached to this Disclosure Document as Exhibit A.

You must operate the Franchise in accordance with the Franchise Agreement and the Operations Manual. (Franchise Agreement – Section 8.4(k)).

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

To maintain a uniform standard of operation, you must conduct the Franchise in strict compliance with the Franchise Agreement and with the standards and policies set forth in the Operations Manual. You are not permitted to offer, sell or promote any other programs or materials except programs and materials obtained from SSL or its approved vendors. You may not use any course materials that you obtain from another source. You may not operate any business which would compete with SANDLER.

SSL reserves the right to add additional programs and materials to those you may currently offer, and to withdraw programs and materials currently offered. To use new programs and materials introduced by SSL, you may be required to attend additional training, meet certification standards, pay a fee or make specific purchases of the program.

Except for the territorial restrictions, there is no limitation concerning the customers to whom you may sell products or services.

SSL reserves the right, subject to applicable law, to set minimum and maximum prices on the services and products you offer and sell, and you must comply with those prices upon notice to you.

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

**THE FRANCHISE RELATIONSHIP**

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

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
(a) Length of the franchise term	2.1	Initial term is 5 years
(b) Renewal or extension of the term	2.2	3 successive renewal terms of 5 years each
(c) Requirements for franchisee to renew or extend	2.2	Give SSL notice, be current in all obligations, sign SSL’s then-current form of renewal franchise agreement, sign a release, attend refresher training, and pay a renewal fee of \$1,000.  The renewal franchise agreement may contain terms and conditions materially different from those in your original franchise agreement but will not require you to pay an additional initial franchise fee, but may include an increase in your royalty and alter your monthly service charge obligations.
(d) Termination by franchisee	10.5	Give SSL 6 months written notice
(e) Termination by franchisor without cause	Not applicable	Not applicable
(f) Termination by franchisor with cause	10.1; 10.2	SSL can terminate only if you default
(g) “Cause” defined - curable defaults	10.2; 10.3	You have 7 days to cure non-payment of fees. You have 30 days to cure underreporting of Gross Revenues, misuse of Proprietary Assets, failure to submit reports, failure to obtain prior consent when required, failure to operate in accordance with the contract (subject to state law), and failure to comply with approved supplier and product delivery requirements.

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
(h) "Cause" defined - non-curable defaults	10.2	Non-curable defaults: transfer without permission, submitting false reports or information, ceasing operations or failure to commence operations, bankruptcy, certain criminal conduct, conduct that impairs the image, identity, value or goodwill associated with SSL, using competitive products, soliciting SSL's prospective franchise owners, and repeated defaults even if cured.
(i) Franchisee's obligations on termination/non-renewal	10.4; 12.1(b); 12.1(d)-(g); 12.2	You must cease to use SSL materials and identity and comply with post-termination covenants
(j) Assignment of contract by franchisor	11.8	SSL may assign the contract
(k) "Transfer" by franchisee – defined	11.1; 11.2	Includes transfer of contract, assets or change of ownership
(l) Franchisor approval of transfer by franchisee	11.1; 11.2; 11.3; 11.4; 11.6; 11.7	SSL has the right to approve transfer, but will not unreasonably withhold its consent
(m) Conditions for franchisor approval of transfer	11.2; 11.3; 11.4; 11.5; 11.6; 11.7	Purchase agreement approved; new franchisee qualifies; you remain current; transfer fee paid; new owner completes training; new franchise agreement signed; you sign release; if new franchisee is entity, all owners of new franchisee must personally guarantee obligations of the franchisee.
(n) Franchisor's right of first refusal to acquire franchisee's business	11.8	You deliver to SSL a copy of the offer to purchase your franchise; SSL has 21 days to accept the assignment to itself or a designee
(o) Franchisor's option to purchase franchisee's business	Not applicable	Not applicable
(p) Death or disability of franchisee	11.4	SSL will not unreasonably withhold consent to a family member
(q) Non-competition covenants during the term of the franchise	8.4(o); 12.1(a)	No involvement in competing business anywhere
(r) Non-competition covenants after the franchise is terminated or expires	12.1(b)	No involvement in competing business for 2 years within, or within 50 miles of, your territory
(s) Modification of the agreement	17.2	No modifications unless in writing, except the Operations Manual may be changed

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
(t) Integration/merger clause	17.1	Only the terms of the franchise agreement are binding
(u) Disputes resolution by arbitration or mediation	Not applicable	Not applicable
(v) Choice of forum	14.2	Litigation must be in Maryland
(w) Choice of law	14.1	Maryland law applies, except for actions seeking injunctive relief which are governed by the laws of the state in which the violation occurred or the state in which your primary place of business is located.
(x) Waiver of trial by jury	14.3	SSL and Franchisee waive trial by jury in any action, proceeding or counterclaim
(y) Transfer to your corporation or other entity for convenience of ownership	11.1	No charge if transfer is completed within 3 months of contract date; after 3 months you must pay SSL \$1,000

## **18. PUBLIC FIGURES**

SSL does not use any public figure to promote its franchise.

## **19. FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

### **Overview**

This financial performance representation (“FPR”) includes “Gross Revenues” (defined in the Notes below) for the full calendar years ended December 31, 2022 and December 31, 2023 (“Measurement Period”) from franchisees in the United States that (i) self-reported revenue, and (ii) ~~were in the initial five-year term of their Franchise Agreement (“Initial Term”),~~ (iii) operated during the full calendar year, ~~(iv) participated in the Royalty Model in effect as of August 2020;~~ and (v) ~~did not purchase an existing Franchised Business having operated longer than the initial five-year term during the Measurement Period~~ (collectively the Franchised Businesses included in this FPR are referred to as the “Subset”). ~~Prior to August 2020, SSL did not require payment of royalty fees and franchisees were not required to submit monthly revenue reports, whereas new franchisees as of the issuance date are required to pay royalty fees and submit monthly revenue~~

reports.—In 2022, the total number of franchisees at the end of the year was 140, and ~~124~~37 franchisees were excluded from the Subset because they ~~were not in their initial five-year term~~did not report their revenue or they were not in operation for the full calendar year. In 2023, the total number of franchisees at the end of the year was ~~134~~136, and ~~120~~21 franchisees were excluded from the Subset because they ~~were not in their initial five-year term~~did not report their revenue or they were not in operation for the full calendar year.

## **Financial Performance Representations**

### **Fiscal Year Ending December 31, 2023**

<b><u>2023 - TOTAL</u></b>			
<b><u>AVERAGE OF SUBSET</u></b>		<b><u>MEDIAN OF SUBSET</u></b>	
<u>Top 25%</u>	<u>\$1,857,852</u>	<u>Top 25%</u>	<u>\$1,448,618</u>
<u>Mid - Upper 75%</u>	<u>\$638,788</u>	<u>Mid - Upper 75%</u>	<u>\$632,910</u>
<u>Mid - Lower 50%</u>	<u>\$321,521</u>	<u>Mid - Lower 50%</u>	<u>\$332,095</u>
<u>Bottom 25%</u>	<u>\$107,611</u>	<u>Bottom 25%</u>	<u>\$107,748</u>
<u>75% and Below</u>	<u>\$362,883</u>	<u>75% and Below</u>	<u>\$334,150</u>
<u>50% and Above</u>	<u>\$1,262,082</u>	<u>50% and Above</u>	<u>\$917,885</u>
<u>Overall</u>	<u>\$736,868</u>	<u>Overall</u>	<u>\$463,898</u>
<u>High</u>	<u>\$5,518,554</u>	<u>High</u>	<u>\$5,518,554</u>
<u>Low</u>	<u>\$17,000</u>	<u>Low</u>	<u>\$17,000</u>
<u>Count</u>	<u>115</u>	<u>Count</u>	<u>115</u>
<u>Above Average</u>	<u>35</u>	<u>Above Median</u>	<u>58</u>
<u>% Above Average</u>	<u>30%</u>	<u>% Above Median</u>	<u>50%</u>

<b><u>2023 - 1 to 5 YEARS</u></b>			
<b><u>AVERAGE OF SUBSET</u></b>		<b><u>MEDIAN OF SUBSET</u></b>	
<u>Top 25%</u>	<u>\$842,775</u>	<u>Top 25%</u>	<u>\$478,730</u>
<u>Mid - Upper 75%</u>	<u>\$235,697</u>	<u>Mid - Upper 75%</u>	<u>\$236,111</u>
<u>Mid - Lower 50%</u>	<u>\$108,020</u>	<u>Mid - Lower 50%</u>	<u>\$106,736</u>
<u>Bottom 25%</u>	<u>\$53,461</u>	<u>Bottom 25%</u>	<u>\$49,847</u>
<u>75% and Below</u>	<u>\$154,608</u>	<u>75% and Below</u>	<u>\$118,358</u>
<u>50% and Above</u>	<u>\$582,927</u>	<u>50% and Above</u>	<u>\$340,100</u>
<u>Overall</u>	<u>\$335,460</u>	<u>Overall</u>	<u>\$161,395</u>
<u>High</u>	<u>\$1,742,789</u>	<u>High</u>	<u>\$1,742,789</u>
<u>Low</u>	<u>\$32,550</u>	<u>Low</u>	<u>\$32,550</u>
<u>Count</u>	<u>18</u>	<u>Count</u>	<u>18</u>
<u>Above Average</u>	<u>5</u>	<u>Above Median</u>	<u>9</u>

<u>% Above Average</u>	<u>28%</u>	<u>% Above Median</u>	<u>50%</u>
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<b><u>2023 - 6 to 10 YEARS</u></b>			
<b><u>AVERAGE OF SUBSET</u></b>		<b><u>MEDIAN OF SUBSET</u></b>	
<u>Top 25%</u>	<u>\$834,832</u>	<u>Top 25%</u>	<u>\$741,222</u>
<u>Mid - Upper 75%</u>	<u>\$397,816</u>	<u>Mid - Upper 75%</u>	<u>\$342,502</u>
<u>Mid - Lower 50%</u>	<u>\$196,925</u>	<u>Mid - Lower 50%</u>	<u>\$196,343</u>
<u>Bottom 25%</u>	<u>\$64,628</u>	<u>Bottom 25%</u>	<u>\$62,500</u>
<u>75% and Below</u>	<u>\$219,790</u>	<u>75% and Below</u>	<u>\$196,343</u>
<u>50% and Above</u>	<u>\$616,324</u>	<u>50% and Above</u>	<u>\$572,664</u>
<u>Overall</u>	<u>\$373,550</u>	<u>Overall</u>	<u>\$295,411</u>
<u>High</u>	<u>\$1,207,630</u>	<u>High</u>	<u>\$1,207,630</u>
<u>Low</u>	<u>\$17,000</u>	<u>Low</u>	<u>\$17,000</u>
<u>Count</u>	<u>28</u>	<u>Count</u>	<u>28</u>
<u>Above Average</u>	<u>10</u>	<u>Above Median</u>	<u>14</u>
<u>% Above Average</u>	<u>36%</u>	<u>% Above Median</u>	<u>50%</u>

<b><u>2023 - 10+ YEARS</u></b>			
<b><u>AVERAGE OF SUBSET</u></b>		<b><u>MEDIAN OF SUBSET</u></b>	
<u>Top 25%</u>	<u>\$2,278,359</u>	<u>Top 25%</u>	<u>\$1,985,296</u>
<u>Mid - Upper 75%</u>	<u>\$878,358</u>	<u>Mid - Upper 75%</u>	<u>\$805,646</u>
<u>Mid - Lower 50%</u>	<u>\$507,830</u>	<u>Mid - Lower 50%</u>	<u>\$492,703</u>
<u>Bottom 25%</u>	<u>\$215,670</u>	<u>Bottom 25%</u>	<u>\$203,108</u>
<u>75% and Below</u>	<u>\$548,681</u>	<u>75% and Below</u>	<u>\$502,908</u>
<u>50% and Above</u>	<u>\$1,598,359</u>	<u>50% and Above</u>	<u>\$1,299,785</u>
<u>Overall</u>	<u>\$989,016</u>	<u>Overall</u>	<u>\$663,466</u>
<u>High</u>	<u>\$5,518,554</u>	<u>High</u>	<u>\$5,518,554</u>
<u>Low</u>	<u>\$70,343</u>	<u>Low</u>	<u>\$70,343</u>
<u>Count</u>	<u>69</u>	<u>Count</u>	<u>69</u>
<u>Above Average</u>	<u>23</u>	<u>Above Median</u>	<u>35</u>
<u>% Above Average</u>	<u>33%</u>	<u>% Above Median</u>	<u>51%</u>

Gross Revenue for Top 5  
Business Open for 1+ years

<u>Year</u>	<u>Business 1</u>	<u>Business 2</u>	<u>Business 3</u>	<u>Business 4</u>	<u>Business 5</u>
<u>2023</u>	<u>\$5,518,554</u>	<u>\$4,159,703</u>	<u>\$3,245,821</u>	<u>\$2,858,107</u>	<u>\$2,795,326</u>

Gross Revenue for Lowest 5  
Business Open for 1+ years

<u>Year</u>	<u>Business 1</u>	<u>Business 2</u>	<u>Business 3</u>	<u>Business 4</u>	<u>Business 5</u>
<u>2023</u>	<u>\$39,798</u>	<u>\$39,787</u>	<u>\$35,600</u>	<u>\$32,550</u>	<u>\$17,000</u>

**Fiscal Year Ending December 31, 2022**

<b><u>2022 - TOTAL</u></b>			
<b><u>AVERAGE OF SUBSET</u></b>		<b><u>MEDIAN OF SUBSET</u></b>	
<u>Top 25%</u>	<u>\$2,032,648</u>	<u>Top 25%</u>	<u>\$1,532,624</u>
<u>Mid - Upper 75%</u>	<u>\$713,483</u>	<u>Mid - Upper 75%</u>	<u>\$675,868</u>
<u>Mid - Lower 50%</u>	<u>\$373,513</u>	<u>Mid - Lower 50%</u>	<u>\$376,689</u>
<u>Bottom 25%</u>	<u>\$146,585</u>	<u>Bottom 25%</u>	<u>\$152,800</u>
<u>75% and Below</u>	<u>\$414,630</u>	<u>75% and Below</u>	<u>\$377,261</u>
<u>50% and Above</u>	<u>\$1,373,065</u>	<u>50% and Above</u>	<u>\$1,078,442</u>
<u>Overall</u>	<u>\$823,062</u>	<u>Overall</u>	<u>\$482,058</u>
<u>High</u>	<u>\$5,336,745</u>	<u>High</u>	<u>\$5,336,745</u>
<u>Low</u>	<u>\$23,000</u>	<u>Low</u>	<u>\$23,000</u>
<u>Count</u>	<u>103</u>	<u>Count</u>	<u>103</u>
<u>Above Average</u>	<u>33</u>	<u>Above Median</u>	<u>52</u>
<u>% Above Average</u>	<u>32%</u>	<u>% Above Median</u>	<u>50%</u>

<b>2022 – 1 to 5 YEARS</b>			
<b><u>AVERAGE OF SUBSET</u></b>		<b><u>MEDIAN OF SUBSET</u></b>	
<u>Top 25%</u>	<u>\$403,912</u>	<u>Top 25%</u>	<u>\$377,261</u>
<u>Mid - Upper 75%</u>	<u>\$217,086</u>	<u>Mid - Upper 75%</u>	<u>\$215,210</u>
<u>Mid - Lower 50%</u>	<u>\$170,119</u>	<u>Mid - Lower 50%</u>	<u>\$173,430</u>
<u>Bottom 25%</u>	<u>\$65,106</u>	<u>Bottom 25%</u>	<u>\$73,500</u>
<u>75% and Below</u>	<u>\$150,770</u>	<u>75% and Below</u>	<u>\$173,430</u>
<u>50% and Above</u>	<u>\$310,499</u>	<u>50% and Above</u>	<u>\$247,341</u>
<u>Overall</u>	<u>\$214,056</u>	<u>Overall</u>	<u>\$196,774</u>
<u>High</u>	<u>\$576,136</u>	<u>High</u>	<u>\$576,136</u>
<u>Low</u>	<u>\$23,000</u>	<u>Low</u>	<u>\$23,000</u>
<u>Count</u>	<u>20</u>	<u>Count</u>	<u>20</u>
<u>Above Average</u>	<u>8</u>	<u>Above Median</u>	<u>10</u>
<u>% Above Average</u>	<u>40%</u>	<u>% Above Median</u>	<u>50%</u>

<b>2022 - 6 to 10 YEARS</b>			
<b><u>AVERAGE OF SUBSET</u></b>		<b><u>MEDIAN OF SUBSET</u></b>	
<u>Top 25%</u>	<u>\$1,825,431</u>	<u>Top 25%</u>	<u>\$1,664,543</u>
<u>Mid - Upper 75%</u>	<u>\$608,161</u>	<u>Mid - Upper 75%</u>	<u>\$553,354</u>
<u>Mid - Lower 50%</u>	<u>\$441,453</u>	<u>Mid - Lower 50%</u>	<u>\$447,536</u>
<u>Bottom 25%</u>	<u>\$153,810</u>	<u>Bottom 25%</u>	<u>\$126,401</u>
<u>75% and Below</u>	<u>\$426,164</u>	<u>75% and Below</u>	<u>\$454,282</u>
<u>50% and Above</u>	<u>\$1,263,615</u>	<u>50% and Above</u>	<u>\$876,576</u>
<u>Overall</u>	<u>\$799,943</u>	<u>Overall</u>	<u>\$534,368</u>
<u>High</u>	<u>\$3,518,053</u>	<u>High</u>	<u>\$3,518,053</u>
<u>Low</u>	<u>\$35,066</u>	<u>Low</u>	<u>\$35,066</u>
<u>Count</u>	<u>25</u>	<u>Count</u>	<u>25</u>
<u>Above Average</u>	<u>7</u>	<u>Above Median</u>	<u>13</u>
<u>% Above Average</u>	<u>28%</u>	<u>% Above Median</u>	<u>52%</u>

<b>2022 - 10+ YEARS</b>			
<b>AVERAGE OF SUBSET</b>		<b>MEDIAN OF SUBSET</b>	
<u>Top 25%</u>	<u>\$2,329,641</u>	<u>Top 25%</u>	<u>\$1,631,827</u>
<u>Mid - Upper 75%</u>	<u>\$995,888</u>	<u>Mid - Upper 75%</u>	<u>\$1,058,776</u>
<u>Mid - Lower 50%</u>	<u>\$486,696</u>	<u>Mid - Lower 50%</u>	<u>\$473,935</u>
<u>Bottom 25%</u>	<u>\$254,955</u>	<u>Bottom 25%</u>	<u>\$244,802</u>
<u>75% and Below</u>	<u>\$629,017</u>	<u>75% and Below</u>	<u>\$482,058</u>
<u>50% and Above</u>	<u>\$1,719,832</u>	<u>50% and Above</u>	<u>\$1,293,622</u>
<u>Overall</u>	<u>\$1,039,827</u>	<u>Overall</u>	<u>\$731,744</u>
<u>High</u>	<u>\$5,336,745</u>	<u>High</u>	<u>\$5,336,745</u>
<u>Low</u>	<u>\$101,395</u>	<u>Low</u>	<u>\$101,395</u>
<u>Count</u>	<u>57</u>	<u>Count</u>	<u>57</u>
<u>Above Average</u>	<u>24</u>	<u>Above Median</u>	<u>29</u>
<u>% Above Average</u>	<u>42%</u>	<u>% Above Median</u>	<u>51%</u>

Gross Revenue for Top 5  
Business Open for 1+ years

<u>Year</u>	<u>Business 1</u>	<u>Business 2</u>	<u>Business 3</u>	<u>Business 4</u>	<u>Business 5</u>
<u>2022</u>	<u>5,336,745</u>	<u>4,360,306</u>	<u>4,013,311</u>	<u>3,820,154</u>	<u>3,518,053</u>

Gross Revenue for Lowest 5  
Business Open for 1+ years

<u>Year</u>	<u>Business 1</u>	<u>Business 2</u>	<u>Business 3</u>	<u>Business 4</u>	<u>Business 5</u>
<u>2022</u>	<u>76,850</u>	<u>73,500</u>	<u>41,130</u>	<u>35,066</u>	<u>23,000</u>

<b>AVERAGE OF SUBSET</b>		<b>MEDIAN OF SUBSET</b>	
<u>Top 25%</u>	<u>\$402,269</u>	<u>Top 25%</u>	<u>\$399,126</u>
<u>Mid-Upper 75%</u>	<u>\$162,218</u>	<u>Mid-Upper 75%</u>	<u>\$148,935</u>
<u>Mid-Lower 50%</u>	<u>\$91,755</u>	<u>Mid-Lower 50%</u>	<u>\$96,156</u>

Bottom 25%	\$44,081	Bottom 25%	\$39,798
Overall	\$190,390	Overall	\$118,358
High	\$478,730	High	\$478,730
Low	\$32,550	Low	\$32,550
Number in Subset	14	Number in Subset	14
No. Above Average	5	No. Above Average	7
% Above Average	36%	% Above Average	50%

**Fiscal Year Ending December 31, 2022**

AVERAGE OF SUBSET		MEDIAN OF SUBSET	
Top 25%	\$440,628	Top 25%	\$415,870
Mid-Upper 75%	\$233,935	Mid-Upper 75%	\$231,741
Mid-Lower 50%	\$171,878	Mid-Lower 50%	\$172,277
Bottom 25%	\$71,100	Bottom 25%	\$75,175
Overall	\$229,385	Overall	\$208,502
High	\$576,136	High	\$576,136
Low	\$23,000	Low	\$23,000
Number in Subset	16	Number in Subset	16
No. Above Average	6	No. Above Average	8
% Above Average	38%	% Above Average	50%

Notes:

1. Three of the tables above for each of 2023 and 2022 show Gross Revenues of Franchised Businesses based on the number of years that the Franchised Business has been operating (1 to 5 years, 6 to 10 years, 10 + years). In cases where a franchisee purchased an existing and operating Franchised Business from a now former franchisee, the number of years that the Franchised Business has been operating includes the aggregate of the time that the original franchisee operated the business and the time that the current franchisee has operated the business.

2. “Gross Revenues” shall mean all proceeds resulting from the operation of the Franchised Business. Gross Revenues shall include any money and the fair market value of any goods, property or services received by the franchisee in exchange for products and services provided by the franchisee. Gross Revenues will exclude (a) sales or similar taxes that, by law, are chargeable to clients (if such taxes are separately stated and charged to the client, paid by the client, and paid to the appropriate taxing authority by the franchisee); (b) any documented refund given to clients by the franchisee in good faith; (c) amounts paid to the franchisee by SSL for referring clients or conducting training; and (d) amounts received from other franchisees for referring clients or conducting training (to be supported with copies of check/remittance advice).

23. The financial performance figures do not reflect any cost of sales, operating expenses, or other costs or expenses that must be deducted from Gross Revenues. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business during periods of, or in geographic areas suffering from, seasonality, economic downturns, inflation, unemployment, or other negative economic influences.

34. You must develop your own business plan for your Franchised Business, including capital budgets, financial statements, projections, and other elements appropriate to your particular circumstances. As part of your planning, you need to take into account the expenses you will incur, including labor and other operational expenses. Additional expenses that you may incur include royalty and marketing fees, interest on debt service, insurance, and legal and accounting fees. We encourage you to consult with your own accounting, business and legal advisors to assist you in identifying the expenses you likely will incur in connection with your Franchised Business, to prepare your budgets, and to assess the likely or potential financial performance of your Franchised Business.

45. The information reported in this Item 19 is from self-reporting franchisees in the Subset. We have not audited or independently verified this information.

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

**Some Franchised Businesses have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.**

~~Other than the preceding financial performance representation, SSL does not make any financial performance representations. Except as provided above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company owned or franchised outlets.~~ We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Franchise Sales Department at 300 Red Brook Boulevard, Suite 10, Owings Mills, Maryland 21117, 800-669-3537, the Federal Trade Commission, and the appropriate state regulatory agencies.

## 20. OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1**

**Systemwide Outlet Summary  
For years 2021 to 2023**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	158	145	-13
	2022	145	140	-5
	2023	140	134	-6

Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	158	145	-13
	2022	145	140	-5
	2023	140	134	-6

**Table No. 2**

**Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)  
For years 2021 to 2023**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2021	0
	2022	0
	2023	0
Arizona	2021	0
	2022	0
	2023	0
California	2021	0
	2022	0
	2023	0
Colorado	2021	0
	2022	0
	2023	0
Connecticut	2021	1
	2022	0
	2023	0
Florida	2021	2
	2022	1
	2023	0
Georgia	2021	0
	2022	0
	2023	1
Hawaii	2021	0
	2022	0
	2023	0
Idaho	2021	0
	2022	0
	2023	0
Illinois	2021	0
	2022	0
	2023	0
Indiana	2021	0
	2022	0
	2023	0
Iowa	2021	0
	2022	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
	2023	0
Kansas	2021	0
	2022	0
	2023	0
Kentucky	2021	0
	2022	0
	2023	0
Louisiana	2021	0
	2022	0
	2023	0
Maine	2021	0
	2022	0
	2023	0
Maryland	2021	0
	2022	0
	2023	0
Massachusetts	2021	0
	2022	0
	2023	0
Michigan	2021	0
	2022	0
	2023	0
Minnesota	2021	0
	2022	0
	2023	0
Missouri	2021	0
	2022	2
	2023	0
Nebraska	2021	0
	2022	0
	2023	0
Nevada	2021	0
	2022	0
	2023	0
New Hampshire	2021	0
	2022	0
	2023	0
New Jersey	2021	0
	2022	0
	2023	0
New Mexico	2021	0
	2022	0
	2023	0
New York	2021	0
	2022	0
	2023	0
North Carolina	2021	1
	2022	2
	2023	1
Ohio	2021	0
	2022	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
	2023	0
Oklahoma	2021	0
	2022	0
	2023	0
Oregon	2021	0
	2022	0
	2023	0
Pennsylvania	2021	0
	2022	0
	2023	0
Rhode Island	2021	0
	2022	0
	2023	0
South Carolina	2021	0
	2022	0
	2023	0
Tennessee	2021	0
	2022	0
	2023	0
Texas	2021	0
	2022	1
	2023	0
Utah	2021	0
	2022	0
	2023	0
Virginia	2021	0
	2022	0
	2023	0
Washington	2021	0
	2022	0
	2023	0
West Virginia	2021	0
	2022	0
	2023	0
Wisconsin	2021	0
	2022	0
	2023	0
Totals	2021	4
	2022	6
	2023	2

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**Table No. 3**

**Status of Franchised Outlets  
For years 2021 to 2023**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina- tions	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of Year
Alabama	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arizona	2021	4	0	0	0	0	1	3
	2022	3	0	0	0	0	1	4*
	2023	4	0	0	0	0	1	3
Arkansas	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
California	2021	15	0	1	0	0	0	14
	2022	14	0	0	0	0	0	14
	2023	14	1	0	0	0	0	15
Colorado	2021	5	0	0	0	0	1	4
	2022	4	0	0	0	0	1	3
	2023	3	0	0	0	0	0	3
Connecticut	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Delaware	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Florida	2021	9	0	0	0	0	1	8
	2022	8	0	0	0	0	0	8
	2023	8	1	0	0	0	1	8
Georgia	2021	5	0	0	0	0	0	5
	2022	5	0	0	1	0	0	4
	2023	4	3	0	0	0	1	6
Hawaii	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	0**
	2023	0	0	0	0	0	0	0

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina- tions	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of Year
Idaho	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021	7	0	0	0	0	1	7
	2022	7	0	0	1	0	1	5
	2023	5	0	0	0	0	0	5
Indiana	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Iowa	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kansas	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Kentucky	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Louisiana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maine	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	5*
	2023	5	0	0	1	0	1	3
Massachusetts	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Michigan	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Minnesota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina- tions	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of Year
Missouri	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	1	3
Nebraska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Hampshire	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Jersey	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	1	7
	2023	7	0	0	0	0	0	6***
New Mexico	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
New York	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
North Carolina	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	2	0	0	0	4	5***
Ohio	2021	7	0	0	1	0	0	6
	2022	6	0	0	1	0	0	6
	2023	6	0	0	0	0	1	5
Oklahoma	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oregon	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Pennsylvania	2021	12	1	0	0	0	3	10
	2022	10	0	0	0	0	1	10**
	2023	10	0	0	0	0	0	10

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina- tions	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of Year
Rhode Island	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
South Carolina	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
Tennessee	2021	4	0	0	0	0	0	4
	2022	4	1	1	0	0	0	4
	2023	4	0	0	0	0	1	3
Texas	2021	14	1	0	1	0	2	12
	2022	12	0	0	0	0	1	11
	2023	11	1	0	0	0	0	12
Utah	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Virginia	2021	6	0	1	0	0	2	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	1	3
Washington	2021	2	0	0	0	0	1	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
West Virginia	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Wisconsin	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Totals	2021	158	3	2	2	0	12	158
	2022	145	3	1	2	0	5	145
	2023	140	9	0	1	0	12	136

\* In 2022, one franchisee transferred its territory from Maryland to Arizona.

\*\* In 2022, one franchisee transferred its territory from Hawaii to Pennsylvania.

\*\*\* In 2023, one franchisee transferred its territory from New Jersey to North Carolina.

**Table No. 4**

**Status of Company-Owned Outlets  
For years 2021 to 2023**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of Year
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

**Table No. 5**

**Projected Openings As Of December 31, 2023**

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company- Owned Outlets In the Next Fiscal Year
Arizona	0	2	
California	0	2	0
Colorado	0	2	
Florida	0	1	0
Illinois	0	1	0
Michigan	0	2	0
Nevada	0	1	0
Oregon	0	1	0
<b>TOTAL</b>	0	12	0

Attached as **Exhibit C** are the names, addresses and telephone numbers of all franchisees as of December 31, 2023. Attached as **Exhibit D** are the names, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee whose Franchise Agreement was terminated, canceled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the period from January 1, 2023 through December 31, 2023, or who has not communicated with SSL within 10 weeks of the issuance 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, former franchisees signed provisions restricting their ability to speak openly about their experience with Sandler. You may wish to speak with former franchisees but be aware that not all such franchisees will be able to communicate with you.

The Sandler Systems, LLC Franchisee Advisory Council (“FAC”) was created and is sponsored and endorsed by SSL. Membership in the FAC is open to all franchisees who are in good standing and not in default under their Franchise Agreements. The current President of the FAC is Shaun Thomson, 20 Cheriton House, Cromwell Park, Chipping Norton, Oxon, OX7 5SR, United Kingdom, +44 01608611211, [shaun@sandler.com](mailto:shaun@sandler.com).

## **21. FINANCIAL STATEMENTS**

Attached as **Exhibit B** to this Disclosure Document are SSL’s audited financial statements for the fiscal years ended December 31, 2023, December 31, 2022, and December 31, 2021, **and unaudited financial statements for the six months ended June 30, 2024.**

## **22. CONTRACTS**

Attached are copies of the following agreements relating to the offer of the franchise.

**Exhibit A** - Franchise Agreement

**Exhibit G** - Confidentiality Agreement

**Exhibit H** - Representative’s Non-Disclosure and Non-Compete Agreement

**Exhibit I** - Manager’s Non-Disclosure and Non-Compete Agreement

**Exhibit J** - Sandler Email Terms of Service

**Exhibit N** - Data Use and Protection Agreement

Also attached as **Exhibits L and M**, respectively, are the current versions of the Estoppel Certificate and Limited Release (Transfer) and the Estoppel Certificate and Limited Release (Renewal). These agreements apply only if you transfer or assign your Franchise Agreement or if you renew your Franchise Agreement and are subject to change at any time.

## **23. RECEIPT**

The last page of this Disclosure Document (following the exhibits and attachments) is a detachable document acknowledging receipt of the Disclosure Document by you (one copy for you and one to be signed for us). If this page or any pages or exhibits are missing from your copy, please contact SSL at this address or phone number:

Sandler Systems, LLC  
300 Red Brook Boulevard, Suite 10  
Owings Mills, Maryland 21117  
(410) 653-1993

**EXHIBIT A**

**FRANCHISE AGREEMENT**

## FRANCHISE AGREEMENT

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### EXHIBITS

- Exhibit AA - Territory, Business Focus Area and Primary Place of Business**
- Exhibit BB - SSL Product Accessible for No Fee**
- Exhibit CC - Initial Inventory List**
- Exhibit DD - Representative's Non-Disclosure and Non-Compete Agreement**
- Exhibit EE - Manager's Non-Disclosure and Non-Compete Agreement**
- Exhibit FF - Authorization**
- Exhibit GG - State Specific Amendments to Franchise Agreement**

**SANDLER®**  
**FRANCHISE AGREEMENT**

**THIS FRANCHISE AGREEMENT** (this “Agreement”) is executed in Owings Mills, Maryland, as of the date stated below, by and between **SANDLER SYSTEMS, LLC**, a Maryland limited liability company (“SSL”), and \_\_\_\_\_, a \_\_\_\_\_ resident/corporation/limited liability company (“Franchisee”), whose address is: \_\_\_\_\_.

**WHEREAS**, SSL is engaged in the business of operating and franchising a distinctive style of training persons and organizations in the fields of sales and sales management, which includes coaching, consulting, hiring, staffing, placement and recruiting services, goal setting and achievement, self-awareness, motivation, personal development, relationship management, leadership development, negotiations, assessments, public speaking, template and playbook development, and related business development services as it relates to the fields of sales and sales management; and also the methods of teaching such subjects through seminars, workshops, and any activities not expressly forbidden by this Agreement (“Sandler Services”); and

**WHEREAS**, SSL has expended time, skill, effort and money to develop a business plan in connection with the operation of franchises using certain standards, specifications, methods, procedures, techniques, systems and information, all of which may be changed, improved and further developed from time to time by SSL (“Sandler System”); and

**WHEREAS**, the distinguishing characteristics of the Sandler System include, but are not limited to, the names and marks SANDLER® and SANDLER TRAINING® (“Marks”) together with such other trade names, service marks, trademarks, copyrights, titles, symbols, logotypes, trade dresses, emblems, slogans, insignias, terms, designations, designs, diagrams, anecdotes, artworks, worksheets, techniques, rules, ideas, philosophies, illustrations, course materials, names, addresses, telephone numbers, and other contact information of its public sales and management training program attendees, in-house clients and all other clients and prospective clients (“Client List”), advertising and promotional materials, and other audio, video and written materials as SSL has acquired, developed or designated for use in connection with the Sandler System, and as SSL may hereafter acquire, develop or designate for use in connection with the Sandler System (“Proprietary Assets”); and

**WHEREAS**, Franchisee recognizes the benefit to be derived from being identified with and licensed by SSL, and from being able to utilize the Sandler System and the Proprietary Assets; and

**WHEREAS**, Franchisee desires to operate a franchise using the Sandler System and the Proprietary Assets in the territory described in Section 1 hereof, upon the terms and conditions set forth herein, which terms and conditions are reasonably necessary to maintain SSL’s standards of quality and service and to protect the goodwill and enhance the public image of the Sandler System and the Proprietary Assets.

**NOW, THEREFORE**, in consideration of the foregoing and of the covenants contained herein, the parties, intending to be legally bound, hereby agree as follows:

## **1. GRANT OF FRANCHISE**

- 1.1 Subject to the terms and conditions of this Agreement, SSL hereby grants to Franchisee the right, and Franchisee accepts the obligation, to own and operate a business using the Sandler System and Proprietary Assets (“Franchised Business”) in the geographic area identified on **Exhibit AA**, attached hereto and incorporated herein (“Territory”).
- 1.2 Except as hereinafter permitted, pursuant to such grant, Franchisee has the non-exclusive right to solicit (but only within the Territory) clients to attend seminars, workshops and other programs involving training materials and programs, and materials related thereto, the subject matter of which is sales (including, but not limited to, inside sales, outside sales, sales support, client services, lead generation/development, business development managers, account managers), sales management, management, leadership and negotiations training and coaching related thereto, assessments, as SSL may designate from time to time, whether created by SSL or by an approved third party (“SSL Product”). SSL may discontinue or designate additional SSL Product from time to time to be conducted in or from the Territory.
- 1.3 If the U.S. Postal Service alters the boundary(ies) or number(s) of any assigned ZIP Code(s), SSL shall reassign to Franchisee the redesignated ZIP Code(s) which most nearly correspond to any previously held ZIP Code(s).
- 1.4 FRANCHISEE ACKNOWLEDGES THAT THIS AGREEMENT DOES NOT PROVIDE FRANCHISEE WITH ANY RIGHT OR INTEREST IN ANY EXCLUSIVE TERRITORY AND THAT SSL MAY, IN ITS SOLE AND ABSOLUTE DISCRETION, OPERATE, OR AUTHORIZE OTHER FRANCHISEES OR LICENSEES OF SSL TO OPERATE, A BUSINESS AND/OR SOLICIT BUSINESS OFFERING THE SANDLER SERVICES, INCLUDING THE ESTABLISHMENT OF AN OFFICE OR A TRAINING FACILITY, USING THE SANDLER SYSTEM AND THE PROPRIETARY ASSETS AT ANY AVAILABLE LOCATIONS, INCLUDING LOCATIONS IN DIRECT COMPETITION WITH FRANCHISEE IN THE TERRITORY AND BUSINESS FOCUS AREA.
- 1.5 Although Franchisee may conduct its activities throughout the Territory, Franchisee and SSL acknowledge and agree that Franchisee intends to focus the Franchisee’s business efforts in the area identified by the U.S. Postal Service as Zip Code Sectional Area(s) on **Exhibit AA**, attached hereto and incorporated herein (“Business Focus Area”). Franchisee agrees to establish and operate a location which functions as Franchisee’s principal office and/or principal training facility in the Business Focus Area at the address set forth on **Exhibit AA** (“Primary Place of Business”). Franchisee agrees that (i) all in-person training shall be delivered from a physical location other than a home office established within the Business Focus Area (“Primary Place of Business”) in accordance with the specifications set forth in the Operations Manual, and (ii) all virtual training shall be delivered in

accordance with the specifications set forth in the Operations Manual. A physical location is recommended but not required.

- 1.6 In addition to the Primary Place of Business, Franchisee may establish and operate one additional office or training facility within the Business Focus Area. “Extra Office” means any office or training facility over and above the Primary Place of Business and the one additional office or training facility, or any office or training facility outside the Business Focus Area but within the Territory. Subject to Section 3.8, Franchisee may establish and operate one or more Extra Offices within the Territory, provided that Franchisee has obtained SSL’s prior written approval as to their specific location and further provided that the operation of such Extra Offices is in compliance with this Agreement and the Operations Manual, as hereinafter defined. Franchisee must obtain the prior written approval of SSL prior to establishing or relocating the Primary Place of Business, any Extra Offices and all training facilities.
- 1.7 Franchisee acknowledges that SSL expressly retains all rights and discretion with respect to the Marks, the Sandler System, the Sandler Services, and the Proprietary Assets including, but not limited to the right to:
  - a. establish, and franchise or license others the right to establish, a Primary Place of Business and Business Focus Area at any location within or outside of the Territory as SSL deems appropriate;
  - b. establish, and license others to establish, other businesses (including Competitive Businesses (defined in Section 12.1(a) below) under other systems using other proprietary marks at such locations, including within Franchisee’s Territory and Business Focus Area, and on such terms and conditions as SSL deems appropriate;
  - c. purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to the Sandler System and Sandler Services (and/or acquire franchise, license and/or similar agreements for such businesses), some or all of which may be located anywhere, including within the Territory and/or Business Focus Area. If SSL purchases or acquires franchises or licenses, SSL may, in its sole discretion, act as franchisor or licensor with respect to such franchisees or licensees wherever located, pursuant to the individual franchise or license agreement(s) between SSL and such franchisee(s) or licensee(s);
  - d. be acquired (regardless of the form of transaction) by any business, even if the other business operates, franchises and/or licenses Competitive Businesses (defined in Section 12.1(a) below) within the Territory and/or Business Focus Area;
  - e. sell the products and services authorized by SSL for Sandler System businesses using the Marks or other trademarks, service marks and commercial symbols through an alternate channel of distribution such as joint marketing with partner companies, direct mail, catalogue sales, virtual platforms, Internet sites and co-branding strategies,

pursuant to such terms and conditions as SSL deems appropriate whether within or outside the Territory and/or Business Focus Area; and

- f. expand the definition of “Sandler Services” (defined above) to include any activities not expressly forbidden by this Agreement.
- 1.8 Franchisee agrees that SSL is granting Franchisee one (1) Franchised Business in the Territory. SSL agrees to make reasonable efforts to see that no other franchisee, other than a franchisee who also has purchased a franchise in the Territory, solicits clients in the Franchisee’s Territory, but under no circumstances will SSL be required to resort to litigation or any similar measure to accomplish this objective, and SSL shall not be responsible to recompense Franchisee for any such action if undertaken by Franchisee. Franchisee acknowledges and agrees that another franchisee may conduct its franchise business in the Territory where the business is “obtained without solicitation” (as hereinafter defined) by the other franchisee. Franchisee may conduct its Franchised Business outside the Territory provided the business is obtained without solicitation. As used herein, “obtained without solicitation” means that the franchisee has not initiated actions to develop or obtain business outside its Territory through direct or indirect means; provided, however, that the ability of persons outside of the Territory to view a franchisee’s web pages shall not be considered direct or indirect solicitation.
- 1.9 Unless the Franchisee has obtained SSL’s prior written approval, or complies with all applicable provisions of the Operations Manual, Franchisee may not conduct the Franchised Business or consulting of any kind:
- a. outside the United States and Canada; or
  - b. within the United States or Canada for employees or independent contractors of clients who reside and/or work outside of the United States and Canada.
- 1.10 Franchisee, and if Franchisee is an entity, the owners of Franchisee, shall not directly or indirectly own any ownership interest in another Sandler Franchised Business or an entity franchisee, unless expressly approved in writing by SSL.

