



## FRANCHISE DISCLOSURE DOCUMENT

i4 Franchise Development Inc.

an Arizona corporation

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West Chester, Ohio 45069

Tel: 513-860-0600

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www.i4searchgroup.com

The franchise that we offer is for i4 Search Group, a business that provides permanent placement recruitment services for healthcare facilities and providers.

The total investment necessary to begin operation of the franchised business under a franchise agreement within a single territory and specialty line is \$65,300 to \$111,100. This includes \$50,000 to \$80,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of the franchised business under a franchise agreement within multiple territories is \$110,300 to ~~\$255,251,100~~. This includes ~~\$8795,0500~~ to ~~\$208224,000~~ that must be paid to the franchisor or its affiliates.

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 form that is more convenient for you. To discuss the availability of disclosures in different forms, contact Scott Butts, President, i4 Franchise Development Inc., at 7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069, and 513-860-0600.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 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: March 26, 2024

## Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Ohio. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Ohio than in your own state.
2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement, even if your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.
3. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Financial Support**. The franchisor's financial condition as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
5. ~~**Short Operating History**. The franchisor is at an early stage of development and has limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.~~

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

**ITEM 5**  
**INITIAL FEES**

When you sign a Franchise Agreement you must pay to us a non-refundable initial franchise fee (the “Initial Franchise Fee”). The Initial Franchise Fee ranges from \$50,000 to \$80,000 for an i4 Business operating a single Specialty Line within geographic area that operates as a single territory (each a “Territory”). Variation of the Initial Franchise Fee is based on the population within your Territory and is determined at the time of signing the Franchise Agreement in accordance with the following schedule:

Approximate Territory Population	Initial Franchise Fee (Single Specialty Line)
<b>Tier 1:</b> less than 6 million	\$50,000
<b>Tier 2:</b> 6 million to less than 8 million	\$60,000
<b>Tier 3:</b> 8 million or greater	\$80,000

The Initial Franchise Fee is fully earned by us upon payment and is payable in a lump sum. The method we use to calculate the Initial Franchise Fee is uniform for all franchises that we offer under this Disclosure Document, except, as described below.

**Multi-Territory Discounts**

Subject to market type, availability, and our discretion, at the time of signing your Franchise Agreement, you may request the right to purchase additional territories (each referred to as an “Additional Territory”) to be added to your overall operating Territory and be operated under one Franchise Agreement. The Initial Franchise Fee for each Additional Territory will, respectively, be equal to the Initial Franchise Fees set forth above, less a 10% discount and is calculated on a per Specialty Line basis.

**Multiple Specialty Line Discounts**

Subject to market type, availability, and our discretion, at the time of signing your Franchise Agreement, you may request the right to purchase additional Specialty Lines (each referred to as an “Additional Specialty Line”) to be added to your i4 Business and be operated under one Franchise Agreement. The additional Initial Franchise Fee for each Additional Specialty Line is, on a per Territory basis, ~~\$4542,000~~ 500 per additional Specialty Line for each Tier 1 Territory, ~~\$5451,000~~ per additional Specialty Line for each Tier 2 Territory, and ~~\$7268,000~~ per additional Specialty Line for each Tier 3 Territory.

**Multi-Franchise and Multiple Specialty Line Discounts**

Subject to market type, availability, and our discretion, if you elect to enter multiple Franchise Agreements, we will apply, as applicable, the Multiple Specialty Line Discounts and Multi-Territory Discounts. We allow a maximum total of two Territories and two Specialty Lines under one Franchise Agreement.

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**ITEM 6  
OTHER FEES**

Type of Fee <sup>(Note 1)</sup>	Amount	Due Date	Remarks
Royalty <sup>(Notes 2 and 3)</sup>	14% of Gross Sales, but subject to Minimum Monthly Royalty Fee Requirement equal to \$350 per month per Specialty Line and per one million in population within your Operating Territory	On a per transaction basis	Will be pre-deducted from Gross Sales received by us from customers of your i4 Business, or, if applicable, automatically deducted from your bank account by ACH or other means we designated.
Supplemental Royalty <sup>(Notes 2 and 3)</sup>	Varies, depending on satisfaction of Minimum Monthly Royalty Requirements	March 1 of each calendar year	Will be pre-deducted from Gross Sales received by us from customers of your i4 Business, or, if applicable, automatically deducted from your bank account by ACH or other means we designated.
Brand Development Fund <sup>(Note 4)</sup>	Up to 4% of Gross Sales, currently 3% of Gross Sales	On a per transaction basis	Will be pre-deducted from Gross Sales received by us from customers of your i4 Business, or, if applicable, automatically deducted from your bank account by ACH or other means we designated.
Franchisee Directed Local Marketing <sup>(Note 5)</sup>	\$750 per month per Territory and per Specialty Line	Monthly as incurred by you	Must be spent by you monthly on pre-approved marketing within your operating territory. Subject to Minimum Monthly Local Marketing Requirements depending on the size of your operating territory.
<u>Local and Regional Advertising Cooperatives</u> <sup>(Note 6)</sup>	<u>Established by cooperative members, but currently not assessed, but not exceeding local marketing requirements</u>	<u>As established by cooperative members</u>	<u>If we authorize an Advertising Cooperative, fees that you pay to the cooperative will count to the satisfaction of your local marketing requirements and will not exceed local marketing requirements.</u>
Technology and Administration	Currently \$680.07 per month for your first territory and first Specialty Line. There is an additional administration fee of \$115 per month for each Additional Territory and each additional Specialty Line	Monthly as designated by us	Will be pre-deducted from Gross Sales received by us from customers of your i4 Business, or, as determined by us automatically deducted from your bank account by ACH, or payable by you on a monthly basis as invoiced by us.
Customer Service and Refunds <sup>(Note 7)</sup>	Varies under the circumstances	On demand	If in our discretion we elect to resolve a complaint or refund request by a customer.

