

**ITEM 6**  
**OTHER FEES**

Type of Fee (Note 1)	Amount	Date Due	Remarks
Royalty (“ <b>Royalty Fee</b> ”)	15% of Gross Revenues, however, each bimonthly Royalty Fee payment is subject to a minimum payment amount equal to: (i) \$175 beginning 4 months after the Franchise Agreement has been signed, then increasing to \$325 beginning 8 months after the Franchise Agreement has been signed, then increasing to \$450 beginning 12 months after the Franchise Agreement has been signed, then increasing to \$700 beginning 18 months after the Franchise Agreement has been signed and thereafter (the “ <b>Minimum Royalty Fee</b> ”).	Bimonthly (twice per month) on the 1 <sup>st</sup> and 15 <sup>th</sup> day of each month based on the Gross Revenues for the preceding bimonthly period. (Note 2).	“ <b>Gross Revenues</b> ” means all revenue related to the Franchised Business (excluding sales taxes collected and remitted to the proper authorities). Royalty Fee payments (or Minimum Royalty Fee payments) due on the 1 <sup>st</sup> day of each month will be based upon Gross Revenue for the bimonthly period beginning the 15 <sup>th</sup> day of the preceding month through the close of the preceding month, and Royalty Fee payments due on the 15 <sup>th</sup> day of each month will be based upon Gross Revenue for the bimonthly period beginning the 1 <sup>st</sup> day of such month to the 14 <sup>th</sup> day of such month. We reserve the right to modify the bimonthly payment periods at any time. In order to clarify, for each bimonthly period, you must pay the greater of 15% of Gross Revenues or the Minimum Royalty Fee.
Membership Screening Fee	The greater of \$100 for each prospective member who has applied for membership into your Network In Action Groups or 50% of the Membership Initiation Fee charged by you to each prospective member who has applied for membership into your Network In Action Groups	Within 2 business days from the entry of each member into your Network In Action Groups.	“ <b>Membership Initiation Fee</b> ” shall mean the total amount charged by you to each prospective member who has applied for membership into your Network In Action Groups. <a href="#">This fee pays for a background check for each prospective member, as well as providing each approved member with a business assessment and support to improve their business reviews.</a>

Type of Fee (Note 1)	Amount	Date Due	Remarks
Business Automation Program Fee	Currently \$99 per month; <del>subject change.</del>	On the first day of each month	You may, <del>at your option,</del> subscribed to our “ <b>Business Automation Program.</b> ” The Business Automation Program, administered by us or an approved supplier, in our sole discretion, is designed to assist you in efficiently running your Network In Action Groups. This fee <del>is subject to change in our discretion, and</del> is non-refundable. If you opt into this program, you must do so for a minimum of 12 months. Currently the Business Automation Program is administered by our approved supplier, Thryv.
Additional on-site training and assistance	Our per-diem charge (which is currently \$500, plus our out-of-pocket costs), per trainer.	Upon Demand.	If we require, in our sole discretion, that you receive additional training from us at your Franchised Business or if you ask that we (a) provide additional on-site training, or (b) conduct at your Franchised Business any training session that we offer at our headquarters, and we do so, then you will have to pay our then-current per-diem charge for extra training. See Item 11 under the heading “Training.”

Business. You may use computer hardware that you already own, if such hardware meets with our approval. The estimate includes the costs for the items that we currently require. We may periodically require franchisees to update their computer systems to our then-current standards. See Item 11 under the heading “Computer System” for additional information.

5. **Professional Fees** – The estimate assumes that you will employ an attorney, accountant, and other consultants to help you evaluate our franchise offering and your establishment of a new business, and in obtaining all required permits and licenses to establish and operate the Franchised Business. In addition, you may also form a corporation or other entity to operate the business. ~~Your actual costs may vary substantially, for example, depending on the degree to which you rely upon your advisors and upon the licensing requirements that may apply to your Franchised Business.~~

6. **Insurance Deposit** – The estimate represents an initial deposit for the coverage necessary to operate the business and represents approximately three months of coverage. Insurance costs will vary depending upon factors such as the size and location of the Franchised Business. Your obligations with respect to insurance are more fully described in Item 8.