## **2. TERM AND RENEWAL**

- 2.1 Unless sooner terminated as hereinafter provided, this Agreement shall expire five (5) years from the effective date of this Agreement (the “Initial Term”).
- 2.2 Franchisee may, at its option, renew this Agreement and the right to use the Sandler System and the Proprietary Assets in connection with the operation of the Franchised Business, for three (3) additional successive terms of five (5) years each (each, a “Renewal Term,” and collectively the “Renewal Terms”), provided that prior to the expiration of the Initial Term or each Renewal Term, as the case may be:
- a. Franchisee gives SSL written notice of its election to renew not less than three (3)

months nor more than six (6) months prior to the end of the Initial Term or each Renewal Term, as the case may be, and pays SSL with such notice a renewal fee of One Thousand Dollars (\$1,000);

- b. Franchisee is not, at the time of renewal, in default of any provisions of this Agreement or any other agreement between Franchisee and SSL, and, in SSL's sole and unrestricted discretion, has substantially complied with the terms and conditions of all such agreements during the Initial Term, or during each Renewal Term, as the case may be;
- c. All monetary obligations owed by Franchisee to SSL have been satisfied prior to the renewal and paid when due, or within any applicable cure period, throughout the Initial Term, or throughout any Renewal Term, as the case may be;
- d. Franchisee executes SSL's then-current standard form of Renewal Franchise Agreement, which may contain terms and conditions different from those set forth herein, but which shall not require Franchisee to pay an additional Initial Franchise Fee but which may alter Franchisee's Monthly Service Charge. In the event that the Consumer Price Index (as hereinafter defined) for the year preceding the end of the Initial Term or Renewal Term, as the case may be, has increased by more than five percent (5%) from the CPI of the first year of that Initial Term or Renewal Term, then the Renewal Franchise Agreement may include an increase in the Monthly Service Charge equal to such percentage increase in the CPI;
- e. Franchisee, and if Franchisee is an entity, the owners of Franchisee, execute a general release, duly notarized, in a form satisfactory to SSL, of any and all claims against SSL and its affiliates and predecessors and each of their respective officers, directors, members, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, except any claims arising under any applicable franchise registration and disclosure law;
- f. Franchisee, and if Franchisee is an entity, all owners of Franchisee: (i) represent and warrant to SSL in writing that they are in compliance with the terms of this Agreement relating to the Sandler System, the Proprietary Assets and the Marks, and that they have not registered any material with the U.S. Copyright Office on topics that qualify as a Competitive Business (defined in Section 12.1(a) below); and (ii) fully disclose to SSL all programs and materials that they have developed or produced for use with Franchisee's clients, and provide SSL with complete copies thereof; or if none, certify to SSL in writing that they have not developed or produced any programs or materials for use with Franchisee's clients; and
- g. Franchisee and any other person who has an interest in the Franchised Business (if Franchisee is a group of individuals or a corporation, partnership, unincorporated association or similar entity) attends and satisfactorily completes such refresher training, if any, as SSL may require, in its sole and unrestricted discretion, at such time

and place prior to expiration of the Initial Term or each Renewal Term as SSL may reasonably designate, it being understood that all costs for travel, sustenance, lodging and other expenses in any way related to such training shall be borne by Franchisee, and that all costs relating to verbal advice, written advice or materials unilaterally supplied at such training shall be borne by SSL.

### 3. FEES

- 3.1 In consideration for the grant of the Franchised Business and the right to use the Sandler System and the Proprietary Assets in connection with the operation of the Franchised Business, Franchisee shall pay to SSL simultaneously with the execution hereof, the sum of Forty-Nine Thousand Dollars (\$49,000) as an Initial Franchise Fee. The Initial Franchise Fee is fully earned by SSL when paid and is not refundable.
- 3.2 Franchisee agrees to pay to SSL a Monthly Service Charge in the amount set forth below commencing on the first day of the calendar month after the Franchisee completes Initial Training, Part I (the "Monthly Service Charge Commencement Date"), and on the first day of each month thereafter during the Initial Term of the Franchised Business and any Renewal Terms.

Monthly Service Charge Commencement Date and Thereafter	Monthly Service Charge Amount
1 <sup>st</sup> – 2 <sup>nd</sup> Months	\$0
3 <sup>rd</sup> – 5 <sup>th</sup> Months	\$400
6 <sup>th</sup> – 8 <sup>th</sup> Months	\$800
9 <sup>th</sup> – 12 <sup>th</sup> Months	\$1,200
<p>The Monthly Service Charge shall be increased by ten percent (10%) on the first day of the 13th month following the Monthly Service Charge Commencement Date and on the first day of such month for each of the next succeeding three (3) years, and thereafter by five percent (5%) on the first day of such month in each year thereafter, including any Renewal Terms.</p>	

- 3.3 In addition to the Monthly Service Charge, Franchisee agrees to pay to SSL a continuing, non-refundable royalty payment (the "Royalty") based on the amount of Gross Revenues (as defined below) as set forth in the table below, on the fifteenth (15<sup>th</sup>) day of the month following completion of each calendar month, for Gross Revenues received during the preceding calendar month. The Royalty shall be configured on an annual cumulative revenue method calculated on a calendar year basis. When Gross Revenues reach the next tier during any given calendar year, the Royalty decreases as set forth in the table below for that calendar year. Gross Revenues reset to zero on January 1 of each year. Franchisee agrees to true-up any discrepancies in Royalty paid versus Royalty owed at the end of each calendar quarter.

Gross Revenues During a Single Calendar Year Rounded to Nearest Dollar	Royalty Due to SSL
\$0 to \$500,000	8%
\$500,001 to \$1,000,000	7%
\$1,000,001 to \$1,500,000	6%
\$1,500,001 to \$2,000,000	5%
\$2,000,001 to \$2,500,000	4%
\$2,500,001 and greater	3%

- a. Franchisee shall bear all costs associated with all Royalty payments.
- b. Franchisee shall submit to SSL a report of Gross Revenues received on a monthly basis, in the format and in the manner specified by SSL, no later than the tenth (10<sup>th</sup>) day of the month following completion of each month. Submittals after 11:59 PM ET on the tenth (10<sup>th</sup>) day of the month will result in a late fee of ten percent (10%) of the amount due. Submittals after 11:59 PM ET on the fourteenth (14<sup>th</sup>) day of the month will result in an additional late fee of one percent (1%) of the amount due per day until the report is submitted. The late fee will not count towards the next revenue tier.
- c. “Gross Revenues” means all received and accrued revenue, including cash, cash equivalents, and credit, derived directly or indirectly, for Franchisee, or through, on behalf of, or in conjunction with any person or entity, from all business conducted with the use of the Marks or Sandler System or upon, from, or with, the Franchised Business or Sandler Services, whether evidenced by check, cash, credit, charge, exchange, or otherwise (including the proceeds of any business interruption insurance policies) and whether for services or products provided or to be provided and whether such services or products are permitted or not permitted under this Agreement, including, but not limited to, any and all Gross Revenues received from a Competitive Business (as defined in Section 12.1(a)). Gross Revenues shall include the fair market value of any goods or services received by Franchisee, directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or entity, in the event consideration other than cash is received. Gross Revenues shall not be offset by any expense; however, Gross Revenues excludes (a) sales or similar taxes that, by law, are chargeable to clients (if such taxes are separately stated and charged to the client, paid by the client, and paid to the appropriate taxing authority by Franchisee); (b) any documented refund given to clients by Franchisee in good faith; (c) amounts paid to Franchisee by SSL for referring clients or conducting training; and (d) amounts received from other franchisees for referring clients or conducting training (to be supported with copies of check/remittance advice).
- d. SSL shall have the right, in its sole discretion, to increase the Royalty by up to one percent (1%) one (1) time during each Renewal Term upon written notice to Franchisee, effective the first January 1 following such notice.

- 3.4 Franchisee shall have unlimited use of the SSL Product listed on **Exhibit BB** which may, in SSL's sole and absolute discretion, be updated from time to time in the Operations Manual. Any other SSL Product will be available for purchase and use on the then-current terms made available to all SSL franchisees.
- 3.5 During each of the 3<sup>rd</sup> through the 14<sup>th</sup> full calendar months after completion of Initial Training, Part I, Franchisee must conduct a minimum of 8 hours per month of public sales training sessions. Thereafter, during the remainder of the term of this Agreement and any Renewal Term, Franchisee must conduct a minimum of 12 hours per month of public sales training sessions. As part of all public sales training, Franchisee must deliver the Sandler Foundations module in the manner prescribed by SSL. Commencing in the fifth year of this Agreement and continuing through the remainder of the term of this Agreement and any Renewal Term, Franchisee must conduct a minimum of 2 hours per month of management training sessions.
- 3.6 The monthly minimum requirements above may be met by in-person or virtual delivery.
- 3.7 Franchisee shall ensure that each participant enrolled in courses or seminars or other programs or sessions conducted by Franchisee has the appropriate SSL Product in the format and method of delivery as determined and required by SSL. Franchisee acknowledges and agrees that (i) such method of delivery may be the fulfillment of the appropriate SSL Product directly from SSL to the participants, whether electronically, digitally or otherwise, (ii) product fulfillment directly from SSL will require Franchisee to register its clients with SSL in the manner specified by SSL, and (iii) SSL shall have the right to market directly to Franchisee's clients to promote Sandler products, services, programs and events.
- 3.8 If Franchisee opens one or more Extra Offices, the Monthly Service Charge, the Marketing Fee (as hereinafter defined), and the Email Service Fee (as hereinafter defined) will increase by twenty-five percent (25%) for each such Extra Office so long as each such Extra Office is maintained by Franchisee.
- 3.9 Franchisee shall purchase from SSL the newsletter produced by SSL on a regular basis and distributed by Franchisee. The frequency of production and format of delivery of the newsletter is determined by SSL and subject to change in SSL's sole discretion. Commencing on the first day of the first full calendar month after the completion of Initial Training, Part I, Franchisee agrees to start purchasing the newsletter at the then-current fee charged by SSL.
- 3.10 Franchisee may, at its option, purchase from SSL such materials (beyond those initially supplied pursuant to Section 4.4) as SSL may from time to time make available to Franchisee at prices set forth from time to time in the Operations Manual. SSL reserves the right to make additions and deletions to the Proprietary Assets and any Proprietary Assets added hereafter shall be subject to the terms of this Agreement as if they had been in existence on the date hereof.

- 3.11 In the event that any payment required to be made by Franchisee hereunder is not made within thirty (30) days of the date due, Franchisee shall pay to SSL a late fee in the amount of Fifty Dollars (\$50), in addition to the amount due.
- 3.12 SSL may from time to time during the term of the Franchised Business offer to Franchisee “Optional Programs”. An Optional Program is a new seminar, workshop, method or set of materials acquired or developed by SSL which, if accepted by Franchisee, may be used by Franchisee as a Proprietary Asset. Franchisee shall be under no obligation to accept an Optional Program; provided that if Franchisee elects to accept an Optional Program, Franchisee must attend training offered by SSL, meet any certification standards imposed by SSL, pay any fees required by SSL, and make specified purchases of the materials offered in connection with the Optional Program. At the time of offering an Optional Program to Franchisee, SSL shall disclose to Franchisee any training, certification, fee and/or purchase requirements involved. If Franchisee elects not to accept an Optional Program, and subject to Sections 1.7 and 1.8, SSL reserves the right, for itself and for its other franchisees, to present seminars and workshops, sell materials, and do direct mailings in the Territory in connection with the Optional Program. Once accepted by Franchisee, an Optional Program shall be considered a part of the Proprietary Assets, subject to each and every term and condition of this Agreement.
- 3.13 Franchisee agrees that it shall not, on grounds of the alleged nonperformance or default by SSL of any of its obligations under this Agreement, withhold payment of any fee or other amount payable to SSL under this Agreement or otherwise.
- 3.14 If Franchisee desires to purchase the accounts or client list of another franchised business (“Book of Business”) for purposes of servicing those accounts or clients, then Franchisee shall be required to obtain SSL’s prior written consent and:
- a) Franchisee shall provide SSL with all information and documentation pertaining to the Book of Business, including, but not limited to, a copy of the executed purchase or other agreement with the seller, copies of all executed agreements with the seller’s clients or accounts, and such other information as SSL requires;
  - b) Franchisee shall pay to SSL a Book of Business transfer fee (“BB Transfer Fee”) in the amount of twelve percent (12%) of the total monies paid to the seller for the Book of Business for so long as Franchisee is paying monies to the seller for the Book of Business (“BB Purchase Price”). The BB Transfer Fee shall be paid to SSL on the fifteenth (15th) day of the month following completion of each calendar month, for BB Purchase Price payments made to the seller during the preceding calendar month. Franchisee shall submit to SSL a report of BB Purchase Price payments made on a monthly basis, in the format and in the manner specified by SSL, no later than the tenth (10th) day of the month following completion of each month. The BB Transfer Fee is in addition to the Royalty required by Section 3.3.
- 3.15 Except with respect to the initial franchise fee, all required payments under this Agreement

by the Franchisee to SSL shall be made by means of a payment system designated by SSL using pre-authorized transfers from the Franchisee's operating account, through the use of electronic fund transfers, by SSL debiting the Franchisee's personal credit card on file with SSL, or through the use of any other payment system designated by SSL. Franchisee will cooperate with SSL and provide such documentation as is required to effectuate such payments by electronic fund transfer. Once the payment authorization is established, the failure of the electronic funds transfer to be timely completed, for whatever reason, shall not relieve Franchisee of its obligations to make all payments required hereunder or under any other agreements with SSL, or its affiliates, when due. SSL may apply any payments made by Franchisee to any of Franchisee's past due indebtedness for Monthly Service Charges, Royalty, Marketing Fees, Sitelet fees, Email Service Fees or any other indebtedness to SSL, notwithstanding any designation by Franchisee.

- 3.16 For purposes of this Agreement, the term "Consumer Price Index" or "CPI" shall mean the Consumer Price Index published monthly by the Bureau of Labor Statistics of the United States Department of Labor ("CPI-W"). If the CPI-W is discontinued, comparable statistics on the purchasing power of the consumer dollar (U.S.) published by the Bureau of Labor Statistics of the United States Department of Labor or its successor shall be used for making the computations required by this Agreement.

#### 4. OBLIGATIONS OF SSL

- 4.1 SSL will conduct for Franchisee a two-part comprehensive training program ("Initial Training") to inform Franchisee of the methods, procedures and techniques contained in the Sandler System. Except for managers who have executed the Manager's Non-Disclosure and Non-Compete Agreement attached hereto as **Exhibit DD**, employees of Franchisee are not eligible to participate in Initial Training. Initial Training will be conducted in two separate sessions during normal business hours virtually or at SSL's principal place of business in Owings Mills, Maryland, or at such other site in the Baltimore, Maryland area, as SSL shall designate. Initial Training, Part I is generally conducted every two (2) months for ~~nine-eight (89)~~ – ten (10) days. Initial Training, Part II is generally conducted ~~three-one (31)~~ times a year for generally a ~~two-one (21)~~ day period. Franchisee must successfully complete Initial Training, Part I before attending Initial Training, Part II. Initial Training, Part II is recommended, but not required.
- 4.2 SSL or its designee will provide advice to Franchisee regarding the conduct of Franchisee's business at reasonable times. Franchisee and Franchisee's employees may attend subsequent training sessions ("Subsequent Training") that may be provided by SSL or its designee. SSL may require Franchisee and Franchisee's employees to meet certain prerequisites for Subsequent Training. Arrangements must be made by Franchisee and its employees prior to their participation in any training offered by SSL or its designee. SSL may train Franchisee's employees in separate training sessions that are conducted less frequently than Initial Training. Franchisee shall pay SSL a training fee of One Thousand Dollars (\$1,000.00) or such other amount as may be set forth in the Operations Manual, for training sessions provided by SSL to Franchisee's employees, and SSL may impose qualifications on the eligibility of such persons to attend such training.

- 4.3 In addition, SSL agrees to make available to Franchisee, directly or through a designee:
- a. such assistance as SSL determines, in its sole and unrestricted discretion, is required in connection with the opening and operation of the Franchised Business;
  - b. such merchandising, marketing and other data and advice as may from time to time be developed by SSL and deemed by it, in its sole and unrestricted discretion, to be helpful in the operation of the Franchised Business;
  - c. such individual or group advice, consultation and assistance rendered by on-site visits, telephone, audio/video communication devices, newsletters or bulletins as SSL may deem necessary or appropriate, in its sole and unrestricted discretion, from time to time. Any guidance, suggestions, or advice provided to Franchisee in the course of such consultation and assistance shall be deemed suggestions only, and the decision to follow any such guidance, suggestions or advice will be made by Franchisee in Franchisee's sole discretion. In particular, and not in limitation of the foregoing, Franchisee will be solely responsible for all policies and decisions concerning its employees and will consult with its own independent advisors with respect to those policies and decisions;
  - d. a Sitelet as further described in Section 6.5 below, at the then-current Sitelet service fee imposed by SSL;
  - e. at sandler.com email addresses for Franchisee and each of Franchisee's employees, at the then-current email service fee ("Email Service Fee") imposed by SSL. Franchisee will receive one email address at no charge up until December 31 of the first year of operations hereunder; and
  - f. such other resources and assistance as may be developed and offered by SSL to its franchisees.
- 4.4 Upon Franchisee's completion of Initial Training, Part I, SSL will provide it with an initial inventory of reference materials (the "Initial Inventory") substantially as set forth in **Exhibit CC**, which may be delivered in one or more partial shipments over a ninety-day period and which may include electronic delivery, and an initial set of business cards as selected by Franchisee from SSL's pre-approved layouts.
- 4.5 SSL will make available to Franchisee via electronic means or such other manner SSL deems appropriate the operating manuals, directives, price lists or other memoranda issued from time to time by SSL (collectively, the "Operations Manual") that it provides to other franchisees. SSL may provide the Operations Manual in any format, or in multiple formats, including paper or electronic formats. From time to time, SSL may, in its sole and unrestricted discretion, modify the Operations Manual, and Franchisee agrees to comply with such modifications unless otherwise provided in this Agreement.

## 5. LIMITATIONS OF FRANCHISE

### 5.1 Franchisee's use of the Sandler System and the Proprietary Assets is limited as follows:

- a. Franchisee acknowledges that SSL is the exclusive owner of the Proprietary Assets and of the standards, specifications, operating procedures and other elements of the Sandler System, and that Franchisee shall not at any time acquire any ownership rights therein. Franchisee agrees that making, or permitting to be made, any modifications, substitutions or additions to the Proprietary Assets or the Sandler System is not authorized and shall be deemed an infringement of SSL's rights unless the Franchisee obtains SSL's prior written approval. Franchisee further acknowledges and agrees that, despite the prohibition contained in this Section, any modifications, substitutions or additions to the Proprietary Assets or the Sandler System suggested or developed by Franchisee and approved by SSL shall be owned exclusively by SSL and may be incorporated by SSL into the Proprietary Assets and Sandler System. Said ownership rights shall be worldwide and perpetual. Franchisee specifically agrees that all materials and other property generated or developed under this Agreement shall be considered "works made for hire" and that such material and other property shall, upon creation, be owned by SSL exclusively and perpetually and on a worldwide basis. To the extent that any such material or other property, under applicable law, may not be considered works made for hire, Franchisee hereby assigns, and agrees to assign, to SSL the exclusive, perpetual and worldwide ownership of such material and other property and all intellectual property rights in the same, without the necessity of any further consideration. Franchisee agrees that it will not at any time take any action or make any statement inconsistent or conflicting with SSL's ownership rights as described herein.
- b. Franchisee shall use the Sandler System and the Proprietary Assets strictly in accordance with the terms of this Agreement and all policies set forth from time to time in the Operations Manual. Any unauthorized use of the Sandler System and/or the Proprietary Assets is and shall be deemed to be an infringement of SSL's rights. Franchisee agrees that producing, or permitting to be produced, its own written materials or audio or audiovisual recordings, webinars, podcasts, recorded conference calls or streaming, or other creation in any medium (collectively, "Recordings") for sale, publication or distribution, with or without charging a fee, containing any of the Proprietary Assets or Sandler System is not authorized and shall be deemed an infringement of SSL's rights unless the Franchisee obtains SSL's prior written approval, or such Recordings are produced and made available exclusively through the online learning management system described in Section 8.4(v) hereof and in accordance with the rules prescribed by SSL. Franchisee further agrees that uploading, sharing, transmitting, inputting, or otherwise making available any content, concepts, or material related to or embodying the Sandler System or the Proprietary Assets, in whole or in part, to any machine learning algorithms or artificial intelligence technologies (collectively, "AI Tools"), including, but not limited to, ChatGPT, DALL-E, ChatSonic, Jasper AI, Bing AI, and Google Gemini, is and shall be deemed to be an infringement of SSL's rights, unless such activity is expressly authorized by SSL in

writing. Franchisee further agrees that any purported relinquishment of ownership interests in the Sandler System or the Proprietary Assets by Franchisee or grant of any license to use the Sandler System or the Proprietary Assets by Franchisee, shall be deemed an infringement of SSL's rights. Failure to comply with this Section shall constitute a breach under Section 10.

- c. Except as expressly provided in this Agreement, Franchisee shall acquire no right, title or interest to the Sandler System or the Proprietary Assets; all goodwill associated with the Sandler System and the Proprietary Assets used by Franchisee shall inure exclusively to SSL's benefit; and upon the termination or expiration of the Franchised Business, no monetary amount shall be assigned as attributable to any goodwill associated with the Franchisee's use of the Sandler System or the Proprietary Assets.
- d. Franchisee acknowledges and agrees that SSL solely and exclusively owns and retains all right, title and interest, whether express or implied, in and to any and all data collected in Franchisee's operation of the Franchised Business, including, but not limited to, the Client List ("Data"). Franchisee has no and acquires no right, title or interest, whether express or implied, in and to the Data. Franchisee will only use the Data for the purposes set forth in this Agreement. Franchisee will only access the Data as necessary for performance of this Agreement. All the Data, including copies, summaries and derivative works thereof, must be remitted, in a mutually agreeable format and media, to SSL by Franchisee upon request or upon termination or expiration of this Agreement.
- e. Franchisee shall at no time take any action whatsoever to contest the validity, ownership, distinctiveness or enforceability of the Proprietary Assets and the goodwill associated therewith. Franchisee agrees that any use by Franchisee of all or any part of the Sandler System or the Proprietary Assets contrary to any provision of this Agreement, or any use by Franchisee of any confusingly similar method, format, procedure, technique, system, name, trade dress, mark, symbol, emblem, slogan, insignia, term, designation, design, diagram, promotional material or course material, during or after the term of this Agreement, shall cause irreparable injury to SSL, shall constitute a material breach of this Agreement, and shall entitle SSL to obtain temporary, preliminary or permanent injunctive relief from a court or agency of competent jurisdiction, and to recover court costs, reasonable expenses of litigation, reasonable attorneys' fees, and any other appropriate remedies.
- f. Upon the date of execution of this Agreement, Franchisee, and if Franchisee is an entity, each of the owners of Franchisee who will actively participate in the operation of the Franchised Business, shall deliver an executed Authorization, in the form attached hereto and incorporated herein by reference as **Exhibit FF**, to SSL.
- g. Franchisee shall exclusively operate and advertise the Franchised Business under the trade name SANDLER or SANDLER TRAINING, as specified by SSL in the Operations Manual, and shall use the service marks SANDLER and SANDLER TRAINING in accordance with SSL's requirements. Franchisee shall identify itself as

SANDLER or SANDLER TRAINING, as specified by SSL in the Operations Manual, on its stationery, business cards and other similar material used and distributed in connection with the Franchised Business. Franchisee shall not use any non-SSL trade names, marks, symbols, emblems, logos or insignias on Franchisee's stationery, business cards, envelopes, signs, websites, advertisements in any medium, or on any other material used and distributed in connection with the Franchised Business. Franchisee shall submit its stationery, business cards and other similar material to SSL for approval within thirty (30) days from the date hereof, and at any time thereafter if Franchisee makes any modification to such approved materials.

- h. Franchisee shall not use in its corporate, partnership or similar entity name, the names "Sandler," "David Sandler," "Sandler System," "Sandler Training," or any other trade names, trademarks or service marks used by SSL. Upon expiration or termination of the Franchised Business for any reason whatsoever, Franchisee shall immediately take any steps necessary to eliminate the use of SSL's trade names, trademarks and service marks, including SANDLER and SANDLER TRAINING. Upon expiration or termination of this Agreement, Franchisee hereby designates the President of SSL as its attorney-in-fact to execute and deliver documents terminating Franchisee's trade name or business name registrations that incorporate the name Sandler or Sandler Training or any other trade names or marks used by SSL.
- 5.2 The Franchised Business and the right to use the Sandler System and the Proprietary Assets granted hereunder are non-exclusive, and SSL retains the right in its sole and unrestricted discretion to grant franchise and license rights to other persons inside and outside the Territory, subject to the terms and conditions of this Agreement.
- 5.3 SSL retains the right in its sole and unrestricted discretion to develop, use and franchise the rights to any systems, trade dresses, trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignias, or copyrights not designated by SSL as parts of the Sandler System or the Proprietary Assets, at any location, including within the Territory, on such terms and conditions as SSL may deem advisable, and without granting Franchisee any rights therein.
- 5.4 Because complete and detailed uniformity under many varying conditions may not be possible or practical, SSL specifically reserves the right and privilege, in its sole and unrestricted discretion and as it may deem to be in the best interests of all concerned in any specific instance, to vary standards for any franchisee or franchisees based upon the peculiarities of a particular territory, density of population, business potential, business practice or other condition important to the successful operation of such franchise owner's business. SSL may grant to one or more franchisees variations from standard specifications and practices as SSL determines in its sole and unrestricted discretion, and SSL shall have no obligation to grant Franchisee like or similar variations.
- 5.5 IF THE PROPRIETARY ASSETS, SANDLER SYSTEM OR MARKS BECOME, OR IN SSL'S OPINION IS LIKELY TO BECOME, THE SUBJECT OF A CLAIM OF INFRINGEMENT OF A PATENT, COPYRIGHT OR TRADEMARK OF A THIRD

PARTY, FRANCHISEE SHALL PERMIT SSL, AT ITS OPTION AND EXPENSE, (i) TO PROCURE THE RIGHT TO CONTINUE USING SUCH PRODUCT, MARK OR NAME, (ii) TO REPLACE OR MODIFY SUCH PRODUCT, MARK OR NAME SO THAT IT BECOMES NON-INFRINGEMENT, OR (iii) TO GRANT FRANCHISEE A REFUND FOR SUCH PRODUCT WHICH FRANCHISEE SHALL ACCEPT AS FULL AND COMPLETE SATISFACTION FOR ANY CLAIMS IT MIGHT HAVE AGAINST SSL ARISING FROM SUCH INFRINGEMENT. THIS SECTION STATES SSL'S ENTIRE LIABILITY FOR ANY CLAIM OF INFRINGEMENT.

**6. MARKETING AND ADVERTISING; INTERNET WEBSITE**

- 6.1 Franchisee shall participate in the system-wide marketing and advertising fund (the "Fund") established by SSL. Franchisee shall contribute to the Fund a marketing fee ("Marketing Fee"), currently in the amount of Five Hundred Twenty-Seven Dollars and Ninety Cents (\$527.90) per month, which amount shall be increased annually to reflect increases in the Consumer Price Index over the prior year. The Marketing Fee is reduced for the first eight months of operation for new franchisees as set forth below.
- 6.2 Franchisee agrees to pay to SSL the Marketing Fee in the amount set forth below commencing on the first day of the calendar month after the Franchisee completes Initial Training , Part I ("Marketing Fee Commencement Date"), and on the first day of each month thereafter during the Initial Term of the Franchise and any Renewal Terms.

Marketing Fee Commencement Date and Thereafter	Marketing Fee Amount
1 <sup>st</sup> – 2 <sup>nd</sup> Months	\$0
3 <sup>rd</sup> – 5 <sup>th</sup> Months	\$150
6 <sup>th</sup> – 8 <sup>th</sup> Months	\$300
9 <sup>th</sup> Month and Each Subsequent Month	\$527.90 or then-current amount

- 6.3 The Fund is maintained as follows:
  - a. Franchisee will make the required payment to the Fund on or before the 1st day of each month.
  - b. SSL will direct all marketing and advertising programs, with the sole and absolute right of approval over agencies, spokespersons, creative concepts, materials, and media placements and allocations used in the programs. Franchisee agrees that the Fund may be used to increase general public recognition and acceptance of the Marks for the benefit of the System, and that SSL and its designees undertake no obligation in administering the Fund to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contributions, or to ensure that Franchisee benefits directly or pro rata from the placement of advertising.

- c. Franchisee agrees that the Fund may be used to meet the costs of advertising and promotional materials and programs in any media. SSL will not use such contributions to defray its general operating expenses, except for reasonable administrative costs and overhead incurred in activities related to the administration or direction of the Fund. No portion of the Fund may be used to market or advertise the sale of Sandler franchises.
  - d. If all contributions to the Fund received during a fiscal year are not expended during the same fiscal year, SSL may expend those contributions in subsequent years. If the Fund expends more than the contributions than are accumulated during any fiscal year, SSL may receive from the Fund reimbursement or credit during the same or subsequent years to the extent of the excess expenditure.
  - e. An unaudited summary report on the operation of the Fund will be prepared annually and will be made available to Franchisee on request made more than one hundred twenty (120) days after each fiscal year end.
  - f. Although the Fund is intended to be of perpetual duration, SSL may in its sole and unrestricted discretion terminate the Fund, but in that case all contributions will be used for the purposes described above or returned to contributors on a prorated basis.
- 6.4 Except as provided below, Franchisee may advertise any SANDLER OR SANDLER TRAINING seminar, workshop or other program by any method which does not violate any law and conforms to the standards of quality associated with the Sandler System and the Proprietary Assets. Franchisee agrees that prior to conducting any advertising in any medium, it shall submit to SSL a copy of any such advertising not previously approved or provided by SSL and a description of the manner in which Franchisee intends to disseminate the advertising. SSL shall have the right to disapprove or place conditions upon the text, artistic composition, or manner of dissemination, by written notice to Franchisee given within fifteen (15) days of SSL's receipt of the advertisement. Franchisee may not advertise its services on the Internet except in accordance with SSL's specifications, as set forth in the Operations Manual.
- 6.5 Franchisee shall participate in SSL's Internet Website Program, which consists of the SSL Corporate Internet Website ("SSL Site"), the private intranet called One Sandler (the "Portal") and the SSL franchisee Websites ("Sitelets"), which are dynamically linked to the SSL Site. The purpose of the Portal is to assist communications with the Franchisees and between Franchisees, and to provide access to support documents, marketing materials and additional training. The Sitelet used by Franchisee must be Franchisee's sole website and Franchisee shall not host or maintain any additional website(s) containing SSL or other sales and sales management materials or information. The Sitelets must utilize an SSL template and one or more SSL approved domain name(s), and must at all times conform to the standards of quality associated with the Sandler System and the Proprietary Assets and the requirements for the Sitelets set forth in the Operations Manual, as may be modified by SSL from time to time. Franchisee agrees that the particular Sitelet used by Franchisee

shall be subject to SSL's review and written approval both prior to making the Sitelet accessible to the public or its clients and, thereafter, on a regular basis, in accordance with the requirements set forth in the Operations Manual.

## 7. FRANCHISEE'S EMPLOYEES

- 7.1 SSL acknowledges that Franchisee may employ one or more persons to assist Franchisee in the operation of the Franchised Business, and to solicit clients or conduct seminars, workshops or other programs. Franchisee shall not use or engage any independent contractors to assist Franchisee in the operation of the Franchised Business, or to solicit clients or conduct seminars, workshops or other programs. In furtherance of the Territory limitation described on Exhibit AA, Franchisee agrees that the primary place of residence of Franchisee and its employees whose job responsibilities include selling or aiding in selling services for Franchisee, and if Franchisee is an entity, the owners of Franchisee, shall be within the Territory. Employees who deliver services to Franchisee's clients, but do not sell or aid in selling for Franchisee, may have their primary place of residence outside the Territory. For avoidance of doubt, if any employee sells or aids in selling services for Franchisee, the employee must have his/her primary place of residence in the Territory. In addition, Franchisee agrees as follows:
- a. During the term of employment with Franchisee, Franchisee's employees shall not be employed by, perform any services for, or operate any business of any kind other than Franchisee's Franchised Business, wherever located, without the prior written consent of SSL. Franchisee's employees shall not maintain their own website(s) promoting sales and sales management training and shall not independently establish or operate any office or training facility of the Franchisee.
  - b. Franchisee shall deliver to SSL executed copies of all employment and other agreements between Franchisee and Franchisee's employees and any entity in which the employee has any ownership interest, promptly upon execution of such agreement(s) and as requested by SSL. Notwithstanding anything to the contrary, Franchisee may not charge its employees, directly or indirectly, a fee for the right to become an employee or to offer sales and sales management training.
  - c. Franchisee's employees shall be required to execute a Representative's Non-Disclosure and Non-Compete Agreement, the current form of which is attached as **Exhibit DD**. Franchisee shall at all times ensure that each of its employees (i) has on file with SSL an executed copy of the Representative's Non-Disclosure and Non-Compete Agreement, the current form of which is attached as **Exhibit DD**; and (ii) engages in no activity that, if engaged in by Franchisee, would constitute a breach of this Agreement.
  - d. Franchisee may not delegate primary responsibility for the operation of the Franchised Business, the Primary Place of Business, or any additional office or training facility, without SSL's prior written consent. If Franchisee desires to delegate primary responsibility for the operation of the Franchise to a manager, Franchisee must notify

SSL in advance and such manager shall be required to execute a Manager's Non-Disclosure and Non-Compete Agreement, the current form of which is attached hereto as **Exhibit EE**, and attend and successfully complete Initial Training, Part I. If Franchisee has hired a manager as permitted hereby, Franchisee may have its primary place of residence outside the Territory, provided that Franchisee does not at any time, directly or indirectly, solicit clients, attend business networking or association events, or conduct any marketing or prospecting activities outside the Territory. Franchisee agrees to refer any prospects outside the Territory to a local franchisee.

- e. Franchisee shall deliver a copy of each Representative's Non-Disclosure and Non-Compete Agreement and Manager's Non-Disclosure and Non-Compete Agreement to SSL immediately after execution. Franchisee understands and agrees that its employees cannot attend any training sessions sponsored by SSL unless such agreements have been delivered to SSL.

## **8. OPERATIONS**

- 8.1 Franchisee has sole responsibility for the performance of all obligations arising out of the operation of the Franchised Business, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation. Franchisee shall carefully monitor the performance of any person who is actively involved in the operation of the Franchised Business.
- 8.2 It is understood and agreed by the parties that this Agreement does not create a fiduciary relationship between them and that Franchisee shall be an independent contractor with the entire control and direction of its Franchised Business, subject only to the terms and conditions of this Agreement. SSL is not an employer of Franchisee or an employer (or joint employer) of Franchisee's employees. Franchisee's employees work for the Franchisee and not SSL, Franchisee alone controls its employees' wages, hours, assignments, hiring, firing and benefits, and SSL shall exert no control over any aspect of the employment relationship. No agency, employment or partnership is created or implied by the terms of this Agreement. Neither party has any authority to enter into any contract, assume any obligations or give any warranties or representations on behalf of the other party hereto. In all public records, in its relationship with other persons, and in any disclosure document, prospectus or similar document, Franchisee shall indicate clearly the independent ownership of its business and that the operations of said business are separate and distinct from the operations of SSL's business.
- 8.3 In order to protect the Sandler System and to maintain the standards of operation associated with the Proprietary Assets, Franchisee shall operate the Franchised Business in accordance with the Operations Manual, to which Franchisee shall receive access for the term of the Franchised Business. Franchisee understands and acknowledges that SSL may, from time to time, unilaterally, and in its sole and unrestricted discretion, revise the contents of the Operations Manual to implement new or different operating requirements and fees applicable to the Franchised Business, and Franchisee expressly agrees to comply with such changed requirements and fees within such reasonable time as SSL may require;

provided, however, that any changed requirements or fees shall not alter the Monthly Service Charge. If Franchisee chooses to download or print the Operations Manual, Franchisee shall at all times keep its copy of the Operations Manual current and up to date and, in the event of any dispute as to the contents thereof, the version maintained by SSL in the Portals shall be controlling, provided SSL has notified SSL franchisees, including Franchisee, of all updates and modifications to the Operations Manual. Franchisee agrees that the provisions of the Operations Manual, including the mandatory specifications, standards, procedures and rules applicable to the Sandler System, and such modifications as are made thereto from time to time by SSL, shall constitute provisions of this Agreement as if fully set forth in this Agreement. Franchisee further agrees that all references in this Agreement to the provisions or specifications of the Operations Manual shall mean the provisions and specifications of the Operations Manual, including all mandatory and recommended specifications, standards, procedures, rules and criteria, as of the time they are in effect.