Annual Conference (Note 37)	Our then current conference fee, not greater than \$ 250, per attendee	When invoiced	Required attendance fee for an annual System conference.
Additional Employee Initial Training	Our then current training fee, currently \$500 per person per day	When invoiced, prior to training	Our initial pre-opening training is provided at no additional cost for you or your Managing Owner and one designated manager. This fee applies to additional individuals that we authorize to attend initial training.
Supplemental Training	Our then current trainer fee, currently \$250 per day plus our expenses	When invoiced, prior to training automatically deducted by us	If you request or we require additional training, you must pay our then current trainer fee plus, if applicable, our expenses related to travel and accommodations.
Reporting Non-Compliance	\$150 per occurrence	14 days of invoice automatically deducted by us	Payable for failure to timely submit Royalty and Activity Reports, and other reports and financial statements as required under Franchise Agreement.
Operations Non-Compliance	\$450 to \$1,000 per occurrence	14 days of invoice automatically deducted by us	Payable for failure to comply with operational standards as required under Franchise Agreement, plus inspection and re-inspection costs incurred by us.
Payment Non-Compliance	\$150 per occurrence	14 days of invoice automatically deducted by us	Payable for failure to timely pay, when due, a fee or payment due to us under the Franchise Agreement, plus interest, costs and legal fees.
Interest	18% per annum from due date	On demand	Payable on all overdue amounts, fees, charges, and payments due to us under the Franchise Agreement. Interest rate cannot exceed legal rate allowed by law and may be adjusted to reflect same.
NSF Check Fee or Failed Electronic Fund Transfer	5% of amount or \$50, whichever is greater, or maximum fee allowed by law	On demand	Payable if your bank account possesses insufficient funds and/or fails to process a payment or transfer related to a fee due from you to us.
Audit	Cost of audit	On demand	For costs incurred by us for each financial audit, provided the audit determines underreporting of 2% or greater during any designated period. Includes expenses incurred by us including audit, legal, travel and reasonable accommodations.

Note 3: Gross Sales – “Gross Sales” means the total dollar sales from all business and customers of your i4 Business and includes the total gross amount of revenues, receipts, and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by you or any other person or Corporate Entity from business conducted or which started in, on, from or through your i4 Business and/or your Operating Territory, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement. Gross Sales include the total gross amount of revenues, receipts, and sales from whatever source derived from and/or derived by you including, any person and/or Corporate Entity acting on your behalf, from business conducted within and/or outside your Operating Territory that is related to your i4 Business and/or a competitive business located and/or operated within your Operating Territory, outside your Operating Territory, and/or otherwise. Gross Sales do not include (a) sales taxes that you collect and remit to the proper taxing authority, and (b) authorized promotional discounts that you provide to customers.

Note 4: Brand Development Fund – The brand development fund fee is a continuing weekly fee equal to an amount of up to 4% of your weekly Gross Sales (the “Brand Development Fund Fee”). Currently we charge a Brand Development Fund Fee of 3% of Gross Sales.

Note 5: Franchisee Directed Local Marketing – On an on-going monthly basis you must spend not less than \$750 per month, per Territory and per Specialty Line on the local marketing of your i4 Business within your operating territory and in accordance with our standards and specifications.

