

ALL ABOUT PEOPLE®
FRANCHISE DISCLOSURE DOCUMENT



Power Up Your **Success**.
Power Up Your **Life**™

All About People Franchise Services, LLC
An Arizona Limited Liability Company
4422 E. Indian School Road
Phoenix, Arizona 85018
(602) 955-1212
www.allaboutpeople.net
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All About People Franchise Services, LLC offers individual franchises for the operation of ALL ABOUT PEOPLE® businesses ("Businesses") that operate a recruiting and staffing business that provides, among other services, contract, contract-to-hire, temporary, temporary-to-hire, direct hire, executive search placement and other staffing talent acquisition services.

The total investment necessary to begin operation of an ALL ABOUT PEOPLE® Business is from \$269,500 to \$295,050. This includes \$83,000 to \$84,000 that must be paid to us or our 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 format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Charles Mitchell at All About People Franchise Services, LLC, 4422 E. Indian School Road, Phoenix, Arizona 85018, (602) 955-1212.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 3, ~~2017~~20, 2018

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit D** for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY NON-BINDING MEDIATION AND LITIGATION ONLY IN ARIZONA. OUT-OF-STATE NON-BINDING MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH US IN ARIZONA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA LAW GOVERNS EACH AGREEMENT, AND ARIZONA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISOR HAS MINIMUM PERFORMANCE REQUIREMENTS THAT YOU MUST MAINTAIN. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
4. ~~THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$269,500 TO \$295,050. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER'S EQUITY AS OF DECEMBER 31, 2016, WHICH IS (\$294,924).~~

5.4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

Effective Date: See the next page for state effective dates

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

CALIFORNIA	April 13, 2017 <u>Pending</u>
FLORIDA	Effective <u>Not Registered</u>
HAWAII	Not Registered
ILLINOIS	April 11, 2017 <u>Pending</u>
INDIANA	April 11, Not Registered <u>2017</u>
KENTUCKY	Effective
MARYLAND	Not Registered
MICHIGAN	Effective <u>Not Registered</u>
MINNESOTA	May 9, Not Registered <u>2017</u>
NEBRASKA	Effective
NEW YORK	June 8, Not Registered <u>2017</u>
NORTH DAKOTA	May 18, 2017 <u>Not Registered</u>
RHODE ISLAND	May 1, Not Registered <u>2017</u>
SOUTH DAKOTA	April 17, 2017 <u>Not Registered</u>
TEXAS	Effective
UTAH	Effective <u>Not Registered</u>
VIRGINIA	August 23, Not Registered <u>2017</u>
WASHINGTON	May 1, Not Registered <u>2017</u>
WISCONSIN	Effective <u>Not Registered</u>

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of April 3, ~~2018~~2017.

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, “we” and “All About People” means All About People Franchise Services, LLC, the franchisor. “You” means the person who buys the franchise. If a corporation, partnership or limited liability company buys a franchise, “you” also may refer to the shareholders of the corporation, partners of the partnership or members of the limited liability company.

The Franchisor

We are an Arizona limited liability company formed on August 26, 2013. Our principal place of business is at 4422 E. Indian School Road, Phoenix, Arizona 85018 and our telephone number is (602) 955-1212. Our agents for service of process are disclosed in Exhibit D.

Our Business Experience and Affiliates

We began franchising ALL ABOUT PEOPLE® Businesses in February 2014 and, as of the date of this Disclosure Document, we have three (3) ALL ABOUT PEOPLE® franchises. We do not have any parents or predecessors.

We have one affiliate, All About People, Inc. (“AAP”), that must be disclosed in this Disclosure Document. AAP is an Arizona corporation formed in August 2002. AAP owns the ALL ABOUT PEOPLE trademarks and operates a business that is similar to the one offered under this Disclosure Document. Specifically, since August 2002 AAP has operated a recruiting, staffing, executive search placement and talent acquisition services business under the ALL ABOUT PEOPLE trademarks. AAP has licensed us the right to use and license the ALL ABOUT PEOPLE trademarks to third parties. AAP’s principal place of business is 4422 E. Indian School Road, Phoenix, Arizona 85018.

Neither we nor our affiliates have ever offered franchises for any other type of business. We do not have any other affiliates that need to be disclosed in this Disclosure Document. We do not operate businesses of the type being offered under this Disclosure Document.