- 8.4 In order to further protect the Sandler System, the Proprietary Assets and the goodwill associated therewith, Franchisee shall purchase all materials, programs and assessment tools for use with clients in the Franchised Business from SSL or its designated suppliers, and shall not purchase or use any materials, programs and assessment tools for use with clients in the Franchised Business without SSL's prior written approval. If Franchisee desires to purchase or use any such items from an unapproved supplier, Franchisee shall submit to SSL a written request for approval, or shall request the supplier to submit a request for approval. Franchisee shall provide SSL with such materials or information as SSL may reasonably request as to items for approval and the supplier. SSL will use its best efforts to notify Franchisee in writing, within thirty (30) days after SSL's receipt of the materials and information SSL requests, of its approval or disapproval of the proposed supplier. Franchisee shall not use any products of the proposed supplier until SSL's written approval of the proposed supplier is received. SSL may from time to time revoke its approval of particular products or suppliers when SSL determines, in its sole discretion, that such products or suppliers no longer meet SSL's standards. Upon receipt of written notice of such revocation, Franchisee shall cease to use any disapproved products and cease to purchase from any disapproved supplier. In addition, Franchisee shall:
- a. Feature and use the Proprietary Assets solely in the manner prescribed by SSL;
  - b. Observe such requirements with respect to service mark, trade name, trademark, and fictitious name registrations and copyright notices as SSL may, from time to time, direct in writing;
  - c. Not offer, sell or promote any sales, sales management, management training and coaching related thereto, or other similar type of seminar, workshop or program except such programs as it has obtained from SSL, and ensure that the service marks SANDLER and SANDLER TRAINING or any other like mark are not displayed in any manner that suggests affiliation with or sponsorship by SANDLER or SANDLER TRAINING where none exists;

- d. Comply with all laws, ordinances and regulations affecting the operation of the Franchised Business and the conduct of workshops and seminars, including, but not limited to, all state and federal labor and employment laws;
- e. Notify SSL in writing within ten (10) days of the commencement of any action, suit or proceeding, or of the issuance of any writ, injunction, award or decree of any court, agency or governmental agency or instrumentality, which may adversely affect Franchisee's financial condition or ability to meet its obligations hereunder;
- f. Upon forty-eight (48) hours prior written notice, permit authorized representatives of SSL to enter its place or places of business during normal business hours to inspect its operations, facilities, data concerning clients and prospective clients, client contracts, client billing, tax returns, financial statements, and other books and records (collectively, "Business Records"), and to photograph, audio and/or video record its operations and facilities. SSL shall also have the right to have its authorized representatives request copies of Business Records electronically for inspection, and Franchisee shall completely and accurately respond to any such request within forty-eight (48) business hours. Franchisee shall cooperate with SSL's representatives in such activities by rendering such assistance as they may reasonably request. Upon notice by SSL, Franchisee shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. If any such inspection reveals an occurrence of any of the defaults set forth in Section 10, in addition to other remedies available to SSL hereunder, Franchisee shall reimburse SSL for all expenses and fees incurred by SSL in connection with the inspection, within thirty (30) days from SSL's written request for same;
- g. Pay on a timely basis all fees and costs incurred in the operation of the Franchised Business, whether owing to SSL or to third parties. Franchisee is aware that failure to make prompt payment causes irreparable harm to the reputation and credit of SSL and other SSL franchisees;
- h. Submit reports of its operations on such forms as are prescribed from time to time by SSL, at such times as SSL may reasonably request;
- i. Take reasonable steps to protect SSL, the Sandler System and the Proprietary Assets against any misappropriation of same and/or other action taken by any third party which is or might damage SSL, the Sandler System and/or the Proprietary Assets, and immediately notify SSL of such misappropriation and/or action; provided, however, that Franchisee shall not be required to incur any significant costs in complying with the requirement of this subsection;
- j. Devote full business time and attention to the operation of the Franchised Business, cause the Franchised Business to be effectively and efficiently operated, and attend such Subsequent Training sessions as may be reasonably deemed necessary by SSL. If Franchisee is a corporation, limited liability company, or limited liability partnership, or other entity, the owners of the Franchisee shall comply with the foregoing;

- k. Comply with all requirements set forth in this Agreement and in the Operations Manual as the same may be modified from time to time as provided for herein;
- l. At no time solicit clients outside of the Territory;
- m. Accept the transfer from current or former SSL franchisees of any public sales training program attendee who desires to attend Franchisee's public sales training program, provided that SSL or such other current or former franchisee confirms to Franchisee that such individual is a public sales training program attendee in good standing, and subject to any applicable fee sharing provisions contained in the Franchisee Advisory Council Code of Ethics;
- n. At no time solicit any prospective franchisee of SSL, as hereinafter defined, to purchase any product or services, or to become associated with Franchisee as an employee, independent contractor or co-owner of the Franchised Business, or to purchase from Franchisee the Franchised Business, unless otherwise authorized in writing by SSL. As used herein, "prospective franchisee of SSL" means an individual, or individual on behalf of an entity, who has initiated an inquiry with SSL concerning the purchase of a franchise, is pursuing a review of the franchise for the purpose of evaluating the purchase of a franchise, and has not notified SSL or any of its employees that it has determined not to pursue the purchase of a franchise;
- o. At no time be employed by, perform any services for, or operate any business of any kind other than the Franchised Business, wherever located, without the prior written consent of SSL. If SSL consents to Franchisee being employed by, performing any services for, or operating any other business, then SSL may require Franchisee to delegate primary responsibility for the operation of the Franchised Business to a manager who devotes his or her full business time to the operation of the Franchised Business, in accordance with all terms and conditions contained in this Agreement. If Franchisee is a corporation, limited liability company, or limited liability partnership, or other entity, the owners of the Franchisee shall comply with the foregoing;
- p. At no time during the term of this Agreement and for two (2) years following its termination or expiration, solicit any other franchisee of SSL to purchase any product or service from Franchisee, unless otherwise authorized in writing by SSL;
- q. Attend and successfully complete Initial Training, Part I, prior to commencing operation of the Franchised Business but no later than three (3) months after the date hereof;
- r. Use as its sole internet website in connection with the Franchised Business the Sitelet provided or arranged by SSL in connection with this Agreement;
- s. Use as its sole email address in connection with the Franchised Business the email address provided or arranged by SSL pursuant to this Agreement, and require its

employees to use as their sole email address used in connection with the Franchised Business the email address provided or arranged by SSL pursuant to this Agreement, in the manner prescribed by SSL;

- t. Attend, and cause its employees who provide sales and sales management training to its clients to attend, at least one (1) time per calendar year the conferences provided by SSL from time to time, and pay the registration costs thereof, if any;
- u. Attend and successfully complete, and cause each of its employees who provide sales and sales management training to its clients to attend and successfully complete, SSL's initial and ongoing certification programs within the times required by SSL, and pay the then-current per-person fees imposed by SSL and the travel and lodging expenses incurred by Franchisee and its employees in connection with attending the programs and maintaining their respective certifications;
- v. Participate in the online Learning Management System ("LMS") that SSL has established for use by its franchise network as prescribed by SSL. Franchisee shall register all of Franchisee's clients in the LMS and use the LMS to purchase and deliver SSL Product to all of Franchisee's clients. Franchisee acknowledges that the foregoing LMS shall be the only approved manner for making and using Recordings (as that term is defined in Section 5.1(b) hereof), and that, unless pre-approved in writing by SSL, all such other Recordings, whether made by Franchisee or its clients with Franchisee's knowledge, shall constitute a material breach of this Agreement;
- w. Use such customer relationship management system ("CRM"), software or system that SSL has established for use by its franchise network to track the productivity and performance of the Franchised Business as required by SSL, and pay the then-current licensing fee for use of the CRM, software or system;
- x. Submit to SSL calendars, in the format and timing specified by SSL, of all public training sessions and seminars that Franchisee and its employees intend to conduct or follow SSL's other requirements concerning such calendars;
- y. SSL may establish an accounting system or other software or system to assist Franchisee with its accounting. Such software or system may be accessible by SSL to understand the financial performance of the Franchised Business. If so established by SSL, Franchisee shall use such software or system as required by SSL, and pay the then-current licensing fee for use of the accounting software or system;
- z. All Data may be used by Franchisee only in connection with the legitimate business purposes of the Franchised Business; and
- aa. Not upload, share, transmit, input, or otherwise make available the Sandler System or the Proprietary Assets, or any content, concepts, or materials related to or embodying the Sandler System or Proprietary Assets, in whole or in part, to any AI Tools for any

purpose, including without limitation to create, train, test, or otherwise improve any AI Tool, whether direct or indirect, without express written authorization from SSL.

- 8.5 SSL shall have the right, subject to applicable law, to set minimum and maximum prices on the services and products offered and sold by Franchisee, and Franchisee shall comply with such prices upon notice to Franchisee.
- 8.6 Franchisee agrees to secure and maintain, throughout the term of this Agreement and until all obligations under this Agreement are satisfied, the minimum insurance requirements below with companies qualified to do business in the jurisdiction in which the services will be performed.
- a) Commercial general liability with limits no less than \$1,000,000 for each occurrence and \$2,000,000 in the aggregate, including bodily injury and property damage.
  - b) Worker's compensation insurance with limits no less than the limits of worker's compensation laws in each state where work is performed;
  - c) Commercial automobile liability insurance, with limits no less than \$1,000,000, combined single limit;
  - d) Professional liability or errors and omissions (E&O) insurance, with limits no less than \$1,000,000 per occurrence and \$1,000,000 in the aggregate; and
  - e) Umbrella (Excess) liability for the coverage in (a) and (c) with limits no less than \$2,000,000.

From time to time, SSL may increase or change the foregoing minimum limits and types of insurance. Franchisee shall consult with its independent advisor as to whether the foregoing minimum limits and types of insurance are adequate with respect to Franchisee's particular business needs. All policies, other than the professional liability/errors or omissions policy, shall name SSL and its affiliates as additional insured parties. Each insurance policy shall be issued by an insurance company with an AM Best or the equivalent performance rating of at least A+ as rated in the most recent edition of Best's Insurance Reports or comparable publication. Upon execution of this Agreement, and anytime thereafter upon SSL's request, Franchisee shall provide SSL with evidence of such coverage, in the form of a certificate of insurance, providing that such insurance shall not be canceled, amended or modified without thirty (30) days' prior written notice to SSL. Franchisee shall immediately notify SSL in writing at least thirty (30) days prior to any termination, cancellation, or reduction of such coverages, or any failure to renew such coverages. If Franchisee fails to procure or to continue to maintain any required insurance, SSL is hereby authorized, but not obligated, to procure such insurance and to charge the cost of such insurance to Franchisee's account.

- 8.7 Franchisee agrees to keep a valid credit card or ACH account on file with SSL. Client information and credit card information must be protected and safeguarded to ensure privacy, protection from theft, piracy, or unauthorized use. Franchisee will inform all of its

employees of their obligations concerning this requirement. SSL must be notified immediately upon discovery of any prohibited use or disclosure of confidential or proprietary information or any breach of these obligations, and Franchisee will cooperate fully to prevent further prohibited use.

- 8.8 Franchisee agrees to prepare and to maintain for three (3) years, or such longer time as required by applicable law, complete and accurate books, records (including client contracts and billing) and accounts for the Franchised Business, copies of Franchisee's sales tax returns and such portions of Franchisee's state and federal income tax returns as relate to the Franchised Business.
- 8.9 Within one hundred twenty (120) days after the end of each calendar year during the term of this Agreement, Franchisee shall provide to SSL (i) a list of its clients during the year just ended (including individual names, addresses and programs attended), (ii) such financial information (including a profit-and-loss statement for the year just ended and a balance sheet as of the last day of the year just ended) relating to the Franchised Business on such forms as may be prescribed from time to time in the Operations Manual, and (iii) a true and correct copy of its federal tax return filed with the IRS (if Franchisee files for an extension to file its tax return with the IRS, then the copy of the federal tax return shall be submitted to SSL within ten (10) days from the date of its filing with the IRS). For any amount by which Gross Revenues or BB Purchase Prices are underreported for the year, a ten percent (10%) fee will be assessed on the difference between the Gross Revenues and BB Purchase Prices reported and the Gross Revenues per tax return and BB Purchase Prices and shall be immediately due and payable to SSL. All such financial information shall be prepared in accordance with generally accepted accounting principles, consistently applied and shall be accurate and complete in all material respects. SSL shall have the right from time to time to request additional client information or financial information from Franchisee as SSL may reasonably require.
- 8.10 Franchisee agrees that during the term of this Agreement and thereafter, SSL may provide Franchisee's name, business address and telephone number to prospective franchisees in accordance with all applicable federal and state statutes, regulations and rules.
- 8.11 Franchisee recognizes the importance of efficient communication between SSL and Franchisee, and agrees, within thirty (30) days of the date hereof, to establish and maintain email communication.
- 8.12 Franchisee acknowledges that it is responsible for all costs for travel, sustenance and lodging and other expenses in any way related to Initial Training or Subsequent Training of Franchisee and its employees.
- 8.13 Franchisee acknowledges that SSL provides online platforms for Franchisee's use, some of which allow Franchisee to add assets created by Franchisee, including, but not limited to, audio, video and written materials. Prior to adding, submitting, or distributing any such asset to or through an online platform provided by SSL, Franchisee must ensure that such asset has not been created or generated by any AI Tool, is not otherwise the output of any

AI Tool, and has otherwise been created by Franchisee's employees in conformance with, as applicable, either the Representative's Non-Disclosure and Non-Compete Agreement, the current form of which is attached as **Exhibit DD** or the Manager's Non-Disclosure and Non-Compete Agreement, the current form of which is attached as **Exhibit EE**. Franchisee acknowledges and agrees that: (a) any such assets are subject to the terms of this Agreement; (b) SSL may require Franchisee to remove, or SSL itself may remove, any asset added by Franchisee in SSL's sole and absolute discretion; and (c) SSL may publish guidelines and policies for the use of online platforms via the Operations Manual, which are subject to change from time to time by SSL.

- 8.14 Franchisee expressly understands and agrees that SSL shall not be liable for any loss or damage whatsoever (direct, indirect, punitive, actual, consequential, incidental, special, or otherwise) resulting from any omission in the content or performance of, or any inability to access or use any internet websites, email, software, including, but not limited to, the LMS, CRM, accounting system and online platforms, and/or other technology services provided by or required by SSL ("Technology"), regardless of the basis upon which liability is claimed, even if SSL has been advised of the possibility of such loss or damage. SSL makes no representation or warranty, express or implied, that the Technology will meet Franchisee's requirements or that it will be uninterrupted, timely, secure, or error free; nor does SSL make any warranty as to the results of Technology or as to the accuracy, completeness, timeliness, or reliability of any information obtained through or posted on such Technology. SSL shall not be responsible for any problems or technical malfunctions of the Technology, including any problems or technical malfunctions of any telephone network or lines, computer on-line systems, servers, Internet access providers, computer equipment, software, or any combination thereof, including any injury or damage to the computer of Franchisee or any other person as a result of using the Technology. Franchisee acknowledges that the Technology is provided to Franchisee "as-is".
- 8.15 SSL may, in its sole discretion, modify, replace, or discontinue the Technology or any component thereof at any time during the term of this Agreement. Franchisee must promptly adhere to any such modifications, including the payment of new or modified fees, provided that the amount of such fees is determined in a manner that is applied uniformly among franchisees of SSL required to participate in the Technology. Franchisee acknowledges that the cost of its participation in any such new or modified Technology may be different or greater than that incurred by Franchisee under the current systems.
- 8.16 Upon the occurrence of a default of this Agreement by Franchisee, SSL, without limiting in any way of SSL's other rights or remedies under this Agreement, may suspend Franchisee's participation in the Technology sponsored or maintained by SSL, regardless of whether SSL has issued a notice of breach. Such suspension shall be for the duration of Franchisee's default and SSL shall have the right to charge Franchisee any costs incurred by SSL in reinstating Franchisee's participation in the Technology.

## 9. INDEMNIFICATION

- 9.1 Franchisee shall hold harmless, defend and indemnify SSL and its officers, directors, shareholders, agents, employees, successors and assigns from and against, and shall reimburse SSL upon demand for any and all losses, costs, expenses (including without limitation, reasonable attorneys' fees, disbursements of counsel, investigation expenses, expert witness fees, court costs, deposition expenses, and travel and living expenses), liabilities, damages, fines, penalties, charges, assessments, judgments, settlements, claims, causes of action, and other obligations of any nature whatsoever that SSL may at any time, directly or indirectly, suffer, sustain or incur, arising out of, based upon or resulting from (1) the breach by Franchisee of its obligations hereunder; (2) the operation of the Franchised Business; (3) any act, omission, event, or inaccuracy taking place on or about the Franchised Business; and/or (4) any breach by an Immediate Family Member of Section 12 (as such term is defined therein). SSL will always have the right to defend any claim made against it with respect to which it is entitled to indemnification hereunder and Franchisee shall reimburse SSL upon demand for any and all costs and expenses, including reasonable attorneys' fees incurred by SSL in connection therewith.
- 9.2. The obligations of Franchisee to hold harmless, defend and indemnify SSL shall survive the expiration or termination of the Franchise for so long as any potential for liability under any applicable law, rule, ordinance, statute or judicial decision remains.

## 10. DEFAULT; TERMINATION

- 10.1 The occurrence of any of the following events shall constitute a default under this Agreement:
- a. If Franchisee, or any person controlling, controlled by or under common control with Franchisee, shall (i) misuse the Sandler System or the Proprietary Assets, or any other names, trade dresses, marks, systems, insignia, symbols or rights provided by SSL to Franchisee, or otherwise materially impair the goodwill associated therewith or SSL's rights therein, or if Franchisee shall use any names, trade dresses, marks, systems, insignia or symbols not authorized by SSL; or (ii) make available, in whole or in part, any content, concepts, or material related to or embodying the Sandler System or the Proprietary Assets, to any AI Tools, or otherwise violate any provision of this Agreement relating to the use of an AI Tool;
  - b. If Franchisee shall fail to remit any payments immediately when due to SSL, including, but not limited to, Sections 3, 6 and 8.4(g);
  - c. If Franchisee underreports Gross Revenues or BB Purchase Price payments, or fails to submit to SSL any financial or other information required under this Agreement;
  - d. If Franchisee shall violate any provision of this Agreement in connection with trade dress, service mark, trademark or copyright, including, but not limited to, the Sandler System, Proprietary Assets and the Marks, of SSL;

- e. If Franchisee shall fail to operate the Franchised Business in accordance with the Operations Manual and/or other manuals, or shall fail to conform to the specifications and standards of SSL, or shall fail in any other way to maintain SSL's standards of quality in the operation of the Franchised Business;
- f. If Franchisee shall purport to effect any transfer other than in accordance with the terms and conditions hereof;
- g. If Franchisee submits any false or substantially inaccurate report to SSL;
- h. If an imminent threat or danger to public health or safety results from the maintenance or operation of the Franchised Business;
- i. If Franchisee makes, or has made, any misrepresentation or material omission to SSL in connection with obtaining the Franchise, or in connection with operating the Franchise or using the Proprietary Assets hereunder;
- j. If Franchisee fails to obtain SSL's prior written approval or consent as expressly required by this Agreement;
- k. If Franchisee ceases operations, or does not commence operations on or before three (3) months from the effective date of this Agreement, without the written consent of SSL, for any reason;
- l. If Franchisee, or any person controlling, controlled by or under common control with Franchisee, shall be adjudicated bankrupt; or if Franchisee or any such person shall file or have filed against it a petition in bankruptcy, reorganization or similar proceeding under the bankruptcy laws of the United States; or if a receiver, permanent or temporary, of the business, assets or property of Franchisee or any such person, or any part thereof, is appointed by a court of competent authority; or if Franchisee or any such person requests the appointment of a receiver or makes a general assignment for the benefit of creditors; or if a final judgment against Franchisee or any such person in the amount of Ten Thousand Dollars (\$10,000) or more remains unsatisfied of record for sixty (60) days or longer; or if the bank accounts, property or receivables of Franchisee or any such person are attached and such attachment is not dismissed within sixty (60) days; or if execution is levied against the business or property of Franchisee or any such person; or if suit to foreclose any lien or mortgage against the Franchised Business, the premises thereof or equipment thereon is instituted and not dismissed within sixty (60) days;
- m. If Franchisee, or any person controlling, controlled by or under common control with Franchisee, shall sell systems or courses, or conduct seminars, workshops or other programs which cover subject matters that qualify as a Competitive Business (defined in Section 12.1(a) below) without SSL's prior written consent as provided in Section 8.4(g);

- n. If Franchisee, or any person controlling, controlled by or under common control with Franchisee, shall be convicted of or plead guilty or no contest to a felony, a crime of violence or moral turpitude, an indictable offense, unfair or deceptive trade practices, or any other crime or offense that is injurious or prejudicial to the Sandler System, the Proprietary Assets or goodwill;
- o. If Franchisee, or any person controlling, controlled by or under common control with Franchisee, shall engage in conduct that impairs the image, identity, value or goodwill associated with the Sandler System or the Proprietary Assets;
- p. If Franchisee shall fail to comply with any of the terms set forth in Section 8 that are not otherwise addressed in this Section 10.1;
- q. If Franchisee shall provide clients in the Franchised Business with materials, assessments or products not purchased from SSL or its designated suppliers without SSL's prior written approval, or if Franchisee shall fail to comply with SSL's product delivery requirements;
- r. If Franchisee defaults on two (2) or more separate occasions within any twelve-month period, or on three (3) or more separate occasions within any twenty-four-month period, in any obligation(s) (whether the same or different) under this Agreement, or any amendment or modification to this Agreement, or any other agreement with SSL, whether or not such defaults are timely cured; or
- s. If Franchisee defaults in the performance of any obligation (i) under this Agreement not covered under this Section 10.1, (ii) under any amendment or modification to this Agreement, or (iii) under any other agreement by and between the Franchisee and SSL, or the Sandler® Franchise Advisory Council Code of Ethics.

10.2 SSL may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate the Franchised Business in the event of any default set forth in 10.1 above. The following cure periods shall apply to such defaults:

- a. Immediate Termination: Termination shall be effective immediately, without a right to cure, when written notice is given by SSL to Franchisee upon occurrence of any of the defaults specified in Sections 10.1(a)(ii), 10.1(f), 10.1(h), 10.1(i), 10.1(l), 10.1(m), 10.1(n), 10.1(o) and 10.1(q) (see Section 10.3 below for additional cure provisions in connection with 10.1(q)).
- b. 7 Days to Cure: Upon the occurrence of a default under Section 10.1(b), termination shall be effective seven (7) days after written notice is given by SSL to Franchisee if such default is not cured within such period of time.
- c. 30 Days to Cure: Upon occurrence of any of the defaults set forth in Sections 10.1(a)(i),

10.1(c) (see Section 10.3 below for additional cure provisions in connection with 10.1(c)), 10.1(d), 10.1(e), 10.1(g), 10.1(j), 10.1(k), 10.1(p), 10.1(r), and 10.1(s) (unless otherwise provided in any provision of this Agreement), termination shall be effective thirty (30) days after written notice is given by SSL to Franchisee if such defaults are not cured within such time in the manner specified by SSL; provided, however, that if, in SSL's sole and unrestricted discretion, the nature of Franchisee's obligations are such that more than thirty (30) days are required for cure, then Franchisee shall not be in default if it commences to cure within the thirty (30) day period and, in SSL's sole and unrestricted discretion, Franchisee uses its best efforts to diligently continue to cure the default within the time period mutually agreed upon in writing by SSL and Franchisee.

- 10.3 In order to cure the underreporting default set forth in Section 10.1(c), SSL shall have the right to require that Franchisee pay to SSL the Royalty due or BB Transfer Fee on the underreported amount, and a fee in the amount of ten percent (10%) of the difference in (i) the Gross Revenues reported and the Gross Revenues actually received; and (ii) the BB Purchase Price payments reported and the BB Purchase Price payments actually made.. In order to cure the defaults set forth in Section 10.1(q), SSL shall have the right to require that Franchisee pay a fine to SSL in the amount of Twenty-Five Thousand Dollars (\$25,000), or Five Hundred Dollars (\$500) per person per instance, whichever amount is greater.
- 10.4 Upon termination of the Franchised Business for any reason, or upon expiration of the term of the Franchise Business, Franchisee agrees as follows:
- a. To pay immediately to SSL the full amount of all sums due, or not object to SSL charging the full amount of all sums due to the credit card account of Franchisee then on file with SSL (if Franchisee has not already paid the full amount of all sums due). Franchisee hereby waives any right to rescind any such payment made via credit card and if Franchisee does rescind by contacting the credit card company claiming the charge is unauthorized, Franchisee will legally be obligated to pay to SSL said amounts plus a penalty in the amount of Two Thousand Five Hundred Dollars (\$2,500.00).
  - b. To (i) continue to pay to SSL the Royalty required by Section 3.3 hereof for Gross Revenues received following the date of termination or expiration, (ii) continue to pay to SSL the BB Transfer Fee for BB Purchase Price payments made following the date of termination or expiration; (iii) continue to submit to SSL the monthly reports required by Section 3.3 hereof for Gross Revenues received following the date of termination or expiration; and (iv) continue to submit to SSL the monthly reports required by Section 3.14 for BB Purchase Price payments made following the date of termination or expiration.
  - c. To cease immediately to use the Sandler System, the Proprietary Assets, the Marks, or any confusingly similar names, trade dresses, marks, systems, insignia, symbols or other rights, procedures or methods.

- d. To return to SSL all Confidential Information (defined in Section 12.3 below) used in connection with the operation of the Franchised Business.
- e. To cease immediately to hold itself out in any way as a franchisee of SSL or to do anything that would indicate any relationship between it and SSL.
- f. To terminate immediately (i) any trade name or business name registration which includes the use of the name SANDLER or SANDLER TRAINING, (ii) all telephone listings, including internet telephone directory listings, which includes the use of the name SANDLER or SANDLER TRAINING, and (iii) any website or domain name which includes the use of the name SANDLER or SANDLER TRAINING.
- g. To submit immediately to SSL (i) all Data, including, but not limited to, the Client List, and (ii) such financial information (including a profit-and-loss statement for the year just ended and a balance sheet as of the last day of the year just ended) relating to the Franchised Business on such forms as may be prescribed by SSL. All such financial information shall be prepared in accordance with generally accepted accounting principles, consistently applied and shall be accurate and complete in all material respects. SSL will, in its sole discretion, either refer the clients or prospective clients to other franchisees or contact the clients in order to preserve the training relationship. Failure to submit the Data within ten (10) business days of termination or expiration of the Franchised Business shall result in a penalty due and immediately payable to SSL in the amount of Twenty-Five Thousand Dollars (\$25,000.00), or ten percent (10%) of Franchisee's gross revenues during the prior calendar year, whichever amount is greater. For purposes of clarity, payment of the penalty shall not relieve Franchisee of the obligation to provide the Data or affect Franchisee's post-term obligations set forth in this Agreement.
- h. To meet with a representative of SSL at a mutually convenient time at least two weeks prior to the expiration or termination of this Agreement, at Franchisee's office, in order to address the matters set forth above and other matters related to concluding the operation of the Franchised Business. SSL may exercise any or all of its inspection rights set forth in Section 8.4(f) above at, prior to, or in lieu of such meeting.
- i. To furnish SSL, within thirty (30) days after the effective date of expiration or termination, with evidence satisfactory to SSL of Franchisee's compliance with the obligations in this Section 10.4.
- j. For a period of three (3) years, SSL shall have the right to audit Franchisee, directly or through an agent, to verify Franchisee's compliance with the terms hereof. Audits shall be conducted at agreed-upon times, during normal business hours, and upon reasonable written notice. Franchisee shall fully cooperate with SSL's audit and provide access to records, systems, equipment, information and personnel requested by SSL. If any such audit reveals a failure to accurately report Gross Revenues or BB Purchase Price payments, in addition to any other remedies available to SSL, Franchisee shall

reimburse SSL for all expenses and fees incurred by SSL in connection with the audit, within thirty (30) days from SSL's written request for same.

- 10.5 Provided Franchisee is not then in material default of its obligations under this Agreement, Franchisee may terminate the Franchise Agreement at any time upon six (6) months prior written notice. The effective date of any such termination shall be six (6) months after the date of SSL's receipt of such notice. If Franchisee fails to pay any outstanding amounts due through the effective date of such termination, then the notice shall be void. Upon SSL's receipt of Franchisee's notice of termination, SSL will cease referring any further marketing leads to Franchisee.
- 10.6 Franchisee acknowledges and agrees that the provisions of Sections 8.4(n), 8.4(p), 9, 10.3, 10.4, 12, and 14 through 17 shall survive the termination or expiration of this Agreement and that such provisions shall remain in full force and effect for the time periods set forth therein.

## 11. TRANSFER

- 11.1 The Franchised Business is personal to Franchisee. Franchisee shall not sell, assign, transfer or encumber ("transfer") this Agreement or the Franchised Business, or any interest in either, and shall not suffer or permit any such sale, assignment, transfer or encumbrance to occur by operation of law or otherwise, without the prior written consent of SSL.

Notwithstanding the foregoing, Franchisee (if an individual) may, with the prior written consent of SSL, solely for the convenience of ownership, within three (3) months of the date hereof and without the payment of any additional fees, transfer the Franchised Business to a corporation, limited liability company, partnership, unincorporated association or similar entity, the voting stock of or other ownership interest of which shall be wholly owned by Franchisee. Prior to such transfer, Franchisee shall supply to SSL a copy of the organizational documents of such entity, cause all owners of such entity to execute a guaranty of the obligations of such entity in substantially the form set forth on the signature page(s) for guarantor(s) hereof, and execute any other transfer documents deemed reasonably necessary by SSL. After the foregoing three (3) month period, Franchisee shall pay SSL a fee of One Thousand Dollars (\$1,000) for the review and preparation of the documents required by SSL for such transfer.

- 11.2 If Franchisee is a sole proprietorship, corporation, limited liability company, partnership, unincorporated association, or similar entity, prior to any sale, issuance, assignment, or transfer of less than fifty percent (50%) of the total ownership interests in the Franchisee or the Franchised Business, Franchisee shall obtain SSL's prior written consent to such sale, issuance, assignment, or transfer and Franchisee shall cause all owners of Franchisee to execute a guaranty of the obligations of Franchisee under this Agreement in substantially the form set forth on the signature page(s) for guarantor(s) of this Agreement. SSL may, in its sole discretion, also require the new owner(s) to satisfactorily complete Initial Training, Part I. Such consent shall not be unreasonably withheld if Franchisee fully complies with Section 11 below, as applicable to the nature of the transaction, which shall

be determined in SSL's sole and absolute discretion, and completes any required Initial Training to the satisfaction of SSL.

- 11.3 If Franchisee is a sole proprietorship, corporation, limited liability company, partnership, unincorporated association or similar entity, the terms of Sections 11.7 and 11.8 below, as applicable to the nature of the transaction, which shall be determined in SSL's sole and absolute discretion, shall be deemed to apply to any sale, resale, pledge, assignment, transfer or encumbrance ("transfer") of ownership interest in the Franchisee or the Franchised Business, which would alone or together with other related, previous, simultaneous or proposed transfers, result in a transfer of fifty percent (50%) or more of the total ownership interests in the Franchisee or the Franchised Business.
- 11.4 In the event of the death, disability or permanent incapacity of Franchisee, SSL shall not unreasonably withhold its consent to the transfer of all of the interest of Franchisee to a spouse, heirs or relatives, by blood or marriage, whether such transfer is made by will, by trust or by operation of law, provided that the requirements of this Section 11 have been met; provided, however, that no transfer fee shall be required to be paid. In the event Franchisee's spouse, heirs or relatives do not obtain the consent of SSL as prescribed herein, the personal representatives of Franchisee shall have a reasonable time to dispose of Franchisee's interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this Agreement.
- 11.5 Franchisee acknowledges and agrees that the restrictions on transfer imposed herein are reasonable and necessary to protect the Franchised Business, the Sandler System and the Proprietary Assets, as well as SSL's reputation and image, and are for the protection of SSL, Franchisee and other franchisees.
- 11.6 Any transfer permitted by this Section 11 shall not be effective until SSL has received a completely executed copy of all transfer documents and has consented in writing to the transfer.
- 11.7 SSL agrees not to unreasonably withhold its consent to a transfer by Franchisee hereunder. Consent to a transfer otherwise permissible may be refused unless:
  - a. Franchisee continues to operate the Franchised Business through the effective date of transfer;
  - b. All obligations of Franchisee created by this Agreement, all ancillary documents and any other related agreements with SSL are assumed by the transferee including, without limitation, the payment of the Monthly Service Charge, Royalty and Marketing Fee at the rate paid by Franchisee immediately prior to the transfer;
  - c. All monies owed to SSL by Franchisee have been paid (including, but not limited to, the Monthly Service Charge);
  - d. Franchisee or the transferee (i) continues to pay to SSL the Royalty required by Section 3.3 hereof for Gross Revenues received following the date of transfer, and (ii) continues

- to submit to SSL the monthly reports required by Section 3.3 hereof for Gross Revenues received following the date of the transfer.
- e. Franchisee is not in default under this Agreement;
  - f. The transferee satisfactorily completes Initial Training , Part I within three (3) months following the date of transfer;
  - g. The transferee meets with SSL and satisfies SSL that it meets all of SSL’s requirements for new franchisees, including, but not limited to, requirements relating to good reputation and character, business acumen, operational ability, financial strength and other business considerations;
  - h. The transferee executes or, in appropriate circumstances, causes all necessary parties to execute, SSL’s then-current standard form of Franchise Agreement for the Franchise and such other then-current ancillary documents being required by SSL of new franchisees on the date of transfer, except as modified by Section 11.7(b) of this Agreement;
  - i. If the transferee is an entity, the transferee causes all owners of the transferee to execute a guaranty of the obligations of Franchisee under the Franchise Agreement in substantially the form set forth on the signature page(s) for guarantor(s) of this Agreement;
  - j. Franchisee, and if Franchisee is an entity, all owners of Franchisee, execute a general release, duly notarized, in a form satisfactory to SSL, of any and all claims against SSL and its affiliates and predecessors and each of their respective officers, directors, members, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, except any claims arising under any applicable franchise registration and disclosure law;
  - k. Franchisee, and if Franchisee is an entity, all owners of Franchisee: (i) represent and warrant to SSL in writing that they are in compliance with all terms of this Agreement that relate to the Proprietary Assets, the Sandler System, the Marks, or any other materials or systems considered proprietary to SSL, and that they have not registered any material with the U.S. Copyright Office on topics that qualify as a Competitive Business (defined in Section 12.1(a) below); and (ii) fully disclose to SSL all programs and materials that they have developed or produced for use with Franchisee’s clients, and provide SSL with complete copies thereof; or if none, certify to SSL in writing that they have not developed or produced any programs or materials for use with Franchisee’s clients; and
  - l. Franchisee or the transferee pays SSL a transfer fee in the amount of Twelve Thousand Five Hundred Dollars (\$12,500), or twelve percent (12%) of the total sale price, whichever amount is greater. For purposes hereof, “total sale price” means all monies

payable to Franchisee for the transfer of ownership interests in the Franchisee or the Franchised Business (even if paid over time), excluding any monies payable for real estate. Franchisee shall provide SSL with such documentation and information as SSL requires in connection with the transfer and to substantiate the total sale price. Notwithstanding the foregoing, for transfers among existing owners where each transferee owner has been an owner for at least three years, or to family members, the transfer fee shall be Twelve Thousand Five Hundred Dollars (\$12,500); and

m. SSL has waived its Right of First Refusal as provided in Section 11.8 below.

11.8 The right of Franchisee to assign, transfer, redeem or sell its interest in this Agreement or the Franchised Business, voluntarily or by operation of law (as provided above), will be subject to SSL's right of first refusal ("Right of First Refusal"). SSL shall exercise its Right of First Refusal in the following manner:

- a. Franchisee shall deliver to SSL a true and complete copy of the offer (the "notice") and furnish to SSL any additional information concerning the proposed transaction that SSL reasonably requests.
- b. Within twenty-one (21) days after SSL's receipt of the notice (or, if SSL requests additional information, within twenty-one (21) days after receipt of the additional information), SSL may either consent or withhold its consent to the assignment or redemption, in accordance with this Section 11, or at its option, accept the assignment to itself or to its nominee, on the terms and conditions specified in the notice. However, SSL will be entitled to all of the customary representations and warranties given by the seller of assets of a Franchised Business, including (without limitation) representations and warranties as to ownership, condition of and title to assets, liens and encumbrances on the assets, validity of contracts and agreements, and Franchisee's contingent and other liabilities affecting the assets.
- c. SSL's credit will be deemed equal to the credit of any proposed purchaser. SSL may substitute cash for any other form of payment proposed in the offer.
- d. If SSL exercises its Right of First Refusal, SSL will be given at least sixty (60) days after notifying Franchisee of its election to exercise its Right of First Refusal to prepare for closing. Franchisee agrees to take all action necessary to assign its lease agreement with the lessor or transfer title by warranty deed, as applicable, of the Franchised Business to SSL.
- e. If SSL elects not to exercise its Right of First Refusal and consents to the proposed assignment or redemption, then Franchisee will, subject to the provisions of this Section 11, be free to assign this Agreement or the Franchised Business to its proposed assignee on the terms and conditions specified in the notice. If, however, the terms are changed, the changed terms will be deemed a new proposal, and SSL will have a Right of First Refusal with respect to this new proposal.
- f. SSL's election not to exercise its Right of First Refusal with regard to any offer will not affect its Right of First Refusal with regard to any later offer. If SSL does not exercise its Right of First Refusal, this will not constitute approval of the proposed transferee, assignee, redemption or the transaction itself. Franchisee and any proposed

assignee must comply with all the criteria and procedures for assignment of the franchise, the Franchise Agreement and/or the Franchised Business specified in this Section 11.

- 11.9 This Agreement inures to the benefit of SSL, its successors and assigns, and SSL shall have the right to transfer or assign all or any part of its interest herein to any person or legal entity.
- 11.10 Notwithstanding anything to the contrary contained herein, SSL will not consent to a transfer if the transferee was obtained in violation of Section 8.4(n) above.

## **12. COVENANTS CONCERNING NON-COMPETITION AND CONFIDENTIALITY**

- 12.1 Franchisee, and persons controlling, controlled by or under common control with Franchisee, and Immediate Family Members (defined in Section 12.1(h) below) of Franchisee, or if Franchisee is an entity, the Immediate Family Members of Franchisee's owners, shall not, directly or indirectly:
- a. During the term of this Agreement, offer, or establish, assist, consult with, participate in or be employed by any person or entity that is or plans to be engaged in, directly or indirectly (including through licensing or franchising), offering or conducting seminars, training sessions, meetings, workshops or other programs, or sell educational materials, or utilize educational material involving subject matters that are the same as, similar to or competitive with the subject matters of SSL Product and the services delivered in connection therewith ("Competitive Business") anywhere in the world, other than SSL Product and materials;
  - b. For a period of two (2) years following termination (regardless of the cause of termination) or expiration of this Agreement, establish, assist, consult with, participate in or be employed by any person or entity that is or plans to be engaged in or within the Territory or anywhere within fifty (50) miles of the boundaries of the Territory, involving a Competitive Business or using any training materials, programs or assessment tools approved by SSL for use in the Franchised Business;
  - c. During the term of this Agreement, directly or indirectly divert or attempt to divert any person or entity seeking seminars, training sessions, meetings, workshops or other programs, or educational materials, involving a Competitive Business to anyone who is not then an SSL Franchisee;
  - d. For a period of two (2) years following termination (regardless of the cause of termination) or expiration of this Agreement, directly or indirectly divert or attempt to divert any person or entity that is in the Territory or anywhere within fifty (50) miles of the boundaries of the Territory, and seeking seminars, training sessions, meetings, workshops or other programs, or educational materials, involving a Competitive Business, to anyone who is not then an SSL Franchisee;

- e. For a period of two (2) years following termination (regardless of the cause of termination) or expiration of this Agreement, solicit any person or entity who is then a franchisee of SSL to purchase any product or service;
  - f. For a period of two (2) years following termination (regardless of the cause of termination) or expiration of this Agreement, contact, solicit, perform any services for, or sell any products to, any client to whom Franchisee provided products or services during the term of this Agreement, wherever the client may be located, whether within or outside the Territory; and
  - g. For a period of two (2) years following termination (regardless of the cause of termination) or expiration of this Agreement, hold itself or any business out as a former franchisee or other affiliate of SSL, Sandler, the Sandler System, or Sandler Training.
  - h. Franchisee agrees that it will be responsible for any damages caused by an Immediate Family Member breaching the terms of this Section 12 and such damages shall be indemnified by Franchisee under Section 9.1 of this Agreement. The term “Immediate Family Member” means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of a natural person referred to herein.
- 12.2 Franchisee, and persons controlling, controlled by or under common control with Franchisee, shall not, directly or indirectly, without SSL’s prior written consent, during the term of the Franchised Business and at any time thereafter, use any of the Proprietary Assets or Optional Programs for any purpose not authorized in writing by SSL; use any confusingly similar method, format, procedure, technique, system, name, trade dress, mark, symbol, emblem, slogan, insignia, term, designation, design, diagram, promotional material or course material; or cause or permit any facility or program to look like, copy or imitate any facility or program operated or licensed by SSL.
- 12.3 Franchisee acknowledges and agrees that Franchisee, and persons controlling, controlled by or under common control with Franchisee, will use the Confidential Information (defined below) solely for its use in the operation of the Franchised Business and shall use all reasonable efforts to protect the Confidential Information. Franchisee, and persons controlling, controlled by or under common control with Franchisee, must not upload, share, transmit, input, make available, or otherwise use any Confidential Information, or any content or material embodying the same, with any AI Tool for any purpose, directly or indirectly, including without limitation to create, train, test, or otherwise improve any AI Tool. Franchisee acknowledges that the unauthorized use or disclosure of the Confidential Information will cause incalculable and irreparable injury to SSL. Franchisee accordingly agrees that it shall not, at any time, without SSL’s prior written consent, disclose, use or permit the use (except as may be required by applicable law or authorized by this Agreement) of the Confidential Information, in whole or part, or otherwise make the same available to any unauthorized person or source. “Confidential Information” means any and

all information, knowledge and know-how not generally known about SANDLER services, methods, standards, specifications, systems, procedures and techniques, and such other information or material as SSL may designate as confidential, trade secrets, including, but not limited to, manuals and materials designated for use with the Sandler System, all passwords and hyperlinks to SSL's internet sites (including One Sandler), drawings, materials, equipment computer programs, systems, Proprietary Assets, including the Data (whether collected by SSL, Franchisee or third parties), information on suppliers, goods and services, plans and specifications; knowledge of operating results and financial performance of franchised businesses using the Sandler System (other than the Franchised Business owned by Franchisee), training programs and all other information relating to the management and operation of the Franchised Business using the Sandler System, and all other information that may be imparted to, or acquired by, Franchisee from time to time in connection with this Agreement.