7. **Initial Inventory of Equipment, Supplies and Marketing Materials** – You must purchase an initial inventory of certain equipment, supplies and marketing materials including (without limitation) business cards, name tags, brochures and other office supplies, in addition to other items.

8. **Training Expenses** – You will incur expenses associated with our training program. For this training program, we provide instructors and instructional materials at no charge, but you must pay for transportation, lodging and meals. As to the amounts shown, the low end of the estimate assumes that you complete your training through our online modules, and the high end assumes that other travel will be needed, and includes travel expenses, although these may vary significantly depending upon factors such as the distance traveled and mode of transportation. Your costs will also vary depending on the nature and style of accommodations. See Item 11 under the heading “Training” for additional details regarding the program.

9. **Additional Funds** – You may need additional capital to support on-going expenses to the extent that these costs are not covered by sales revenue. ~~New businesses often generate a negative cash flow.~~ We estimate that the amount shown in the chart above will be sufficient to cover on-going expenses for the start-up phase or initial period of the business, which we calculate to be three months. Our estimates in this Item 7 are based on our current prototype for Network In Action Businesses, our management team’s experience in establishing and operating Network In Action Groups, and our knowledge of business practices and conditions in the general marketplace. You should take into account the cash outlays ~~and probable losses~~ that you may incur while you are trying to get established. The disclosure laws require us to include this estimate of all costs and expenses to operate your franchise during the “initial period” of your business, which is defined as three months or a longer period if “reasonable for the industry.” We are not aware of any established longer “reasonable period” for our industry, so our disclosures cover a three month period.

**ITEM 8**  
**RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

To insure that the highest degree of quality and service is maintained, you must operate the Franchised Business in strict conformity with the methods, standards, and specifications as we may from time to time prescribe in the Manuals or otherwise in writing.

**Products and Other Purchases**

General

All products and services sold or offered for sale at the Franchised Business must meet our then-current standards and specifications and be approved by us. You must purchase and use all equipment, signs, supplies, services, products, marketing materials, promotional programs, computers and communications hardware and software, as we may reasonably require in the Manuals or other written materials (collectively, “**Business Items**”). You must purchase all additional products and Business Items solely from manufacturers, distributors, providers and suppliers who demonstrate to our continuing reasonable satisfaction the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us in the Manuals or otherwise in writing. You may not purchase, offer or sell any products or services, or use at your Franchised Business any products or Business Items, that we have not previously approved as meeting our standards and specifications. We and our affiliates have the right to be an approved supplier of any items, although we and our affiliates are not currently approved suppliers. We may disapprove of products/services and suppliers based on our desire to consolidate Network In Action System purchases through fewer suppliers. We may designate a single supplier, which may be us or one of our affiliates, for any Business Item, in which event you must purchase such items exclusively from the designated supplier.

If you desire to purchase unapproved products or Business Items from other than approved suppliers, you must submit to us a written request to approve the proposed product or supplier, together with such evidence of conformity with our specifications as we reasonably require. We will use our best efforts to complete our review within six months. If we do not give our written approval within this six month period, we will be deemed to have disapproved the proposed new supplier. We may, from time to time, revoke our approval of particular products, Business Items or suppliers if we determine, in our sole discretion, that the products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease to sell any disapproved product and/or cease to purchase from any disapproved supplier. [We charge no fees to secure approval to purchase from alternative suppliers.](#)

Our specifications either: (1) are contained in the Manuals; or (2) will be provided to you upon request. We, however, have no obligation to make available to prospective suppliers the standards and specifications that we deem confidential. When approving suppliers, we consider whether they demonstrate the ability to meet our standards and specification and whether they possess adequate quality controls and capacity to supply your needs promptly and reliably. However, our approval may be withheld for any reason.

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Network In Action Businesses in our Network In Action System. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that action would not be in the best interests of the Network In Action

System or the franchised network of Network In Action Businesses. There are currently no purchasing or distribution cooperatives in our Network In Action System.

We and/or our affiliates may receive payments or other compensation from suppliers on account of the suppliers' dealings with us, you, or other Network In Action Businesses in the Network In Action System. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees.