Note 6: Local and Regional Advertising Cooperatives – If two or more Restaurants are operating within a geographic area, region, or market designated by us (a “designated market”), we reserve the right to establish and require your participation in a local or regional advertising cooperative within the designated market. If a local or regional advertising cooperative is established within a designated market that includes your Restaurant(s), you will be required to participate in the cooperative and make on-going payments to the cooperative in such amounts and subject to such caps as established by the cooperative members. We anticipate that each Restaurant franchisee will have one vote for each Restaurant located within the cooperative market and that cooperative decisions shall be made based on approval of a simple majority vote with a quorum of not less than 25% of the designated cooperative members. Contributions to a local or regional cooperative that we designate will count to the satisfaction of your minimum local marketing requirements and shall not exceed the local marketing requirement.

Note 67: Customer Services and Refunds – This fee will be based on the costs incurred by us, including refunds and/or credits that we may undertake on behalf of a customer that was not satisfied with the services or products provided by the Franchised Business. You must guarantee your services to your customers. If we determine that your customer is entitled to reimbursement of fees paid to you, we may reimburse your customer directly. You must reimburse us for the amounts that we reimburse your customer within three business days. You must also participate in any warranty insurance programs that we designate.

Note 78: Annual Conference Attendance Fee – If we offer a franchisee annual conference in a given year you will be required to attend the conference on the dates and at the location that we designate. You will be responsible for all travel and lodging expenses.

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will conduct business by phone and email. The System does not require you to meet Candidates or Facilities representatives in person, and because you will operate from a home-based office, you may not meet Candidates or Facilities representatives at your home. We have included an estimate for rental of a desk in a shared office space should you be unable or not permitted to operate from a home-based office.

Note 4: Computer Systems – We require you to purchase computer systems, software and applications that meet our minimum specifications for use in your Franchised Business. This estimate includes the cost of a general-purpose computer and the Microsoft Office suite of programs. You must also have internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of reports and Facility and Candidate information. We have the right to change your requirements for computer hardware and software at any time.

Note 5: Business Development Start Up Investment – You are required to sign up with a third party supplier to assist you with business development and implementation within your first 120 days of operations. These programs are designed to guide you and help you connect and book meetings with potential clients and Facilities in your territory so you can build and manage profitable relationships with key contacts.

Note 6: Travel for Initial Training – You must complete our pre-opening training program before opening your i4 Business. We do not charge a fee for our pre-opening initial training. This estimate is for estimated travel and lodging expenses that you will incur to attend our pre-opening initial training program.

Note 7: Professional Fees – This estimate is for costs associated with the engagement of professionals such as attorneys and accountants for advisories consistent with the start-up of a i4 Business. ~~We recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this Disclosure Document, and the Franchise Agreement.~~ It is also advisable to consult these professionals to review any lease and other contracts that you will enter into as part of the development and operation of your i4 Business.

Note 8: Insurance Deposits – Three Months – You are required to maintain minimum insurance coverage as designated by us. This estimate is for the cost of an initial deposit to obtain the minimum required insurance the initial three months of monthly insurance installment premium payments. We recommend that you consult with your insurance agent before signing a Franchise Agreement.

Note 9: Licenses and Permits – You must apply for, obtain, and maintain all required permits and licenses necessary to operate a i4 Business. The licenses will vary depending on local, municipal, county and state regulations.

Note 10: Additional Funds – This is an estimate of the minimum recommended levels of additional funds that may be required to cover operating expenses for the initial three month period following the opening of your i4 Business. This estimate does not include compensation to you or your owners and does not include interest, finance charges, or payments that may be incurred by you if you financed the development of your i4 Business. In making this estimate, we have relied on the experiences of our affiliate and franchisees in developing and operating i4 Businesses. This is only an estimate for your initial three months of operations and more working capital and additional funds may be required depending on the sales and performance of your i4 Business.

Note 11: About Your Estimated Initial Investment – This is an estimate of the initial start-up expenses for a i4 Business. We have based these estimates on the experiences of our affiliate and franchisees in developing a i4 Business. These are only estimates and your costs and the range of those costs may vary. These estimates do not include interest and financing charges that you may incur, and they do not include management level compensation payable to you or your owners. If you increase the geographic size of your Operating by adding Additional Territories and/or add additional Specialty Lines your costs will be higher.

## **B. Multiple Territories and Multiple Specialty Lines**

### **YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee <sup>(Note 1)</sup>	\$95,000 – <del>\$224</del> 220,000	Lump sum	When Franchise Agreement is signed	Us
Estimated Initial Investment	\$15,300 – \$31,100	Estimated Initial Investment is based on estimate contained in Table A of this Item 7 for an i4 Business operating in a single territory under a single Specialty Line, less the Initial Franchise Fee reported in Table A.		
Total Estimate <sup>(Note 1)</sup>	\$110,300 – <del>\$255</del> 251,100			

#### **Explanatory Notes to Item 7 for Multiple Territories**

**Note 1: Initial Franchise Fee** – The Initial Franchise Fee for an operating territory comprised of a single Territory with a single specialty line ranges from \$50,000 to \$80,000. If you elect to increase the size of your operating territory by adding Additional Territories and/or Specialty Lines, the total Initial Franchise Fee will be increased based in the number of Additional Territories and additional Specialty Lines. As disclosed in Item 5 we offer discounts when you purchase multiple Territories and/or Specialty Lines. We allow a maximum total of two Territories and two Specialty Lines under one Franchise Agreement. The low end of this estimate assumes that you are operating one Specialty Line within an Operating Territory comprised of two Tier 1 Territories. The high end of this estimate assumes that you are operating two Specialty Lines within an Operating Territory comprised of two Tier 3 Territories.