- 12.4 The confidentiality obligations set forth in this Section 12 shall not apply to information and materials: (i) that are or subsequently become publicly available without Franchisee's breach of any duties it owes to SSL (provided that this exclusion does not apply to "Client List" as defined herein); or (ii) was known to Franchisee prior to SSL's disclosure; or (iii) became known to Franchisee from a source other than SSL, other than by the breach of an obligation of confidentiality owed to SSL; or (iv) is independently developed by Franchisee. In addition, the Franchisee may disclose Confidential Information as required to comply with lawful requests or binding orders of regulators or other governmental entities that have jurisdiction over it; provided that the Franchisee (a) gives SSL reasonable written notice to allow SSL to seek a protective order or other appropriate remedy, and (b) discloses only such Confidential Information as is required by the governmental entity, and (c) uses commercially reasonable efforts to obtain confidential treatment for any Confidential Information so disclosed.
- 12.5 The existence of any claim or cause of action of the Franchisee against SSL, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by SSL of the restrictive covenants contained in Sections 8.4(n), 8.4(o) or this Section 12. Modification of any or all of the restrictive covenants between the Franchisee and SSL contained in this Section 12 must be mutually agreed to in writing at least thirty (30) days prior to the termination or expiration of this Agreement.
- 12.6 SSL shall not be deprived of the benefit of the full period of the restrictive covenants contained in this Section 12 or otherwise under this Agreement. Accordingly, the restrictive covenants contained in this Section 12 or otherwise under this Agreement shall be deemed to have the duration specified in such restrictive covenant, computed from the later of (a) the termination or expiration of this Agreement or (b) the date an order enforcing that restrictive covenant is in effect.
- 12.7 Franchisee agrees that the scope (area and duration) of the restrictive covenants contained in this Section 12 is fair and reasonable and is not broader as to the area and duration than is reasonably necessary for the protection of SSL. Franchisee further acknowledges that the restrictive covenants will not impose undue hardship on Franchisee and, if Franchisee

is an entity, on the owners of Franchisee, since each has other skills, education and experience which will offer each of them the opportunity to derive income from other endeavors. Franchisee agrees that the violation of any of the covenants contained in this Section 12 will cause irreparable harm to SSL.

- 12.8 The obligations, covenants and agreements of Franchisee specified in this Section 12 shall survive the expiration or termination of this Agreement.

### 13. NOTICES

- 13.1 All notices, requests, consents and other communications required hereunder shall be in writing and shall be duly given if hand delivered and a signed receipt obtained, sent by registered or certified mail, postage prepaid, return receipt requested, sent by overnight express type service, addressed:

**If to SSL:**

Sandler Systems, LLC  
300 Red Brook Boulevard, Suite 10  
Owings Mills, MD 21117  
Attn: CEO

**With a copy to:**

Sandler Systems, LLC  
300 Red Brook Boulevard, Suite 10  
Owings Mills, MD 21117  
Attn: Vice President of Legal

*- or - to such other address as SSL may  
specify by written notice*

**If to Franchisee:** To the address indicated on page 1 of this Agreement or to such other address as Franchisee shall have specified in a written notice given to SSL.

- 13.2 Each such notice shall be deemed delivered (a) on the date delivered, if by personal delivery; (b) on the date delivered, if by overnight express type service; and (c) on the first occurring of (i) three (3) business days after mailing, postage prepaid, or (ii) the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

### 14. GOVERNING LAW; JURISDICTION/VENUE; JURY WAIVER; NO CLASS ACTION

- 14.1 This Agreement shall be deemed to have been made and entered into in the State of Maryland, and, unless otherwise provided herein, shall be governed by and construed in accordance with the laws of the State of Maryland, without reference to the conflict of laws provisions of any jurisdiction. Notwithstanding the foregoing, Franchisee hereby agrees and acknowledges that it will be impossible to measure in money the damage that would

be suffered if Franchisee fails to comply with any of the obligations herein imposed on it and that in the event of any such failure, SSL will be irreparably damaged and will not have an adequate remedy at law. SSL shall, therefore, be entitled (in addition to any other remedy to which it may be entitled in law or in equity) to injunctive relief, including specific performance, to enforce such obligations, and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law. The governing law for such violations under this Agreement shall be governed by and construed in accordance with the laws of the state in which the violation occurred or Franchisee's Primary Place of Business is located.

14.2 Franchisee acknowledges that it has and will continue to develop a substantial and continuing relationship with SSL at its principal offices in the State of Maryland. Therefore, any action arising out of or relating to this Agreement shall be commenced in any state or federal court of general jurisdiction in the State of Maryland. Franchisee irrevocably submits to the jurisdiction of such court and waives any objection it may have to the jurisdiction or venue of such court.

**14.3 SSL and Franchisee agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or at equity, brought by either of them, or in any action, proceeding or counterclaim whatsoever which arises out of or is connected in any way with this Agreement or the operation of the Franchised Business.**

**Initial:** \_\_\_\_\_

14.4 Franchisee agrees that, for the Sandler franchise system to function properly, SSL should not be burdened with the costs of litigating system-wide disputes. Accordingly, any disagreement between Franchisee (and Franchisee's owners) and SSL shall be considered unique as to its facts and shall not be brought as a class action, and Franchisee (and each of Franchisee's owners) waives any right to proceed against SSL or any of SSL's shareholders, members, managers, affiliates, officers, directors, employees, agents, successors and assigns by way of class action, or by way of a multi-plaintiff, consolidated or collective action. In any legal action between the parties, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving us and any other franchisee, and each party waives the right to claim that a prior disposition of the same or similar issues precludes such independent determination.

**Initial:** \_\_\_\_\_

## **15. REMEDIES; WAIVERS AND CONSENTS; COSTS OF ENFORCEMENT**

15.1 All rights and remedies of SSL and Franchisee enumerated in this Agreement shall be cumulative and, except as specifically contemplated otherwise by this Agreement, shall not exclude any other rights or remedies allowed at law or in equity, and said rights and

remedies may be exercised and enforced concurrently.

- 15.2 If Franchisee withholds any monies owed to SSL in the absence of a court order permitting the withholding of such monies, SSL shall be reimbursed by Franchisee for all reasonable costs incurred in pursuing the collection of the withheld monies. These costs shall include but not be limited to court costs, reasonable attorneys' fees, reasonable value of SSL employees' time, witness fees and travel expenses incurred by SSL.
- 15.3 No waiver by SSL or Franchisee of any term, covenant or condition, or the breach of any term, covenant or condition of this Agreement to be kept or performed by the other party shall constitute a waiver by the waiving party of any subsequent breach of such term, covenant or condition or authorize the breach or non-observance on any other occasion of the same or any other term, covenant or condition of this Agreement. Subsequent acceptance by SSL of any payments due to it hereunder shall not be deemed to be a waiver by SSL of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement. Whenever this Agreement requires SSL's prior approval or consent, Franchisee shall make a timely written request to SSL therefore, and SSL shall respond in writing in a timely manner. SSL will also consider granting, in its sole and unrestricted discretion, other reasonable requests individually submitted by Franchisee in writing for SSL's prior waiver of any obligation imposed by this Agreement. SSL makes no warranties or guarantees upon which Franchisee may rely, and except to the extent of any written agreement, assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefore. Any waiver granted by SSL shall be subject to SSL's continuing review, may subsequently be revoked for any reason effective upon ten (10) days' prior written notice, and shall be without prejudice to any other rights SSL may have.
- 15.4. SSL SHALL NOT BE LIABLE TO FRANCHISEE OR ANY OTHER PERSON OR ENTITY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION ANY LOST PROFITS, ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE FRANCHISED BUSINESS, OR ANY BREACH, TERMINATION, CANCELLATION, NON-RENEWAL HEREOF, SALE OR USE OF THE SANDLER SYSTEM OR PRODUCTS, WHETHER BASED ON WARRANTY (EXPRESSED OR IMPLIED) OR OTHERWISE BASED ON CONTRACT, TORT OR ON ANY OTHER THEORY OF LIABILITY, AND REGARDLESS OF ANY ADVICE OR REPRESENTATIONS THAT MAY HAVE BEEN RENDERED BY SSL CONCERNING THE SAME.
- 15.5 In connection with any action or proceeding commenced under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable attorney's fees, plus court costs and all other expenses of litigation.
- 15.6 If SSL commences legal action against (i) a former employee of Franchisee to enforce any of the employee's post-term non-compete obligations under the Representative's Non-Disclosure and Non-Compete Agreement or Manager's Non-Disclosure and Non-Compete

Agreement executed by the employee, and Franchisee has failed to comply with any of its obligations under this Agreement relating to such employee, or (ii) a current or former employee of Franchisee for trademark or copyright infringement, then Franchisee shall be required to pay up to one hundred percent (100%), in SSL's discretion, of SSL's reasonable legal fees, court costs and reasonable out-of-pocket expenses related to such action as such costs are incurred by SSL. If any legal fees, court costs and out-of-pocket expenses are actually recovered by SSL from the employee upon the conclusion of the legal action, then SSL will remit to Franchisee an allocable portion of the recovery, or one hundred percent (100%) as the case may be.

- 15.7. Franchisee shall have one (1) year from the accrual of a cause of action to bring such action as provided by law or equity. If Franchisee fails to bring such action within one (1) year of its accrual, then Franchisee shall be deemed to have waived whatever rights it may have had in relation to such cause of action including all legal and equitable remedies.

## 16. SEVERABILITY

- 16.1 If any provision of this Agreement or the application of any provision to any person or circumstance shall be determined to be invalid or unenforceable, then such determination shall not affect any other provisions of this Agreement or the application of such provisions to any other person or circumstance, all of which other provisions shall remain in full force and effect. It is the intention of SSL and Franchisee that if any provision of this Agreement is susceptible of two (2) or more constructions, one (1) of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall have the meaning which renders it enforceable.

## 17. ENTIRE AGREEMENT

- 17.1 This Agreement, the documents referred to herein and the Exhibits attached hereto constitute the entire agreement between SSL and Franchisee regarding the subject matter hereof and supersede all prior and contemporaneous agreements between SSL and Franchisee regarding such subject matter. No officer, employee, servant or agent of SSL or Franchisee has been authorized to make any representation, warranty or other promise not contained in this Agreement, the documents referred to herein or the Exhibits attached hereto, or the accompanying Disclosure Document.
- 17.2 **Notwithstanding any law of the State of Maryland to the contrary, no amendment or revision of any provision of this Agreement shall be binding upon SSL or Franchisee unless in writing and signed by both SSL and Franchisee. Franchisee acknowledges, however, that SSL may unilaterally revise the contents of the Operations Manual in its sole and absolute discretion, and that any such revision shall be binding on Franchisee.**

## **18. FORCE MAJEURE**

- 18.1. Neither Party will be liable for any failure or delay in performing an obligation under this Agreement that is due to any of the following causes, to the extent beyond its reasonable control: acts of God, accident, riots, war, terrorist act, epidemic, pandemic (including the COVID-19 pandemic), quarantine, civil commotion, breakdown of communication facilities, breakdown of web host, breakdown of internet service provider, natural catastrophes, governmental acts or omissions, changes in laws or regulations, government orders or mandates, national strikes, fire, explosion, or generalized lack of availability of raw materials or energy. For the avoidance of doubt, Force Majeure shall not include (a) financial distress nor the inability of either party to make a profit or avoid a financial loss, (b) changes in market prices or conditions, or (c) a party's financial inability to perform its obligations hereunder.

## **19. JOINT AND SEVERAL OBLIGATIONS**

- 19.1 If Franchisee consists of more than one person, their liability under this Agreement shall be deemed to be joint and several.

## **20. COUNTERPARTS; SECTION HEADINGS; PRONOUNS; ELECTRONIC SIGNATURES**

- 20.1 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The Section headings in the Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof. Each pronoun used herein shall be deemed to include the other number and genders.
- 20.2 Franchisee agrees that the electronic or digital signatures (each an "e-Signature") of any party to this Agreement shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. The parties agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party agrees not to contest the admissibility or enforceability of either party's e-Signature.

## **21. ACKNOWLEDGMENTS**

- 21.1 Franchisee acknowledges that:
- a. It has conducted an independent investigation of the business contemplated by this Agreement and recognizes that it involves business risks making the success of the venture largely dependent upon the abilities of Franchisee. SSL expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any

warranty or guarantee, expressed or implied, as to the potential volume, profits or success of the business contemplated by this Agreement.

- b. It is not relying upon any representations by SSL or its officers, directors, shareholders, employees, agents or servants, about the business contemplated by this Agreement, that are contrary to the provisions of this Agreement, any related agreements or the accompanying Disclosure Document.
- c. It has received, read and understood this Agreement and any related agreements; SSL has fully and adequately explained the provisions of each to its satisfaction; and SSL has accorded it ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement.
- d. It is aware of the fact that other franchisees of SSL may operate under different forms of agreements and, consequently that SSL's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.
- e. Franchisee hereby represents, warrants and certifies to SSL, under penalty of perjury, that it is not, nor to its knowledge has it ever been, designated as a "suspected terrorist" as defined in Executive Order 13224 (which can be found at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/terror.aspx>) or the USA Patriot Act of 2001.

## 22. EFFECTIVE DATE

22.1 This Agreement shall be effective as of the date it is signed by SSL.

IN WITNESS WHEREOF, the parties have duly executed this Agreement below in one or more counterparts, each of which counterpart shall constitute an original.

ATTEST:

\_\_\_\_\_  
Shannon Howell  
Secretary

**SANDLER SYSTEMS, LLC**

By: \_\_\_\_\_  
Craig Dempster  
CEO

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

**[FRANCHISEE COMPANY NAME]**

By: \_\_\_\_\_  
Name  
Title

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

## Guarantee

[TO BE SIGNED BY EACH STOCKHOLDER OF A CORPORATE FRANCHISEE, each member of an LLC that is a franchisee or other beneficial owner of an entity that is the franchisee]

In consideration of the execution by SANDLER SYSTEMS, LLC (“SSL”) of the Sandler Systems, LLC Franchise Agreement (the “Franchise Agreement”), dated \_\_\_\_\_, by and between SSL and \_\_\_\_\_ (“Franchisee”) and for other good and valuable consideration, including SSL’s execution of or consent to the transfer of the Franchise Agreement, if applicable, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Franchise Agreement and in any other agreement(s) by and between Franchisee and SSL.

If more than one (1) person has executed this Guarantee, the term “the undersigned”, as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking contained and set forth in said Franchise Agreement and any other agreement(s) by and between Franchisee and SSL, and agree that this Guarantee shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the Franchise Agreement and any other agreement(s) by and between Franchisee and SSL.

The undersigned hereby agree, furthermore, that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder:

(a) any term, covenant or condition of the Franchise Agreement may be amended, compromised, released or otherwise altered by SSL and Franchisee, and the undersigned do guarantee and promise to perform all the obligations of Franchisee under the Franchise Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the Franchise Agreement may be released, substituted or added; (c) any right or remedy under the Franchise Agreement, this Guarantee or any other instrument or agreement between SSL and Franchisee may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and (d) SSL or any other person may deal in any manner with Franchisee, any of the undersigned, any party to the Franchise Agreement or any other person.

Should Franchisee be in breach or default under the Franchise Agreement or any other agreement(s) by and between Franchisee and SSL, SSL may proceed directly against any or each of the undersigned without first proceeding against Franchisee and without proceeding against or naming in such suit any other Franchisee, signatory to the Franchise Agreement or any others of the undersigned.

Notice to or demand upon Franchisee or any of the undersigned shall be deemed notice to or demand upon Franchisee and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of or release from liability of Franchisee or any of the undersigned shall not relieve any other Guarantors from liability hereunder, under the Franchise Agreement, or under any other agreement(s) between SSL and Franchisee, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by SSL or its agents, successors or assigns, with respect to the Franchise Agreement or any other agreement(s) by and between Franchisee and SSL, shall in no way modify or amend this Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee shall inure to the benefit of the SSL, its successors and assigns. This Guarantee may be assigned by SSL voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

Should any one (1) or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee effective as of the date of the Franchise Agreement.

\_\_\_\_\_  
GUARANTOR  
Name  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
GUARANTOR  
Name  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT AA**

**TERRITORY AND BUSINESS FOCUS AREA**

**TERRITORY:**

**BUSINESS FOCUS AREA:**

**PRIMARY PLACE OF BUSINESS:**

**Initial:** \_\_\_\_\_

## **EXHIBIT BB**

### SSL Product Accessible for No Additional Fee

Annual Sandler LMS renewals for continuing clients

Marcom access (minus printing)

Digital-only Version of:

- Sales Mastery
- Sandler Foundations
- Sales Development Series
- Sales Leader Growth Series
- No Guts, No Gain!
- Negotiating Mastery
- Sandler Enterprise Selling
- Sandler Management Solutions with Foundations
- The Sales Coach's Playbook
- Strategic Customer Care
- Bronze Certification
- Silver Certification
- Sandler Essentials Certification
- Sandler Expert Certification
- Sandler Microlearning Collection
- Leadership for Organizational Excellence (requires signed optional program amendment)
- All Mini Courses

## EXHIBIT CC

SANDLER® INITIAL INVENTORY		
<u>Item Code</u>	<u>Number</u>	<u>Description</u>
AQSW	1	Asking Questions the Sandler Way
ATSW	1	Accountability the Sandler Way – generic
COSA	1	The Contrarian Salesperson – generic
DPFN	1	Digital Prospecting/Finding, Nurturing and Closing Sales
DPP-SD	10	Dashboard Booklet
LTSW	1	LinkedIn the Sandler Way – generic
NEG-2	1	Negotiating Mastery Workbook
NFIO	1	Negotiating from the Inside Out
NGNG-2	1	No Guts, No Gain!® Workbook
PFT	1	Sandler Pain Funnel® Pad
PRIN	1	Sandler Success Principles
PRSW	1	Prospect the Sandler Way – generic
RDEX	1	The Road to Excellence
SCC	1	Strategic Customer Care Workbook
SCPB	1	The Sales Coach’s Playbook
SDSE-WB	1	Sandler Essentials Workbook
SES-WB	1	Sandler Enterprise Selling Workbook
SLGS-WB	1	Sales Leader Growth Series Workbook
SSCB	1	Success Cadence Book
SSPB	1	Sandler Playbook – Sales
TUSW	1	The Unapologetic Saleswoman
WFF	1	Winning From Failing
WPB	1	Why People Buy
	1	Leadership for Organizational Excellence workbook
	1	Name Tag
	250	Business Cards
		Digital Kickstarters for 1 year
		Initial Training digital manual
		Certification of Affiliation
		An Amazon gift card for Two Hundred Dollars (\$200) for the purchase of digital Sandler books

Revised: April 29, 2024

## **EXHIBIT DD**

### **REPRESENTATIVE’S NON-DISCLOSURE AND NON-COMPETE AGREEMENT**

THIS REPRESENTATIVE’S NON-DISCLOSURE AND NON-COMPETE AGREEMENT (“Agreement”) is made by and between \_\_\_\_\_, a \_\_\_\_\_ [resident] [corporation] [limited liability company] (“Franchisee”), a franchisee of SANDLER SYSTEMS, LLC (“SSL”), and \_\_\_\_\_ (“Representative”).

### **EXPLANATORY STATEMENT**

A. Pursuant to a franchise agreement (“Franchise Agreement”) by and between Franchisee and SSL, SSL granted to Franchisee the right to own and operate a Sandler® Franchised Business (the “Franchised Business”) in the following geographical area: \_\_\_\_\_ (the “Territory”), and in accordance with specified requirements, as described in the Franchise Agreement.

B. Franchisee desires to employ Representative, and Representative desires to be employed by the Franchisee.

C. SSL has expended time, skill, effort and money to develop a business plan in connection with the operation of Sandler franchises using certain standards, specifications, methods, procedures, techniques, systems and information, all of which may be changed, improved and further developed from time to time by SSL (“Sandler System”).

NOW, THEREFORE, in connection with and in consideration of the foregoing employment, it is mutually agreed:

1. Covenants Not to Disclose; Covenants Not to Compete; Other Covenants. Representative acknowledges that the methods and techniques of doing business and other elements comprising the Sandler System have been developed by SSL at effort, skill, time and expense; that the Representative will have regular and continuing access to valuable and confidential information and training regarding the Sandler System; and that Representative recognizes Representative’s obligation to promote and develop the business of the Franchisee. Representative accordingly agrees as follows:

(a) Except as required in duties performed for the Franchisee, Representative will never, without the prior written consent of the Franchisee and SSL, either directly or indirectly, use, disseminate or disclose any confidential information, including but not limited to, trade secrets, client names, other client data and business methods, of the Franchisee or SSL to any person or organization, and will seek to preserve the confidentiality of that information. Furthermore, Representative will not upload, share, transmit, input, or otherwise make available any confidential information or any Licensed Property (as defined below), including any content, concepts, or materials related to or embodying the Sandler System, to any machine learning algorithms or artificial intelligence technologies (collectively, “AI Tools”), including, but not

limited to, ChatGPT, DALL-E, ChatSonic, Jasper AI, Bing AI, and Google Gemini, or any other third party online platforms or otherwise use any confidential information or Licensed Property with any AI Tool for any purpose, directly or indirectly, including without limitation to create, train, test, or otherwise improve any AI Tools.

(b) During the term of employment and for one (1) year after termination of such employment, regardless of the cause of termination, Representative will not, either directly or indirectly, for Representative, or through, on behalf of, or in conjunction with any person, partnership or corporation, divert or attempt to divert any business or client of the Franchisee to any competitor or other person by direct or indirect inducement or otherwise.

(c) During the term of employment, Representative will not, without the prior consent of the Franchisee and SSL, be employed by, perform any services for, or operate any business of any kind other than the Franchisee's business, wherever located.

(d) During the term of employment, Representative will not, without the prior consent of the Franchisee and SSL, either directly or indirectly, for Representative, or through, on behalf of, or in conjunction with any other person, partnership or corporation, own, maintain, engage in, have any interest in or perform any service for, or receive any compensation or consideration from, any business other than the Franchisee located in Canada or the United States which offers sales or sales management training franchises or programs (seminars, meetings, workshops, etc.) on subject matters that are the same as, similar to or competitive with the subject matters of SSL Product. As used herein, "SSL Product" means training materials and programs, and materials related thereto, the subject matter of which is sales and sales management, management training and coaching related thereto, as SSL may designate from time to time, whether created by SSL or by an approved third party.

(e) For a period of one (1) year after termination of employment, regardless of the cause of termination, Representative will not, without the prior written consent of the Franchisee and SSL, either directly or indirectly, for Representative, or through, on behalf of, or in conjunction with any other person, partnership or corporation, own, maintain, engage in, have any interest in or perform any service for any business which offers sales or sales management training franchises or programs (seminars, meetings, workshops, etc.) on subject matters that are the same as, similar to or competitive with the subject matters of SSL Product, or offers any training materials, programs or assessment tools approved by SSL for use in the Franchisee's business, that is or plans to be engaged: (i) in or from the Territory; or (ii) anywhere within fifty (50) miles of the boundaries of the Territory.

(f) For a period of one (1) year after termination of employment, regardless of the cause of termination, Representative will not, without the prior written consent of the Franchisee and SSL, contact, solicit, perform any services for, or sell any products to, any client to whom the Franchisee or Representative provided products or services during the term of Representative's employment with the Franchisee, wherever the client may be located, whether within or outside the Territory.

(g) Upon the date of execution of this Agreement, Representative will deliver an executed Authorization, in the form attached hereto and incorporated herein by reference as **Attachment 1**, to Franchisee.

2. Covenant as to Residency. Representative understands that, pursuant to the Franchise Agreement, Franchisee may only employ workers whose primary place of residence is within the Territory. Representative represents and warrants to Franchisee that Representative's primary place of residence is within the Territory, and that Representative will maintain Representative's primary place of residence in the Territory for the duration of this Agreement.

3. Covenants As Independent and As Conditions Precedent to Employment. The covenants by Representative in Paragraphs 1 and 2 shall be construed as agreements independent of any other provisions of this Agreement and as conditions precedent to employment. The existence of any claim or cause of action of the Representative against the Franchisee or SSL, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Franchisee or SSL of the restrictive covenants contained in Sections 1(a) through 1(f) and 2 of this Agreement. Modification of any or all of the restrictive covenants between the Franchisee and Representative contained in Sections 1(a) through 1(f) of this Agreement must be mutually agreed to in writing at least thirty (30) days prior to the termination of this Agreement and approved by SSL in writing.

4. Covenants Concerning Franchisee Property. Representative acknowledges and agrees that all records of the Franchisee, including records of the Franchisee's clients, and all other records, files, documents, training manuals and similar items relating in any manner whatsoever to the business of the Franchisee (including copies thereof, electronic, photographic and otherwise) ("Records"), whether prepared by the Representative or otherwise coming into Representative's possession, shall be the exclusive property of the Franchisee or SSL regardless of who actually prepares the records. Additionally, all Records, whether prepared by the Representative or otherwise coming into Representative's possession, shall not be removed by Representative from the premises of the Franchisee under any circumstances whatsoever without the prior written consent of the Franchisee. Any Records not at the premises of the Franchisee shall immediately be returned to the Franchisee by the Representative upon termination of employment, regardless of the cause of termination.

5. Covenants Concerning Property Licensed to Franchisee. Representative acknowledges and agrees that all SSL trade names, service marks, trademarks, copyrights, titles, symbols, trade dresses, emblems, slogans, insignias, terms, designations, designs, diagrams, anecdotes, artworks, worksheets, techniques, rules, ideas, philosophies, illustrations, course materials, advertising and promotional materials, and other audio, video and written materials as SSL has developed and designated for use in connection with the Sandler System, have been licensed to Franchisee for use in operating the Franchised Business ("Licensed Property"). Upon termination of Representative's employment under this Agreement, Representative shall (i) immediately return all Licensed Property in Representative's possession and control to the Franchisee; (ii) immediately cease using the Licensed Property, or any part thereof, and (iii) not, directly or indirectly, at any time thereafter, use any of the Licensed Property unless authorized in writing by SSL, or use any confusingly similar method, format, procedure, technique, system,

name, trade dress, mark, symbol, emblem, slogan, insignia, term, designation, design, diagram, promotional material or course material, or cause or permit any program to look like, copy or imitate any program operated or licensed by SSL, unless authorized in writing by SSL.

6. Covenants Duration After Legal Proceedings. Franchisee shall not be deprived of the benefit of the full period of the restrictive covenants contained in Sections 1(b), 1(e), and 1(f). Accordingly, the restrictive covenants contained in Sections 1(b), 1(e), and 1(f) of this Agreement shall be deemed to have the duration specified in such restrictive covenants, computed from the later of (a) the termination or expiration of this Agreement or (b) the date an order enforcing such restrictive covenants is in effect.

7. Covenants Concerning Franchisee's Obligations to SSL. Representative acknowledges that Franchisee must operate the Franchised Business according to the terms and conditions set forth in the Franchise Agreement. Representative shall not at any time take any action that will cause Franchisee to be in violation of Franchisee's obligations under the Franchise Agreement. Representative may at any time, upon reasonable notice, review the contents of the Franchise Agreement at Franchisee's office.

8. Severability. If any portion of a covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency having jurisdiction, Representative expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the lesser covenant were separately stated in and made a part of this Agreement. If the entire covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency having jurisdiction, the remaining covenants in this Agreement shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

9. Reasonableness of Covenants; Injunctive Relief. Representative agrees that the scope (area and duration) of the restrictive covenants contained in Section 1 is fair and reasonable and is not broader as to the area and duration than is reasonably necessary for the protection of the Franchisee and SSL. Representative further acknowledges that the restrictive covenants will not impose undue hardship on Representative since Representative has other skills, education and experience which will offer Representative the opportunity to derive income from other endeavors. The Franchisee or SSL, in addition to other legal and equitable rights and remedies, shall, without the necessity of a bond, be entitled to seek injunctive relief restraining any actual or threatened violation of any of the covenants or provisions in this Agreement by Representative. Representative agrees that the violation of any of these covenants by Representative would cause irreparable harm to the Franchisee and SSL.

10. Attorney's Fees. In the event of a legal action successfully maintained by Franchisee or SSL under this Agreement for damages, injunctive relief, the return of property or any other legal or equitable remedy, the Representative agrees to pay the Franchisee's or SSL's reasonable legal fees, court costs and reasonable out-of-pocket expenses related to such action.

11. Governing Law. This Agreement shall be governed for all purposes by the laws of the Territory.

12. Binding Effect. This Agreement shall be binding upon the parties and their respective legal representatives, successors and assigns.

13. Modification. This Agreement may be modified only by an agreement in writing of at least equal formality signed by the party against whom enforcement is sought. Any such modification shall not be binding on third party beneficiaries unless approved in writing by such third party beneficiary.

14. Third Party Beneficiary. The parties acknowledge and agree that this Agreement is expressly made for SSL's benefit and SSL is intended to be a primary beneficiary of this Agreement.

IN WITNESS WHEREOF, the parties hereto named executed this Agreement by their duly authorized officers in one or more counterparts, each of which shall constitute an original.

FRANCHISEE:

\_\_\_\_\_

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

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

Company: \_\_\_\_\_

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

REPRESENTATIVE:

\_\_\_\_\_

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

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

\_\_\_\_\_

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

**AUTHORIZATION**

\_\_\_\_\_ (“Associate”) acknowledges that Sandler Systems, LLC (“SSL”) regularly records the performances and participation of its franchisees, trainers and speakers at Sandler related events and activities (including, without limitation, conferences, regional meetings, seminars, training sessions, presentations, interviews, solicitations of testimonials, and coaching calls) (the “Performances”), for a variety of purposes. Associate also acknowledges that Associate may, from time to time, voluntarily submit to SSL written works that Associate has developed, which may or may not include SSL’s intellectual property, (the “Writings”) for SSL’s use. Associate may not use any machine learning or artificial intelligence technologies, including without limitation generative artificial intelligence technologies, including, but not limited to, ChatGPT, DALL-E, ChatSonic, Jasper AI, Bing AI, and Google Gemini, to create any Performances or Writings.

Associate hereby authorizes SSL to record (using any medium including video and/or audio recording) and to use Associate’s name, photograph, or a likeness thereof, Performances and Writings, or portions thereof as edited by SSL, in any audiovisual, audio or written work through any medium and format, including, without limitation, Mp3s, podcasts, web casts, written materials, SSL’s online Learning Management System, One Sandler, training sessions, websites, marketing materials, presentations, the Sandler YouTube channel, and the Internet, as may be selected by SSL, and in perpetuity. Further, Associate agrees that SSL has the unlimited, perpetual right to use, distribute and/or sell the Performances and Writings as it deems appropriate in its business, and may include the Performances and Writings, as may be edited by SSL, in material for which SSL receives compensation.

Associate acknowledges that, when appropriate, the Performances and Writings and each reproduction of the Performances and Writings as authorized above will contain SSL’s copyright notice to protect SSL’s intellectual property and SSL shall have the right to register the copyright for the Performances and Writings solely in SSL’s name. Associate further acknowledges that Associate will receive no compensation in connection with this Authorization and/or use of the Performances and Writings.

Associate acknowledges that this is a comprehensive, ongoing Authorization and intended to apply to all Performances where SSL has made it known to the attendees, whether orally or in writing, that the event or activity is being recorded.

If Associate desires that this Authorization not apply with respect to a particular Performance or Writing, then it shall be Associate’s sole responsibility to notify SSL in writing in advance of the Performance or submission of the Writing so that appropriate measures can be taken, which may include, at SSL’s discretion, cancellation of Associate’s participation in the event or activity.

Dated: \_\_\_\_\_

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

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

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

**EXHIBIT EE**

**MANAGER’S NON-DISCLOSURE AND NON-COMPETE AGREEMENT**

THIS MANAGER’S NON-DISCLOSURE AND NON-COMPETE AGREEMENT (“Agreement”) is made by and between \_\_\_\_\_, a \_\_\_\_\_ [resident] [corporation] [limited liability company] (“Franchisee”), a franchisee of SANDLER SYSTEMS, LLC (“SSL”), and \_\_\_\_\_, a \_\_\_\_\_ resident (“Manager”).

**EXPLANATORY STATEMENT**

A Pursuant to a franchise agreement (“Franchise Agreement”) by and between Franchisee and SSL, SSL granted to Franchisee the right to own and operate a Sandler® Franchised Business (the “Franchised Business”) in the following geographical area: \_\_\_\_\_ (the “Territory”), and in accordance with specified requirements, as described in the Franchise Agreement.

B. Franchisee desires to employ Manager to manage the day-to-day operations of the Franchised Business under the general supervision and pursuant to the advice and direction of Franchisee, and Manager desires to be so employed by Franchisee.

C. SSL has expended time, skill, effort and money to develop a business plan in connection with the operation of Sandler franchises using certain standards, specifications, methods, procedures, techniques, systems and information, all of which may be changed, improved and further developed from time to time by SSL (“Sandler System”).

NOW, THEREFORE, in connection with and in consideration of the foregoing employment, it is mutually agreed:

1. Covenants Not to Disclose; Covenants Not to Compete; Other Covenants. Manager acknowledges that the methods and techniques of doing business and other elements comprising the Sandler System have been developed by SSL at effort, skill, time and expense; that Manager will have regular and continuing access to valuable and confidential information and training regarding the Sandler System; and that Manager recognizes Manager’s obligation to promote and develop the business of the Franchisee. Manager accordingly agrees as follows:

(a) Except as required in duties performed for the Franchisee, Manager will never, without the prior written consent of the Franchisee and SSL, either directly or indirectly, use, disseminate or disclose any confidential information, including but not limited to, trade secrets, client names, other client data and business methods, of the Franchisee or SSL to any person or organization, and will seek to preserve the confidentiality of that information. Furthermore, Manager will not upload, share, transmit, input, or otherwise make available any confidential information or any Licensed Property (as defined below), including any content, concepts, or materials related to or embodying the Sandler System, to any machine learning algorithms or artificial intelligence technologies (collectively, “AI Tools”), including, but not limited to,

ChatGPT, DALL-E, ChatSonic, Jasper AI, Bing AI, and Google Gemini, or any other third party online platforms or otherwise use any confidential information or Licensed Property with any AI Tool for any purpose, directly or indirectly, including without limitation to create, train, test, or otherwise improve any AI Tools.

(b) During the term of employment and for one (1) year after termination of such employment, regardless of the cause of termination, Manager will not, either directly or indirectly, for Manager, or through, on behalf of, or in conjunction with any person, partnership or corporation, divert or attempt to divert any business or client of the Franchisee to any competitor or other person by direct or indirect inducement or otherwise.

(c) During the term of employment, Manager will not, without the prior consent of the Franchisee and SSL, be employed by, perform any services for, or operate any business of any kind other than the Franchisee's business, wherever located.

(d) During the term of employment, Manager will not, without the prior consent of the Franchisee and SSL, either directly or indirectly, for Manager, or through, on behalf of, or in conjunction with any other person, partnership or corporation, own, maintain, engage in, have any interest in or perform any service for, or receive any compensation or consideration from, any business other than the Franchisee located in Canada or the United States which offers sales or sales management training franchises or programs (seminars, meetings, workshops, etc.) on subject matters that are the same as, similar to or competitive with the subject matters of SSL Product. As used herein, "SSL Product" means training materials and programs, and materials related thereto, the subject matter of which is sales and sales management, management training and coaching related thereto, as SSL may designate from time to time, whether created by SSL or by an approved third party.

(e) For a period of two (2) years after termination of employment, regardless of the cause of termination, Manager will not, without the prior written consent of the Franchisee and SSL, either directly or indirectly, for Manager, or through, on behalf of, or in conjunction with any other person, partnership corporation or entity, own, maintain, engage in, have any interest in or perform any service for any business which offers sales or sales management training franchises or programs (seminars, meetings, workshops, etc.) on subject matters that are the same as, similar to or competitive with the subject matters of SSL Product, or offers any training materials, programs or assessment tools approved by SSL for use in the Franchisee's business, that is or plans to be engaged: (i) in or from the Territory; or (ii) anywhere within fifty (50) miles of the boundaries of the Territory.

(f) For a period of one (1) year after termination of employment, regardless of the cause of termination, Manager will not, without the prior written consent of the Franchisee and SSL, contact, solicit, perform any services for, or sell any products to, any client to whom the Franchisee or Manager provided products or services during the term of Manager's employment with the Franchisee, wherever the client may be located, whether within or outside the Territory.

(g) During the term of the Franchised Business and at any time thereafter, Manager will not use any of SSL's proprietary assets or Licensed Property for any purpose not authorized in writing by SSL; use any confusingly similar method, format, procedure, technique, system,

name, trade dress, mark, symbol, emblem, slogan, insignia, term, designation, design, diagram, promotional material or course material; or cause or permit any facility or program to look like, copy or imitate any facility or program operated or licensed by SSL.

(h) Upon the date of execution of this Agreement, Manager will deliver an executed Authorization, in the form attached hereto and incorporated herein by reference as **Attachment 1**, to Franchisee.

2. Covenant as to Residency. Manager understands that, pursuant to the Franchise Agreement, Franchisee may only employ workers whose primary place of residence is within the Territory. Manager represents and warrants to Franchisee that Manager's primary place of residence is within the Territory, and that Manager will maintain Manager's primary place of residence in the Territory for the duration of this Agreement.

3. Covenants As Independent and As Conditions Precedent to Employment. The covenants by Manager in Paragraphs 1 and 2 shall be construed as agreements independent of any other provisions of this Agreement and as conditions precedent to employment. The existence of any claim or cause of action of the Manager against the Franchisee or SSL, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Franchisee or SSL of the restrictive covenants contained in Sections 1(a) through 1(f) and 2 of this Agreement. Modification of any or all of the restrictive covenants between the Franchisee and Manager contained in Sections 1(a) through 1(f) of this Agreement must be mutually agreed to in writing at least thirty (30) days prior to the termination of this Agreement and approved by SSL in writing.

4. Covenants Concerning Franchisee Property. Manager acknowledges and agrees that all records of the Franchisee, including records of the Franchisee's clients, and all other records, files, documents, training manuals and similar items relating in any manner whatsoever to the business of the Franchisee (including copies thereof, electronic, photographic and otherwise) ("Records"), whether prepared by the Manager or otherwise coming into Manager's possession, shall be the exclusive property of the Franchisee or SSL regardless of who actually prepares the records. Additionally, all Records, whether prepared by the Manager or otherwise coming into Manager's possession, shall not be removed by Manager from the premises of the Franchisee under any circumstances whatsoever without the prior written consent of the Franchisee. Any Records not at the premises of the Franchisee shall immediately be returned to the Franchisee by the Manager upon termination of employment, regardless of the cause of termination.

5. Covenants Concerning Property Licensed to Franchisee. Manager acknowledges and agrees that all SSL trade names, service marks, trademarks, copyrights, titles, symbols, trade dresses, emblems, slogans, insignias, terms, designations, designs, diagrams, anecdotes, artworks, worksheets, techniques, rules, ideas, philosophies, illustrations, course materials, advertising and promotional materials, and other audio, video and written materials as SSL has developed and designated for use in connection with the Sandler System, have been licensed to Franchisee for use in operating the Franchised Business ("Licensed Property"). Upon termination of Manager's employment under this Agreement, Manager shall (i) immediately return all Licensed Property in Manager's possession and control to the Franchisee; (ii) immediately cease using the Licensed Property, or any part thereof, and (iii) not, directly or indirectly, at any time thereafter, use any of

the Licensed Property unless authorized in writing by SSL, or use any confusingly similar method, format, procedure, technique, system, name, trade dress, mark, symbol, emblem, slogan, insignia, term, designation, design, diagram, promotional material or course material, or cause or permit any program to look like, copy or imitate any program operated or licensed by SSL, unless authorized in writing by SSL.

6. Covenants Duration After Legal Proceedings. Franchisee shall not be deprived of the benefit of the full period of the restrictive covenants contained in Sections 1(b), 1(e), and 1(f). Accordingly, the restrictive covenants contained in Sections 1(b), 1(e), and 1(f) of this Agreement shall be deemed to have the duration specified in such restrictive covenants, computed from the later of (a) the termination or expiration of this Agreement or (b) the date an order enforcing such restrictive covenants is in effect.

7. Covenants Concerning Franchisee's Obligations to SSL. Manager acknowledges that Franchisee must operate the Franchised Business according to the terms and conditions set forth in the Franchise Agreement. Manager shall not at any time take any action that will cause Franchisee to be in violation of Franchisee's obligations under the Franchise Agreement. Manager may at any time, upon reasonable notice, review the contents of the Franchise Agreement at Franchisee's office.