You may, at your option, subscribed to our Business Automation Program for a fee of \$99 per month. The Business Automation Program, administered by us or an approved supplier, in our sole discretion, is designed to assist you in efficiently running your Network In Action Groups. This fee is subject to change in our discretion, and is non-refundable. If you opt into this program, you must do so for a minimum of 12 months. Currently the Business Automation Program is administered by our approved supplier, Thryv. We expect to earn a rebate of 10% related to fees paid by franchisees to this supplier.

For the fiscal year ending December 31, 2023, we have not receive revenue as a result of payments or other compensation from suppliers on account of the suppliers' dealings with us, you, or other Network In Action Businesses in the Network In Action System.

We estimate that your purchases from approved suppliers will represent approximately 75% to 100% of your total purchases in establishing the Franchised Business, and approximately 75% to 100% in the continuing operation of the Franchised Business. We also estimate that your purchases that must conform to our specifications will represent approximately 75% to 100% of your total purchases in establishing the Franchised Business, and approximately 75% to 100% of your total purchases in the continuing operation of the Franchised Business.

We provide no material benefits to franchisees based on their use of suppliers or sources we approve. No officer of ours owns an interest any approved supplier. [We nor any persons affiliated with us is currently an approved supplier.](#)

### **Credit Cards**

We reserve the right to require that you maintain arrangements with Visa, American Express, MasterCard and additional or replacement credit card and debit card issuers or sponsors nominated by us from time to time, in order that the Franchised Business may accept credit cards and debit cards, and other methods of payment. You must utilize and purchase all credit/debit card merchant services from the payment system or financial institution supplier approved and designated by us. Whenever we designate a new payment system or financial institution supplier for credit/debit card merchant services for the System, you must adopt this change promptly. We reserve the right to require that you only accept payment through the use of our approved payment system or financial institution supplier for credit/debit card merchant services. You must also agree to grant us unimpeded access to any and all reports or information generated by the payment system or financial institution supplier for credit/debit card merchant services.

### **Computer System**

You will need to acquire (either by purchase or lease) the computer hardware and software system that we may specify from time to time. You may use computer hardware that you already own, if

us, you must pay a fine of \$1,000 for each such absence, as included in Item 6 of this Disclosure Document.

The subjects covered in the initial training program are described below. Initial training programs are scheduled throughout the year on an as-needed basis as new franchisees join the system. We have the right to change the duration and content of our initial training program. The initial training, as described above, is currently conducted at our headquarters in Houston, Texas or on-line through our web based applications. You must complete the initial training program at least one day prior to starting operations of the Franchised Business.

### TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
New Member Sales	20		Our headquarters in Houston, Texas or on-line through our web based applications.
Marketing	2		Our headquarters in Houston, Texas or on-line through our web based applications.
Technology	8		Our headquarters in Houston, Texas or on-line through our web based applications.
Monthly Meetings	8		Our headquarters in Houston, Texas or on-line through our web based applications.

In addition to the above, you will be required to attend (in-person or virtually) thirteen recorded training sessions as part of your onboarding as a franchisee.

Currently, our training staff is run by Scott Talley, whose biographical information is contained in Item 2 of this Disclosure Document. Mr. Talley has over 8 years of experience with us and over 8 years of experience in the industry. We will use additional instructors on our training staff to conduct our training programs. Our additional instructors will have a minimum of 1 year of experience with strong abilities in training and development.

### **Manuals**

You will be required to comply with all of the specifications, procedures, and standards set out in our Manuals, which Manuals are subject to change in our discretion. [Our Manuals are provided to you electronically, online through our System intranet.](#) You will be provided an opportunity to review our Manuals prior to signing a Franchise Agreement with us.

**ITEM 18**  
**PUBLIC FIGURES**

We do not use any public figure to promote our franchise.