We sell franchises for the operation of businesses under the name “ALL ABOUT PEOPLE” (“Businesses”) that operate recruiting and staffing businesses that provide, among other services, contract, contract-to-hire, temporary, temporary-to-hire, direct hire, executive search placement and other staffing and talent acquisition services. We also will handle all Client invoicing, serve as the employer of record for all Temporary Staffing Associates, pay all Temporary Staffing Associates and obtain and maintain workers’ compensation insurance coverage for all Temporary Staffing Associates.

Franchise Offered

You will receive the right to own and operate an individual recruiting and staffing business that offers administrative, general office, professional and technical personnel recruiting and staffing services including contact, contract-to-hire, temporary, temporary-to-hire, direct hire, executive search placement and other staffing and talent acquisition services to third party businesses and companies (each, a “Client” and collectively, “Clients”). Unless you receive our advance written consent, the Business will not offer recruiting and staffing services for placing general labor, light industrial or clinical healthcare personnel. In connection with the operation of your Business, you will place Direct Hires and/or Temporary Staffing Associates with Clients, depending on the scope of your recruiting and/or staffing arrangement with the Client. “Direct Hires” means and includes any individual(s) that you place with a Client who is considered an employee of the Client and is paid directly by the Client. “Temporary Staffing Associates” means and includes any individual(s) that you place with a Client on a temporary basis and who is considered our employee and is paid directly by us.

The Business will be operated from a location we approve (the “Authorized Location”), offering the products and services we approve and using certain distinctive types of equipment, supplies, business techniques, designs, methods, specifications, standards, sales promotion programs and the “Trademarks” (as defined in Item 13), including

the “ALL ABOUT PEOPLE” trademarks (collectively, the “System”) in a territory outlined in the Franchise Agreement (“Territory”).

In connection with the operation of the Business, you will be required to satisfy certain minimum performance requirements.

We also offer qualified individuals the right to open and operate an ALL ABOUT PEOPLE® Business within multiple Territories by paying our then-current multi-territory fee upon execution of your Franchise Agreement, which will depend on the number of Territories you will operate the ALL ABOUT PEOPLE® Business within (the “Multi-Territory Fee”), as is further outlined in Item 5 of this Disclosure Document.

If you own a single Territory, you will need to hire a branch manager for the ALL ABOUT PEOPLE® Business which can be you or a third party who has been approved by us (“Branch Manager”), Account Executive and Recruiter (as defined below). For each additional Territory you purchase under the Franchise Agreement, you must employ one (1) full-time account executive (“Account Executive”) and one (1) full-time recruiter (“Recruiter”) to operate in that Territory. Additionally, you must hire the Branch Manager, one (1) Account Executive and one (1) Recruiter and one (1) Recruiter prior to attendance at the initial training program and each person must attend, and complete to our satisfaction, the initial training program. For each additional Territory, you must hire additional groups of one (1) Account Executive and one (1) Recruiter and each group must complete our initial training program no later than thirty (30) days following the first anniversary and each subsequent anniversary of your attendance at the initial training program until you have reached the cumulative number of Account Executives and Recruiters you are required to hire. For example, if you purchase three (3) Territories and you attend our initial training program on June 1, 2018~~2017~~, you must hire and train (a) one (1) Account Executive and one (1) Recruiter prior to opening the ALL ABOUT PEOPLE® Business, (b) an additional Account Executive and an additional Recruiter by June 30, 2018~~2019~~, and (c) an additional Account Executive and an additional Recruiter by June 30, 2019~~2020~~.

Market and Competition

Your Business will provide recruiting and staffing services. Your competition will include other local, regional and national staffing, recruitment and employment businesses and agencies. The market is well developed.

Laws, Licenses and Permits

You should be aware of state and local government zoning ordinances and regulations in your proposed territory. Each Business must comply with all federal, state and local laws, and we urge you to become familiar with these specific laws and regulations governing the operation of a Business in your state. You also should check with your state and local authorities to determine if there are additional requirements. You are solely responsible for the hiring of all Account Executives, Recruiters and Branch Managers of your Franchised Business and you must ensure that you are complying with all federal, state and local laws with respect to employment practices.