8. Severability. If any portion of a particular covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency having jurisdiction, Manager expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the lesser covenant were separately stated in and made a part of this Agreement. If the entirety of a particular covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency having jurisdiction, the remaining covenants in this Agreement shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

9. Reasonableness of Covenants; Injunctive Relief. Manager agrees that the scope (area and duration) of the restrictive covenants contained in Section 1 is fair and reasonable and is not broader as to the area and duration than is reasonably necessary for the protection of the Franchisee and SSL. Manager further acknowledges that the restrictive covenants will not impose undue hardship on Manager since Manager has other skills, education and experience which will offer Manager the opportunity to derive income from other endeavors. The Franchisee or SSL, in addition to other legal and equitable rights and remedies, shall, without the necessity of a bond, be entitled to seek injunctive relief restraining any actual or threatened violation of any of the covenants or provisions in this Agreement by Manager. Manager agrees that the violation of any of these covenants by Manager would cause irreparable harm to the Franchisee and SSL.

10. Attorney's Fees. In the event of a legal action successfully maintained by Franchisee or SSL under this Agreement for damages, injunctive relief, the return of property or any other legal or equitable remedy, the Manager agrees to pay the Franchisee's or SSL's reasonable legal fees, court costs and reasonable out-of-pocket expenses related to such action.

11. Governing Law. This Agreement shall be governed for all purposes by the laws of the state of the Territory.

12. Binding Effect. This Agreement shall be binding upon the parties and their respective legal representatives, successors and assigns.

13. Modification. This Agreement may be modified only by an agreement in writing of at least equal formality signed by the party against whom enforcement is sought. Any such modification shall not be binding on third party beneficiaries unless approved in writing by such third party beneficiary.

14. Third Party Beneficiary. The parties acknowledge and agree that this Agreement is expressly made for SSL's benefit and SSL is intended to be a primary beneficiary of this Agreement.

IN WITNESS WHEREOF, the parties hereto named executed this Agreement by their duly authorized officers in one or more counterparts, each of which shall constitute an original.

FRANCHISEE:

\_\_\_\_\_

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

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

Company: \_\_\_\_\_

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

MANAGER:

\_\_\_\_\_

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

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

\_\_\_\_\_

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

**AUTHORIZATION**

\_\_\_\_\_ (“Associate”) acknowledges that Sandler Systems, LLC (“SSL”) regularly records the performances and participation of its franchisees, trainers and speakers at Sandler related events and activities (including, without limitation, conferences, regional meetings, seminars, training sessions, presentations, interviews, solicitations of testimonials, and coaching calls) (the “Performances”), for a variety of purposes. Associate also acknowledges that Associate may, from time to time, voluntarily submit to SSL written works that Associate has developed, which may or may not include SSL’s intellectual property, (the “Writings”) for SSL’s use. Associate may not use any machine learning or artificial intelligence technologies, including without limitation generative artificial intelligence technologies, including, but not limited to, ChatGPT, DALL-E, ChatSonic, Jasper AI, Bing AI, and Google Gemini, to create any Performances or Writings.

Associate hereby authorizes SSL to record (using any medium including video and/or audio recording) and to use Associate’s name, photograph, or a likeness thereof, Performances and Writings, or portions thereof as edited by SSL, in any audiovisual, audio or written work through any medium and format, including, without limitation, Mp3s, podcasts, web casts, written materials, SSL’s online Learning Management System, One Sandler, training sessions, websites, marketing materials, presentations, the Sandler YouTube channel, and the Internet, as may be selected by SSL, and in perpetuity. Further, Associate agrees that SSL has the unlimited, perpetual right to use, distribute and/or sell the Performances and Writings as it deems appropriate in its business, and may include the Performances and Writings, as may be edited by SSL, in material for which SSL receives compensation.

Associate acknowledges that, when appropriate, the Performances and Writings and each reproduction of the Performances and Writings as authorized above will contain SSL’s copyright notice to protect SSL’s intellectual property and SSL shall have the right to register the copyright for the Performances and Writings solely in SSL’s name. Associate further acknowledges that Associate will receive no compensation in connection with this Authorization and/or use of the Performances and Writings.

Associate acknowledges that this is a comprehensive, ongoing Authorization and intended to apply to all Performances where SSL has made it known to the attendees, whether orally or in writing, that the event or activity is being recorded.

If Associate desires that this Authorization not apply with respect to a particular Performance or Writing, then it shall be Associate’s sole responsibility to notify SSL in writing in advance of the Performance or submission of the Writing so that appropriate measures can be taken, which may include, at SSL’s discretion, cancellation of Associate’s participation in the event or activity.

Dated: \_\_\_\_\_

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

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

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

**EXHIBIT FF**  
**AUTHORIZATION**

\_\_\_\_\_ (“Franchisee”) acknowledges that Sandler Systems, LLC (“SSL”) regularly records the performances and participation of its franchisees, trainers and speakers at Sandler related events and activities (including, without limitation, conferences, regional meetings, seminars, training sessions, presentations, interviews, solicitations of testimonials, and coaching calls) (the “Performances”), for a variety of purposes. Franchisee also acknowledges that Franchisee may, from time to time, voluntarily submit to SSL written works that Franchisee has developed, which may or may not include SSL’s intellectual property, (the “Writings”) for SSL’s use. Franchisee may not use any machine learning or artificial intelligence technologies, including without limitation generative artificial intelligence technologies, including, but not limited to, ChatGPT, DALL-E, ChatSonic, Jasper AI, Bing AI, and Google Gemini, to create any Performances or Writings.

Franchisee hereby authorizes SSL to record (using any medium including video and/or audio recording) and to use Franchisee’s name, photograph, or a likeness thereof, Performances and Writings, or portions thereof as edited by SSL, in any audiovisual, audio or written work through any medium and format, including, without limitation, Mp3s, podcasts, web casts, written materials, SSL’s online Learning Management System, One Sandler, training sessions, websites, marketing materials, presentations, the Sandler YouTube channel, and the Internet, as may be selected by SSL, and in perpetuity. Further, Franchisee agrees that SSL has the unlimited, perpetual right to use, distribute and/or sell the Performances and Writings as it deems appropriate in its business, and may include the Performances and Writings, as may be edited by SSL, in material for which SSL receives compensation.

Franchisee acknowledges that, when appropriate, the Performances and Writings and each reproduction of the Performances and Writings as authorized above will contain SSL’s copyright notice to protect SSL’s intellectual property and SSL shall have the right to register the copyright for the Performances and Writings solely in SSL’s name. Franchisee further acknowledges that Franchisee will receive no compensation in connection with this Authorization and/or use of the Performances and Writings.

Franchisee acknowledges that this is a comprehensive, ongoing Authorization and intended to apply to all Performances where SSL has made it known to the attendees, whether orally or in writing, that the event or activity is being recorded.

If Franchisee desires that this Authorization not apply with respect to a particular Performance or Writing, then it shall be Franchisee’s sole responsibility to notify SSL in writing in advance of the Performance or submission of the Writing so that appropriate measures can be taken, which may include, at SSL’s discretion, cancellation of Franchisee’s participation in the event or activity.

Dated: \_\_\_\_\_

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

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

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

**EXHIBIT GG**

**STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT**

(where applicable)

**AMENDMENT TO SANDLER SYSTEMS, LLC  
FRANCHISE AGREEMENT  
FOR THE STATE OF INDIANA**

For good and valuable consideration, receipt and sufficiency of which is hereby expressly acknowledged by each of the undersigned, the Franchise Agreement between \_\_\_\_\_ (“Franchisee”) and Sandler Systems, LLC (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) is hereby amended by the addition of the following language (the “Amendment”), which shall be considered an integral part of the Agreement:

**INDIANA LAW MODIFICATIONS**

1. The Indiana Securities Commissioner’s Office requires that certain provisions in franchise agreements be amended to be consistent with Indiana law, including the Franchises Act, Ind. Code Ann. 1-51 (1994), as amended (the “Act”). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended as follows:

- a. The Indiana Deceptive Practices Act provides rights to Franchisee concerning nonrenewal and termination of the Agreement. To the extent that the Agreement contains a provision that is inconsistent with the Act, the Act will control.
- b. If the Agreement requires the Franchisee to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act or a rule or order under the Act, such release shall exclude claims arising under the Indiana Deceptive Practices Act, and such acknowledgments shall be void with respect to claims under the Act and are hereby deleted.
- c. The Indiana Deceptive Practices Act provides that substantial modifications of the Agreement by Franchisor require written consent by Franchisee. If the Agreement contains any provision that is inconsistent with this requirement, the Act will control. If the Agreement requires litigation to be conducted in a forum other than the state of Indiana, the requirement is void under the Indiana Deceptive Practices Act.
- d. If the Agreement requires litigation to be conducted in a forum other than the State of Indiana, the requirement may be unenforceable as a limitation on litigation under the Indiana Deceptive Franchise Practices Act, Ind. Code Ann. 23-2-2.7(10).
- e. If the Agreement requires that it be governed by a state’s law other the State of Indiana, to the extent that such law conflicts with the Indiana Deceptive Practices Act, the Act will control.

2. Section 12.1(b) of the Agreement is hereby amended by deleting the following words from the fourth and fifth lines thereof: “or anywhere within fifty (50) miles of the boundaries of the Territory”.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Act applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have duly executed this Amendment below in one or more counterparts, each of which counterpart shall constitute an original.

ATTEST:

**SANDLER SYSTEMS, LLC**

\_\_\_\_\_  
Shannon Howell  
Secretary

By: \_\_\_\_\_  
Craig Dempster  
CEO

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

**[FRANCHISEE COMPANY NAME]**

By: \_\_\_\_\_  
Name  
Title

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

**AMENDMENT TO SANDLER SYSTEMS, LLC  
FRANCHISE AGREEMENT  
FOR THE STATE OF MINNESOTA**

The Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and Sandler Systems, LLC (“SSL”) dated \_\_\_\_\_ (the “Agreement”) is hereby amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**MINNESOTA LAW MODIFICATIONS**

1. Notwithstanding anything to the contrary contained in Section 3.1 of the Agreement, Franchisee’s payment of the Initial Franchise Fee shall be deferred until SSL has conducted Initial Training, Part I for Franchisee as required by Section 4.1 of the Agreement, and satisfied its obligations to Franchisee under Sections 4.4 and 4.5 of the Agreement. Within three business days from SSL’s completion of the foregoing, Franchisee shall pay SSL the Initial Franchise Fee. The Initial Franchise Fee is fully earned by SSL upon execution of the Agreement in consideration of administrative and other expenses incurred by SSL in entering into the Agreement and for SSL’s lost or deferred opportunity to enter into the Agreement with others.

2. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 *et seq.*, and of the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The Minnesota Department of Commerce requires that SSL indemnify Minnesota franchisees against liability to third parties resulting from claims that the Franchisees’ use of the Intellectual Properties infringes trademark rights of the third party. If the Agreement contains a provision that is inconsistent with the Franchise Act, the provisions of the Agreement shall be superseded by the Act’s requirements and shall have no force or effect.
- b. Franchise Act, Sec. 80C.14, Subd. 4., requires, except in certain specified cases, that a franchisee be given written notice of a SSL’s intention not to renew 180 days prior to expiration of the franchise and that the franchisee be given sufficient opportunity to operate the franchise in order to enable the franchisee the opportunity to recover the fair market value of the franchise as a going concern. If the Agreement contains a provision that is inconsistent with such requirement of the Franchise Act, the provisions of the Agreement shall be superseded by the Act’s requirements and shall have no force or effect.
- c. Franchise Act, Sec. 80C.14, Subd. 3., requires, except in certain specified cases that a franchisee be given 90 days notice of termination (with 60 days to cure). If the Agreement contains a provision that is inconsistent with such requirement of the Franchise Act, the provisions of the Agreement shall be superseded by the Act’s

requirements and shall have no force or effect.

- d. If the Agreement requires Franchisee to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Act.
- e. If the Agreement and/or the Disclosure Document require(s) that it be governed by a state’s law other than the State of Minnesota or by arbitration or mediation, those provisions shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

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

4. Each provision of this Agreement and/or the Disclosure Document shall be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independently of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have duly executed this Amendment below in one or more counterparts, each of which counterpart shall constitute an original.

ATTEST:

**SANDLER SYSTEMS, LLC**

\_\_\_\_\_  
Shannon Howell  
Secretary

By: \_\_\_\_\_  
Craig Dempster  
CEO

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

**[FRANCHISEE COMPANY NAME]**

By: \_\_\_\_\_  
Name  
Title

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

**AMENDMENT TO SANDLER SYSTEMS, LLC  
FRANCHISE AGREEMENT  
FOR THE STATE OF SOUTH DAKOTA**

The Franchise Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and Sandler Systems, LLC (“SSL”) dated \_\_\_\_\_ (the “Agreement”) is hereby amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**SOUTH DAKOTA LAW MODIFICATIONS**

1. The Director of the South Dakota Division of Insurance Securities Regulation requires that certain provisions contained in franchise documents be amended to be consistent with South Dakota law, including the South Dakota Franchise Investment Law, South Dakota Codified Laws, Title 37, Chapter 37-5B, Sections 37-5B-1 through 37-5B-53 (2008). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the South Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.
- b. Covenants not to compete upon termination or expiration of the Agreement are generally unenforceable in the state of South Dakota, except in certain limited instances as provided by law. If the Agreement contains a covenant not to compete that is inconsistent with South Dakota law, the covenant may be unenforceable
- c. Regardless of the terms of the Agreement concerning termination, if Franchisee fails to meet performance and quality standards or fails to make any royalty payments under the Agreement, Franchisee will be afforded thirty (30) days’ written notice with an opportunity to cure the default before termination.
- d. If the Agreement requires payment of liquidated damages that are inconsistent with South Dakota Law, the liquidated damages clause may be void under SDCL 53-9-5. Accordingly if South Dakota law applies to your franchise agreement and if you wrongfully terminate the franchise agreement or if we terminate your franchise agreement due to your breach, you must pay us damages arising out of your breach in an amount determined by a court of competent jurisdiction.
- e. If the Agreement requires litigation to be conducted in a forum other than the State of South Dakota, the requirement is void with respect to any cause of action otherwise enforceable under South Dakota Law.

- f. If the Agreement requires that it be governed by a state’s law other than the State of South Dakota, matters regarding franchise registration, employment, covenants not to compete, and other issues of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, the Agreement and all provisions of this Amendment will be and remain subject to the application, construction, enforcement, interpretation under the governing law set forth in the Agreement.
- g. If the Agreement requires that disputes between SSL and Franchisee be mediated/arbitrated at a location that is outside the State of South Dakota, the mediation/arbitration will be conducted at a location mutually agreed upon by the parties. If the parties cannot agree on location for the mediation/arbitration, the location shall be determined by the mediator/arbitrator selected.
- h. Any provision that provides that the parties’ waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the South Dakota Franchise Investment Law, with respect to each such provision, are met independently of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have duly executed this Amendment below in one or more counterparts, each of which counterpart shall constitute an original.

ATTEST:

**SANDLER SYSTEMS, LLC**

\_\_\_\_\_  
Shannon Howell  
Secretary

By: \_\_\_\_\_  
Craig Dempster  
CEO

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

**[FRANCHISEE COMPANY NAME]**

By: \_\_\_\_\_  
Name  
Title

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

**AMENDMENT TO SANDLER SYSTEMS, LLC  
FRANCHISE AGREEMENT  
FOR THE STATE OF WISCONSIN**

For good and valuable consideration, receipt and sufficiency of which is hereby expressly acknowledged by each of the undersigned, the Franchise Agreement (the “Agreement”) between \_\_\_\_\_ (“Franchisee”) and Sandler Systems, LLC (“Franchisor”) dated \_\_\_\_\_ (the “Agreement”) shall be amended by the addition of the following language (the “Amendment”), which shall be considered an integral part of the Agreement:

**WISCONSIN LAW MODIFICATIONS**

1. The Wisconsin Securities Commission requires that certain provisions in franchise agreements be amended to be consistent with Wisconsin Fair Dealership Law, Wisconsin Statutes, Chapter 135 (the “Act”). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended as follows:

- a. Among other things, the Act grants Franchisee the right, in most circumstances, to 90 days’ prior written notice of termination or non-renewal and 60 days within which to remedy any claimed deficiencies. If the Agreement contains any provision relating to termination or non-renewal of the Agreement that is inconsistent with the Act, the Agreement will be superseded by the Act’s requirements and any contrary provisions will have no force or affect.
- b. If the Agreement requires that it be governed by a state’s law other the State of Wisconsin, to the extent that any provision of the Agreement conflicts with the Act, such provisions will be superseded by the Act’s requirements and any contrary provisions will have no force or affect.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Act applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have duly executed this Amendment below in one or more counterparts, each of which counterpart shall constitute an original.

ATTEST:

**SANDLER SYSTEMS, LLC**

\_\_\_\_\_  
Shannon Howell  
Secretary

By: \_\_\_\_\_  
Craig Dempster  
CEO

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

**[FRANCHISEE COMPANY NAME]**

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

Name

Title

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

**EXHIBIT B**

**FRANCHISOR'S FINANCIAL STATEMENTS**

# **Sandler Systems, LLC**

Consolidated Financial Report  
December 31, 2023

## Contents

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RSM US LLP

## Independent Auditor's Report

Board of Managers and Member  
Sandler Systems, LLC

### Opinion

We have audited the consolidated financial statements of Sandler Systems, LLC and its subsidiary (the Company), which comprise the consolidated balance sheet as of December 31, 2023, the related consolidated statements of operations and member's deficit, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Other Matter

The financial statements of the Company as of December 31, 2022, and for the years ended December 31, 2022 and 2021, were audited by other auditors, whose report dated April 21, 2023, expressed an unmodified opinion on those statements.

### Responsibilities of Management for the Financial Statements

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

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*RSM US LLP*

Baltimore, Maryland  
April 22, 2024

**Sandler Systems, LLC**

**Consolidated Balance Sheets  
December 31, 2023 and 2022**

	2023	2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,816,069	\$ 1,457,261
Accounts receivable, less allowance for credit losses of \$37,332 and \$146,058 in 2023 and 2022, respectively	1,880,126	3,917,512
Unbilled accounts receivable	2,008,800	1,755,569
Inventory	273,686	292,292
Prepaid expenses	829,236	373,439
Other current assets	40,555	75,000
<b>Total current assets</b>	<b>6,848,472</b>	<b>7,871,073</b>
Fixed assets, net	1,890,565	1,606,018
Intangible assets	798,650	1,119,205
Goodwill	1,111,915	1,111,915
Unbilled accounts receivable	468,426	603,666
Fair market value of derivative	175,351	326,658
Other assets	18,470	28,470
<b>Total assets</b>	<b>\$ 11,311,849</b>	<b>\$ 12,667,005</b>
<b>Liabilities and Member's Deficit</b>		
Current liabilities:		
Current maturities of long-term debt	\$ 2,712,500	\$ 1,550,000
Accounts payable	412,199	162,177
Deferred revenue	1,583,386	2,096,801
Accrued commissions and employee bonuses	1,248,307	1,740,706
Accrued general expenses	1,415,742	1,336,996
Deposits	514,344	239,603
<b>Total current liabilities</b>	<b>7,886,478</b>	<b>7,126,283</b>
Related party promissory notes	\$ 4,252,311	\$ -
Long-term debt	21,856,153	28,537,653
<b>Total liabilities</b>	<b>33,994,942</b>	<b>35,663,936</b>
Member's deficit	(22,683,093)	(22,996,931)
<b>Total member's deficit</b>	<b>(22,683,093)</b>	<b>(22,996,931)</b>
<b>Total liabilities and member's deficit</b>	<b>\$ 11,311,849</b>	<b>\$ 12,667,005</b>

See notes to consolidated financial statements.

**Sandler Systems, LLC**

**Consolidated Statements of Operations, Member's Deficit and Retained Earnings  
(Accumulated Deficit)  
Years Ended December 31, 2023, 2022 and 2021**

	2023	2022	2021
Sales, net	\$ 27,679,007	\$ 35,086,994	\$ 36,445,196
Cost of sales	5,469,091	8,710,881	8,791,944
<b>Gross profit</b>	<b>22,209,916</b>	26,376,113	27,653,252
Selling, general and administrative expenses	19,364,303	20,573,622	19,143,959
<b>Operating income</b>	<b>2,845,613</b>	5,802,491	8,509,293
Other income (expenses):			
Transaction expense	-	(33,301,579)	-
PPP loan forgiveness	-	-	1,020,852
Change in fair value of derivative	(151,307)	326,658	-
Interest expense	(2,324,602)	(1,178,058)	(124,943)
Interest income	61,787	9,101	760
Other, net	(19,908)	(9,450)	(30,467)
<b>Total other income (expenses)</b>	<b>(2,434,030)</b>	(34,153,328)	866,202
<b>Income (loss) before income tax expense</b>	<b>411,583</b>	(28,350,837)	9,375,495
Income tax expense	24,377	206,924	346,768
<b>Net income (loss)</b>	<b>387,206</b>	(28,557,761)	9,028,727
Member's deficit, beginning of year	(22,996,931)	4,961,039	(1,025,871)
Contributions from member	-	4,506,828	-
Conversion to LLC	-	22,000	-
Distributions to stockholder	(73,368)	(3,929,037)	(3,041,817)
Retained earnings (accumulated deficit), end of year	<b>\$ (22,683,093)</b>	<b>\$ (22,996,931)</b>	<b>\$ 4,961,039</b>

See notes to consolidated financial statements.

## Sandler Systems, LLC

### Consolidated Statements of Cash Flows Years Ended December 31, 2023, 2022 and 2021

	2023	2022	2021
Cash flows from operating activities:			
Net income (loss)	\$ 387,206	\$ (28,557,761)	\$ 9,028,727
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	928,570	583,542	189,405
(Gain) Loss on disposition of fixed assets	(6,267)	75,704	-
Promissory notes paid-in-kind interest	252,311	-	-
PPP loan forgiveness	-	-	(1,020,852)
Transaction expenses	-	33,301,579	-
Amortization of debt issuance costs	31,000	17,653	-
Change in fair value of derivative	151,307	(326,658)	-
Decrease (increase) in operating assets:			
Accounts receivable	2,037,386	1,344,628	(2,562,062)
Unbilled accounts receivable	(117,991)	467,185	(2,826,420)
Inventory	18,606	153,101	121,966
Prepaid expenses	(455,797)	63,273	(173,414)
Other current assets	34,445	(70,319)	(1,865)
Other assets	10,000	(3,456)	6,881
Increase (decrease) in operating liabilities:			
Accounts payable	234,822	(814,586)	662,903
Deferred revenue	(513,415)	(602,172)	291,166
Accrued commissions and employee bonuses	(492,399)	(233,968)	1,119,326
Accrued general expenses	78,746	(322,776)	551,763
Deposits	274,741	77,546	77,680
<b>Net cash provided by operating activities</b>	<b>2,853,271</b>	<b>5,152,515</b>	<b>5,465,204</b>
Cash flows from investing activities:			
Purchase of fixed assets	(871,095)	(1,474,135)	(254,169)
Acquisition of master franchise, net of cash acquired	-	-	(2,340,750)
<b>Net cash used in investing activities</b>	<b>(871,095)</b>	<b>(1,474,135)</b>	<b>(2,594,919)</b>
Cash flows from financing activities:			
Distributions to stockholder	(73,368)	(3,929,037)	(3,041,817)
Transaction expenses	-	(33,301,579)	-
Capital contributions	-	4,506,828	-
PPP loan borrowings	-	-	1,020,852
Net borrowings (repayments) on line of credit	-	(500,000)	(1,000,000)
Borrowings on promissory notes	4,000,000	-	-
Borrowings on term loan	-	31,000,000	-
Repayments of long-term debt	(5,550,000)	(3,974,996)	(800,004)
Debt issuance costs paid	-	(155,000)	-
<b>Net cash used in financing activities</b>	<b>(1,623,368)</b>	<b>(6,353,784)</b>	<b>(3,820,969)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>358,808</b>	<b>(2,675,404)</b>	<b>(950,684)</b>
Cash and cash equivalents:			
Beginning of year	1,457,261	4,132,665	5,083,349
End of year	\$ 1,816,069	\$ 1,457,261	\$ 4,132,665
Supplemental disclosures of cash flow information:			
Cash paid during the year for interest	\$ 2,330,642	\$ 1,021,423	\$ 162,925
Cash paid during the year for income taxes	\$ 13,687	\$ 637,428	\$ 112,264

See notes to consolidated financial statements.

## Sandler Systems, LLC

### Notes to Consolidated Financial Statements

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#### Note 1. Organization

Sandler Systems, LLC (previously Sandler Systems, Inc.) (the Company) is a Maryland-based franchisor and provider of sales and management consulting systems to customers located throughout the United States and internationally.

On December 29, 2021, the Company acquired the assets and liabilities of one of its master franchise areas in Canada, which now exists as Sandler Systems Canada, Inc.

On June 6, 2022, a private equity (PE) firm acquired 70% of the holdings of Sandler Systems, LLC. The Company incurred \$31,000,000 of debt through the transaction (see Note 9) and \$33,000,000 of transaction costs as a result of the change in control event. Transaction costs include professional fees and contingent payments on execution of transaction. The PE firm acquired 70% of the interests in a newly formed entity Sandler Holdings, LLC, the 100% owner and single member of Sandler Systems, LLC.

#### Note 2. Significant Accounting Policies

**Basis of presentation:** The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Principles of consolidation:** The accompanying consolidated financial statements include the accounts of Sandler Systems, LLC and its wholly-owned subsidiary Sandler Systems Canada, Inc. (collectively, the Company). All significant intercompany balances and transactions have been eliminated in consolidation.

**Cash and cash equivalents:** Cash and cash equivalents consist of cash held in banks and all highly liquid investments with original maturities of three months or less.

**Accounts receivable:** Accounts receivable represent amounts due from customers and franchisees for services under normal trade terms generally requiring payment within 30 days from the invoice date less an estimate made for credit losses. Accounts receivable balances are unsecured and non-interest bearing. The Company does not typically charge interest on accounts receivable; however, the Company records interest income when received.

**Allowance for credit losses:** Effective January 1, 2023, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, which created Accounting Standards Codification (ASC) Topic 326, Financial Instruments—Credit Losses. Topic 326 replaces the incurred loss model for measuring the allowance for credit losses with a new model that reflects current expected credit losses (CECL) that are expected to occur over the lifetime of the underlying accounts receivable. The CECL methodology is applicable to financial assets that are measured at amortized cost, including trade accounts receivable, contract assets, and notes and loans receivable due from officers, owners, and employees. The Company considers an allowance for credit losses to offset gross trade accounts receivable and unbilled accounts receivable.

The Company offsets gross trade accounts receivable and unbilled accounts receivable with an allowance for credit losses. The allowance for credit losses is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable and unbilled accounts receivable and is based upon historical loss patterns, the number of days that billings are past due, and an evaluation of the potential risk of loss associated with specific accounts. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Provisions for allowances for credit losses are recorded in general and administrative expense.

## Sandler Systems, LLC

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

Estimating credit losses based on risk characteristics requires significant judgment by the Company. Significant judgments include but are not limited to assessing current economic conditions and the extent to which they would be relevant to the existing characteristics of the Company's financial assets, the estimated life of financial assets and the level of reliance on historical experience in light of economic conditions. The Company reviews and updates, when necessary, its historical risk characteristics that are meaningful to estimating credit losses, any new risk characteristics that arise in the natural course of business and the estimated life of its financial assets. Management has determined that an allowance of \$37,332 and \$146,058 was necessary for accounts receivable as of December 31, 2023 and 2022, respectively. No allowance was determined to be necessary for unbilled accounts receivable as of December 31, 2023 and 2022.

**Unbilled accounts receivable:** The Company entered into several multiyear contracts relating to online revenue. These contracts contain a single performance obligation to provide access to select digital content of the Company. Revenue is recognized at a single point in time as access is granted to the content. The customer is billed in accordance with the terms of the agreement at which time the amounts in unbilled accounts receivable are relieved and accounts receivable are booked. These contracts are not cancelable unilaterally by the customer.

**Inventory:** Inventory, accounted for at the lower of cost or net realizable value, consists of completed systems and components held for resale with cost determined on a first-in, first-out (FIFO) basis based on the per unit prices paid on inventory purchases. The Company determined no allowance for obsolete, damaged, and slow-moving inventory was required as of December 31, 2023 and 2022.

**Fixed assets:** Fixed assets include furniture, fixtures, machinery and equipment, leasehold improvements, work in progress, and website and software development costs. They are stated at cost and depreciation is computed using the straight-line method over the estimated useful lives of the assets that range from three to 10 years. Leasehold improvements are amortized over the shorter of their useful lives, or the term of the respective lease.

**Intangible assets and goodwill:** On April 4, 2017, the Company entered into a license agreement with The WOW Business Advisory LLC (WOW). Under the agreement, WOW granted the Company a perpetual, worldwide license and right to utilize, market, and promote the WOW Leadership System and modify the WOW Leadership System to reflect the concepts and principles contained in the Sandler Selling System. In exchange for the perpetual license, the Company paid WOW \$150,000. As the intangible asset is perpetual in nature and does not have a finite life, it is not subject to amortization.

On December 29, 2021, the Company acquired one of its master franchise areas. As part of the purchase price allocation, \$1,292,274 was assigned as the fair value of the reacquired franchise rights. These reacquired rights are amortized over the remaining life of the underlying franchise contracts, which approximates four years. Expected future amortization expense for both the years ended December 31, 2024 and 2025 is \$324,325.

In addition to the reacquired rights noted above, the residual amount, after allocation of the fair value of the purchase price to all identifiable assets and intangible assets, was recorded as goodwill. The amount recorded as goodwill related to the December 29, 2021, acquisition is \$1,111,915.

Guidance under ASC 350, Intangibles—Goodwill and Other, prescribes a two-step process for impairment testing of goodwill, which is performed annually, as well as when an event that may trigger impairment has occurred. The Company has elected to perform its annual analysis during the fourth quarter of each year. There was no impairment recorded by the Company for the years ended December 31, 2023, 2022 or 2021.

## Sandler Systems, LLC

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**Impairment or disposal of long-lived assets:** Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. For the years ended December 31, 2023, 2022 and 2021, the Company had no impairment of long-lived assets.

**Deposits:** Deposits at December 31, 2023 and 2022, reflect the amounts received as deposits on conferences and product orders and down payments on initial franchise contracts for which all of the material conditions of the sales have not been satisfied.

**Deferred revenue:** Deferred revenue represents the amounts billed for future periods but not earned as of December 31, 2023 and 2022. The deferred revenue consists of prepayments for training sessions, franchise fees, and Sandler Online services related to the subsequent year.

**Common stock:** Prior to June 2022 (see Note 1), the total number of shares of common stock authorized to be issued was 60,000. This was composed of 1,000 shares of Class A no par common stock and 59,000 shares of Class B no par common stock. Class A and Class B common stock were identical in all respects, except that Class A was entitled to one vote per share in all proceedings in which a vote shall be taken by shareholders of the Company. In June 2022, all of the common stock was transferred to Sandler Holdings, LLC and the Company was reorganized as a single-member limited liability (LLC).

**Revenue recognition:** Initial domestic franchise sales contain two primary performance obligations. These obligations include providing initial training and product inventory to the new franchisee. The consideration received for these performance obligations is allocated based upon their stand-alone selling prices and revenue is recognized at a point in time. Training revenue is recognized when the training occurs and revenue related to product inventory is recognized when the products are shipped to the franchisee.

International franchise sales contain a single performance obligation, which is to provide initial training to the franchisee. The consideration received for this performance obligation is allocated based upon its stand-alone selling prices and revenue is recognized at a point in time. Training revenue is recognized at a point in time when the initial training occurs.

Franchise transfer fees contain a single performance obligation, which is to provide initial training to the franchisee. The consideration received for this performance obligation is allocated based upon its stand-alone selling prices and revenue is recognized at a point in time. Training revenue is recognized at a point in time when the initial training occurs.

Continuing franchise fees represent monthly payments and royalty revenue by domestic franchisees and international franchisees to be able to utilize the Sandler brand and intellectual property. Continuing franchise fees and royalty revenue contain a single performance obligation and revenue is recognized over time during the month the right to use the Company's brand and intellectual property is granted to the franchisee.

## Sandler Systems, LLC

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

Corporate training revenue may contain multiple performance obligations as outlined in each customized contract. Performance obligations generally consist of various forms of training and training materials to be provided to customers. Contract consideration is allocated to the performance obligations based upon the stand-alone prices of the services requested by the customer. Revenue is recognized at a point in time as the trainings are provided and training materials are shipped to the customer.

Sandler Online revenue contains a single performance obligation to provide annual access to select digital content of the Company. Revenue is recognized at a single point in time as access is granted to the content.

Product sales contain a single performance obligation and revenue is recognized at a single point in time when control of the product transfers, which is generally at the time of shipment.

Franchise advertising funds are collected from the franchisees pursuant to the franchise agreements. The Company enters into various advertising programs for the benefit of the franchise system. The Company has discretion as to how the funds are spent, provided the funds are spent in accordance with the franchise agreements. The Company recognizes revenue monthly at the time of billing and records expense at the time advertising funds are spent.

**Product development costs:** Product development costs are charged to operations as incurred or capitalized and amortized as required under Topic 350. Expenses are either recorded as a component of cost of sales if the costs primarily relate directly to sales recognized during the reporting period or as a component of selling, general and administrative expenses if the costs will primarily result in expected sales of a future reporting period.

**Derivative instruments and hedging activities:** The Company recognizes all derivative instruments as either assets or liabilities in the consolidated balance sheets at their respective fair value. For derivatives designated in qualifying cash flow hedging relationships, changes in the fair value that are included in the assessment of effectiveness are recognized in accumulated other comprehensive income (AOCI) until the hedged item affects earnings. The Company records all the derivatives that are designated as cash flow hedges under the simplified approach at their settlement values with changes in settlement values recorded in AOCI until the hedged item affects earnings. The Company has no derivatives that are designated as hedging relationships. Changes in the fair value of a derivative that has not been designated or does not qualify for hedge accounting treatment are recognized in earnings immediately.

**Fair value measurements:** The Company uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

**Level 2:** Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

**Level 3:** Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

## Sandler Systems, LLC

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**Income taxes:** Historically, the Company elected under the Internal Revenue Code to be an S corporation. As a pass-through entity, items of income, loss, deduction or credit reportable by the Company generally flow through directly to the Company's owners. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income.

The majority of states where the Company operates recognize the S corporation status. Therefore, no provision or liability for income taxes has been included in the consolidated financial statements for these jurisdictions. However, there are certain states that impose taxes on the pass-through entity to the extent that the pass-through entity derives income from the jurisdiction. Income tax expense represents amounts due to states in which the Company has nexus, and the state either does not recognize Subchapter S status or has minimum taxable income requirements.

On May 27, 2022, the Company underwent a tax-free reorganization in which Sandler Systems, Inc. converted into an LLC. The members of the LLC are taxed on their proportionate share of the Company's taxable income. In limited circumstances, a state may impose tax directly on the LLC.

The Company's provision for income taxes is composed of entity-level taxes imposed for the period in which it was an S corporation, entity-level taxes imposed for the period it became an LLC, and income taxes of its Canadian subsidiary.

**Uncertain tax positions:** The Company has adopted the provisions of ASC 740-10, Accounting for Uncertainty in Income Taxes, which requires that each tax position meet a more likely than not test that the tax position will be sustained on examination by taxing authorities. As of December 31, 2023 and 2022, there are no liabilities recorded for uncertain tax positions.

**Advertising:** The Company expenses the costs of advertising as incurred. Direct-response advertising consists primarily of mailings focused on specific geographic areas. Advertising expense recorded for the years ended December 31, 2023, 2022 and 2021, were \$341,742, \$332,271 and \$128,511, respectively, and are included in selling, general and administrative expenses.

**Use of estimates:** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Leases:** The Company is a lessee in several operating leases, primarily for office equipment and office space. The Company accounts for leases in accordance with Topic 842, Leases. The Company determines if an arrangement is or contains a lease at contract inception. The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date for all material leases.

For operating and finance leases, the lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date. The lease liability is subsequently measured at amortized cost using the effective-interest method.

Key estimates and judgments include how the Company determines (1) the discount rate it uses to discount the unpaid lease payments to present value, (2) lease term and (3) lease payments.

**Note 2. Significant Accounting Policies (Continued)**

- Topic 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. Generally, the Company cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs. Therefore, the Company generally uses its incremental borrowing rate as the discount rate for the lease.
- The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. Because the Company does not generally borrow on a collateralized basis, it uses the interest rate it pays on its noncollateralized borrowings as an input to deriving an appropriate incremental borrowing rate, adjusted for the amount of the lease payments, the lease term, and the effect on that rate of designating specific collateral with a value equal to the unpaid lease payments for that lease.
- The lease term for all of the Company's leases includes the noncancelable period of the lease plus any additional periods covered by either a Company option to extend (or not to terminate) the lease that the Company is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.
- Lease payments included in the measurement of the lease liability comprise the following:
  - Fixed payments, including in-substance fixed payments, owed over the lease term (includes termination penalties the Company would owe if the lease term reflects the Company's exercise of a termination option);
  - Variable lease payments that depend on an index or rate, initially measured using the index or rate at the lease commencement date;
  - Amounts expected to be payable under a Company-provided residual value guarantee; and
  - The exercise price of a Company option to purchase the underlying asset if the Company is reasonably certain to exercise the option.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For finance leases, the ROU asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset to the Company or the Company is reasonably certain to exercise an option to purchase the underlying asset. In those cases, the ROU asset is amortized over the useful life of the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability.

## Sandler Systems, LLC

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

Variable lease payments associated with the Company's leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed occurs. Variable lease payments are presented as operating expense in the Company's consolidated statements of operations, member's deficit and retained earnings (deficit) in the same line item as expense arising from fixed lease payments (operating leases) or amortization of the ROU asset (finance leases).

ROU assets for operating and finance leases are occasionally reduced by impairment losses. The Company uses the long-lived assets impairment guidance in ASC 360-10, Property, Plant, and Equipment—Overall, to determine whether an ROU asset is impaired, and if so, the amount of the impairment loss to recognize.

The Company monitors for events or changes in circumstances that require a reassessment of one of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the ROU asset is reduced to zero and the remainder of the adjustment is recorded in profit or loss.

The Company has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognizes the lease payments associated with its short-term leases as an expense on a straight-line basis over the lease term. Variable lease payments associated with these leases are recognized and presented in the same manner as for all other Company leases. As a result, no ROU assets or lease liabilities were recorded as of December 31, 2023 and 2022.

For leases of office equipment, the Company has elected the practical expedient to account for the lease and non-lease maintenance components as a single lease component. Therefore, for those leases, the lease payments used to measure the lease liability include all the fixed consideration in the contract. The Company also elected to discount its office equipment lease liabilities using a risk-free rate.

Total expense for leases amounted to \$77,288, \$238,267 and \$290,932 for the years ended December 31, 2023, 2022 and 2021, respectively.

#### Note 3. Inventory

Inventory at December 31 of each year consisted of the following:

	2023	2022
Finished goods	\$ 229,775	\$ 215,011
Components	43,911	77,281
	<u>\$ 273,686</u>	<u>\$ 292,292</u>

## Sandler Systems, LLC

### Notes to Consolidated Financial Statements

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#### Note 4. Fixed Assets

Fixed assets consist of the following at December 31:

	2023		
	Cost	Accumulated Depreciation	Net Book Value
Furniture and fixtures	\$ 3,227	\$ 2,147	\$ 1,080
Machinery and equipment	715,948	581,070	134,878
Leasehold improvements	12,527	10,439	2,088
Website and software	3,196,132	1,443,613	1,752,519
	<u>\$ 3,927,834</u>	<u>\$ 2,037,269</u>	<u>\$ 1,890,565</u>

	2022		
	Cost	Accumulated Depreciation	Net Book Value
Furniture and fixtures	\$ 88,005	\$ 77,266	\$ 10,739
Machinery and equipment	739,150	491,320	247,830
Leasehold improvements	45,335	42,465	2,870
Website and software	1,102,260	956,845	145,415
Work in progress	1,199,164	-	1,199,164
	<u>\$ 3,173,914</u>	<u>\$ 1,567,896</u>	<u>\$ 1,606,018</u>

Work in progress at December 31, 2022, consisted of replacement of the Company's learning management system and e-commerce solution, and customer relationship management system utilized to efficiently track pipeline and deal status and be shared within the Company. Both systems were placed into service during 2023.

#### Note 5. Derivative Instruments and Hedging Activities

The Company entered into an interest rate-related derivative instrument to manage its interest rate exposure on its term loan payable. The Company does not enter into derivative instruments for any purpose other than cash flow hedging purposes. The Company does not speculate using derivative instruments.