**ITEM 19**  
**FINANCIAL PERFORMANCE REPRESENTATIONS**

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

The following tables relate to the actual Gross Revenues collected for the 12 month period from January 1, 2023 through December 31, 2023 by our affiliate-owned and franchisee-owned Network In Action Businesses, as described ~~in the below tables. We have included all Network In Action Businesses opened prior to January 1, 2023, which includes below. We have included in the tables below all Network In Action Businesses that were opened as of January 1, 2023 and remained open to December 31, 2023, excluding the 7 franchisee-owned Network In Action Group franchises that were terminated and closed during 2023 and the 3 Network In Action Group franchises that ceased operations for other reasons during 2023 (as reflected in Item 20). None of the 10 excluded franchisee-owned Network In Action Group franchises were open less than 12 months. The following tables include a total of 3 affiliate-owned Network In Action Groups and a total of 94 franchisee-owned Network In Action Groups, as follows:~~

Table 1 - 1 affiliate-owned Network In Action Business, which operated 3 Network In Action Groups;

Table 2 - ~~16~~14 franchisee-owned Network In Action Businesses, which each operated 1 Network In Action Group;

Table 3 - ~~40~~11 franchisee-owned Network In Action Businesses, which each operated 2 Network In Action Groups;

Table 4 - 5 franchisee-owned Network In Action Businesses, which each operated 3 Network In Action Groups; and

Table 5 - 4 franchisee-owned Network In Action Businesses, which each operated 4 Network In Action Groups.

Table 6 - 3 franchisee-owned Network In Action Businesses, which each operated 5 Network In Action Groups.

Table 7 - 1 franchisee-owned Network In Action Businesses, which operated 12 Network In Action Groups.

~~We have excluded Network in Action Businesses that were opened on or after January 1, 2023.~~  
Our affiliate-owned Network In Action Businesses offer substantially the same services you will offer as a franchisee.

“Gross Revenues” means all revenue related to the Franchised Business (excluding sales taxes collected and remitted to the proper authorities)

**Some Network In Action Businesses have earned this amount. Your individual results may differ. There is no assurance you will earn as much.**

The financial performance representation figures do not reflect operating expenses, or other costs or expenses that must be deducted from a gross revenue figure to obtain your net income or profit. ~~Historical sales, expenses, income or profit may not correspond to future sales, expenses, income and profit due to a variety of factors.~~—You should conduct an independent investigation of the costs and expenses you will incur in operating your Network In Action Business. Franchisees or former franchisees, if any, listed in this Disclosure Document, may be one source of this information.

We have compiled the following information from the internal, unaudited financial statements of our affiliate for the period indicated, and financial statements provided by our franchisees. The figures were not obtained from financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP), but are believed to be reliable.

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

**Table 1**

**Affiliate-Owned Network In Action Business, Which Operated 3 Network In Action Groups:**

<b>Affiliate-Owned Network In Action Business For the Year Ending December 31, 2023</b>	<b>Actual Gross Revenue</b>
Operating 3 Network In Action Groups	\$121,600

Notes:

(1) The above reported affiliate-owned Network In Action Business operated 3 Network in Action Groups during this entire period in the greater Houston, Texas area. The figure is based on total Gross Revenues for all Network in Action Groups operated by this affiliate-owned Network In Action Business.

**Table 2**

**Franchisee-Owned Network In Action Businesses, Which Operated 1 Network In Action Group:**

<b>Franchisee-Owned Network In Action Businesses For the Year Ending December 31, 2023</b>	<b>Actual Average Gross Revenue</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
Operating 1 Network In Action Group	\$34,472,363,313	\$39,380,431,152	\$67,043	\$10,737

Notes:

(1) The above reported figures include the 4614 franchisee-owned Network in Action Businesses that were opened for the entire 12 month period ending December 31, 2023, that operated 1 Network in Action Group. 9 of the above reported Network in Action Businesses exceeded the average and 75 were below the average. The figures are based on total Gross Revenues for all Network in Action Groups operated by each franchisee.

**Table 3**

**Franchisee-Owned Network In Action Businesses, Which Operated 2 Network In Action Groups:**

<b>Franchisee-Owned Network In Action Businesses For the Year Ending December 31, 2023</b>	<b>Actual Average Gross Revenue</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
Operating 2 Network In Action Groups	\$46,332	\$39,947	\$101,727	\$21,929

Notes:

(1) The above reported figures include the 4011 franchisee-owned Network in Action Businesses that were opened for the entire 12 month period ending December 31, 2023, that operated 2 Network in Action Groups. 3 of the above reported Network in Action Businesses exceeded the average and 78 were below the average. The figures are based on total Gross Revenues for all Network in Action Groups operated by each franchisee.