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

You may only offer and provide the Approved Services and Products that we designate, and you may only use those products, supplies, equipment, technology systems, and services that we authorize and designate in writing. To ensure that our standards and specifications of quality, service and System development are maintained, you must operate your i4 Business in strict conformity with the Franchise Agreement and the methods, standards, specifications and sources of supply that we designate and prescribe in the Manuals.

#### **Source Restricted Purchases and Leases – Generally**

We require that you purchase or lease certain source restricted goods and services for the development and operation of your i4 Business. Source restricted goods and services are goods and services that must meet our specifications and/or must be purchased from an approved or designated supplier. We may designate a supplier (which may include us or our affiliates) as the exclusive supplier for the System. Our specifications and list of approved and designated suppliers is contained in our Manuals. We will notify you of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, amendments and updates to our Manuals, verbal and other forms of communication. We formulate and modify our standards and specifications for products and services based on our industry experience and our management decisions as to the overall operation and expansion of the System or as we may otherwise designate and approve in writing. If we have previously approved a supplier, and their standards fall below our

\$1,000,000 in the aggregate. We recommend, but do not require, you to purchase and maintain at your sole cost and expense the following insurance coverages: comprehensive general liability insurance in the amount of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate if you are operating an office outside of the home; cyber coverage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; business interruption insurance in an amount necessary to satisfy your obligations under your Franchise Agreement for at least three months or \$100,000, whichever is greater; statutory worker's compensation insurance in the limits required by state law; employer's liability insurance in the amount of \$1,000,000 if you employ employees; and employment practices/abuse and employee dishonesty insurance in the amount of \$1,000,000. For any insurance policies you purchase, each policy must be written by a responsible carrier or carriers acceptable to us, with an A.M. Best rating of no less than A-VII, and must name us and our respective officers, directors, partners, agents and employees as additional insured parties. If you maintain an insurance policy for a coverage to which we have made a change, you must comply with the policy change within 30 days of our notice to you.

5. Invoice, Billing, and Collection Systems – We are the exclusive supplier of all invoicing, billing, and collection systems and services related to the Franchised Business.

#### **Purchase Agreements and Cooperatives**

We may, in our discretion, negotiate purchase agreements, including price terms, with designated suppliers for source restricted goods and services on behalf of the System. We may establish preferred vendor programs with suppliers on behalf of some or all of the i4 Businesses under the System and, in doing so, we may limit the number of approved vendors and/or suppliers that you may purchase from and we may designate one vendor as your sole supplier. Presently there are no purchase or supply agreements in effect for source restricted products or services and there are no purchasing or distribution cooperatives that you must join. You will not receive any material benefits for using our designated or approved suppliers.

#### **Our Right to Receive Compensation and Our Revenue from Source Restricted Purchases**

We and/or our affiliates may receive rebates, payments and other material benefits from suppliers based on franchisee purchases and we reserve the right to institute and expand rebate programs in the future. In the prior calendar year we did not received revenue from suppliers from franchisee purchases of source restricted products or services. We do not provide our franchisees with any material benefits based on a franchisee's purchase of particular products or services or use of particular suppliers. As of December 31, 2023, we have not received compensations or revenue from suppliers through franchisee purchases and leases.