ITEM 2

BUSINESS EXPERIENCE

CEO/Co-Founder: Charles Mitchell

Mr. Mitchell has served as our CEO since our formation in August 2013 and has served as CEO of All About People, Inc. since August 2002, located in Phoenix, Arizona.

President/Co-Founder: Sherri Mitchell

Ms. Mitchell has served as our President since our formation in August 2013 and has served as President of All About People, Inc. since August 2002, located in Phoenix, Arizona.

Rhino 7 Consulting: Doug Schadle, CEO

Mr. Schadle has been the CEO of Rhino 7 since February 1999, which is located in Cary, North Carolina.

Director of Sales and Operations: Karen McEnroe

Ms. McEnroe has served as our Director of Sales and Operations since June 2013, located in Phoenix, Arizona. Prior to that, Ms. McEnroe was a senior account executive for our affiliate, AAP, located in Phoenix, Arizona from January 2007 through June 2013.

Vice President of Franchise Support: Darrin Bryant

Mr. Bryant has served as our Vice President of Franchise Support since December 2016 located in Phoenix, Arizona. Prior to that, Mr. Bryant served as (a) Channel Manager for ACN, Inc. in Concord, North Carolina from January 2013 through November 2016, and (b) Lead Business Instructor for AON Hewitt Inc. in Charlotte, North Carolina from January 2009 through December 2012.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee

We offer an individual unit franchise. The “Initial Franchise Fee” for an individual unit franchise is \$49,000. You must pay the Initial Franchise Fee when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstances and is deemed fully earned upon payment.

Multi-Territory Fee

If you choose to enter into a Franchise Agreement for multiple territories, you must pay an increased initial franchise fee of: (i) \$80,000 for the right to operate an ALL ABOUT PEOPLE® Business in two Territories; (iii) \$100,000 for the right to operate an All About People® Business in three (3) Territories; (iv) \$140,000 for the right to operate an All About People® Business in five (5) Territories; or (iv) \$240,000 for the right to operate an All About People® Business in ten (10) Territories (“Multi-Territory Fee”). We will consider requests for the right to operate an All About People® Business in more than ten (10) Territories on a case by case basis. Under those circumstances, each additional territory will be \$20,000 per territory.

Territory	Multi-Territory Fee Calculation
Second Territory	\$80,000
Third Territory	\$100,000
Fifth Territory	\$140,000
Tenth Territory	\$240,000

We participate in the International Franchise Association's VetFran Program and offer qualified individuals honorably discharged from any branch of the U.S. Military and who request it at the time of signing a Franchise Agreement a \$1,000 discount off of the Initial Franchise Fee or Multi-Territory Fee.

Start-Up Toolkit

You must purchase a start-up toolkit from us ("Start-Up Toolkit"). The Start-Up Toolkit includes the following items: four (4) desktop and/or laptop computer(s), printer, certain computer hardware & software along with initial setup & training for the computer system in addition to an initial quantity of 500 All About People® business cards, letterhead, notecards and corresponding envelopes. The first year subscription for the proprietary software system ("Proprietary Software System"), initial set-up fee charged by our designated supplier for background checks, Quickbooks software, the first year subscription for Prove It skills testing and assessment software, the first six (6) months of services from Bookkeeping Express and one (1) year of outsourced sales training are also included in the Start-Up Toolkit. The cost of the Start-Up Toolkit (the "Start-Up Toolkit Fee") will be \$35,000. You must pay us the Start-Up Toolkit Fee when you sign the Franchise Agreement. The Start-Up Toolkit Fee is not refundable under any circumstances.

ITEM 6

OTHER FEES

Type Of Fee	Amount (See Note 1)	Due Date	Remarks
Royalty Fee	6.25% of total Gross Staffing Sales for all contract, contract-to-hire, temporary, temporary-to-hire and payroll staffing services you provide, including any conversion fees. 10% of total Gross Placement Sales for all direct hire and executive search services you provide.	Each Monday, we will make payable to you by electronic funds transfer the amount of Gross Staffing Sales and Gross Placement Sales attributable to your ALL ABOUT PEOPLE® Business minus the Deductions (as defined in Note 2) for the prior week period (Monday through Sunday) in which sales were made ("Weekly Gross Profit").	We will invoice and collect for all sales on your behalf. See Note 2 for more information.
Income and Sales Taxes	We may collect from you the cost of all taxes arising from our licensing of intellectual property to you in the state where your Business is located, as well as any assessment on fees and any other income we receive from you.	Payable, when applicable, by electronic funds transfer.	Only imposed if state collects these taxes or assessments.
Brand Development Fee ("BDF Fee")	.75% of total Gross Sales (see Note 2).	Payable weekly by electronic funds transfer each Monday following the week (Sunday through Saturday) in which sales were made.	Used for marketing and promotional activities.
Local Advertising	\$1,000/month per Business	Monthly	We must approve all advertising and marketing materials you develop.