**Table 4**

**Franchisee-Owned Network In Action Businesses, Which Operated 3 Network In Action Groups:**

<b>Franchisee-Owned Network In Action Businesses For the Year Ending December 31, 2023</b>	<b>Actual Average Gross Revenue</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
Operating 3 Network In Action Groups	\$72,543	\$56,439	\$125,532	\$16,409

Notes:

(1) The above reported figures include the 5 franchisee-owned Network in Action Businesses that were opened for the entire 12 month period ending December 31, 2023, that operated 3 Network in Action Groups. 2 of the above reported Network in Action Businesses exceeded the average and 3 was

**Table 5**

**Franchisee-Owned Network In Action Businesses, Which Operated 4 Network In Action Groups:**

<b>Franchisee-Owned Network In Action Businesses For the Year Ending December 31, 2023</b>	<b>Actual Average Gross Revenue</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
Operating 4 <del>or More</del> Network In Action Groups	\$81,467	\$81,139	\$148,463	\$15,127

Notes:

(1) The above reported figures include the 4 franchisee-owned Network in Action Businesses that were opened for the entire 12 month period ending December 31, 2023, that operated 4 Network in Action Groups. 2 of the above reported Network in Action Businesses exceeded the average and 2 was below the average. The figures are based on total Gross Revenues for all Network in Action Groups operated by each franchisee.

**Table 6**

**Franchisee-Owned Network In Action Businesses, Which Operated 5 Network In Action Groups:**

<b>Franchisee-Owned Network In Action Businesses For the Year Ending December 31, 2023</b>	<b>Actual Average Gross Revenue</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
Operating 5 <del>or More</del> Network In Action Groups	\$138,416	\$128,836	\$176,000	\$110,413

Notes:

(1) The above reported figures include the 3 franchisee-owned Network in Action Businesses that were opened for the entire 12 month period ending December 31, 2023, that operated 5 Network in Action Groups. 1 of the above reported Network in Action Businesses exceeded the average and 2 was below the average. The figures are based on total Gross Revenues for all Network in Action Groups operated by each franchisee.

**Table 7**

**Franchisee-Owned Network In Action Businesses, Which Operated 12 Network In Action Groups:**

<b>Franchisee-Owned Network In Action Businesses For the Year Ending December 31, 2023</b>	<b>Gross Revenue</b>
Operating 12 or More Network In Action Groups	\$303,376

Notes:

(1) The above reported figure includes the 1 franchisee-owned Network in Action Business that was opened for the entire 12 month period ending December 31, 2023, that operated 12 Network in Action Groups. The figures are based on total Gross Revenues for all Network in Action Groups operated by this franchisee.

Other than the preceding financial performance representation, 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 Scott Talley, Network In Action Intl. LLC, 6011 Rose Street, Houston, Texas 77007, (713) 417-6152, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Outlet Summary**  
**For years 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	<u>4386</u>	<u>8087</u>	+ <u>371</u>
	2022	<u>8087</u>	<u>84104</u>	+ <u>417</u>
	2023	<u>84104</u>	<u>97114</u>	+ <u>1310</u>
Company-Owned or Affiliate-Owned	2021	3	3	0
	2022	3	3	0
	2023	3	3	0
<b>Total Outlets</b>	<b>2021</b>	<b><u>4689</u></b>	<b><u>8390</u></b>	<b>+<u>371</u></b>
	<b>2022</b>	<b><u>8390</u></b>	<b><u>87107</u></b>	<b>+<u>417</u></b>
	<b>2023</b>	<b><u>87107</u></b>	<b><u>100117</u></b>	<b>+<u>1310</u></b>

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2021 to 2023**

State	Year	Number of Transfers
Arizona	2021	0
	2022	1
	2023	0
California	2021	0
	2022	2
	2023	<u>20</u>
Florida	2021	0
	2022	1
	2023	0
Maryland	2021	0
	2022	1
	2023	0
Minnesota	2021	0
	2022	1
	2023	0
North Carolina	2021	0
	2022	1
	2023	0
Texas	2021	0
	2022	1
	2023	<u>10</u>
<b>Total</b>	<b>2021</b>	<b>0</b>
	<b>2022</b>	<b>8</b>
	<b>2023</b>	<u><b>30</b></u>