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4. Brand Development Fund – We may control and administer a brand development fund (the “Brand Development Fund”) (Franchise Agreement, Article 9.A.). As disclosed in Item 6 of this Disclosure Document, you must contribute a weekly sum not to exceed 4% of weekly Gross Sales to the Brand Development Fund. We may use the Brand Development Fund for market studies, training, research, service development, product development, testing, research studies, technology development, advertising and public relations studies or services, creative production and printing of advertising and marketing materials, advertising copy and commercials, tracking costs, agency fees, advertising councils, franchisee advisory councils, administrative costs, which may include reimbursement for direct administrative and personnel costs associated with advertising, client development, and public relations, and any other costs associated with the development, marketing and testing of advertising, marketing and public relations materials, and the purchase of media placement, advertising time and public relations materials in national, regional or other advertising and public relations media in a manner determined by us, in our discretion, to be in the best interest of the franchisees and the System. Our company and/or affiliate owned i4 Businesses may but are not required to contribute to the Brand Development Fund. The Brand Development Fund will be required to maintain unaudited financial records detailing its expenditures and will make available to you, upon request, (no more frequently than one time in any 12-month period) an unaudited accounting of how the monies contributed to the Brand Development Fund were spent each year. We are not required to segregate the Brand Development Fund from our general operating funds and we are not a fiduciary or trustee of the Brand Development Fund. The Brand Development Fund will not be used to directly promote your i4 Business or the marketing area in which your i4 Business will be located. (Franchise Agreement, Article 9.A.). We may utilize the Brand Development Fund to develop and test various media and technologies for potential utilization and/or improvement of the operations of i4 Businesses and the marketing of i4 Businesses. These technology developments and/or improvements may relate, among other things, to our website and to the interaction and potential enhancement of web offerings that may or may not be implemented on behalf of i4 Businesses. You may or may not benefit from these technology developments and improvements. (Franchise Agreement, Article 9.A.).

We may use the Brand Development Fund to compensate ourselves for administrative fees associated with managing the Brand Development Fund and for our internal employee salaries, expenses and overhead associated with or reasonably allocated to managing the activities of the Brand Development Fund and performing services on behalf of the Brand Development Fund including, but not limited to, directing, developing and managing media of the Brand Development Fund. We will not use the Brand Development Fund to directly market the sale of i4 Business franchises; however, the advertising, marketing and brand development materials developed, including the System website, may contain information as to the availability of i4 Business franchises for sale and contact information for franchise inquiries.

We have established Brand Development Fund. The Brand Development Fund fee is currently designated as 3% of Gross Sales. As of December 31, 2023, we have collected & 112,261.11 towards the Brand Development Fund. We spent 10% on production, 52% on media placement, and 25% administrative fees. At the end of the year, we had \$15,351.33 roll over to 2024.

5. Local and Regional Advertising Cooperative – We possess the exclusive right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that we designate. We will exclusively determine the geographic and other boundaries constituting each respective cooperative and factors that we will consider include media markets including print, television and digital. If we establish a cooperative within a market that includes your Restaurant you must contribute to the cooperative in such amounts and frequency as determined by the cooperative. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions, marketing expenditures and allocations. However, we may require that cooperative decisions be made based on approval of a simple majority of franchisee members based on one vote per Restaurant located and a quorum of not less than 25% of the designated franchisee cooperative members. If a cooperative exceeds nine franchisee members we may require that the cooperative establish formal governing documents. Each cooperative must prepare annual unaudited financial statements that must be provided

to each cooperative member for review. We reserve the right to form, change, dissolve, or merge any advertising cooperative. If we elect to form a local or regional cooperative or if a cooperative already exists as to the area of your Restaurant, you will be required to participate in the cooperative in accordance with the provisions of our Operations Manual which we may supplement and modify from time to time. You will not be required to make contributions to a Local or Regional Advertising Cooperative in amounts exceeding the local minimum requirement.

As of the Issuance Date of this Disclosure Document we have not established any local or regional advertising cooperatives but reserve the right to do so in the future; and

56. **Advertising Council** – We have established an advertising council comprised of franchisees. All franchisees can participate in the advertising counsel and their votes into their roles by their peer franchisees. The council is an advisory role with decision making responsibility with the franchisor. (Franchise Agreement, Article 9.A.).

### **Computer System**

You are required to have an internet-capable laptop or desk-top computer that can operate the latest versions of software and applications we require, which currently include: Loxo for Candidate tracking, , and subscriptions with various platforms for Candidate sourcing, including Zip Recruiter, Indeed, LinkedIn, and more.

You are required to use Microsoft Office suite of programs for administrative tasks and email and QuickBooks for bookkeeping, report generation and billing. We strongly recommend you purchase a PC, rather than an Apple®, so you are able to take advantage of the extra support for the Microsoft Office programs that Microsoft provides to PC users. We also recommend that you have a second computer monitor, a laser printer, and a telephone headset.

You must purchase the required computer hardware and software, at your expense.

The cost of purchasing the required hardware and software is \$1,000 to \$2,000. The monthly Technology & Administrative Fee that you pay to us will include: One LOXO Applicant Tracking System subscription, one VXT app based phone subscription, one VXT app based text subscription, one Indeed Resumes Professional Subscription, one Administration fee, one Power BI KPI reporting subscription, one ACH charge for the payment of the month expense invoices via ACH. Other recommended monthly subscription and access fees are approximately \$350 per month, subject to increase by the third party vendors. An additional subscription to Loxo for any staff you may hire in the future, if you require it, is approximately \$175 per month, subject to increase by the provider.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems. We may in the future modify or establish other service performance or revenue reporting systems, as we deem appropriate, for the accurate and expeditious reporting of Gross Revenue and delivery of our products and services. You must fully cooperate in implementing any such modifications at your expense.