Type Of Fee	Amount (See Note 1)	Due Date	Remarks
Cooperative Advertising	You will contribute to your Local Advertising fees to a local ad fund	Monthly	We currently have not established any advertising cooperatives but reserve the right to do so in your market and you will participate in, support and contribute to any such cooperative in an amount up to or equal to your Local Advertising contribution or as determined by the franchisee cooperative advertising group.
National Account Management Fee	1% of National Account Gross Sales (see Note 2)	Payable weekly by electronic funds transfer each Monday following the week (Monday through Sunday) in which sales were made.	In addition to the Royalty Fee and BDF Fee, you will pay us a National Account Management Fee for all National Accounts which we assist with the management of on your behalf.
Proprietary Software System Fee	Currently \$150 per month, per user	Payable quarterly by electronic funds transfer two weeks before the expiration of the current quarter for the next quarter.	You currently must obtain your Proprietary Software System from us through our license with Bullhorn. We will collect a Proprietary Software System Fee on a quarterly basis in advance of the quarter the fee will cover.
Technology Fee	\$150 per calendar month	Payable quarterly by electronic funds transfer two weeks before the expiration of the current quarter.	We will collect a Technology Fee on a quarterly basis in advance of the quarter the fee will cover. We will use the Technology Fee for any costs incurred in connection with technological advancements associated with the System, including but not limited to (a) building on-line infrastructure for the System, (b) developing proprietary software for use within the System, (c) developing and maintaining our corporate website, (d) software developments, (e) third-party vendor costs associated with computer system installation, (f) payroll for our employees that assist franchisees with all technology-related issues, or (g) developing any new technological advancements for the System as we deem necessary.
Employee Misclassification Fee	Varies. You will be responsible for any fees or additional workers' compensation premiums we are assessed as a result of your misclassification of a Temporary Staffing Associate	When due	If you use or have used the wrong workers' compensation classification code and rate for any Temporary Staffing Associate, you must reimburse us for any additional costs, expenses and/or premiums were are charged.
Client Account Fee	Amount of all fees, costs and expenses we are charged on your behalf	15th day of each month	We will invoice all Clients on your behalf. You, however, are solely responsible for collecting all amount owed from Clients. To the extent we are charged or incur any fees, costs or expenses relating to the collection of the amounts owed from Clients, you will reimburse us for all such fees, costs and expenses.

Type Of Fee	Amount (See Note 1)	Due Date	Remarks
Insurance	Cost of insurance	Payable before opening	If you fail to obtain or maintain required insurance, we may obtain insurance and seek from you reimbursement for insurance, including late charges.
Transfer Fee	\$5,000 plus any applicable broker fees	Before completion of transfer	See Note 3
Audit	Cost of audit plus 18% interest per year from due date.	30 days after billing	See Note 4
Interest Expenses	Lesser of 18% per year or the maximum rate permitted by law	When due	Payable if you do not timely pay the Royalty Fee, BDF Fee or other amounts owed to us or our affiliates.
Late Fee	Lesser of \$25 per delinquent payment or the maximum amount permitted by applicable law.	When due	Payable for each delinquent payment you owe us under the Franchise Agreement. A payment is delinquent if: (i) we do not receive the payment on or before the due date; or (ii) there are insufficient funds in your bank account to collect the payment by electronic transfer of funds on or after the due date.
Payroll Funding Fee	Varies. We will charge you for the total payroll expense that we incur on behalf of the temporary or contract employees you place at a customer location on a weekly basis.	Weekly	The total payroll expense includes the cost of capital to fund payroll as well as applicable federal and state taxes, social security, Medicare and unemployment insurance. Our current cost of capital to fund payroll is .0650552% per day of outstanding accounts receivable and current average number of days accounts receivables are outstanding is twenty (24) days. Applicable federal and state taxes, social security, Medicare and unemployment insurance rates are as established by such federal and state entities from time to time.
PeopleNet Fee	\$.02 per hour of time processed for timekeeping purposes of Temporary Staffing Associates	Weekly	You must pay us a fee for certain time-keeping services for Temporary Staffing Associates. For example, if you have ten (10) Temporary Staffing Associates who each worked forty (40) hours in a one week period, you would pay \$.80 per Temporary Staffing Associate or \$8 for all ten (10) Temporary Staffing Associates' time to be calculated and processed for that one week period.