By using derivative financial instruments to hedge exposures to changes in interest rates, the Company exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Company, which creates credit risk for the Company. When the fair value of a derivative contract is negative, the Company owes the counterparty, and therefore, it does not possess credit risk. The Company minimizes the credit risk in derivative instruments by entering into transactions with high-quality counterparties. Market risk is the adverse effect on the value of a derivative instrument that results from a change in interest rates. The market risk associated with interest-rate contracts is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

## Sandler Systems, LLC

### Notes to Consolidated Financial Statements

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#### Note 5. Derivative Instruments and Hedging Activities (Continued)

The Company assesses interest rate cash flow risk by continually identifying and monitoring changes in interest rate exposures that may adversely impact expected future cash flows and by evaluating hedging opportunities. The Company maintains risk management control systems to monitor interest rate cash flow risk attributable to both the Company's outstanding or forecasted debt obligations as well as the Company's offsetting hedge position. The risk management control systems involve the use of analytical techniques, including cash flow sensitivity analysis, to estimate the expected impact of changes in interest rates on the Company's future cash flows.

The Company has variable-rate Daily Simple Secured Overnight Financing Rate (SOFR) debt. The debt obligations expose the Company to variability in interest payments due to changes in interest rates. Management believes that it is prudent to limit the variability of a portion of its interest payments. To meet this objective, management entered into an SOFR-based interest rate swap agreement to manage fluctuations in cash flows resulting from changes in the SOFR benchmark interest rate. The swap changes the variable-rate cash flow exposure on the debt obligation to fixed cash flows. Under the terms of the interest rate swap, the Company receives SOFR-based variable interest rate payments and makes fixed interest rate payments, thereby creating the equivalent of fixed-rate debt for the notional amount of its debt hedged.

On June 27, 2022, the Company entered into a five-year interest rate swap with M&T Bank, to commence June 29, 2022. The Company has designated this interest rate swap as a hedge of its exposure to variability in future cash flows attributable to SOFR interest payments on its debt obligation with M&T Bank. The Company has determined this interest rate swap does not qualify for hedge accounting, and accordingly, the change in fair value is reflected in the consolidated statements of operations, member's deficit and retained earnings (accumulated deficit) as a change in fair value of derivative.

The following tables summarize the financial terms of the interest rate swap at December 31, 2023 and 2022:

Hedging Instrument	Original Notional	Current Notional	Receive Variable	Pay Fixed	Expiration	2023 Fair Value
Interest rate swap—			Daily simple			
M&T Bank	\$ 15,500,000	\$ 14,531,250	SOFR	3.27 %	July 6, 2027	\$ 175,351

Hedging Instrument	Original Notional	Current Notional	Receive Variable	Pay Fixed	Expiration	2022 Fair Value
Interest rate swap—			Daily simple			
M&T Bank	\$ 15,500,000	\$ 15,306,250	SOFR	3.27 %	July 6, 2027	\$ 326,658

## Sandler Systems, LLC

### Notes to Consolidated Financial Statements

#### Note 6. Fair Value Measurements

The following tables present the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) at December 31, 2023 and 2022.

		2023			
		Total	Quoted Prices in Active Markets for Identical Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:					
Interest rate swap	\$	175,351	\$ -	\$ 175,351	\$ -
		2022			
		Total	Quoted Prices in Active Markets for Identical Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:					
Interest rate swap	\$	326,658	\$ -	\$ 326,658	\$ -

The Company's policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 2 for the year ended December 31, 2023.

The following methods were used to estimate the fair values of each class of financial instrument measured:

**Interest rate swap agreement:** Fair value is determined through the use of models that consider various assumptions, including time value, yield curves, as well as other relevant economic measures, which are inputs that are classified as Level 2 in the valuation hierarchy defined by ASC 820.

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, unbilled accounts receivable, accounts payable, deferred revenue, accrued expenses, line of credit and long-term debt. Except for the long-term debt, the carrying amounts of these financial instruments approximate their fair value due to their short-term maturity. The long-term debt is carried at cost, which approximates its estimated fair value because borrowings accrue interest at floating market rates.

## Sandler Systems, LLC

### Notes to Consolidated Financial Statements

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#### Note 7. Related-Party Transactions

**Rent:** The Company rented an apartment space on a monthly basis from the previous stockholder of the Company until the termination of this arrangement in June 2022. The apartment space was used to house franchise coaches during their training seminars held in Owings Mills, Maryland. Annual expense related to this rent amounted to \$5,100 and \$10,200 in 2022 and 2021, respectively. There was no unpaid rent due to the previous stockholder at December 31, 2023 and 2022.

**Book royalties:** The Company has an agreement with an owner of Sandler Holdings, LLC and previous stockholder of the Company to pay him royalties based upon all books sold by the Company. Total book royalty expense incurred under this arrangement amounted to \$8,398, \$9,280 and \$12,040 for 2023, 2022 and 2021, respectively. Unpaid royalty amounts due under this arrangement at December 31, 2023 and 2022 amounted to \$588 and \$6,390, respectively.

**Management fees:** The Company incurred management fees of \$500,000, \$282,967 and \$0 for the years ended December 31, 2023, 2022 and 2021, respectively, to the PE owner. Management fee payable of \$500,000 and \$0 are included in accrued general expenses on the consolidated balance sheets as of December 31, 2023 and 2022, respectively.

#### Note 8. Line of Credit

On June 6, 2022, the Company entered into a revolving credit facility with M&T Bank for an amount up to \$7,500,000. The line of credit terminates in June 2027 and interest is payable on a variable rate that is based upon the Daily Simple SOFR (5.345% at December 31, 2023), plus the applicable margin per the credit agreement, and adjusts as the SOFR changes.

There was no outstanding balance on the line of credit at December 31, 2023 and 2022. There was no interest expense for the line of credit for the year ended December 31, 2023. The line of credit agreement contains nonfinancial and financial loan covenants the Company must meet.

#### Note 9. Debt

On December 18, 2020, the Company entered into a promissory note for \$4,000,000 with M&T Bank and used the proceeds to provide a distribution to the stockholder. The note accrued interest at a variable rate that was based upon the one-month LIBOR, plus 2.6%, and adjusted monthly on the last London Business Day of the month. M&T Bank reserved the right to round the one-month LIBOR in effect upward to the nearest 1/16th of 1%. As part of the transaction that occurred on June 6, 2022, the promissory note was repaid.

Interest expense for the above promissory note was \$0, \$46,126 and \$94,639 for the years ended December 31, 2023, 2022 and 2021, respectively.

On June 6, 2022, the Company entered into a new term loan with M&T Bank for \$31,000,000. The term loan matures in June 2027 and interest is payable on a variable rate that is based upon the Daily Simple SOFR (8.81% at December 31, 2023), plus the applicable margin per the credit agreement, and adjusts as the SOFR changes. The note requires quarterly payments of principal beginning on September 30, 2022 which increase over time. The Company capitalized loan costs associated with the term loan and is amortizing the costs over the life of the loan using the straight-line method, which approximates the effective interest method. Remaining unamortized capitalized loan costs included within long-term debt, net on the consolidated balance sheet was \$106,347 and \$137,347 at December 31, 2023 and 2022, respectively.

## Sandler Systems, LLC

### Notes to Consolidated Financial Statements

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#### Note 9. Debt (Continued)

Future maturities of long-term debt, including unpaid interest, are as follows:

2024	\$ 2,712,500
2025	4,262,500
2026	4,650,000
2027	13,050,000
	<u>\$ 24,675,000</u>

On March 27, 2023, the Company entered into an amendment of the credit agreement with M&T Bank which allowed for a modification to the terms of stated definitions within the agreement, waiver of financial covenant defaults occurring for the fiscal quarters ended September 30, 2022 and December 31, 2022, and the Company additionally made a payment of principal towards the loan of \$4,000,000 which was financed through subordinated promissory notes issued by the stockholders of the Company's member. The subordinated notes, plus accrued unpaid interest, are due in one lump sum on March 27, 2028. The notes bear interest compounded monthly on the unpaid principal and unpaid interest at a fixed rate of 8% per annum.

Paid-in-kind interest expense for the above promissory notes was \$252,311 for the year ended December 31, 2023.

On March 27, 2024, the Company entered into a second amendment of the credit agreement with M&T Bank which allowed for the issuance of subordinated notes issued by the stockholders of the Company's member. The proceeds of \$3,000,000 from the promissory notes were used towards a principal payment on the loan. The subordinated notes are due in one lump sum on March 22, 2029. The notes bear interest compounded monthly on the unpaid principal and unpaid interest at a fixed rate of 8% per annum.

On March 16, 2021, the Company entered into a Paycheck Protection Plan (PPP) term note for \$1,020,852 with M&T Bank and used the proceeds to provide payroll relief during the COVID-19 pandemic. The note accrued interest at a 1.0% fixed rate for the five-year term of the agreement. The note deferred payment for the first 16 months provided forgiveness is not approved upon application. The PPP note was forgiven in full in September 2021, upon approval by the U.S. Small Business Administration. The gain on extinguishment is recorded in the consolidated statements of operations, member's deficit and retained earnings (accumulated deficit).

#### Note 10. Defined Contribution Retirement Plan

The Company sponsors a 401(k) plan for all eligible employees. Under the plan, the Company is required to provide a 100% match on the first 3% of a participating employee's salary and 50% of the next 2% of salary that an employee contributes to the plan after the employee completes three months of service. The plan also allows the Company to make additional employer contributions to the plan at the Company's discretion. The employer contributions for the years ended December 31, 2023, 2022 and 2021, were \$343,211, \$379,515 and \$240,938, respectively.

#### Note 11. Legal Proceedings

The Company is involved, from time to time, in litigation and proceedings arising in the ordinary course of business. Management does not anticipate any unrecorded material losses to arise from legal proceedings to which the Company is a party.

## **Sandler Systems, LLC**

### **Notes to Consolidated Financial Statements**

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#### **Note 12. Subsequent Events**

The Company has evaluated subsequent events from the balance sheet date through April 22, 2024, the date at which the consolidated financial statements were available to be issued, and determined there are no other items to disclose.

As discussed in Note 9, the Company entered into additional subordinated notes payable agreements with related parties in March 2024. The proceeds from the agreements were used to partially repay the term loan with M&T Bank.

**SANDLER SYSTEMS, LLC**  
**UNAUDITED FINANCIAL STATEMENTS**  
**For the Six Months Ended June 30, 2024**

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION AS TO THE CONTENT OR FORM.

September 9, 2024

The accompanying balance sheet of Sandler Systems, LLC (successor by conversion to Sandler Systems, Inc.) as of June 30, 2024, and the related statement of income for the six months then ended, have been compiled by internal staff from the books and records of the Company. They are the representation of management and do not necessarily contain all of the disclosures required under Generally Accepted Accounting Standards. Accordingly, these statements are not designed for those who are not informed.



Luke Blazejak  
*Chief Financial Officer*

**SANDLER SYSTEMS, LLC**  
**CONSOLIDATED - SUMMARY**  
**STATEMENT OF INCOME**  
For the Current Month and the 6 Months Ended 6/30/2024

CURRENT MONTH THIS YEAR		CURRENT MONTH LAST YEAR		VARIANCE	CURRENT MONTH BUDGET		VARIANCE	CURRENT YEAR-TO-DATE	PRIOR YEAR-TO-DATE	VARIANCE	BUDGET YEAR-TO-DATE	VARIANCE				
<b>REVENUES:</b>																
398,294		417,808		(19,514)	461,510		(63,216)	Revenue Share Income	3,032,021		3,069,819	(37,798)				
308,961		303,362		5,599	310,016		(1,055)	Monthly Fees	1,833,775		1,834,140	(364)				
67,986		47,853		20,133	70,000		(2,014)	Product Sales	455,090		529,232	(74,142)				
34,124		58,376		(24,252)	50,000		(15,876)	Outmatch Revenue	244,951		330,707	(85,757)				
84,068		69,373		14,695	80,833		3,235	Royalty	541,336		421,062	120,274				
68,484		66,863		1,622	68,372		112	National Marketing Program Revenue	403,544		402,891	653				
100,187		12,271		87,916	49,000		51,187	Initial Franchise Fees	254,675		139,588	115,088				
31,080		17,661		13,419	13,333		17,747	Transfer Fees	68,580		86,000	(17,420)				
28,642		30,476		(1,835)	32,546		(3,904)	Email Revenue	184,651		190,490	(5,839)				
500		(1,025)		1,525	2,500		(2,000)	Connect and Sell	7,938		7,350	588				
132,000		130,812		1,188	136,500		(4,500)	Zoom Info	138,000		130,812	7,188				
9,359		12,100		(2,741)	12,395		(3,036)	Other Assessment Revenue	75,133		76,700	(1,567)				
-		414		(414)	424		(424)	Digital Library	1,652		6,357	(4,704)				
13,895		13,790		105	14,560		(665)	Sitelets	83,469		83,659	(190)				
6,250		6,350		(100)	6,650		(400)	National Newsletter Revenue	37,822		38,706	(884)				
-		-		-	-		-	Other Franchise Revenue	430		430	-				
52,473		70,895		(18,422)	72,753		(20,280)	SSI Canada Revenue	399,932		386,141	13,790				
11,600		-		11,600	33,333		(21,733)	Talogy Assessment Revenue	85,500		-	85,500				
1,875		(2,523)		4,398	4,000		(2,125)	HubSpot Reseller Program	13,036		2,523	10,513				
<b>1,349,778</b>	<b>46.7%</b>	<b>1,254,856</b>	<b>39.7%</b>	<b>94,922</b>	<b>1,418,726</b>	<b>44.9%</b>	<b>(68,948)</b>	<b>Franchise Ops Revenue</b>	<b>7,861,534</b>	<b>53.7%</b>	<b>7,769,415</b>	<b>51.7%</b>	<b>92,119</b>	<b>8,294,608</b>	<b>50.7%</b>	<b>(433,074)</b>
949,868		1,357,810		(407,942)	1,125,000		(175,132)	Enterprise IP Revenue	3,729,547		3,484,588	244,959	4,050,000	(320,453)		
399,572		532,020		(132,448)	436,500		(36,927)	Enterprise Service Revenue	2,313,665		3,694,591	(1,380,926)	2,878,149	(564,485)		
131,180		-		131,180	87,300		43,880	Enterprise Assessment Revenue	446,080		-	446,080	575,630	(129,550)		
50,000		-		50,000	21,825		(21,825)	Enterprise DealIQ Revenue	-		-	143,907	(143,907)			
10,679		17,866		(7,187)	62,500		(12,500)	CoachEm License Revenue	201,000		-	201,000	375,000	(174,000)		
<b>1,541,299</b>	<b>53.3%</b>	<b>1,907,697</b>	<b>60.3%</b>	<b>(366,397)</b>	<b>1,740,124</b>	<b>55.1%</b>	<b>(198,825)</b>	<b>EAD Revenue</b>	<b>80,696</b>	<b>46.3%</b>	<b>69,254</b>	<b>48.3%</b>	<b>11,342</b>	<b>8,064,687</b>	<b>49.3%</b>	<b>(1,293,699)</b>
<b>2,891,077</b>		<b>3,162,553</b>		<b>(271,476)</b>	<b>3,158,851</b>		<b>(267,773)</b>	<b>Total Revenues</b>	<b>14,632,522</b>		<b>15,017,948</b>	<b>(385,426)</b>	<b>16,359,295</b>	<b>(1,726,773)</b>		
<b>COST OF SALES:</b>																
32,085	47.2%	35,685	74.6%	3,600	39,375	56.3%	7,290	Product COGS	228,230	50.2%	327,013	62%	98,784	236,250	56.3%	8,020
28,515	83.6%	40,061	68.6%	11,546	30,000	60.0%	1,485	Outmatch Cost	154,155	62.9%	285,160	86.2%	131,005	180,000	60.0%	25,845
15,545	54.3%	13,534	44.4%	(2,011)	13,000	39.9%	(2,545)	Email COGS	93,067	50.4%	76,873	40.4%	(16,194)	78,000	39.9%	(15,067)
114,680	86.9%	114,913	87.8%	233	136,500	100.0%	21,820	Zoom info COGS	114,680	83.1%	132,005	100.9%	17,325	136,500	100.0%	21,820
18,899	136.0%	11,560	83.8%	(7,339)	11,340	77.9%	(7,559)	Sitelets COGS	78,934	94.6%	69,360	82.9%	(9,574)	68,040	77.9%	(10,894)
-	0.0%	-	0.0%	-	-	0.0%	-	Connect and Sell COGS	-	0.0%	-	0.0%	-	-	0.0%	-
4,649	6.8%	4,209	8.8%	(440)	16,667	23.8%	12,017	Product Development - Ops	104,043	22.9%	30,498	5.8%	(73,545)	100,000	23.8%	(4,043)
506	#DIV/0!	763	184.3%	257	246	58.0%	(260)	Digital Library COGS	5,016	303.6%	10,238	161.1%	5,222	3,777	58.0%	(1,239)
1,320	1.6%	650	0.9%	(670)	1,000	1.2%	(320)	Product Royalty Commissions	8,408	1.6%	5,300	1.3%	(3,107)	6,000	1.2%	(2,408)
5,838	50.3%	-	0.0%	(5,838)	13,333	40.0%	7,495	Talogy COGS	40,645	47.5%	-	0.0%	(40,645)	65,000	40.0%	24,355
86	0.2%	393	6.2%	307	4,167	62.7%	4,081	SSI Canada COGS	1,091	2.9%	16,025	41.4%	14,934	25,000	62.7%	23,909
<b>222,123</b>	<b>16.5%</b>	<b>221,768</b>	<b>17.7%</b>	<b>(354)</b>	<b>265,628</b>	<b>18.7%</b>	<b>43,505</b>	<b>Franchise Ops Cost of Sales</b>	<b>828,268</b>	<b>10.5%</b>	<b>952,473</b>	<b>12.3%</b>	<b>124,205</b>	<b>898,567</b>	<b>10.8%</b>	<b>70,299</b>
<b>83.5%</b>		<b>82.3%</b>			<b>81.3%</b>			<b>Franchise Ops Margin Percentage</b>	<b>89.5%</b>		<b>87.7%</b>		<b>89.2%</b>			
25,442	1.9%	144,836	9.3%	119,394	234,225	15.0%	208,783	Split Commissions - Enterprise	650,342	10.8%	938,041	13.1%	287,700	1,039,222	15.0%	388,881
94,338	23.6%	90,367	37.5%	(3,971)	75,975	17.4%	(18,363)	Training Fees - Enterprise	538,873	23.3%	551,191	14.9%	12,318	494,722	17.2%	(44,151)
31,435	7.9%	18,230	6.0%	(13,205)	21,825	5.0%	(9,610)	Training Material - Enterprise	240,714	10.4%	124,487	3.4%	(116,227)	143,907	5.0%	(96,807)
-	0.0%	-	0.0%	-	-	0.0%	-	Shipping Cost - Enterprise	-	0.0%	-	0.0%	-	-	0.0%	-
18,090	13.8%	-	0.0%	(18,090)	54,562	62.5%	36,472	Enterprise Assessment COGS	208,690	46.8%	-	0.0%	(208,690)	359,769	62.5%	151,079
4,649	0.3%	4,209	2.3%	(440)	16,667	1.1%	(12,017)	Product Development - Enterprise	104,043	1.7%	20,498	0.4%	(73,545)	100,000	1.4%	(4,043)
<b>173,954</b>	<b>11.3%</b>	<b>257,643</b>	<b>13.5%</b>	<b>83,688</b>	<b>403,254</b>	<b>23.2%</b>	<b>229,300</b>	<b>EAD Cost of Sales</b>	<b>1,742,662</b>	<b>25.7%</b>	<b>1,644,218</b>	<b>22.7%</b>	<b>(98,444)</b>	<b>2,137,621</b>	<b>26.5%</b>	<b>394,959</b>
<b>86.5%</b>		<b>86.5%</b>			<b>76.8%</b>			<b>EAD Margin Percentage</b>	<b>74.3%</b>		<b>77.3%</b>		<b>73.5%</b>			
<b>396,077</b>	<b>13.7%</b>	<b>479,411</b>	<b>15.2%</b>	<b>83,334</b>	<b>668,882</b>	<b>21.2%</b>	<b>272,805</b>	<b>Total Cost of Sales</b>	<b>2,570,930</b>	<b>17.6%</b>	<b>2,596,691</b>	<b>17.3%</b>	<b>25,762</b>	<b>3,036,188</b>	<b>18.6%</b>	<b>465,258</b>
<b>2,495,001</b>	<b>86.3%</b>	<b>2,683,142</b>	<b>84.8%</b>	<b>(188,141)</b>	<b>2,489,969</b>	<b>78.8%</b>	<b>5,032</b>	<b>Gross Profit (Loss)</b>	<b>12,061,592</b>	<b>82.4%</b>	<b>12,421,257</b>	<b>82.7%</b>	<b>(359,665)</b>	<b>13,323,107</b>	<b>81.4%</b>	<b>(1,261,515)</b>

**CONSOLIDATED - SUMMARY  
STATEMENT OF INCOME**  
For the Current Month and the 6 Months Ended 6/30/2024

CURRENT MONTH THIS YEAR		CURRENT MONTH LAST YEAR		VARIANCE	CURRENT MONTH BUDGET		VARIANCE	CURRENT YEAR-TO-DATE	PRIOR YEAR-TO-DATE	VARIANCE	BUDGET YEAR-TO-DATE	VARIANCE				
<b>EXPENSES:</b>																
804,785	27.8%	906,493	28.7%	101,708	915,620	29.0%	110,835	Employee Costs:	5,050,036	34.5%	5,365,800	35.7%	315,764	5,465,066	33.4%	415,029
37,505	1.3%	8,789	0.3%	(28,716)	75,000	2.4%	37,495	Salaries and Wages	280,207	1.9%	167,319	1.1%	(112,888)	375,000	2.3%	94,793
59,010	2.0%	58,392	1.8%	(617)	82,406	2.6%	23,396	Employee Commissions	401,401	2.7%	425,988	2.8%	24,587	491,856	3.0%	90,455
51,593	1.8%	53,624	1.7%	2,031	64,093	2.0%	12,500	Employee Benefits	396,724	2.7%	426,755	2.8%	30,030	382,555	2.3%	(14,170)
4,536	0.2%	1,090	0.0%	(3,447)	2,750	0.1%	(1,786)	Payroll Taxes	12,826	0.1%	1,189	0.0%	(11,637)	16,500	0.1%	3,674
-	0.0%	-	0.0%	-	833	0.0%	833	Employee Training/Development	10,612	0.1%	854	0.0%	(9,758)	5,000	0.0%	(5,612)
227	0.0%	210	0.0%	(17)	-	0.0%	(227)	Temporary Labor and Agency Fees	969	0.0%	12,997	0.1%	12,028	-	0.0%	(969)
<b>957,656</b>	<b>33.1%</b>	<b>1,028,598</b>	<b>32.5%</b>	<b>70,942</b>	<b>1,140,703</b>	<b>36.1%</b>	<b>183,047</b>	<b>Total Employee Costs</b>	<b>6,152,776</b>	<b>42.0%</b>	<b>6,400,901</b>	<b>42.6%</b>	<b>248,126</b>	<b>6,735,976</b>	<b>41.2%</b>	<b>583,201</b>
71,798	2.5%	86,461	2.7%	14,663	50,000	1.6%	(21,798)	General Office Expense:	453,672	3.1%	391,579	2.6%	(62,093)	330,000	2.0%	(123,672)
2,943	0.1%	11,349	0.4%	8,406	4,000	0.1%	1,057	Computer Software & Supplies	17,487	0.1%	110,054	0.7%	92,567	24,000	0.1%	6,513
681	0.0%	1,319	0.0%	638	1,800	0.1%	1,119	Rent, Utilities and Janitorial	5,992	0.0%	10,428	0.1%	4,435	10,800	0.1%	4,808
4,698	0.2%	5,377	0.2%	678	4,500	0.1%	(198)	Office Supplies	18,936	0.1%	24,867	0.2%	5,931	27,000	0.2%	8,064
216	0.0%	2,972	0.1%	2,756	1,000	0.0%	784	Telephone and Internet	5,433	0.0%	7,959	0.1%	2,527	6,000	0.0%	567
481	0.0%	885	0.0%	404	1,400	0.0%	919	Postage	2,556	0.0%	7,704	0.1%	5,147	8,400	0.1%	5,844
4,892	0.2%	3,634	0.1%	(1,258)	3,000	0.1%	(1,892)	Equipment Rent/Maintenance	15,896	0.1%	20,351	0.1%	4,455	18,000	0.1%	2,104
<b>85,710</b>	<b>3.0%</b>	<b>111,996</b>	<b>3.5%</b>	<b>26,286</b>	<b>65,700</b>	<b>2.1%</b>	<b>(20,010)</b>	<b>Total General Office Expense</b>	<b>519,973</b>	<b>3.6%</b>	<b>572,942</b>	<b>3.8%</b>	<b>52,969</b>	<b>424,200</b>	<b>2.6%</b>	<b>(95,773)</b>
31,306	1.1%	38,418	1.2%	7,113	30,000	0.9%	(1,306)	Travel Related Expenses:	237,680	1.6%	198,707	1.3%	(38,973)	200,000	1.2%	(37,680)
3,929	0.1%	3,613	0.1%	(316)	7,000	0.2%	3,071	Travel	48,432	0.3%	32,991	0.2%	(15,441)	42,000	0.3%	(6,432)
2,000	0.1%	1,000	0.0%	(1,000)	1,300	0.0%	(700)	Meals and Entertainment	12,000	0.1%	6,000	0.0%	(6,000)	7,800	0.0%	(4,200)
-	0.0%	-	0.0%	-	500	0.0%	500	Auto	-	0.0%	117	0.0%	117	3,000	0.0%	3,000
<b>37,235</b>	<b>1.3%</b>	<b>43,032</b>	<b>1.4%</b>	<b>5,797</b>	<b>38,800</b>	<b>1.2%</b>	<b>1,565</b>	<b>Total Travel Related Expense</b>	<b>298,112</b>	<b>2.0%</b>	<b>237,815</b>	<b>1.6%</b>	<b>(60,297)</b>	<b>252,800</b>	<b>1.5%</b>	<b>(45,312)</b>
3,290	0.1%	16,599	0.5%	13,309	15,000	0.5%	11,710	Other Operating Expenses:	47,698	0.3%	121,885	0.8%	74,187	90,000	0.6%	42,302
41,667	1.4%	41,667	1.3%	-	41,667	1.3%	-	Outsourced Services	250,000	1.7%	280,429	1.9%	30,429	250,000	1.5%	-
41,667	1.4%	41,667	1.3%	-	41,667	1.3%	-	Transaction Costs	250,000	1.7%	250,000	1.7%	-	250,000	1.5%	-
32,254	1.1%	29,719	0.9%	(2,535)	20,000	0.6%	(12,254)	Management Fees	235,588	1.6%	196,846	1.3%	(38,742)	200,000	1.2%	(35,588)
56,340	1.9%	-	0.0%	(56,340)	10,000	0.3%	(46,340)	Technology Consulting	74,340	0.5%	96,000	0.6%	21,660	130,000	0.8%	55,660
32,198	1.1%	58,447	1.8%	26,249	35,000	1.1%	2,802	Recruiting Fees	183,539	1.3%	266,593	1.8%	83,054	210,000	1.3%	26,461
54,280	1.9%	38,700	1.2%	(15,580)	55,000	1.7%	720	Legal and Accounting	311,809	2.1%	253,661	1.7%	(58,148)	330,000	2.0%	18,191
65,892	2.3%	81,504	2.6%	(15,612)	59,500	1.9%	(6,392)	National Marketing Program Expense	347,585	2.4%	315,248	2.1%	(32,337)	357,000	2.2%	9,415
4,000	0.1%	1,787	0.1%	(2,213)	10,000	0.3%	6,000	Marketing	57,500	0.4%	1,787	0.0%	(55,713)	20,000	0.1%	(37,500)
(2,553)	-0.1%	3,961	0.1%	6,513	5,000	0.2%	7,553	Selling Expenses	98,178	0.7%	454,320	3.0%	356,142	200,000	1.2%	101,822
17,967	0.6%	26,107	0.8%	8,140	23,000	0.7%	5,033	Conferences	127,537	0.9%	141,382	0.9%	13,845	138,000	0.8%	10,463
8,066	0.3%	8,839	0.3%	773	10,000	0.3%	1,934	Insurance	60,573	0.4%	69,091	0.5%	8,518	60,000	0.4%	(573)
16,874	0.6%	35,904	1.1%	19,030	25,000	0.8%	8,126	Credit Card Charges	139,683	1.0%	183,708	1.2%	44,025	150,000	0.9%	10,317
10,000	0.3%	62,000	2.0%	52,000	19,500	0.6%	9,500	Franchise Recruitment	92,000	0.6%	72,000	0.5%	(20,000)	117,000	0.7%	25,000
495	0.0%	495	0.0%	-	500	0.0%	5	Brokerage/Referral Fees	2,475	0.0%	2,870	0.0%	395	3,000	0.0%	525
-	0.0%	-	0.0%	-	200	0.0%	200	Trade Shows	-	0.0%	2,019	0.0%	2,019	1,200	0.0%	1,200
2,959	0.1%	4,188	0.1%	1,229	5,000	0.2%	2,041	Initial Training	27,081	0.2%	37,326	0.2%	10,245	30,000	0.2%	2,919
7,642	0.3%	1,596	0.1%	(6,046)	5,000	0.2%	(2,642)	Dues and Subscriptions	38,194	0.3%	21,085	0.1%	(17,108)	30,000	0.2%	(8,194)
287	0.0%	2,575	0.1%	2,288	2,000	0.1%	1,713	Taxes Withheld	6,656	0.0%	8,184	0.1%	1,528	12,000	0.1%	5,344
3,828	0.1%	10,599	0.3%	6,771	4,500	0.1%	672	Promos, Giveaways, Premiums	29,841	0.2%	27,576	0.2%	(2,265)	27,000	0.2%	(2,841)
(4,367)	-0.2%	(266,055)	-8.4%	(261,688)	-	0.0%	4,367	Bank Service Charges	(163,172)	-1.1%	(96,810)	-0.6%	66,362	-	0.0%	163,172
60	0.1%	76	0.1%	16	-	0.0%	(60)	(Gain)/Loss on FV of Interest Rate SWAP	2,718	0.0%	8,938	1.6%	6,220	-	0.0%	(2,718)
16,922	0.6%	20,177	0.6%	3,256	15,000	0.5%	(1,922)	Other (Gains) Losses	88,857	0.6%	81,055	0.5%	(7,802)	90,000	0.6%	1,143
-	0.0%	(4,992)	-0.2%	(4,992)	-	0.0%	-	Miscellaneous (Income) Expenses	(24,963)	-0.2%	91,063	0.6%	116,025	-	0.0%	24,963
26,928	0.9%	88,492	2.8%	61,565	3,000	0.1%	(23,928)	Bad Debt	120,766	0.8%	(41,841)	-0.3%	(162,607)	18,000	0.1%	(102,766)
(4,828)	-0.2%	(4,123)	-0.1%	705	-	0.0%	4,828	Reserve - Uncollectible Fees	(43,109)	-0.3%	(33,397)	-0.2%	9,713	-	0.0%	43,109
180,611	6.2%	201,196	6.4%	20,585	200,000	6.3%	19,389	Interest Income	1,110,075	7.6%	1,141,957	7.6%	31,882	1,200,000	7.3%	89,925
105,768	3.7%	56,303	1.8%	(49,466)	70,000	2.2%	(35,768)	Interest Expense	625,425	4.3%	337,948	2.3%	(287,476)	420,000	2.6%	(205,425)
-	0.0%	700	0.0%	700	5,000	0.2%	5,000	Depreciation/Amortization	18,750	0.1%	40,394	0.3%	21,644	30,000	0.2%	11,250
<b>718,247</b>	<b>24.9%</b>	<b>558,127</b>	<b>17.7%</b>	<b>(160,119)</b>	<b>680,533</b>	<b>21.5%</b>	<b>(37,713)</b>	<b>Total Other Operating Expense</b>	<b>4,115,624</b>	<b>28.6%</b>	<b>4,331,319</b>	<b>30.3%</b>	<b>215,695</b>	<b>4,363,200</b>	<b>26.7%</b>	<b>247,576</b>
<b>1,798,847</b>	<b>62.2%</b>	<b>1,741,753</b>	<b>55.1%</b>	<b>(57,094)</b>	<b>1,925,736</b>	<b>61.0%</b>	<b>126,889</b>	<b>Total Expenses</b>	<b>11,086,485</b>	<b>75.8%</b>	<b>11,542,979</b>	<b>76.9%</b>	<b>456,494</b>	<b>11,776,176</b>	<b>72.0%</b>	<b>689,692</b>
<b>696,154</b>	<b>24.1%</b>	<b>941,389</b>	<b>43.3%</b>	<b>(245,236)</b>	<b>564,233</b>	<b>16.3%</b>	<b>131,921</b>	<b>Net Profit (Loss)</b>	<b>975,107</b>	<b>26.8%</b>	<b>878,278</b>	<b>27.5%</b>	<b>96,829</b>	<b>1,546,931</b>	<b>16.4%</b>	<b>(571,823)</b>
-	-	700	(700)	-	5,000	(5,000)	-	Income Taxes	18,750	-	40,394	-	(21,644)	30,000	-	(11,250)
105,768	3.7%	56,303	1.8%	(49,466)	70,000	2.2%	(35,768)	Depreciation/Amortization	625,425	4.3%	337,948	2.3%	(287,476)	420,000	2.6%	(205,425)
180,611	6.2%	201,196	6.4%	20,585	200,000	6.3%	19,389	Interest Expense	1,110,075	7.6%	1,141,957	7.6%	31,882	1,200,000	7.3%	89,925
(4,367)	(266,055)	261,688	(705)	-	-	-	(4,367)	(Gain)/Loss on FV of Interest Rate SWAP	(163,172)	(1.1%)	(96,810)	(0.6%)	66,362	-	0.0%	(163,172)
(4,828)	(4,123)	(705)	-	-	-	-	(4,828)	Interest Income	(43,109)	(0.3%)	(33,397)	(0.2%)	9,713	-	0.0%	(43,109)
<b>973,338</b>	<b>33.7%</b>	<b>929,411</b>	<b>29.4%</b>	<b>43,928</b>	<b>839,233</b>	<b>26.6%</b>	<b>134,105</b>	<b>EBITDA</b>	<b>2,523,076</b>	<b>17.2%</b>	<b>2,268,372</b>	<b>15.1%</b>	<b>254,705</b>	<b>3,196,931</b>	<b>19.5%</b>	<b>(673,854)</b>
41,667	-	41,667	-	-	41,667	-	-	Transaction Costs	250,000	-	280,429	-	(30,429)	250,000	-	-
41,667	-	41,667	-	-	41,667	-	-	Management Fees	250,000	-	250,000	-	-	250,000	-	-
-	-	-	-	-	-	-	-	Office Relocation Expenses	-	-	25,068	-	(25,068)	-	-	
-	-	17,732	(17,732)	-	-	-	-	Severance Expense	45,000	-	93,683	-	(48,683)	-	45,000	
<b>83,333</b>	<b>-</b>	<b>101,065</b>	<b>(17,732)</b>	<b>83,333</b>	<b>83,333</b>	<b>-</b>	<b>-</b>	<b>EBITDA Adjustments</b>	<b>545,000</b> </							

**SANDLER SYSTEMS, LLC**  
**CONSOLIDATED BALANCE SHEET**  
**6/30/2024**

<u>ASSETS</u>	<u>6/30/2024</u>	<u>5/31/2024</u>	<u>12/31/2023</u>	<u>Change from Prior Month</u>	<u>Change from Prior Year</u>
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 738,276	\$ 1,242,082	\$ 1,815,998	\$ (503,806)	\$ (1,077,722)
Accounts Receivable - General	3,218,408	1,971,723	1,294,710	1,246,685	1,923,698
Less: Allowance for Accounts Receivable	(142,518)	(115,590)	(37,332)	(26,928)	(105,186)
Notes Receivable from Franchisees	27,139	29,311	23,750	(2,173)	3,388
Less: Allowance for Notes Receivable	(27,139)	(27,139)	(11,559)	-	(15,580)
Unbilled AR	2,769,602	2,540,369	2,477,226	229,233	292,376
Accounts Receivable - Other	687,192	742,296	622,575	(55,104)	64,617
Inventory	264,302	273,182	273,570	(8,880)	(9,268)
Prepaid Expenses	824,601	810,950	829,236	13,650	(4,635)
<b>Total Current Assets</b>	<b>8,359,863</b>	<b>7,467,185</b>	<b>7,288,175</b>	<b>892,678</b>	<b>1,071,688</b>
<b>Fixed Assets:</b>					
Work in Progress	100,168	95,688	-	4,480	100,168
Property, Plant and Equipment	3,082,738	3,036,920	3,927,832	45,818	(845,094)
Less: Accumulated Depreciation	(1,416,580)	(1,340,318)	(2,037,269)	(76,263)	620,688
<b>Total Fixed Assets</b>	<b>1,766,325</b>	<b>1,792,291</b>	<b>1,890,564</b>	<b>(25,966)</b>	<b>(124,238)</b>
<b>Other Assets:</b>					
Intangible Assets	634,603	661,525	796,137	(26,922)	(161,534)
Goodwill	1,111,915	1,111,915	1,111,915	-	-
Interest Rate SWAP Asset	338,523	334,156	175,351	4,367	163,172
Other Assets	43,917	43,879	42,216	38	1,701
<b>Total Other Assets</b>	<b>2,128,958</b>	<b>2,151,475</b>	<b>2,125,619</b>	<b>(22,517)</b>	<b>3,338</b>
<b>TOTAL ASSETS</b>	<b>\$ 12,255,146</b>	<b>\$ 11,410,951</b>	<b>\$ 11,304,358</b>	<b>\$ 844,195</b>	<b>\$ 950,789</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	\$ 210,178	\$ 113,134	\$ 410,107	\$ 97,045	\$ (199,929)
Accrued General Expenses	1,204,928	956,846	1,055,546	248,082	149,382
Accrued Legal and Accounting Expenses	159,630	142,964	200,000	16,667	(40,370)
Accrued Payroll and Bonuses	1,762,382	1,594,992	1,222,137	167,390	540,246
Accrued Commissions	33,476	37,164	26,172	(3,687)	7,304
Deferred Revenues - Enterprise	2,218,235	1,756,966	1,583,045	461,269	635,189
Deferred Revenues - Other	189,586	225,742	341	(36,156)	189,245
Deposits on New Franchises	-	98,000	-	(98,000)	-
Loan Payable - Term Loan	3,487,500	3,100,000	2,712,500	387,500	775,000
Interest Payable	130,511	135,490	159,761	(4,979)	(29,249)
Miscellaneous Deposits	137,616	108,645	514,344	28,970	(376,729)
<b>Total Current Liabilities</b>	<b>9,534,042</b>	<b>8,269,942</b>	<b>7,883,953</b>	<b>1,264,100</b>	<b>1,650,089</b>
<b>Long-Term Liabilities:</b>					
Long Term Portion of Term Loan	16,934,153	18,094,069	21,856,153	(1,159,917)	(4,922,000)
Promissory Note (incl. Interest) - DHM	3,685,396	3,661,322	2,657,694	24,074	1,027,702
Promissory Note (incl. Interest) - MRE	3,805,698	3,780,838	1,594,617	24,860	2,211,082
<b>Total Long-Term Liabilities</b>	<b>24,425,247</b>	<b>25,536,229</b>	<b>26,108,464</b>	<b>(1,110,982)</b>	<b>(1,683,217)</b>
<b>TOTAL LIABILITIES</b>	<b>33,959,289</b>	<b>33,806,171</b>	<b>33,992,417</b>	<b>153,119</b>	<b>(33,127)</b>
<b>EQUITY</b>					
Retained Earnings / (Member's Deficit)	(21,704,143)	(22,395,220)	(22,688,059)	691,077	983,916
<b>TOTAL EQUITY</b>	<b>(21,704,143)</b>	<b>(22,395,220)</b>	<b>(22,688,059)</b>	<b>691,077</b>	<b>983,916</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 12,255,146</b>	<b>\$ 11,410,951</b>	<b>\$ 11,304,358</b>	<b>\$ 844,195</b>	<b>\$ 950,789</b>

## EXHIBIT C

All Franchisees of Sandler Systems, LLC in the U.S. as of December 31, 2023:

### ALABAMA

Kristine Sizemore and Associates Inc.  
Kristine & Alton Sizemore  
4524 Southlake Parkway  
Birmingham, AL 35244  
205-306-8164

### ARIZONA

Mike Toney  
2929 East Camelback Road, Suite 117  
Phoenix, AZ 85016  
602-840-0003

Neuberger & Company, Inc.  
Matthew Neuberger  
20715 North Pima Road, Suite 108  
Scottsdale, AZ 85255  
443-418-8419