We have no obligation to maintain, repair, update or upgrade your computer hardware and software. At your cost, you must provide on-going maintenance and repairs to your computer hardware and software. You must upgrade your computer hardware and software as necessary to operate the most current version of our System requirements. We estimate the cost of maintaining, updating and upgrading your computer hardware and software will be approximately \$100 per year.

We have remote and independent access to all information generated by and stored by you, including your revenue information and Facility and Candidate data. There are no contractual limitations on our right to have full access to this information. At our option, we may retrieve, download, analyze and store such information and data at any time. Upon our request, you must sign any documents we require to allow us to independently and electronically

services that are the same as or similar to the Franchised Business but, not using the Licensed Marks, within your Operating Territory; (e) use the Licensed Marks and System to distribute the Approved Services and Products offered and sold by the Franchised Business or products and services similar to the Approved Services and Products offered and sold by the Franchised Business in alternative channels of distribution including the internet, catalog sales, telemarketing, or other direct marketing sales within or outside your Operating Territory; (f) use the Licensed Marks and System to offer, sell, and provide the Approved Services and Products offered and sold by the Franchised Business or products and services similar to the Approved Services and Products offered and sold by the Franchised Business on behalf of corporate accounts that include healthcare facilities, healthcare facility operators, and healthcare providers that operate multiple facilities and/or operate across regional or national geographic territories (referred to as “Corporate Accounts”) within or outside your Operating Territory; and (g) use the Licensed Marks and System and to license others to use the Licensed Marks and System, to engage in all other activities not expressly prohibited by the Franchise Agreement.

#### Corporate Accounts Program

If we establish a Corporate Accounts Program where we engage in a contract or service agreement with a Corporate Account service provider, we will offer you the opportunity to participate in the program under the guidelines and rules that we develop from time to time and subject to the pricing criteria and requirements that we establish. You will have an option to refuse to participate in Corporate Accounts Programs, but if you do, you agree that we can service the Corporate Accounts in your territory or authorize others, including other franchisees, to perform work for the Corporate Accounts. All pricing and fees charged in connection with Corporate Accounts will be at rates negotiated and determined by us. We or our designee are not obligated to pay you for servicing Corporate Account customers that you have elected not to service under our Corporate Accounts Program.

#### Soliciting Candidates Outside Your Territory

As to your designated Specialty Line, you may only offer and provide the Approved Services and Products on behalf Facilities located within your Operating Territory. You may place a Candidate that resides and/or is located outside of your Operating Territory (an “Out of Territory Candidate”) with a Facility that is located within your Operating Territory provided that you comply with rules and System requirements including, but not limited to, our fee splitting rules. If the Out of Territory Candidate is located within the Operating Territory of another System franchisee or i4 Business that shares and/or operates within the same Specialty Line, then all fees generated by you for the placement of the Out of Territory Candidate must be split equally with the other System franchisee and/or i4 Business.

You are not allowed to solicit or accept orders from consumers outside your territory, and you do not have the right to use other channels of distribution, such as the internet, catalog sales, telemarketing or other direct marketing to make sales outside your territory.

#### Restrictions on Us from Soliciting or Accepting Orders in Your Territory

Except as otherwise noted above, there are no restrictions on us from soliciting or accepting orders from customers inside your territory. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks or using trademarks different from the ones you will use under the Franchise Agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your territory.

#### Competition by Us Under Different Trademarks

We do not have plans to operate or franchise a business under trademarks different from the Licensed Marks that sells or will sell goods or services similar to those that will be offered by you through the Franchised Business.

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**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	0	7	+7
	2022	7	22	+15
	2023	22	31	+9
Company Owned	2021	1	1	0
	2022	1	1	0
	2023	1	1	0
Total Outlets	2021	1	8	+7
	2022	8	<u>2423</u>	+1615
	2023	<u>2423</u>	<u>3432</u>	+910

**TABLE NO. 2**  
**TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS**  
**(OTHER THAN THE FRANCHISOR)**  
**FOR YEARS 2021 to 2023**

State	Year	Number of Transfers
Florida	2021	0
	2022	1
	2023	0
<del>Texas</del> Tennessee	<del>2021</del>	0
	<del>2022</del>	0
	2023	<u>21</u>
Total	2021	0
	2022	1
	2023	<u>21</u>

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Tennessee	0	1	0
Wyoming	0	1	0
Totals	0	12	0

Notes to Tables:

~~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, no current or former franchisees have signed confidentiality clauses with us that restrict them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Disclosure Document.~~

~~Exhibit F to this Disclosure Document contains a list, as of the Issuance Date of this Disclosure Document, of current i4 Franchise Development Inc. franchisees. Outlet information is provided on a per territory basis. If a franchisee operates in multiple territories we count each territory as an outlet.~~

~~Exhibit G to this Disclosure Document contains a list of every franchisee who had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document.~~

Notes to Tables:

**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, no current or former franchisees have signed confidentiality clauses with us that restrict them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Disclosure Document.