**Table No. 3**  
**Status of Franchised Outlets**  
For years ~~2020~~2021 to ~~2022~~2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Arizona	2021	2	0	1	0	0	0	1
	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
California	2021	<u>23</u>	<u>10</u>	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	<u>23</u>	0	0	0	<u>10</u>
Colorado	2021	<u>45</u>	<u>10</u>	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	<u>03</u>	0	0	0	<u>02</u>	<u>56</u>
Florida	2021	<u>02</u>	<u>20</u>	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	<u>03</u>	0	0	0	0	<u>25</u>
Georgia	2021	<u>23</u>	1	0	0	0	0	<u>34</u>
	2022	<u>34</u>	<u>10</u>	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Idaho	2021	<u>23</u>	<u>10</u>	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Massachusetts	2021	<u>01</u>	<u>10</u>	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	<u>01</u>	0	0	0	0	<u>12</u>
Maryland	2021	<u>13</u>	<u>20</u>	0	0	0	0	3
	2022	3	0	1	0	0	0	2
	2023	2	0	2	0	0	0	0
Minnesota	2021	<u>03</u>	<u>31</u>	0	0	0	0	<u>34</u>
	2022	<u>34</u>	<u>13</u>	0	0	0	0	<u>47</u>
	<del>2023</del>	4	3	0	0	0	0	7
	<del>2021</del> 2023	<u>07</u>	<u>03</u>	0	0	0	0	<u>010</u>
North Carolina	<del>2022</del>	0	1	0	0	0	0	1
	<del>2023</del>	1	0	0	0	0	0	1
OhioNorth Carolina	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1

	2023	1	4	0	0	0	0	5
-	<u>2024</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
-	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
-	<u>2022</u>	<u>1</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
-	<u>2023</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
-	<u>2021</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
-	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
-	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
South Carolina	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Tennessee	2021	<u>01</u>	<u>12</u>	0	0	0	0	<u>13</u>
	2022	<u>13</u>	<u>23</u>	0	0	0	0	<u>36</u>
	2023	<u>36</u>	<u>31</u>	0	0	0	0	<u>67</u>
Texas	2021	<u>2753</u>	<u>260</u>	0	0	0	4	49
	2022	49	<u>05</u>	0	0	0	1	<u>4853</u>
	2023	<u>4853</u>	<u>42</u>	2	0	0	0	<u>5053</u>
Utah	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Washington	2021	<u>01</u>	<u>12</u>	0	0	0	0	<u>13</u>
	2022	<u>13</u>	<u>25</u>	0	0	0	0	<u>38</u>
	2023	<u>38</u>	<u>52</u>	0	0	0	0	<u>810</u>
Totals	<b>2021</b>	<b><u>4386</u></b>	<b><u>437</u></b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b><u>8087</u></b>
	<b>2022</b>	<b><u>8087</u></b>	<b><u>720</u></b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b><u>84104</u></b>
	<b>2023</b>	<b><u>84104</u></b>	<b><u>1920</u></b>	<b><u>67</u></b>	<b>0</b>	<b>0</b>	<b><u>03</u></b>	<b><u>97114</u></b>

**Table No. 4**  
**Status of Company-Owned or Affiliate-Owned Outlets**  
**For years 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Texas	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
<b>Totals</b>	<b>2021</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
	<b>2022</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>

Under our current Franchise Agreement, our franchisees only have the option to operate three (3) Network In Action Groups. Prior to the date of this Disclosure Document, our franchisees had the option to operate either one (1), two (2), three (3) or four (4) Network In Action Groups.

The “Outlets” reflected in the above tables represent each Network in Action Group, meaning some franchisees listed in Exhibit E operate one Network In Action Group and some operate two, three or more Network In Action Groups.

A list of the names of all franchisees and the e-mail addresses and telephones numbers of their franchises are provided in Exhibit E to this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document will be listed on Exhibit F to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us.

There is no trademark-specific franchisee organization associated with us.

## **ITEM 21** **FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit G are our audited balance sheets as of December 31, 2021, 2022 and 2023, and the related statements of income, retained earnings, and cash flows for the fiscal years then ended. Our fiscal year end is December 31st.