Best Sales Force, Inc.  
Brad Ferguson  
15876 N. 76<sup>th</sup> Street, Suite 110  
Scottsdale, AZ 85260  
480-481-5000

### CALIFORNIA

Flywheel Performance Management, Inc.  
Michael & Michelle Gordon  
21255 Burbank Blvd., Suite 120  
Woodland Hills, CA 91367  
310-433-3151

Silicon Valley Sales Group, Inc.  
David Cowan  
663 Bucher Avenue  
Santa Clara, CA 95051  
408-396-3100

Castle Lion Consulting  
Michael Castiglione  
8162 Manitoba Street, Unit 318  
Playa del Rey, CA 90293  
716-574-4366

Saia Sales Leadership LLC  
Matthew Saia  
4993 Estero Way  
El Dorado Hills, CA 95762  
916-932-3502

K Curtin Consulting Inc.  
Kaysi Curtin  
Bitwise South Stadium  
700 Van Ness  
Fresno, CA 93721  
559-283-4642

Bailey Marketing Concepts, Inc.  
Scott Bailey  
5151 California Avenue, Suite 100  
Irvine, CA 92617  
949-263-0640

Menett Afner  
5150 E. Pacific Coast Highway, Suite 209  
Long Beach, CA 90804  
562-986-4144

Larry Thomas  
609 Deep Valley Drive, Suite 200  
Rolling Hills Estates, CA 90274  
310-283-9628

The Sales Revenue Group  
Brian Jackson  
9920 Pacific Heights Boulevard, Suite 150  
San Diego, CA 92121  
619-368-6215

Time Well Spindt, Inc.  
Kevin Spindt  
824 Kingston Court  
San Diego, CA 92109  
(858) 945-6778

#### COLORADO

Topline Growth, LLC  
Edward K. Kerr  
201 E. 4<sup>th</sup> Street, #51  
Loveland, CO 80537  
970-292-8490

SalesGrowth MD, Inc.  
Charles Terry  
384 Inverness Parkway, Suite 110  
Englewood, CO 80112  
303-734-7161

#### CONNECTICUT

Peak Sales Performance, LLC  
Robert Carbonella  
6 Waterside Drive  
Building 10, Suite 105  
Farmington, CT 06032  
203-379-8330

Joseph Diliberto  
1111 Broadway, 3<sup>rd</sup> Floor, Suite 300  
Oakland, CA 94607  
510-967-7446

Full Sales Training and Development LLC  
Dale E. Bierce  
Sacramento, CA  
916-307-7979

Coffman Group, LLC  
Eric Dunn  
374 N. Coast Highway 101  
Encinitas, CA 92024  
760-305-3213

New Heights Training and Consulting  
Jeffrey D. Borovitz  
114 Sansome Street, Suite 1320  
San Francisco, CA 94104  
408-314-7395

Achievement Dynamics, Inc.  
Brian McDevitt  
3600 S. Yosemite Street, Suite 310  
Denver, CO 80237  
303-741-5200

TEM Associates Inc.  
Steve Taback  
35 Cold Spring Road, Unit 421  
Rocky Hill, CT 06067  
860-563-0480

## DELAWARE

The J. Taibi Group, LLC  
Judy Taibi  
1521 Concord Pike, Suite 301  
Wilmington, DE 19803  
302-377-6435

## FLORIDA

RC Howard & Associates, LLC  
Robert C. Howard  
Key West Center  
2706 US Alt-19, Suite 314  
Palm Harbor, FL 34683  
727-299-0332

Masterminds Consulting, Inc.  
Roberto Pupkin Ratinoff  
3211 Ponce De Leon Blvd., Suite 200  
Coral Gables, FL 33134  
305-450-1409

The Ruby Group, LLC  
Mike Jones, Ken and Margaret Guest, Jordan  
Mullet, Amanda Caruso, Jason Reynolds  
8825 Perimeter Park Blvd., Suite 503  
Jacksonville, FL 32216  
330-929-9449

Payne, Train & Gain Limited Liability  
Company  
Toby C. Payne  
1800 Pembroke Drive, Suite 130  
Orlando, FL 32801  
603-320-2291

Absolute Sales Development, Inc.  
Carlos Garrido  
15601 SW 82<sup>nd</sup> Avenue  
Miami, FL 33157  
786-835-8472

Tampa Bay Sales Development, LLC  
Jim Marshall/Clint Babcock  
3030 North Rocky Point Drive West, Ste 150  
Tampa, FL 33607-5901  
813-287-1500

MakingLuck Inc.  
Timothy R. Goering  
Nova SE University  
11501 North Military Trail  
Palm Beach Gardens, FL 33410  
561-427-3945

Raise Your Revenue, LLC  
Richard O. Crooke, Jr.  
Boca Raton, FL  
954-304-4984

## GEORGIA

Sales Engine, LLC  
Mark McGraw  
3155 North Point Parkway, Suite D-120  
Alpharetta, GA 30005  
770-475-2799

Ascent Training, Inc.  
Theodore A. Rykoski, Jr.  
5825 Glenridge Drive NE  
Building 1, Suite 214  
Sandy Spring, GA 30328  
770-462-2020

Alderman, Hockaday & Associates, LLC  
Timothy Alderman  
809 Muirfield Trail  
Marietta, GA 30068  
406-157-0272

Neuberger and Company, Inc.  
Matthew Neuberger  
Atlanta, GA  
443-418-8419  
(Transfer from Simon, Inc./Al Simon)

Sales Sellutions360, LLC  
Amy Sulka  
Atlanta, GA  
678-521-9789

All In Selling LLC  
Jay Eibler  
1455 Lincoln Parkway, E, Suite 350  
Atlanta, GA  
404-368-0599

### IDAHO

Crossroads Business Development  
and Training, Inc.  
Jim & Joan Stephens  
7406 E. Grey Lag Drive  
Nampa, ID 83687  
208-429-9275

### ILLINOIS

Chief Performance Dynamics Inc.  
Craig & Barbara Lyons  
408 West Joliet Highway  
New Lenox, IL 60451  
815-735-6914

Kady Consulting Group, LLC  
Aaron Kady  
1124 Heatherton Drive  
Naperville, IL 60563  
630-453-3204

Keystone Business Development, Ltd.  
Jody Williamson  
5 Revere Drive, Suite 103  
Northbrook, IL 60062  
847-513-6260

Breakthrough Selling, Inc.  
N. Randy Gangaloo  
1501 East Woodfield Road, Suite 210S  
Schaumburg, IL 60173  
847-995-8109

Barber & Associates, Inc.  
Robert B. Barber, Jr.  
3024 Happy Landing Drive  
Springfield, IL 62711  
217-546-8303

## INDIANA

Wilcox & Associates, LLC  
James S. Wilcox  
1625 Magnavox Way, Suite A  
Fort Wayne, IN 46804  
260-399-5913

Lushin & Associates, Inc.  
Paul & Sarah Lushin, Aaron Prickel, Brian  
Kavicky and Robert Lime  
5655 Castle Creek Parkway N. Dr.  
Indianapolis, IN 46250  
317-846-9200

DTB Training, Inc.  
Matthew Nettleton  
55 Monument Circle, Suite 350  
Indianapolis, IN 46204  
317-678-8800

Trustpointe, Inc.  
Timothy Roberts  
6626 E. 75<sup>th</sup> Street, Suite 150  
Indianapolis, IN 46250  
317-845-0041

## IOWA

Karl Schaphorst & Associates, LLC  
Karl Schaphorst  
309 Court Avenue, Suite 805  
Des Moines, IA 50309  
402-403-4334

## KANSAS

Daniel Stalp Consulting, Inc.  
Dan Stalp  
10955 Lowell Avenue, Suite 110  
Overland Park, KS 66210  
913-451-1760

Coffman Group, LLC  
Eric Dunn  
6701 West 64<sup>th</sup> Street, Suite 224  
Overland Park, KS 66202  
913-236-9055

## LOUISIANA

Herrick Consulting Group, Inc.  
Carl Herrick  
8550 United Plaza Blvd., Suite 702  
Baton Rouge, LA 70809  
225-366-9806

## MARYLAND

Neuberger & Company, Inc.  
Matthew Neuberger  
Baltimore, MD  
410-864-8567

McDonell Consulting & Development, Inc.  
Christopher McDonell  
810 Gleneagles Court, Suite 209  
Towson, MD 21286  
410-339-5168

Larry A. Van Sant  
5301 Buckeystown Pike, Suite 480  
Frederick, MD 21701  
301-748-1500

## MASSACHUSETTS

Greg Nanigian & Associates, Inc.  
Greg Nanigian  
400 Washington Street, Suite 302  
Braintree, MA 02184  
617-338-0993

Salefish, LLC  
Peter and Lisa Oliver  
67 Forest Street, Suite 261  
Marlborough, MA 01752  
508-449-3861

Next Level, Inc.  
Jim Ayraud  
117 Kendrick Street, Suite 300  
Needham, MA 02494  
781-350-5399

Praxis Growth Advisors Inc.  
Eric & Kimberly Warner  
51 Mill Street, Suite 2  
Hanover, MA 02339  
781-499-2030

Winning, Incorporated  
Bill Murray  
275 Grove Street, Suite 2-400  
Newton, MA 02466  
617-312-6237

Topline Performance Solutions, Inc.  
Joseph Ippolito/Thomas Massie  
400 West Cummings Park, Suite 4900  
Woburn, MA 01801  
978-232-9042

## MICHIGAN

Marr Professional Development Corporation  
Joseph Marr  
1705 Woodland Drive East, Suite 206  
Saline, MI 48176  
734-677-4829

EAM Consulting Group, LLC  
Erik Meier  
2311 East Beltline Avenue SE, Suite LL-200  
Grand Rapids, MI 49546  
248-688-9805

Gerry Weinberg & Associates, Inc.  
Alana Nicol  
29777 Telegraph Road, Suite 2205  
Southfield, MI 48034  
248-353-4030

EAM Consulting Group, LLC  
Erik Meier  
100 West Big Beaver Road, Suite 100  
Troy, MI 48084  
248-688-9805

## MINNESOTA

NorthStar Performance Partners L.L.C.  
Jeff & Angie Pankoff  
8401 Wayzata Boulevard, Suite 180  
Golden Valley, MN 55426  
952-300-0906

## MISSOURI

Lushin & Associates, Inc.  
Paul & Sarah Lushin, Aaron Prickel, Brian  
Kavicky and Robert Lime  
955 Executive Parkway Drive, Suite 111  
St. Louis, MO 63141  
317-218-1901

Quantum Consulting LLC  
Richard Burgess  
4824 NW Gateway, Top Floor  
Riverside, MO 64150  
816-505-2500

Trustpoint, LLC  
Brett & Beverly Baker  
2870 South Ingram Mill Road, Suite C  
Springfield, MO 65804  
417-425-7310

## NEBRASKA

Karl Schaphorst & Associates, LLC  
Karl Schaphorst  
10711 O Street  
Omaha, NE 68127  
402-403-4334

## NEVADA

ScaleUp Advisors Incorporated  
David Uze and John R. Jeremiassen  
3753 Howard Hughes Parkway, Suite 200  
Las Vegas, NV 89169  
702-879-9175

## NEW HAMPSHIRE

BestSalesPeople, LLC  
Kevin Hallenbeck  
1750 Elm Street, Suite 101  
Manchester, NH 03104  
603-232-1520

## NEW JERSEY

Performance Selling, LLC  
Jim Barnoski  
2 Executive Drive, Suite 120  
Somerset, NJ 08873  
732-764-0200

AGT and Associates Inc.  
David & Gwenn Trapani  
1100 Cornwall Road, Suite 204  
Monmouth Junction, NJ 08852  
732-789-5409

Strategic Solutions Group, LLC  
John M. Vanderslice  
60 Wrentham Drive  
Medford, NJ 08055  
609-472-1054

Danny Wood Enterprises, LLC  
Danny Wood  
301 Route 17, Suite 800  
Rutherford, NJ 07070  
201-842-0055

Tailwind Strategies Inc.  
Calvin M. Thomas, III  
163 Madison Avenue, 2<sup>nd</sup> Floor, Suite 220-07  
Morriston, NJ 07960  
973-334-6190

Maximum Performance Management LLC  
Scott M. Bliss  
5302 Route 34  
Wall Township, NJ 07727  
732-255-6672

## NEW YORK

Winning Process, LLC  
Matthew J. Scarchilli  
13 Columbia Circle  
Albany, NY 12203  
518-366-0004

Legend Development Services Inc.  
Richard Isaac/Robert Fishman  
225 Wireless Boulevard, Suite 103  
Hauppauge, NY 11788  
631-231-3538

Above The Line LLC  
Richard & Lorrie Chiarello  
4 Northwood Circle  
Halesite, NY 11743  
631-423-7208

Mattson Enterprise Inc.  
Glenn Mattson  
1747 Veterans Memorial Highway, Suite 18  
Islandia, NY 11749  
631-726-3537

Chartwell Seventeen Advisory Group Inc.  
F. David Fischer  
1120 Avenue of the Americas, 4<sup>th</sup> Floor  
New York, New York 10036  
212-626-6523

AJS Training Services, LLC  
Alexandra J. Stefano  
443 North Franklin Street  
Lower Level, Suite 002  
Syracuse, New York 13204  
315-451-8797

## NORTH CAROLINA

BGW Growth Services, LLC  
Adam Boatsman  
1616 Camden Road, Suite 510  
Charlotte, NC 28203  
704-536-3277

Ascending Performance, Inc.  
Daniel J. Litts  
15 Eastman Place  
Pinehurst, NC 28374  
908-468-0322

i10 Solutions, LLC  
Tim Ledwein  
Charlotte, NC  
704-544-7383

SalesIQ, LLC  
James S. Wilcox  
20226 Bascom Ridge Drive  
Cornelius, NC 28031  
260-399-5913  
(Transfer from Sales Builder, Inc./Patrick Heidrich)

Triangle Sales Performance Group, Inc.  
Derek Borrell  
2626 Wellington Drive  
Sanford, NC 27330  
919-353-5180

## OHIO

Sales Concepts, Inc.  
Keith Strauss  
159 Crocker Park Blvd., 4<sup>th</sup> Floor  
Westlake, OH 44145  
440-575-7000

The Roger Wentworth Group, Inc.  
Roger & Julie Wentworth  
2440 Dayton-Xenia Road, Suite C  
Beavercreek, OH 45434  
937-320-9234

Lynn McInturf Associates Incorporated  
Lynn McInturf  
1114 Race Street  
Cincinnati, OH 45202  
513-721-6702

McDermott Professional Solutions Inc.  
Richard & Sharon McDermott/Rob Yoho  
6060 Rockside Woods Blvd. N, Suite 105  
Independence, OH 44131  
330-352-2986

The Ruby Group Columbus, LLC  
Michael Jones, Ken and Margaret Guest,  
Jordan Mullet, Amanda Caruso, Jason  
Reynolds  
3480 West Market Street, Suite 102  
Akron, OH 44333  
330-929-9449

## OKLAHOMA

Custom Growth Solutions, LLC  
Michael & Doyce Crandall  
5850 West Wilshire Boulevard  
Oklahoma City, OK 73132-4904  
405-844-1700

## OREGON

Schneider Training Solutions, LLC  
Jeff Schneider  
905 N. Harbour Drive, #4  
Portland, OR 97217  
971-227-3266

PENNSYLVANIA

BizDev3.0, LLC  
Andrew Rich  
212 N. Chancellor Street  
Newtown, PA 18940  
917-886-9405

John Moore  
The Devorris Center for Business  
Development  
3900 Industrial Park Drive, Suite 7  
Altoona, PA 16602  
814-944-0828

ExSELLyst LLC  
Steven J. Kelly  
790 Holiday Drive  
Pittsburgh, PA 15220  
412-498-0221

The Training Center for Sales and Business  
Development, Inc.  
Robert Sinton  
120 N Church Street, Suite 106  
West Chester, PA 19380  
610-940-0600

The Training Center for Sales and Business  
Development, Inc.  
Bob Waks  
466 Germantown Pike  
Lafayette Hill, PA 19444  
610-940-0600

THincBOX, LLC  
Greg Orth  
1175 Manheim Pike, Suite B  
Lancaster, PA 17601  
717-459-3445

Salefish, LLC  
Peter & Lisa Oliver  
882 S. Matlack Street, Suite 110  
West Chester, PA 19382  
888-585-9180

PittSand-LC-PeakPerformance, LLC  
Sean M. Coyle/John W. Lynch  
790 Holiday Drive, Foster Plaza, Building XI  
Pittsburgh, PA 15220  
412-928-9933

Dan Hudock  
Wexford, PA  
724-940-2388

Staub & Associates  
Katie L. Kohler  
1600 6<sup>th</sup> Avenue, Suite 104  
York, PA 17403  
717-792-9144

SOUTH CAROLINA

Peak Performance Partners LLC  
John Rosso  
4900 O'Hear Avenue, Suite 100  
Charleston, SC 29405  
843-212-2769

Stephen Cashdollar  
Fort Mill, SC  
317-460-5503

Stancell Enterprises LLC  
Gary C. Stancell, Jr.  
355 Woodruff Road #108  
Greenville, SC 29607  
864-386-7236

SML Business Solutions, Inc.  
John A. Michielini  
349 Equinox Loop  
Aiken, SC 29803  
803-229-6163

### TENNESSEE

Mondbiz Enterprises Inc.  
Frank Rosamond/Angel Rosamond  
110 Perimeter Park Road, Suite H  
Knoxville, TN 37922  
865-357-2736

Capstone Sales Performance LLC  
Andrew Gieselmann  
5350 Poplar Avenue, Suite 550  
Memphis, TN 38119  
901-654-7776

Lisa Nausley  
711 Signal Mountain Road, Suite 332  
Chattanooga, TN 37402  
423-702-5579

### TEXAS

Trustpoint Management Group – Texas, LLC  
Karl Graf  
16775 Addison Road, Suite 500  
Addison, TX 75001  
888-831-0466

Growth Mindset Sales, LLC  
Tiffany Koettel  
129 S. Main Street, Suite 260  
Grapevine, TX 76051  
817-303-2129

Katherine Bernick  
1975 Archer Way  
Lewisville, TX 75077  
214-995-2055

Claire Mayweather  
13615 Bluffcircle  
San Antonio, TX 78216  
210-788-8341

Acuity Training Systems, Inc.  
Tom & Sherri Niesen  
1662 Oak Ridge Drive  
Corinth, TX 76210  
972-960-8695

Strategic Training Partners Inc.  
Frank R. Gustafson  
2601 Scott Avenue, Suite 204  
Fort Worth, TX 76103  
817-771-1313

Angela Barry and Timothy Barry  
6373 Geneva Lane  
Fort Worth, TX 76131  
630-750-0852

STAR-Performance Group Inc.  
Suzette & Rodney Patterson  
Frisco, TX  
972-333-1989

Silver Brick Management Solutions, LLC  
Neal Benedict  
Houston, TX  
281-771-2876

Impassioned Sales Solutions, LLC  
Troy Elmore  
12621 Featherwood Drive, Suite 300  
Houston, TX 77034  
713-651-1800

Salefish, LLC  
Peter and Lisa Oliver  
5830 Granite Parkway, Suite 100-230  
Plano, TX 75204  
972-877-4527

Sales San Antonio, LLC  
Tom Cuthbert  
10101 Reunion Place, Suite 275  
San Antonio, TX 78216  
210-301-0134

## UTAH

Caywood Consulting LLC  
Jason & Melissa Caywood  
Holladay, UT  
385-256-5069

Real Training and Consulting, LLC  
Daniel Bigelow  
7400 South Union Park Avenue, Suite 302  
Midvale, UT 84047  
801-201-4781

## VIRGINIA

Precision Sales Consulting, LLC  
Nema Semnani  
2751 Prosperity Drive, Suite 544  
Fairfax, VA 22031  
202-577-4387

Focus Business Development, Inc.  
Mike Carroll  
2819 Parham Road, Suite 160  
Richmond, VA 23294  
804-217-9507

Ascend Performance, Inc.  
Larry Robin Green  
7501 Boulders View Drive, Suite 105  
Richmond, VA 23225  
804-914-1723

## WASHINGTON

Top Tier Training & Development, Inc.  
James Alberson  
6840 Fort Dent Way, Suite 100  
Tukwila, WA 98188  
206-805-8848

## WISCONSIN

Professional Sales Training Associates, Inc.  
James Cornelius  
1985 West Packard Street  
Appleton, WI 54914  
715-675-7957

Hoslet Consulting Incorporated  
Anthony R. & Janet G. Hoslet  
811 Packerland Drive  
Green Bay, WI 54303  
608-799-3496

Lift Consulting, LLC  
Matthew Pletzer  
424 S. Yellowstone Drive, Suite 102  
Madison, WI 53719  
608-515-8163

## **EXHIBIT D**

All franchisees (i) whose Franchise Agreement was terminated, canceled or not renewed, or ceased to do business during the period of January 1, 2023 through December 31, 2023 or (ii) who have not communicated with SSL within 10 weeks of the application date of this Disclosure Document:

Bullock Training & Development, L.L.C.  
Tracy Bullock  
1208 East Broadway Road, Suite 202  
Tempe, AZ 85282  
602-524-3950

JFK Business Development, Inc.  
James F. Kane  
6901 Professional Parkway East, Suite 104  
Sarasota, FL 34202  
941-592-7889

Simon, Inc.  
Alan Simon  
5550 Triangle Parkway, Suite 125  
Norcross, GA 30092  
770-622-7000  
(Transferred to Neuberger and Company, Inc./  
Matthew Neuberger)

Strategic Selling Systems, Inc.  
Scott Sanfino  
707 Sable Oaks Drive, Suite 010  
South Portland, ME 04106  
207-773-5313

Professional Achievement Group, Inc.  
Ken Smith  
9318 Gaither Road, #250  
Rockville, MD 20877  
301-590-8700

Blake Consulting and Sales Training, Inc.  
Matthew Blake  
10055 Red Run Boulevard, Suite 245  
Owings Mills, MD 21117  
443-277-3278

Driskill Business Development Group, Inc.  
Jeffrey & Linda Driskill  
210 SW Market Street, Suite 103  
Lee's Summit, MO 64063  
816-591-4438

The Stratton Group, LLC  
Hiram & Sandra Stratton  
600 Park Offices Drive, Suite 300  
Durham, NC 27709  
919-237-1524

Sales Builder, Inc.  
Patrick Heidrich  
20226 Bascom Ridge Drive  
Cornelius, NC 28031  
704-609-9802  
(Transferred to SalesIQ, LLC/James Wilcox)

Sales City Triad, LLC  
Tom Cuthbert  
4192 Mendenhall Oaks Parkway, #101  
High Point, NC 27265  
210-248-7440

Sales City Raleigh, LLC  
Tom Cuthbert  
555 Fayetteville Street, Suite 300  
Raleigh, NC 27601  
210-365-5746

Sharper Edge Advantage, LLC  
Lewis VanLandingham  
6247 Commonwealth Drive  
Westerville, OH 43082  
614-440-0383

Sales City Nashville, LLC  
Tom Cuthbert  
3401 Mallory Lane, Suite 200, Office 225  
Franklin, TN 37067  
210-248-7330

Upskill Training Partners LLC  
Marco Jauregui  
Gainesville, VA 20155  
571-532-1129

**EXHIBIT E**

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

Listed below are names, addresses, and telephone numbers of state and federal agency personnel having responsibility for franchising disclosure/registration laws.

State	State Agency	Agent for Service of Process
CALIFORNIA	<p><i>California Department of Financial Protection and Innovation</i></p> <p>Toll Free (866) 275-2677</p> <p>320 West 4<sup>th</sup> Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500</p> <p>2101 Arena Blvd. Sacramento, California 95834 (916) 445-7205</p> <p>1350 Front Street San Diego, California 92101-3697 (619) 525-4233</p> <p>One Sansome Street, Suite 600 San Francisco, California 94104 (415) 557-3787</p>	California Commissioner of Financial Protection and Innovation
HAWAII	<p><i>Department of Commerce and Consumer Affairs</i></p> <p>Business Registration Division 335 Merchant Street, Room 203 Honolulu, Hawaii 95813 (808) 586-2722</p>	Hawaii Commissioner of Securities, Department of Commerce and Consumer Affairs
ILLINOIS	<p><i>Franchise Division</i></p> <p><i>Office of Attorney General</i></p> <p>500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	Illinois Attorney General
INDIANA	<p><i>Franchise Section</i></p> <p><i>Indiana Securities Division</i></p> <p><i>Secretary of State</i></p> <p>302 W. Washington St., Room E-111 Indianapolis, Indiana 46204 (317) 232-6681</p>	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	<p><i>Office of the Attorney General</i></p> <p><i>Maryland Division of Securities</i></p> <p>200 St. Paul Place Baltimore, Maryland 21202 (410) 576-7044</p>	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-7044
MICHIGAN	<p><i>Consumer Protection Div.</i></p> <p><i>Antitrust &amp; Franchise Unit</i></p> <p><i>Michigan Dept. of Attorney General</i></p> <p>670 Law Building Lansing, Michigan 48913 (517) 373-7117</p>	Michigan Department of Commerce, Corporation and Securities Bureau

MINNESOTA	<i>Minnesota Department of Commerce</i> 85 7 <sup>th</sup> Place East, Suite 280 Saint Paul, Minnesota 55101 (651) 539-1600	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 Saint Paul, Minnesota 55101 (651) 539-1600
NEW YORK	<i>NYS Department of Law</i> <i>Investor Protection Bureau</i> 28 Liberty St. 21 <sup>st</sup> Fl New York, NY 10005 (212) 416-8285	New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	<i>Office of Securities Commissioner</i> 600 East Boulevard, Fifth Floor Bismarck, North Dakota 58505 (701) 224-4712	North Dakota Securities Commissioner
OREGON	<i>Department of Consumer and Business Services</i> <i>Division of Finance and Corporate Securities</i> 350 Winter Street, N.E., #410 Salem, Oregon 97310 (503) 378-4140	Director of Oregon Department of Insurance and Finance
RHODE ISLAND	<i>Division of Securities</i> <i>State of Rhode Island</i> 1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, Rhode Island 02910 (401) 277-3048	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	<i>SD Department of Labor and Regulation</i> <i>Division of Insurance</i> <i>Securities Regulation</i> 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Director of South Dakota Department of Labor and Regulation, Division of Insurance, Securities Regulation
VIRGINIA	<i>State Corporation Commissioner</i> <i>Division of Securities and Retail Franchising</i> 1300 E. Main Street, Ninth Floor Richmond, Virginia 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 Main Street, First Floor Richmond, VA 23219 (804) 371-9051
WASHINGTON	<i>Department of Financial Institutions</i> 150 Israel Rd SW Tumwater, Washington 98501 (206) 753-6928	
WISCONSIN	<i>Securities and Franchise Registration</i> <i>Wisconsin Securities Commission</i> P.O. Box 1768 Madison, Wisconsin 53701 (608) 266-8559	Wisconsin Securities Commissioner

If a state is not listed above, SSL has not appointed an agent for service of process in that state in connection with the requirements of franchise laws.

SSL authorizes Shannon Howell, resident agent, 300 Red Brook Boulevard, Suite 10, Owings Mills, Maryland 21117, to receive service of process for SSL.

**EXHIBIT F**

**STATE SPECIFIC ADDENDA TO DISCLOSURE DOCUMENT**

## SANDLER SYSTEMS, LLC

### MICHIGAN ADDENDUM TO DISCLOSURE DOCUMENT

**The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.**

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

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

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

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

**The fact that there is a notice of this offering on file with the Attorney General does not constitute approval, recommendation, or endorsement by the Attorney General.**

Any questions regarding this notice should be directed to the Department of the Attorney General, Consumer Protection Division, 670 Law Building, Lansing, Michigan 48913, (517) 373-7117.

**SANDLER SYSTEMS, LLC**

**MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT**

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

Items 5 and 7 of this Disclosure Document is modified to include the following statement:

The Initial Franchise Fee is not due to SSL until SSL has conducted Initial Training, Part I for you, and satisfied its obligations to you under Sections 4.4 and 4.5 of the Franchise Agreement. The Initial Franchise Fee must be paid to SSL within three business days from SSL's completion of the foregoing.

**SANDLER SYSTEMS, LLC**

**SOUTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT**

- (1) Item 3 of this disclosure document is modified to include the following paragraph:

Neither we nor any person in Item 3 has any material arbitration proceeding pending, or has during the 10-year period immediately preceding the date of this Disclosure Document been a party to concluded material arbitration proceedings.

- (2) Item 17 of this disclosure document, in the summary column of parts (s) and (t), are modified to include the following paragraph:

The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the state of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the applications, construction, enforcement and interpretation under the governing law of Maryland.

- (3) Item 17 of this disclosure document, in the summary column of parts (x) and (y), are modified to include the following paragraph:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Investment Law.

**EXHIBIT G**  
**CONFIDENTIALITY AGREEMENT**

THIS CONFIDENTIALITY AGREEMENT (this “Agreement”) is executed this day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_ (“Prospective Franchisee”) in favor of Sandler Systems, LLC, a Maryland limited liability company (“SSL”).

**EXPLANATORY STATEMENT**

A. The Prospective Franchisee is presently exploring whether to purchase a franchise from SSL; and

B. The Prospective Franchisee understands that SSL will, in the process of informing the Prospective Franchisee about the business of SSL, disclose certain proprietary information of SSL (the “Proprietary Information”) as well as provide access to Sandler LMS, the One Sandler Site, the SSL Training Manual, the SSL Operations Manual, and other digital and printed training and other material (collectively, the “Proprietary Material”) which is subject to copyright by SSL; and

C. The Prospective Franchisee recognizes that the value of SSL’s Proprietary Information and the Proprietary Material will be diminished if the Prospective Franchisee discloses it to others or uses it in competition with SSL.

Therefore, the Prospective Franchisee hereby agrees as follows:

1. CONFIDENTIALITY. The Prospective Franchisee recognizes and acknowledges that the Proprietary Information and the Proprietary Material are the property of SSL and may not be used by individuals or entities not duly licensed to use the Proprietary Information and the Proprietary Material.

2. NON-DISCLOSURE. The Prospective Franchisee agrees that it will not at any time, disclose to any person or use the Proprietary Information or the Proprietary Material, except in the event Prospective Franchisee enters into a Franchise Agreement with SSL.

3. POSSESSION. The Prospective Franchisee agrees that upon request by SSL, it will turn over to SSL all documents, papers or other materials in its possession or under its control which may contain or be derived from the Proprietary Information and the Proprietary Material.

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

\_\_\_\_\_

Please Print Name

**EXHIBIT H**

**REPRESENTATIVE’S NON-DISCLOSURE AND NON-COMPETE AGREEMENT**

THIS REPRESENTATIVE’S NON-DISCLOSURE AND NON-COMPETE AGREEMENT (“Agreement”) is made by and between \_\_\_\_\_, a \_\_\_\_\_ [resident] [corporation] [limited liability company] (“Franchisee”), a franchisee of SANDLER SYSTEMS, LLC (“SSL”), and \_\_\_\_\_ (“Representative”).

**EXPLANATORY STATEMENT**

A. Pursuant to a franchise agreement (“Franchise Agreement”) by and between Franchisee and SSL, SSL granted to Franchisee the right to own and operate a Sandler® Franchise (the “Franchise”) in the following geographical area: \_\_\_\_\_ (the “Territory”), and in accordance with specified requirements, as described in the Franchise Agreement.

B. Franchisee desires to employ Representative, and Representative desires to be employed by the Franchisee.

C. SSL has expended time, skill, effort and money to develop a business plan in connection with the operation of Sandler franchises using certain standards, specifications, methods, procedures, techniques, systems and information, all of which may be changed, improved and further developed from time to time by SSL (“Sandler System”).

NOW, THEREFORE, in connection with and in consideration of the foregoing employment, it is mutually agreed:

1. Covenants Not to Disclose; Covenants Not to Compete; Other Covenants. Representative acknowledges that the methods and techniques of doing business and other elements comprising the Sandler System have been developed by SSL at effort, skill, time and expense; that the Representative will have regular and continuing access to valuable and confidential information and training regarding the Sandler System; and that Representative recognizes Representative’s obligation to promote and develop the business of the Franchisee. Representative accordingly agrees as follows:

(a) Except as required in duties performed for the Franchisee, Representative will never, without the prior written consent of the Franchisee and SSL, either directly or indirectly, use, disseminate or disclose any confidential information, including but not limited to, trade secrets, client names, other client data and business methods, of the Franchisee or SSL to any person or organization, and will seek to preserve the confidentiality of that information. Furthermore, Representative will not upload, share, transmit, input, or otherwise make available any confidential information or any Licensed Property (as defined below), including any content, concepts, or materials related to or embodying the Sandler System, to any machine learning algorithms or artificial intelligence technologies (collectively, “AI Tools”), including, but not

limited to, ChatGPT, DALL-E, ChatSonic, Jasper AI, Bing AI, and Google Gemini, or any other third party online platforms or otherwise use any confidential information or Licensed Property with any AI Tool for any purpose, directly or indirectly, including without limitation to create, train, test, or otherwise improve any AI Tools.

(b) During the term of employment and for one (1) year after termination of such employment, regardless of the cause of termination, Representative will not, either directly or indirectly, for Representative, or through, on behalf of, or in conjunction with any person, partnership or corporation, divert or attempt to divert any business or client of the Franchisee to any competitor or other person by direct or indirect inducement or otherwise.

(c) During the term of employment, Representative will not, without the prior consent of the Franchisee and SSL, be employed by, perform any services for, or operate any business of any kind other than the Franchisee's business, wherever located.

(d) During the term of employment, Representative will not, without the prior consent of the Franchisee and SSL, either directly or indirectly, for Representative, or through, on behalf of, or in conjunction with any other person, partnership or corporation, own, maintain, engage in, have any interest in or perform any service for, or receive any compensation or consideration from, any business other than the Franchisee located in Canada or the United States which offers sales or sales management training franchises or programs (seminars, meetings, workshops, etc.) on subject matters that are the same as, similar to or competitive with the subject matters of SSL Product. As used herein, "SSL Product" means training materials and programs, and materials related thereto, the subject matter of which is sales and sales management, management training and coaching related thereto, as SSL may designate from time to time, whether created by SSL or by an approved third party.

(e) For a period of one (1) year after termination of employment, regardless of the cause of termination, Representative will not, without the prior written consent of the Franchisee and SSL, either directly or indirectly, for Representative, or through, on behalf of, or in conjunction with any other person, partnership or corporation, own, maintain, engage in, have any interest in or perform any service for any business which offers sales or sales management training franchises or programs (seminars, meetings, workshops, etc.) on subject matters that are the same as, similar to or competitive with the subject matters of SSL Product, or offers any training materials, programs or assessment tools approved by SSL for use in the Franchisee's business, that is or plans to be engaged: (i) in or from the Territory; or (ii) anywhere within fifty (50) miles of the boundaries of the Territory.

(f) For a period of one (1) year after termination of employment, regardless of the cause of termination, Representative will not, without the prior written consent of the Franchisee and SSL, contact, solicit, perform any services for, or sell any products to, any client to whom the Franchisee or Representative provided products or services during the term of Representative's employment with the Franchisee, wherever the client may be located, whether within or outside the Territory.

(g) Upon the date of execution of this Agreement, Representative will deliver an executed Authorization, in the form attached hereto and incorporated herein by reference as **Attachment 1**, to Franchisee.

2. Covenant as to Residency. Representative understands that, pursuant to the Franchise Agreement, Franchisee may only employ workers whose primary place of residence is within the Territory. Representative represents and warrants to Franchisee that Representative's primary place of residence is within the Territory, and that Representative will maintain Representative's primary place of residence in the Territory for the duration of this Agreement.

3. Covenants As Independent and As Conditions Precedent to Employment. The covenants by Representative in Paragraphs 1 and 2 shall be construed as agreements independent of any other provisions of this Agreement and as conditions precedent to employment. The existence of any claim or cause of action of the Representative against the Franchisee or SSL, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Franchisee or SSL of the restrictive covenants contained in Sections 1(a) through 1(f) and 2 of this Agreement. Modification of any or all of the restrictive covenants between the Franchisee and Representative contained in Sections 1(a) through 1(f) of this Agreement must be mutually agreed to in writing at least thirty (30) days prior to the termination of this Agreement and approved by SSL in writing.

4. Covenants Concerning Franchisee Property. Representative acknowledges and agrees that all records of the Franchisee, including records of the Franchisee's clients, and all other records, files, documents, training manuals and similar items relating in any manner whatsoever to the business of the Franchisee (including copies thereof, electronic, photographic and otherwise) ("Records"), whether prepared by the Representative or otherwise coming into Representative's possession, shall be the exclusive property of the Franchisee or SSL regardless of who actually prepares the records. Additionally, all Records, whether prepared by the Representative or otherwise coming into Representative's possession, shall not be removed by Representative from the premises of the Franchisee under any circumstances whatsoever without the prior written consent of the Franchisee. Any Records not at the premises of the Franchisee shall immediately be returned to the Franchisee by the Representative upon termination of employment, regardless of the cause of termination.

5. Covenants Concerning Property Licensed to Franchisee. Representative acknowledges and agrees that all SSL trade names, service marks, trademarks, copyrights, titles, symbols, trade dresses, emblems, slogans, insignias, terms, designations, designs, diagrams, anecdotes, artworks, worksheets, techniques, rules, ideas, philosophies, illustrations, course materials, advertising and promotional materials, and other audio, video and written materials as SSL has developed and designated for use in connection with the Sandler System, have been licensed to Franchisee for use in operating the Franchise ("Licensed Property"). Upon termination of Representative's employment under this Agreement, Representative shall (i) immediately return all Licensed Property in Representative's possession and control to the Franchisee; (ii) immediately cease using the Licensed Property, or any part thereof, and (iii) not, directly or indirectly, at any time thereafter, use any of the Licensed Property unless authorized in writing by SSL, or use any confusingly similar method, format, procedure, technique, system, name, trade

dress, mark, symbol, emblem, slogan, insignia, term, designation, design, diagram, promotional material or course material, or cause or permit any program to look like, copy or imitate any program operated or licensed by SSL, unless authorized in writing by SSL.

6. Covenants Duration After Legal Proceedings. Franchisee shall not be deprived of the benefit of the full period of the restrictive covenants contained in Sections 1(b), 1(e), and 1(f). Accordingly, the restrictive covenants contained in Sections 1(b), 1(e), and 1(f) of this Agreement shall be deemed to have the duration specified in such restrictive covenants, computed from the later of (a) the termination or expiration of this Agreement or (b) the date an order enforcing such restrictive covenants is in effect.

7. Covenants Concerning Franchisee's Obligations to SSL. Representative acknowledges that Franchisee must operate the Franchise according to the terms and conditions set forth in the Franchise Agreement. Representative shall not at any time take any action that will cause Franchisee to be in violation of Franchisee's obligations under the Franchise Agreement. Representative may at any time, upon reasonable notice, review the contents of the Franchise Agreement at Franchisee's office.

8. Severability. If any portion of a covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency having jurisdiction, Representative expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the lesser covenant were separately stated in and made a part of this Agreement. If the entire covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency having jurisdiction, the remaining covenants in this Agreement shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

9. Reasonableness of Covenants; Injunctive Relief. Representative agrees that the scope (area and duration) of the restrictive covenants contained in Section 1 is fair and reasonable and is not broader as to the area and duration than is reasonably necessary for the protection of the Franchisee and SSL. Representative further acknowledges that the restrictive covenants will not impose undue hardship on Representative since Representative has other skills, education and experience which will offer Representative the opportunity to derive income from other endeavors. The Franchisee or SSL, in addition to other legal and equitable rights and remedies, shall, without the necessity of a bond, be entitled to seek injunctive relief restraining any actual or threatened violation of any of the covenants or provisions in this Agreement by Representative. Representative agrees that the violation of any of these covenants by Representative would cause irreparable harm to the Franchisee and SSL.

10. Attorney's Fees. In the event of a legal action successfully maintained by Franchisee or SSL under this Agreement for damages, injunctive relief, the return of property or any other legal or equitable remedy, the Representative agrees to pay the Franchisee's or SSL's reasonable legal fees, court costs and reasonable out-of-pocket expenses related to such action.

11. Governing Law. This Agreement shall be governed for all purposes by the laws of the Territory.

12. Binding Effect. This Agreement shall be binding upon the parties and their respective legal representatives, successors and assigns.

13. Modification. This Agreement may be modified only by an agreement in writing of at least equal formality signed by the party against whom enforcement is sought. Any such modification shall not be binding on third party beneficiaries unless approved in writing by such third party beneficiary.

14. Third Party Beneficiary. The parties acknowledge and agree that this Agreement is expressly made for SSL's benefit and SSL is intended to be a primary beneficiary of this Agreement.