Exhibit F to this Disclosure Document contains a list, as of the Issuance Date of this Disclosure Document, of current i4 Franchise Development Inc. franchisees. Outlet information is provided on a per territory basis. If a franchisee operates in multiple territories, we count each territory as an outlet.

Exhibit G to this Disclosure Document contains a list of every franchisee who had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document.

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	5754 S Harlan St, Littleton, CO 80123	MK Consulting Group, LLC	<a href="mailto:mark@i4searchgroup.com">mark@i4searchgroup.com</a> 720-740-2070
AZ	2058 N Steele Cir, Mesa, AZ 85207	JEH Solutions, LLC	<a href="mailto:jason@i4searchgroup.com">jason@i4searchgroup.com</a> 480-428-0567
MI	515 Heather Lane , Grosse Pointe Woods, MI 48236	LDI4, LLC	<a href="mailto:laci@i4searchgroup.com">laci@i4searchgroup.com</a> 313-710-6500
	3831 Boulder Drive, Troy, MI 48084	DMG and Associates, LLC (opened Feb 2023)	<a href="mailto:DennisG@i4searchgroup.com">DennisG@i4searchgroup.com</a> 313-823-2003
NC	248 Mother Vineyard Road, Manteo, NC 27954	M. NICOLE SAFFELL, LLC	<a href="mailto:nicole@i4searchgroup.com">nicole@i4searchgroup.com</a> 252-424-6959
SC	178 Mayfield Ct., Whispering Pines, NC 28327	Engage Your Power Recruiting, LLC	<a href="mailto:dashika@i4searchgroup.com">dashika@i4searchgroup.com</a> 803-850-3100
MA	515 Heather Lane , Grosse Pointe Woods, MI 48236	LDI4, LLC*	<a href="mailto:laci@i4searchgroup.com">laci@i4searchgroup.com</a> 313-710-6500
WI	869 Wedgewood Drive, Kronenwetter, WI 54455	Dream Tracer, LLC	<a href="mailto:tracey@i4searchgroup.com">tracey@i4searchgroup.com</a> 715-354-0290

\*Transferred Territory from Tennessee to Massachusetts



Franchise Disclosure Document  
**Exhibit G** – List of Franchisees that Have  
Left the System

<b>FRANCHISEES THAT HAVE LEFT THE SYSTEM</b> <b>(January 1, 2023 through December 31, 2023)</b>			
<b>State</b>	<b>Business Address</b>	<b>Franchisee</b>	<b>Phone Number</b> <b>Contact Information</b>
NJ	<u>1321 Northwest Jamestown Lane, Waukegan, Iowa, 50263</u> Never opened, abandoned business	ReveNew Healthcare Consulting, Inc <u>Attn: Amira Islamagic</u>	<u>Amira@i4searchgroup.com</u> N/A
KS	<u>2246 Tennessee Street Lawrence, Kansas, 66046</u> Ceased operations	TAAD BIT Recruiting, LLC <u>Attn: Tiaira Marie Miceli</u>	<u>Tiaira@i4searchgroup.com</u> N/A

**Maryland FDD Amendment**  
Amendments to the i4 Search Group  
Franchise Disclosure Document

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Item 5, "Initial Fees," is supplemented, by the addition of the following:

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

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented, by the addition of the following:

- A. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- B. A Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- C. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.
- D. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

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

**Michigan FDD Amendment**  
Amendments to the i4 Search Group  
Franchise Disclosure Document

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1. 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 of your right to join an association of franchisees.
- B. A requirement that you assent to a release, assignment, novation, waiver or estoppel that deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- C. A provision that permits us to terminate a franchise before the expiration of this term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise

H. Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

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

**Rhode Island FDD Amendment**  
Amendments to the i4 Search Group  
Franchise Disclosure Document

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Item 17. “Renewal, Termination, Transfer and Dispute Resolution.” Item 17 is supplemented by the addition of the following:

A. The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

B. Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

**Virginia FDD Amendment**  
Amendments to the i4 Search Group  
Franchise Disclosure Document

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The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Item 17. “Renewal, Termination, Transfer and Dispute Resolution.” Item 17(h) is supplemented by the addition of the following:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in i4 Search Group Franchise Agreement do not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

**Washington FDD Amendment**  
Amendments to the i4 Search Group  
Franchise Disclosure Document

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**MARYLAND FRANCHISE AGREEMENT AMENDMENT**  
Amendments to the i4 Search Group Franchise Agreement:

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached i4 Franchise Development Inc. Franchise Agreement (the “Franchise Agreement”), as follows:

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

2. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Article 18.G. of the Franchise Agreement, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction,” shall be amended by the addition of the following statement added to Article 18.G. of the Franchise Agreement:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Article 18.I. of the Franchise Agreement, under the heading “Limitations of Claims,” shall be amended by the addition of the following statement added to Article 18.I. of the Franchise Agreement:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

A general release required as a condition of renewal, sale and/or assignment or transfer of a Franchise Agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

5. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

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

8. Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owned by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

9. Section 18.Q. of the Franchise Agreement is hereby removed.



i4 Franchise Development Inc.