## **ITEM 22** **CONTRACTS**

The following contracts are attached to this Disclosure Document:

Exhibit C – Franchise Agreement, including the following agreements:

- Guaranty (as Exhibit C [to the Franchise Agreement](#))
- Authorization for Prearranged Payments (as Exhibit D [to the Franchise Agreement](#))
- [Franchisee Disclosure Acknowledgment Statement \(FDAS\) \(as Exhibit E to the Franchise Agreement\)](#)
  - [The FDAS commences on page 1 of Exhibit E to the Franchise Agreement.](#)
  - [Please do not sign the FDAS if you are a Maryland resident or if the Franchised Business will be located within the State of Maryland.](#)

Exhibit D – Non-Use and Non-Disclosure Agreement

Exhibit H – General Release

Exhibit I – Promissory Note

**ADDENDUM TO THE  
FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

The **NETWORK IN ACTION INTL. LLC** Disclosure Document (the “**Disclosure Document**”) and Franchise Agreement between \_\_\_\_\_ (“**Franchisee**”) and **NETWORK IN ACTION INTL. LLC**, a Texas limited liability company (“**Franchisor**”), dated \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement**”) shall be amended by the addition of the following language, which shall be considered an integral part of the Disclosure Document and Agreement (this “**Addendum**”):

MINNESOTA LAW MODIFICATIONS

3. The Minnesota Department of Commerce requires that certain provisions contained in franchise documents be amended to be consistent with the Minnesota Franchise Law, Minnesota Statute Chapter 80C, which regulates the sale of franchises to be located in Minnesota or to be sold to residents of Minnesota. Registration is required by the franchisor offering and selling the franchise. To the extent that the Disclosure Document and/or Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

a. 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 of Franchisor that would violate the Act, or a rule or order under the Act. Minn. Rule 2860.4400D prohibits requiring a franchisee to assent to a general release. Any release of claims or acknowledgment of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Minnesota Franchises Act or a rule or order promulgated thereunder shall be void with respect to claims arising under the Minnesota Franchises Act.

b. The following language must amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections of the Franchise Disclosure Document and Agreement~~(s)~~:

“Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

c. The Minnesota Department of Commerce requires that Franchisor indemnify you against liability to third parties for infringement resulting from your use of the trademarks licensed under the Agreement. Article 10 of the Agreement describes the circumstances under which Franchisor will indemnify you against third party liability for trademark infringement. Requirements imposed under the Minnesota Franchises Act will supersede inconsistent provisions contained in Article 10 of the Agreement.

d. Sec. 80C.17, Subd. 5 of the Minnesota Franchises Act provides that no action may be commenced thereunder more than three (3) years after the cause of action accrues. To the extent that the Agreement conflicts with this law, the Minnesota law will control.

e. The Agreement contains certain provisions regarding termination and non-renewal of franchise and notice and opportunity to cure. To the extent any provision of this Agreement and/or the Disclosure Document are inconsistent with respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement, those provisions of the Agreement and/or Disclosure Document are hereby amended accordingly. Requirements imposed under the Minnesota Franchise Act will supersede inconsistent provisions contained in the Agreement.

f. Any section of the Agreement (pertaining to liquidated damages) is hereby deleted; provided, that such deletion shall not excuse you from liability for actual or other damages and the formula for assessing liquidated damages shall be admissible in any litigation or proceeding as evidence of actual damages.

g. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. To the extent that the Agreement conflicts with this law, the Minnesota law will control.

h. Exhibit E to the Agreement, titled Franchisee Disclosure Acknowledgement Statement, is hereby deleted and shall have no force or effect.

i. The following is added to Item 5 and Item 7 of the Disclosure Document and Section 4.1 of the Agreement: Based upon Franchisor's financial condition, the Minnesota Securities Registration Division has required a financial assurance. Therefore, all initial fees owed by Franchisee will be deferred until Franchisor fulfills its pre-opening obligations under the Agreement and Franchisee's Franchised Business is open for business.

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

5. As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Agreement, Franchisor reserves the right to challenge the enforceability of the state law.

6. All other provisions of the Agreement are hereby ratified and confirmed.

*Remainder of page intentionally left blank.*