IN WITNESS WHEREOF, the parties hereto named executed this Agreement by their duly authorized officers in one or more counterparts, each of which shall constitute an original.

FRANCHISEE:

\_\_\_\_\_

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

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

Company: \_\_\_\_\_

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

REPRESENTATIVE:

\_\_\_\_\_

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

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

\_\_\_\_\_

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

**AUTHORIZATION**

\_\_\_\_\_ (“Associate”) acknowledges that Sandler Systems, LLC (“SSL”) regularly records the performances and participation of its franchisees, trainers and speakers at Sandler related events and activities (including, without limitation, conferences, regional meetings, seminars, training sessions, presentations, interviews, solicitations of testimonials, and coaching calls) (the “Performances”), for a variety of purposes. Associate also acknowledges that Associate may, from time to time, voluntarily submit to SSL written works that Associate has developed, which may or may not include SSL’s intellectual property, (the “Writings”) for SSL’s use. Associate may not use any machine learning or artificial intelligence technologies, including without limitation generative artificial intelligence technologies, including, but not limited to, ChatGPT, DALL-E, ChatSonic, Jasper AI, Bing AI, and Google Gemini, to create any Performances or Writings.

Associate hereby authorizes SSL to record (using any medium including video and/or audio recording) and to use Associate’s name, photograph, or a likeness thereof, Performances and Writings, or portions thereof as edited by SSL, in any audiovisual, audio or written work through any medium and format, including, without limitation, Mp3s, podcasts, web casts, written materials, SSL’s online Learning Management System, One Sandler, training sessions, websites, marketing materials, presentations, the Sandler YouTube channel, and the Internet, as may be selected by SSL, and in perpetuity. Further, Associate agrees that SSL has the unlimited, perpetual right to use, distribute and/or sell the Performances and Writings as it deems appropriate in its business, and may include the Performances and Writings, as may be edited by SSL, in material for which SSL receives compensation.

Associate acknowledges that, when appropriate, the Performances and Writings and each reproduction of the Performances and Writings as authorized above will contain SSL’s copyright notice to protect SSL’s intellectual property and SSL shall have the right to register the copyright for the Performances and Writings solely in SSL’s name. Associate further acknowledges that Associate will receive no compensation in connection with this Authorization and/or use of the Performances and Writings.

Associate acknowledges that this is a comprehensive, ongoing Authorization and intended to apply to all Performances where SSL has made it known to the attendees, whether orally or in writing, that the event or activity is being recorded.

If Associate desires that this Authorization not apply with respect to a particular Performance or Writing, then it shall be Associate’s sole responsibility to notify SSL in writing in advance of the Performance or submission of the Writing so that appropriate measures can be taken, which may include, at SSL’s discretion, cancellation of Associate’s participation in the event or activity.

Dated: \_\_\_\_\_

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

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

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

## EXHIBIT I

### MANAGER'S NON-DISCLOSURE AND NON-COMPETE AGREEMENT

THIS MANAGER'S NON-DISCLOSURE AND NON-COMPETE AGREEMENT ("Agreement") is made by and between \_\_\_\_\_, a \_\_\_\_\_ [resident] [corporation] [limited liability company] ("Franchisee"), a franchisee of SANDLER SYSTEMS, LLC ("SSL"), and \_\_\_\_\_, a \_\_\_\_\_ resident ("Manager").

### EXPLANATORY STATEMENT

A Pursuant to a franchise agreement ("Franchise Agreement") by and between Franchisee and SSL, SSL granted to Franchisee the right to own and operate a Sandler® Franchise (the "Franchise") in the following geographical area: \_\_\_\_\_ (the "Territory"), and in accordance with specified requirements, as described in the Franchise Agreement.

B. Franchisee desires to employ Manager to manage the day-to-day operations of the Franchise under the general supervision and pursuant to the advice and direction of Franchisee, and Manager desires to be so employed by Franchisee.

C. SSL has expended time, skill, effort and money to develop a business plan in connection with the operation of Sandler franchises using certain standards, specifications, methods, procedures, techniques, systems and information, all of which may be changed, improved and further developed from time to time by SSL ("Sandler System").

NOW, THEREFORE, in connection with and in consideration of the foregoing employment, it is mutually agreed:

1. Covenants Not to Disclose; Covenants Not to Compete; Other Covenants. Manager acknowledges that the methods and techniques of doing business and other elements comprising the Sandler System have been developed by SSL at effort, skill, time and expense; that Manager will have regular and continuing access to valuable and confidential information and training regarding the Sandler System; and that Manager recognizes Manager's obligation to promote and develop the business of the Franchisee. Manager accordingly agrees as follows:

(a) Except as required in duties performed for the Franchisee, Manager will never, without the prior written consent of the Franchisee and SSL, either directly or indirectly, use, disseminate or disclose any confidential information, including but not limited to, trade secrets, client names, other client data and business methods, of the Franchisee or SSL to any person or organization, and will seek to preserve the confidentiality of that information. Furthermore, Manager will not upload, share, transmit, input, or otherwise make available any confidential information or any Licensed Property (as defined below), including any content, concepts, or materials related to or embodying the Sandler System, to any machine learning algorithms or artificial intelligence technologies (collectively, "AI Tools"), including, but not limited to,

ChatGPT, DALL-E, ChatSonic, Jasper AI, Bing AI, and Google Gemini, or any other third party online platforms or otherwise use any confidential information or Licensed Property with any AI Tool for any purpose, directly or indirectly, including without limitation to create, train, test, or otherwise improve any AI Tools.

(b) During the term of employment and for one (1) year after termination of such employment, regardless of the cause of termination, Manager will not, either directly or indirectly, for Manager, or through, on behalf of, or in conjunction with any person, partnership or corporation, divert or attempt to divert any business or client of the Franchisee to any competitor or other person by direct or indirect inducement or otherwise.

(c) During the term of employment, Manager will not, without the prior consent of the Franchisee and SSL, be employed by, perform any services for, or operate any business of any kind other than the Franchisee's business, wherever located.

(d) During the term of employment, Manager will not, without the prior consent of the Franchisee and SSL, either directly or indirectly, for Manager, or through, on behalf of, or in conjunction with any other person, partnership or corporation, own, maintain, engage in, have any interest in or perform any service for, or receive any compensation or consideration from, any business other than the Franchisee located in Canada or the United States which offers sales or sales management training franchises or programs (seminars, meetings, workshops, etc.) on subject matters that are the same as, similar to or competitive with the subject matters of SSL Product. As used herein, "SSL Product" means training materials and programs, and materials related thereto, the subject matter of which is sales and sales management, management training and coaching related thereto, as SSL may designate from time to time, whether created by SSL or by an approved third party.

(e) For a period of two (2) years after termination of employment, regardless of the cause of termination, Manager will not, without the prior written consent of the Franchisee and SSL, either directly or indirectly, for Manager, or through, on behalf of, or in conjunction with any other person, partnership corporation or entity, own, maintain, engage in, have any interest in or perform any service for any business which offers sales or sales management training franchises or programs (seminars, meetings, workshops, etc.) on subject matters that are the same as, similar to or competitive with the subject matters of SSL Product, or offers any training materials, programs or assessment tools approved by SSL for use in the Franchisee's business, that is or plans to be engaged: (i) in or from the Territory; or (ii) anywhere within fifty (50) miles of the boundaries of the Territory.

(f) For a period of one (1) year after termination of employment, regardless of the cause of termination, Manager will not, without the prior written consent of the Franchisee and SSL, contact, solicit, perform any services for, or sell any products to, any client to whom the Franchisee or Manager provided products or services during the term of Manager's employment with the Franchisee, wherever the client may be located, whether within or outside the Territory.

(g) During the term of the Franchise and at any time thereafter, Manager will not use any of SSL's proprietary assets or Licensed Property for any purpose not authorized in writing by SSL; use any confusingly similar method, format, procedure, technique, slogan, insignia, term,

designation, design, diagram, promotional material or course material; or cause or permit any facility or program operated or licensed by SSL.

(h) Upon the date of execution of this Agreement, Manager will deliver an executed Authorization, in the form attached hereto and incorporated herein by reference as **Attachment 1**, to Franchisee.

2. Covenant as to Residency. Manager understands that, pursuant to the Franchise Agreement, Franchisee may only employ workers whose primary place of residence is within the Territory. Manager represents and warrants to Franchisee that Manager's primary place of residence is within the Territory, and that Manager will maintain Manager's primary place of residence in the Territory for the duration of this Agreement.

3. Covenants As Independent and As Conditions Precedent to Employment. The covenants by Manager in Paragraphs 1 and 2 shall be construed as agreements independent of any other provisions of this Agreement and as conditions precedent to employment. The existence of any claim or cause of action of the Manager against the Franchisee or SSL, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Franchisee or SSL of the restrictive covenants contained in Sections 1(a) through 1(f) and 2 of this Agreement. Modification of any or all of the restrictive covenants between the Franchisee and Manager contained in Sections 1(a) through 1(f) of this Agreement must be mutually agreed to in writing at least thirty (30) days prior to the termination of this Agreement and approved by SSL in writing.

4. Covenants Concerning Franchisee Property. Manager acknowledges and agrees that all records of the Franchisee, including records of the Franchisee's clients, and all other records, files, documents, training manuals and similar items relating in any manner whatsoever to the business of the Franchisee (including copies thereof, electronic, photographic and otherwise) ("Records"), whether prepared by the Manager or otherwise coming into Manager's possession, shall be the exclusive property of the Franchisee or SSL regardless of who actually prepares the records. Additionally, all Records, whether prepared by the Manager or otherwise coming into Manager's possession, shall not be removed by Manager from the premises of the Franchisee under any circumstances whatsoever without the prior written consent of the Franchisee. Any Records not at the premises of the Franchisee shall immediately be returned to the Franchisee by the Manager upon termination of employment, regardless of the cause of termination.

5. Covenants Concerning Property Licensed to Franchisee. Manager acknowledges and agrees that all SSL trade names, service marks, trademarks, copyrights, titles, symbols, trade dresses, emblems, slogans, insignias, terms, designations, designs, diagrams, anecdotes, artworks, worksheets, techniques, rules, ideas, philosophies, illustrations, course materials, advertising and promotional materials, and other audio, video and written materials as SSL has developed and designated for use in connection with the Sandler System, have been licensed to Franchisee for use in operating the Franchise ("Licensed Property"). Upon termination of Manager's employment under this Agreement, Manager shall (i) immediately return all Licensed Property in Manager's possession and control to the Franchisee; (ii) immediately cease using the Licensed Property, or any part thereof, and (iii) not, directly or indirectly, at any time thereafter, use any of the Licensed Property unless authorized in writing by SSL, or use any confusingly similar method,

format, procedure, technique, system, name, trade dress, mark, symbol, emblem, slogan, insignia, term, designation, design, diagram, promotional material or course material, or cause or permit any program to look like, copy or imitate any program operated or licensed by SSL, unless authorized in writing by SSL.

6. Covenants Duration After Legal Proceedings. Franchisee shall not be deprived of the benefit of the full period of the restrictive covenants contained in Sections 1(b), 1(e), and 1(f). Accordingly, the restrictive covenants contained in Sections 1(b), 1(e), and 1(f) of this Agreement shall be deemed to have the duration specified in such restrictive covenants, computed from the later of (a) the termination or expiration of this Agreement or (b) the date an order enforcing such restrictive covenants is in effect.

7. Covenants Concerning Franchisee's Obligations to SSL. Manager acknowledges that Franchisee must operate the Franchise according to the terms and conditions set forth in the Franchise Agreement. Manager shall not at any time take any action that will cause Franchisee to be in violation of Franchisee's obligations under the Franchise Agreement. Manager may at any time, upon reasonable notice, review the contents of the Franchise Agreement at Franchisee's office.

8. Severability. If any portion of a particular covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency having jurisdiction, Manager expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the lesser covenant were separately stated in and made a part of this Agreement. If the entirety of a particular covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency having jurisdiction, the remaining covenants in this Agreement shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

9. Reasonableness of Covenants; Injunctive Relief. Manager agrees that the scope (area and duration) of the restrictive covenants contained in Section 1 is fair and reasonable and is not broader as to the area and duration than is reasonably necessary for the protection of the Franchisee and SSL. Manager further acknowledges that the restrictive covenants will not impose undue hardship on Manager since Manager has other skills, education and experience which will offer Manager the opportunity to derive income from other endeavors. The Franchisee or SSL, in addition to other legal and equitable rights and remedies, shall, without the necessity of a bond, be entitled to seek injunctive relief restraining any actual or threatened violation of any of the covenants or provisions in this Agreement by Manager. Manager agrees that the violation of any of these covenants by Manager would cause irreparable harm to the Franchisee and SSL.

10. Attorney's Fees. In the event of a legal action successfully maintained by Franchisee or SSL under this Agreement for damages, injunctive relief, the return of property or any other legal or equitable remedy, the Manager agrees to pay the Franchisee's or SSL's reasonable legal fees, court costs and reasonable out-of-pocket expenses related to such action.

11. Governing Law. This Agreement shall be governed for all purposes by the laws of the state of the Territory.

12. Binding Effect. This Agreement shall be binding upon the parties and their respective legal representatives, successors and assigns.

13. Modification. This Agreement may be modified only by an agreement in writing of at least equal formality signed by the party against whom enforcement is sought. Any such modification shall not be binding on third party beneficiaries unless approved in writing by such third party beneficiary.

14. Third Party Beneficiary. The parties acknowledge and agree that this Agreement is expressly made for SSL's benefit and SSL is intended to be a primary beneficiary of this Agreement.

\_\_\_\_\_ IN WITNESS WHEREOF, the parties hereto named executed this Agreement by their duly authorized officers in one or more counterparts, each of which shall constitute an original.

FRANCHISEE:

\_\_\_\_\_

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

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

Company: \_\_\_\_\_

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

MANAGER:

\_\_\_\_\_

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

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

\_\_\_\_\_

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

**Attachment 1**

**AUTHORIZATION**

\_\_\_\_\_ (“Associate”) acknowledges that Sandler Systems, LLC (“SSL”) regularly records the performances and participation of its franchisees, trainers and speakers at Sandler related events and activities (including, without limitation, conferences, regional meetings, seminars, training sessions, presentations, interviews, solicitations of testimonials, and coaching calls) (the “Performances”), for a variety of purposes. Associate also acknowledges that Associate may, from time to time, voluntarily submit to SSL written works that Associate has developed, which may or may not include SSL’s intellectual property, (the “Writings”) for SSL’s use. Associate may not use any machine learning or artificial intelligence technologies, including without limitation generative artificial intelligence technologies, including, but not limited to, ChatGPT, DALL-E, ChatSonic, Jasper AI, Bing AI, and Google Gemini, to create any Performances or Writings.

Associate hereby authorizes SSL to record (using any medium including video and/or audio recording) and to use Associate’s name, photograph, or a likeness thereof, Performances and Writings, or portions thereof as edited by SSL, in any audiovisual, audio or written work through any medium and format, including, without limitation, Mp3s, podcasts, web casts, written materials, SSL’s online Learning Management System, One Sandler, training sessions, websites, marketing materials, presentations, the Sandler YouTube channel, and the Internet, as may be selected by SSL, and in perpetuity. Further, Associate agrees that SSL has the unlimited, perpetual right to use, distribute and/or sell the Performances and Writings as it deems appropriate in its business, and may include the Performances and Writings, as may be edited by SSL, in material for which SSL receives compensation.

Associate acknowledges that, when appropriate, the Performances and Writings and each reproduction of the Performances and Writings as authorized above will contain SSL’s copyright notice to protect SSL’s intellectual property and SSL shall have the right to register the copyright for the Performances and Writings solely in SSL’s name. Associate further acknowledges that Associate will receive no compensation in connection with this Authorization and/or use of the Performances and Writings.

Associate acknowledges that this is a comprehensive, ongoing Authorization and intended to apply to all Performances where SSL has made it known to the attendees, whether orally or in writing, that the event or activity is being recorded.

If Associate desires that this Authorization not apply with respect to a particular Performance or Writing, then it shall be Associate’s sole responsibility to notify SSL in writing in advance of the Performance or submission of the Writing so that appropriate measures can be taken, which may include, at SSL’s discretion, cancellation of Associate’s participation in the event or activity.

Dated: \_\_\_\_\_

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

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

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

## **EXHIBIT J**

### **SANDLER EMAIL TERMS OF SERVICE**

#### **1. Acceptance of Terms of Service**

Sandler Systems, LLC (“SSL”) provides registered users (each, a “User”, or “you”) with a Sandler email account (the “Service”) under these Terms of Service. Sandler email accounts are provided for use by Sandler franchisees and their respective employees for business purposes only, and exclusively in connection with the operation of their respective Sandler® businesses. Use of the Sandler email accounts for personal use is strictly prohibited. BY COMPLETING THE REGISTRATION PROCESS AND USING THE SERVICE, YOU ARE INDICATING YOUR AGREEMENT TO BE BOUND BY THESE TERMS OF SERVICE.

#### **2. Privacy**

Privacy of email is governed by Microsoft. Microsoft’s commitments and information concerning privacy, security and compliance are located at the following URL: <https://products.office.com/en-us/business/office-365-trust-center-privacy>.

It is SSL's policy to respect the privacy of its Users. As a matter of policy, SSL does not monitor, search or review the contents of individual Users' email accounts unless requested by User, and SSL expressly disclaims any obligation to monitor the email activity of its franchisees or their employees.

SSL and its subsidiaries, affiliates, vendors and agents will have access to your email account in processing its content, in resolving issues such as detecting and protecting against spam and malware, and for other technical reasons. Users do not have any expectation of privacy in their email accounts.

SSL will access your account, without notice to you, without your prior consent and without any liability to you, if required in order to comply with applicable law or to respond to legal process from competent authorities. If SSL accesses your account for the foregoing reason, it shall not be deemed to constitute the provision of assistance to the User.

#### **3. Modifications of these Terms of Service**

SSL may modify these Terms of Service from time to time in its sole discretion upon notice to the Sandler franchise network. The current Terms of Service are uploaded into the Document Library in One Sandler. It is your responsibility to periodically review the current Terms of Service.

#### **4. Modifications or Discontinuance of the Service**

SSL may modify or discontinue the Service at any time without liability to any User or any third party. If SSL discontinues the Service, where reasonably possible, SSL will give you reasonable advance notice so that you have an opportunity to retrieve the contents of your email account, and SSL will refund any email service fees you have paid for the discontinued portion of the paid term.

#### **5. Contents of Messages**

Users are required to at all times comply with the applicable terms of the Franchise Agreement and the Operations Manual concerning email signatures and the manner in which franchisees and their employees identify themselves in connection with the Sandler business. This includes including in all outgoing email the words: *An independently owned and operated business*.

Users alone are responsible for the contents of their messages and attachments, and the consequences of any such messages and attachments. User agrees that it will not use the Service for chain letters, junk mail, "spamming", solicitations (commercial or non-commercial) or any use of distribution lists to any person who has not given specific permission to be included in such a process.

User further agrees not to use the Service to transmit any messages or material that are unlawful, harassing, libelous, defamatory, tortious, abusive, threatening, harmful, vulgar, obscene, invasive of another's privacy, hateful, or racially, ethnically or otherwise offensive material of any kind or nature, or that encourages conduct that could constitute a criminal offense, give rise to civil liability or otherwise violate any applicable local, state, national or international law or regulation, or contain viruses, trojan horses, worms, time bombs, cancelbots, or any harmful or deleterious programming routine.

SSL will not be liable for any damage that may occur to a User or to User's equipment as a result of any of the aforementioned being received by User. Additionally, User is solely liable for sending the aforementioned.

SSL reserves the right to terminate any User's account if SSL becomes aware and determines, in its sole discretion, that such User is violating any of the foregoing guidelines.

## **6. User Name and Password**

User shall not share his/her account with anyone else. User accounts should only be accessible by the User specifically named in the account. User is responsible for maintaining the confidentiality of its User name and password. User shall be responsible for all uses of its User name. User agrees to immediately notify SSL of any unauthorized use of its User name. User agrees to change its password at the intervals required by SSL.

## **7. Obligation to Report Suspicious Activity**

User is required to report any suspicious activity immediately to MNS by sending an email to [ticket@mmsgroup.com](mailto:ticket@mmsgroup.com) or calling 410 838 1088, with a copy to [alex.kline@sandler.com](mailto:alex.kline@sandler.com).

## **8. Disclaimer of Warranties**

USER EXPRESSLY AGREES THAT USE OF THE SERVICE IS AT USER'S SOLE RISK, AND THAT SSL PROVIDES THE SERVICE ON AN "AS IS" BASIS "WITH ALL FAULTS" AND "AS AVAILABLE".

TO THE EXTENT PERMITTED BY LAW, SSL EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT.

SSL DOES NOT MAKE ANY WARRANTY THAT THE SERVICE WILL MEET USER'S REQUIREMENTS, OR THAT THE SERVICE WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR FREE; NOR DOES SSL MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE SERVICE OR AS TO THE ACCURACY OR RELIABILITY OF ANY INFORMATION OBTAINED THROUGH THE SERVICE.

USER UNDERSTANDS AND AGREES THAT ANY MATERIAL AND/OR DATA DOWNLOADED OR OTHERWISE OBTAINED THROUGH THE USE OF THE SERVICE IS AT USER'S OWN DISCRETION AND RISK AND THAT USER WILL BE SOLELY RESPONSIBLE FOR ANY DAMAGE TO USER'S COMPUTER SYSTEM OR LOSS OF DATA THAT RESULTS FROM THE DOWNLOAD OF SUCH MATERIAL AND/OR DATA.

USER ACKNOWLEDGES THAT COMPUTER AND TELECOMMUNICATIONS SYSTEMS ARE NOT FAULT-FREE AND OCCASIONAL PERIODS OF DOWNTIME OCCUR. SSL DOES NOT GUARANTEE THE SERVICE WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE OR THAT CONTENT LOSS WILL NOT OCCUR.

SSL DOES NOT MAKE ANY WARRANTY REGARDING ANY GOODS OR SERVICES PURCHASED OR OBTAINED THROUGH THE SERVICE OR ANY TRANSACTIONS ENTERED INTO THROUGH THE SERVICE.

NO ADVICE OR INFORMATION, WHETHER ORAL OR WRITTEN, OBTAINED BY USER FROM SSL OR THROUGH THE SERVICE SHALL CREATE ANY WARRANTY NOT EXPRESSLY MADE HEREIN.

## **9. Limitation of Liability**

SSL SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, RESULTING FROM THE USE OR THE INABILITY TO USE THE SERVICE OR FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES OR RESULTING FROM ANY GOODS OR SERVICES PURCHASED OR OBTAINED OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO THROUGH THE SERVICE OR RESULTING FROM UNAUTHORIZED ACCESS TO OR ALTERATION OF USER'S TRANSMISSIONS OR DATA, INCLUDING BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, USE, DATA OR OTHER INTANGIBLE, EVEN IF SSL HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

## **10. Email Message Storage**

Email account storage and other features of Office 365 are described on Microsoft's website at the following URL: <https://products.office.com/en-us/business/office-365-enterprise-e3-business-software>. Storage is subject to change per Microsoft's terms. SSL does not assume any responsibility for the deletion or failure to store email messages.

## **11. Promotional Messages**

SSL and/or third parties may, from time to time, send email messages to Users containing advertisements, promotions, etc. SSL does not make any representation or warranty with respect

to the content of any such email messages or any goods or services which may be obtained from such third parties, and User agrees that SSL shall not have any liability with respect thereto.

## **12. Termination of Your Email Account**

SSL reserves the right to suspend your access to the Service or terminate your email account without any refund of email service fees, if you repeatedly violate these Terms of Service.

Upon termination or expiration of your status as a Sandler franchisee, or your employment with a Sandler franchisee, your email account will be immediately terminated without any refund of email service fees.

Following termination of an email account, all of its contents will be destroyed and no record of the contents will be retained. SSL is under no obligation to return any contents of a terminated email account to the User. SSL, in its sole discretion, may terminate the email address associated with a terminated account, forward that address to another address, or re-assign it to another User. Users have no rights of ownership in or to the email addresses provided.

## **13. Indemnification**

User agrees to indemnify and hold each of SSL, its subsidiaries and affiliates, and their respective shareholders, members, directors, officers and employees, harmless from any claim or demand, including reasonable attorneys' fees, made by any third party due to or arising out of User's use of the Service, the violation of these Terms of Service by User, or the infringement by User, or any other user of User's account, of any intellectual property or other right of any person or entity.

## **14. Applicable Law**

These Terms of Service shall be governed by and construed in accordance with the laws of the State of Maryland, U.S.A., without giving effect to its conflict of laws provisions. Jurisdiction for litigation of any dispute, controversy or claim arising out of or in connection with this Agreement, shall be only in a federal or state court having subject matter jurisdiction located in or applicable to Baltimore County, Maryland, U.S.A.

## **15. Questions**

If you have any questions about these Terms of Service, please contact SSL's legal department at [legal@sandler.com](mailto:legal@sandler.com) or 410-559-2021.

Last updated: April 29, 2024

**EXHIBIT K**

**OPERATIONS MANUAL**

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**EXHIBIT L**

**ESTOPPEL CERTIFICATE**  
**AND**  
**LIMITED RELEASE**  
**(Transfer)**

**THIS ESTOPPEL CERTIFICATE AND LIMITED RELEASE** is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_ (“Releasor”).

**EXPLANATORY STATEMENT**

A. Releasor and SSL entered into a Franchise Agreement dated \_\_\_\_\_ (the “Franchise Agreement”), whereby SSL granted Releasor the right to own and operate a Sandler® franchise (the “Franchise”)

B. \_\_\_\_\_, (“BUYER”) has agreed to purchase from Releasor certain assets of Releasor, including all of Releasor’s right, title and interest in the Franchise under the Franchise Agreement, subject to the consent of SSL.

C. The Franchise Agreement requires that Releasor release certain claims it may have against SSL and its affiliates and predecessors as a condition to obtaining SSL’s consent to the transfer of the Franchise Agreement to BUYER.

D. SSL is willing to consent to the transfer of the Franchise from Releasor to Buyer, subject in part to the execution and delivery of this Estoppel Certificate by Releasor.

**NOW THEREFORE**, in consideration of the Explanatory Statement, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Releasor, with the intent to be legally bound, hereby agrees as follows:

1. Releasor certifies that as of the date first above written, it has no claim pending against SSL and knows of no facts which would give rise to any claim by him against SSL, with the exception of any claims arising under any applicable franchise registration and disclosure law.

2. Releasor, for itself and each of its past and present predecessors, successors, affiliates, subsidiaries, assigns, agents and employees, and their respective heirs, executors, administrators, personal representatives, successors and assigns, hereby releases and forever discharges SSL and its affiliates and predecessors and each of their respective officers, directors, members, stockholders, agents and employees, and their respective heirs, executors, administrators, personal representatives, successors and assigns (hereinafter “Releasees”), from, in respect of, and in relation to any and all acts, omissions or refusals to act, damages, judgments, and demands, of any kind whatsoever, whether joint or several, which against the Releasees the Releasor ever had, now has or which its heirs, executors, administrators, personal representatives, successors, or assigns hereinafter can, shall or may have, for, upon or by reason of any matter, cause or thing whatsoever, whether or not now known or unknown, from the beginning of the

world to the date first above written, with the exception of any claims arising under any applicable franchise registration and disclosure law.

**IN WITNESS WHEREOF**, the undersigned has duly executed this Estoppel Certificate under seal on the date first above written.

\_\_\_\_\_  
By: \_\_\_\_\_ (SEAL)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_, TO WIT:

I HEREBY CERTIFY, that on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, a Notary Public of the State aforesaid, personally appeared \_\_\_\_\_ [Name/Title] \_\_\_\_\_, who made oath in due form of law that he/she was executing the foregoing Estoppel Certificate for the purposes therein contained.

As witness, my hand and Notarial Seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[Additional signature lines as necessary]

**EXHIBIT M**

**ESTOPPEL CERTIFICATE AND LIMITED RELEASE**

**(Renewal)**

**THIS ESTOPPEL CERTIFICATE AND LIMITED RELEASE is made** this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_, by \_\_\_\_ [Franchisee and all guarantors] \_\_\_\_\_ (“Releasor”).

**EXPLANATORY STATEMENT**

A. Releasor and SSL entered into a Franchise Agreement dated \_\_\_\_\_, whereby SSL granted to Releasor the right to own and operate a Sandler® franchise (“Franchise”) for a five (5) year term.

B. SSL and Releasor desire to renew the Franchise for an additional term of five (5) years, subject in part to the execution and delivery of this Estoppel Certificate by Releasor.

**NOW THEREFORE**, in consideration of the Explanatory Statement, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Releasor, with the intent to be legally bound, hereby agrees as follows:

1. Releasor certifies that as of the date first above written, he has no claim pending against SSL and knows of no facts which would give rise to any claim by him against SSL, with the exception of any claims arising under any applicable franchise registration and disclosure law.

2. Releasor, for himself and each of his past and present predecessors, successors, affiliates, subsidiaries, assigns, agents and employees, and their respective heirs, executors, administrators, personal representatives, successors and assigns, hereby releases and forever discharges SSL and its affiliates and predecessors and each of their respective officers, directors, members, stockholders, agents and employees, and their respective heirs, executors, administrators, personal representatives, successors and assigns (hereinafter “Releasees”), from, in respect of, and in relation to any and all acts, omissions or refusals to act, damages, judgments, and demands, of any kind whatsoever, whether joint or several, which against the Releasees the Releasor ever had, now has or which he or his heirs, executors, administrators, personal representatives, successors, or assigns hereinafter can, shall or may have, for, upon or by reason of any matter, cause or thing whatsoever, whether or not now known or unknown, from the beginning of the world to the date first above written, with the exception of any claims arising under any applicable franchise registration and disclosure law.

**IN WITNESS WHEREOF**, the undersigned has duly executed this Estoppel Certificate under seal on the date first above written.

\_\_\_\_\_(SEAL)

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

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

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_, TO WIT:

I HEREBY CERTIFY, that on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a Notary Public of the State aforesaid, personally appeared \_\_\_\_\_, Releasor, who made oath in due form of law that he was executing the foregoing Estoppel Certificate for the purposes therein contained.

As witness, my hand and Notarial Seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[Additional Signature lines as necessary]

**EXHIBIT N**  
**DATA USE AND PROTECTION AGREEMENT**  
**(Sandler LMS)**

In order to protect information defined as “User Data” below, Sandler Systems, LLC, a Maryland limited liability company (“SSL”), and \_\_\_\_\_, a \_\_\_\_\_, (“Franchisee”) agree to the following:

**1. User Data**

In this Agreement “User Data” shall mean all information entered into SSL’s learning management system known as *Sandler LMS*, by users of Sandler LMS. This includes both personal and non-personal information. SSL, as owner of Sandler LMS, has access to all User Data. Franchisee hereby acknowledges and agrees that all User Data is confidential.

**2. Processing and Use of User Data**

a. Franchisee may process and use the User Data only to provide Sandler services and products to the respective user and not for any other purpose. Franchisee may disclose the User Data only to Franchisee’s employees who have a need to know the User Data for the provision of Sandler services and products to the respective user, have received privacy training from the Franchisee, and are bound by confidentiality obligations not less restrictive than those contained in this Agreement. Franchisee shall not sell, rent or lease User Data to anyone.

b. Franchisee shall not use the User Data in connection with any marketing or promotional activities, including, but not limited to, email or text message communications to users of Sandler LMS. If a Sandler LMS user has provided Franchisee with the consent required by applicable law via a means other than Sandler LMS so that Franchisee may lawfully send marketing and promotional communications to that user, then Franchisee shall not be in violation of this Section 2.b.

c. Franchisee shall not disclose the User Data to any other third party, even for their preservation, nor transfer the User Data to any other country without the prior written consent of SSL. In the event Franchisee is authorized by SSL for subcontracting any services involving collecting, using, storing, transferring and otherwise processing User Data, Franchisee will agree with its subcontractors to protect and process the User Data under terms no less restrictive than those contained in this Agreement. Furthermore, SSL reserves the right, at its sole option, to enter into additional confidentiality agreements directly with such subcontractors in order to ensure adequate protection of User Data and comply with any applicable laws.

**3. Agreement Coordinator**

Each party designates the following person, as its Agreement coordinator for coordinating the disclosure, receipt, management and processing of User Data:

SSL: [courseware.developers@sandler.com](mailto:courseware.developers@sandler.com)

Franchisee:                      Contact name: \_\_\_\_\_  
   Phone Number: \_\_\_\_\_  
   Email address: \_\_\_\_\_

#### **4. Security Measures**

Franchisee shall use the same degree of care, but never less than a reasonable degree of care, to prevent unauthorized use, dissemination or publication of the User Data, as its uses to protect its own information of similar nature, and will implement any technical and organizational measures to protect User Data which are required by the applicable law.

At a minimum, Franchisee agrees:

- a. To implement, maintain and use appropriate technical and organizational measures to protect User Data against (i) accidental or unlawful destruction or loss, (ii) unauthorized disclosure or access, in particular where processing involves the transmission of User Data over a network, (iii) alteration, and (iv) all other unlawful forms of processing.
- b. To implement appropriate procedures to ensure that (i) unauthorized persons will not have access to the data processing equipment used to process the User Data, (ii) any persons it authorizes to have access to the User Data will respect and maintain the confidentiality and security of the User Data, and (iii) the measures and procedures that it uses will be sufficient to comply with all applicable legal requirements.
- c. To implement and maintain the security measures required by Franchisee's insurance policies.

#### **5. Additional Franchisee Obligations**

a. Franchisee agrees:

- (1) In connection with protecting, collecting, storing, transferring and otherwise processing of User Data, Franchisee agrees to act only in accordance with the requirements of this Agreement or instructions provided by SSL either upon Franchisee's request or SSL's election.
- (2) Not to copy, reproduce or store any User Data without the express written permission of SSL, except as technically necessary to comply with this agreement (e.g. duplication of data stocks as backup protection against loss of data).

(3) To immediately notify the SSL Agreement Coordinator by telephone and follow up in writing if it becomes aware of any actual, suspected or alleged unauthorized use of, disclosure of, or access to User Data by itself or others, including notification of loss or suspected loss of data whether or not such data has been encrypted. Franchisee will cooperate with SSL in the manner reasonably requested by SSL and in accordance with law, including but not limited to: conducting the investigation; cooperating with authorities; notifying affected persons, credit bureaus, other persons or entities deemed appropriate by SSL; and issuing press releases. Such cooperation will include without limitation: (i) SSL access to Franchisee's records and facilities; (ii) Franchisee's provision of all relevant data and reports to SSL; and (iii) prior advance approval by SSL of any notifications to impacted individuals or press releases. Franchisee shall reimburse SSL for all costs and expenses incurred by SSL in order for SSL to comply with applicable law due to Franchisee's failure to comply with the security measures required herein or by applicable law.

(4) To inform SSL promptly in writing if Franchisee is of the opinion that any instruction from SSL violates applicable data protection laws or regulations.

- b. When collecting, using, storing, transferring and otherwise processing User Data, Franchisee shall comply with the provisions of all applicable federal, state, county and local laws, ordinances, statutes, rules, regulations and registration requirements, including, but not limited to data protection and data export law.
- c. Franchisee shall handle all User Data in a manner consistent with the then current Global Privacy Policy for Sandler LMS, available at <https://www.sandler.com/privacy-policy/>.

## **6. Records**

- a. Upon request by SSL or upon termination of the Franchise Agreement by and between Franchisee and SSL (the "Franchise Agreement"), Franchisee shall deliver to SSL any User Data in its possession and destroy any copies of User Data in Franchisee's files, including, but not limited to, all contact information, unless otherwise required under operation of law.
- b. Upon request by SSL with forty-eight (48) hours' prior written notice and during business hours, Franchisee agrees to submit its data processing facilities, data files and documentation needed for processing to auditing by SSL (or a duly qualified independent auditor or inspection authority selected by SSL for such purpose) to ascertain compliance with this Agreement.

## **7. Duration**

The obligations specified in Section 2 above will survive any termination of the Franchise Agreement or this Agreement.

## **8. Indemnification**

Franchisee shall indemnify, defend and hold harmless SSL and its affiliates and their respective officers, directors, members, shareholders and employees from and against any and all liabilities, losses, costs and expenses, including reasonable attorneys' fees, court costs and expenses, arising from or resulting from Franchisee's breach of this Agreement or from Franchisee's violation of any applicable law, statute, regulation, rule or ordinance. In addition, Franchisee shall accept subrogation of any costs and expenses incurred by SSL in management of a data breach or data mishandling caused by the acts or omissions of Franchisee.

## **9. Disclaimers**

Nothing in this Agreement shall be construed as an obligation (i) to disclose any particular information, (ii) to incorporate any disclosed information into a product, or (iii) to warrant the accuracy or completeness of any information disclosed hereunder.

## **10. Franchise Agreement**

Franchisee acknowledges that any breach by Franchisee of this Agreement shall constitute a material breach of the Franchise Agreement.

## **11. Miscellaneous**

- a. This Agreement shall be the complete agreement between Franchisee and SSL regarding Franchisee's use of the User Data. This Agreement may not be changed, transferred, or amended except in writing signed by both parties hereto.
- b. This Agreement shall be deemed to have been made and entered into in the State of Maryland, and shall be governed and construed in accordance with the laws of the State of Maryland, United States of America, without regard to its conflicts of laws, rules or principles. Any disputes arising hereunder shall be adjudicated exclusively in the state and federal courts having jurisdiction over disputes arising in Baltimore County, Maryland, and the parties hereby consent to the jurisdiction of such courts over themselves and the dispute. In any action between the parties, each of the parties waives its right to a jury trial.
- c. In the event any provision of this Agreement shall not be enforceable, the remainder of this Agreement shall continue in full force and effect.
- d. Notwithstanding the foregoing, nothing in this Agreement will be construed as an exclusion of any laws, regulations or rules pertaining to protection of personal or other data or export regulations that may be applicable to the services provided by Franchisee under the Franchise Agreement and that must be observed by Franchisee.
- e. The person signing on behalf of Franchisee has full authority to bind Franchisee by his or her execution of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the last date below written.

ATTEST:

\_\_\_\_\_  
Erica Stubbs  
Assistant Secretary

SANDLER SYSTEMS, LLC

By: \_\_\_\_\_  
Name: Shannon Howell  
Title: Vice President of Legal  
Date: \_\_\_\_\_

FRANCHISEE

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<u>State</u>	<u>Effective Date</u>
Minnesota	July 15, 2024, <u>as amended</u>

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT O**  
**RECEIPT**  
**(your copy)**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If SSL offers you a franchise, SSL must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

**New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.**

**Michigan, Oregon and Wisconsin require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.**

If SSL does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission and the state administrator listed on **Exhibit E**.

Issuance date: April 29, 2024, as amended September 11, 2024

The following franchise sellers were involved in the offering of this franchise:

1. Stephen Howell, Director of Franchise Development, Sandler Systems, LLC. Sandler Systems, LLC's and Stephen Howell's principal business address and telephone number are: 300 Red Brook Blvd., Suite 10, Owings Mills, Maryland 21117, (410) 653-1993.

2. The following franchise broker: \_\_\_\_\_, having a principal business address at: \_\_\_\_\_, telephone number: \_\_\_\_\_.

SSL authorizes the respective state agencies identified on Exhibit E to receive service of process for it in the particular state.

I have received a Franchise Disclosure Document coded MN 04-2909-11-2024 (in the lower left-hand corner of the document) that included the following Exhibits: **Exhibit A** Franchise Agreement, **Exhibit B** Franchisor's Financial Statements, **Exhibit C** Franchisee List - Current, **Exhibit D** Franchisee List - Past, **Exhibit E** State Administrators and Agents for Service of Process, **Exhibit F** State Specific Addenda to Disclosure Document, **Exhibit G** Confidentiality Agreement, **Exhibit H** Representative's Non-Disclosure and Non-Compete Agreement, **Exhibit I** Manager's Non-Disclosure and Non-Compete Agreement, **Exhibit J** Sandler Email Terms of Service, **Exhibit K** Table of Contents of Operations Manual, **Exhibit L** Estoppel Certificate and Limited Release (Transfer), **Exhibit M** Estoppel Certificate and Limited Release (Renewal), **Exhibit N** Data Use and Protection Agreement, and **Exhibit O** Receipt.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Prospective Franchisee

\_\_\_\_\_  
Please Print Name

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State, Zip Code, Phone Number

**EXHIBIT O**  
**RECEIPT**  
**(our copy)**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

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\_\_\_\_\_  
Date

\_\_\_\_\_  
Prospective Franchisee

\_\_\_\_\_  
Please Print Name

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State, Zip Code, Phone Number