**RECEIPT**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all the agreements carefully.

If i4 Franchise Development Inc. offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate of ours in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the signing of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If i4 Franchise Development Inc. 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, Washington, D.C. 20580 and the applicable state administrator identified in Exhibit A of this Disclosure Document. We authorize the respective state agencies identified in Exhibit B of this Disclosure Document to receive service of process for us in the particular state.

The Issuance Date of this Disclosure Document is: March 26, 2024

The franchise sellers for this offering are:

Name	Principal Business Address	Telephone Number
Scott Butts	7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069	513-860-0600
Rob Dallaire	7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069	513-860-0600

I received a Disclosure Document issued on March 26, 2024 that included the following exhibits:

A. List of State Administrators	F. List of Franchisees
B. List of Agents for Service of Process	G. List of Franchisees Who Have Left the System
C. Operations Manual Table of Contents	H. State Specific Addenda
D. Financial Statements	I. State Effective Dates
E. Franchise Agreement	J. Receipts

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Signature

**Please sign this copy of the receipt, date your signature, and return it to i4 Franchise Development Inc., 7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069.**

location. We do not typically own or lease the real property that will serve as your administrative office, and you are responsible for all costs and expenses in locating and evaluating proposed sites for your administrative office. We will provide you with site selection guidelines.

Within 30 days of our written receipt and submission of all information and documentation that we may request, we will respond to your proposed request for our approval or disapproval of the proposed location of your administrative office. Factors taken into consideration include characteristics of the proposed site, whether or not the proposed site meets our criteria for non-retail back-office operations, and the location of your proposed site relative to your overall Operating Territory and proximity to other franchisee operating territories. If we cannot agree on a location for your i4 Business within 30 days, we may terminate your agreement and your initial fees are not returned to you.

### **Time to Open**

You may not open your i4 Business until you have completed our initial training requirements, obtained the necessary licensing and authorization from state and regulatory agencies within your Operating Territory and have obtained and provided us with written proof of the required insurance. Within 60 days from the signing of your Franchise Agreement you must open and offer services and products of your i4 Business to Facilities and Candidates within your Operating Territory. We estimate that the length of time between the signing of your Franchise Agreement and opening your i4 Business to be 60 days or less. Factors that may affect this estimated time period include the length of time undertaken by you to satisfactorily complete our initial training program, obtaining third party lender financing, if necessary, and obtaining the necessary licenses.

### **Post-Opening Obligations**

1. Communication of Operating Standards – We may establish, update and provide you with consultations and communications as to the standards, procedures and System requirements as to the operation of your i4 Business including, but not limited to, Approved Services and Products, System Designated Resources, marketing and promotion standards, and as we may, in our discretion, designate, modify, supplement and amend from time to time and, as set forth in the Manuals. (Franchise Agreement, Articles 4.B. and 4.C.);
2. Marketing Standards and Approval – We will establish, update and communicate to you our standards for the marketing and promotion of the Franchised Business including, but not limited to, the marketing media that you may use. We will respond to your request respecting the communication of our approval or disapproval of marketing media that may be requested by you for use in the marketing and promotion of the Franchised Business. We maintain full discretion as to the marketing standards and the marketing media that may be used in the marketing and promotion of your i4 Business (Franchise Agreement, Article 4.B.);
3. Approved Vendors – We will provide the names and addresses of approved vendors and suppliers for the Approved Services and Products and the System Designated Resources. (Franchise Agreement, Articles 4.B. and 4.C.);
4. Annual System Conference – We may, in our discretion, coordinate an annual conference to be attended by franchisees of the System that are in good standing. (Franchise Agreement, Article 5.D.);
5. Supplemental Training – We may require that you and your Operating Manager participate in supplemental on-site training that we may designate and require in our discretion. If you are not meeting what we believe to be System performance standards, we may provide, in our discretion, supplemental training on-site within your Operating Territory. You will be required to pay our then current supplemental training fee, which is currently \$500 per on-site trainer per day, plus travel expenses, meals and accommodation expenses incurred by us. (Franchise Agreement, Article 4.A.);