Notes:

- (1) Except where otherwise noted, all fees are payable to us and are non-refundable. All fees are uniformly imposed.
- (2) "Gross Sales" means the aggregate amount of all sales of goods and services, including Gross Staffing Sales and Gross Placement Sales, whether for cash, by check, credit card or trade or otherwise, made or provided at or in connection with the Business, including internet sales, off-premises sales and monies derived at or

away from the Business. There are no deductions taken from the Gross Sales figure before calculating our Royalty. Our Royalty is taken off of the top line of the ALL ABOUT PEOPLE® Business' Gross Sales. The term "Gross Sales" does not include: (1) any federal, state, municipal or other sales, value added or retailer's excise taxes that you pay or accrue; and (2) discounts allowed to Clients, Direct Hires or Temporary Staffing Associates on sales. Gross Sales will not be adjusted for uncollected accounts. "Gross Staffing Sales" is equal to the total billable hours for all Temporary Staffing Associates times the total hourly bill rate for each Temporary Staffing Associate (example – Temporary Staffing Associate "A" worked 40 hours for the week at an hourly bill rate of \$20/hour. Temporary Staffing Associate "B" worked 38 hours for the week at an hourly bill rate of \$25/hour. Temporary Staffing Associate "C" working 34 hours for the week at an hourly bill rate of \$30/hour. Total Staffing Sales for Temporary Staffing Associate "A", "B" and "C" = (40 hours x \$20/hours) + (\$38 hours x \$25/hour) + (34 hours x \$30/hour). \$800 + \$950 + \$1,020 = \$2,770 in Temporary Staffing Associate Sales for the week). "Gross Placement Sales" is equal to the total amount of Placement Fees for a specified week, month or year. Each "Placement Fee" is equal to the first year annual compensation for a New Hire (a candidate provided or introduced to a customer by you that the customer hires) times the placement fee percentage amount. (Example – New Hire first year annual compensation - \$50,000 x 25% (placement fee amount) = \$12,500).

Before we remit your Weekly Gross Profit, we will deduct from your ALL ABOUT PEOPLE® Business' Gross Sales (a) our royalties, (b) BDF Fee, (c) workers' compensation and health insurance costs (see next paragraph for more information on the exact amount), (d) the total cost of payroll fees/labor (including social security and unemployment insurance), (e) taxes (federal, state and municipal), (f) any commissions due to the employees of any other ALL ABOUT PEOPLE® Business (including corporate/affiliate-owned and franchisee-owned), including commissions for originating National Accounts, and (g) any other applicable fees due to us for the prior week period in which sales were made (collectively, the "Deductions"). The remainder amount that we pay to you is your Weekly Gross Profit. Any commissions we deduct as part of the Deductions will be paid by you at cost and we will not mark-up any portion of the commissions for our benefit. We will pay the commissions on your behalf to any employee of a corporate-owned or franchisee-owned ALL ABOUT PEOPLE® Business who is due such commission based on the Gross Sales of your ALL ABOUT PEOPLE® Business.

We will serve as the employer of record for your Temporary Staffing Associates. Based on information you provide to us, we will obtain and maintain during the term of the Franchise Agreement workers' compensation insurance and/or health insurance (as is required under federal law) covering your Temporary Staffing Associates. While we pay the insurance costs on a monthly basis, we will accrue these charges to you on a weekly basis by subtracting 0.5% of your ALL ABOUT PEOPLE® Business's payroll for Temporary Staffing Associates before we pay you your Weekly Gross Profit. "Payroll" equals the total amount of wages paid to your Temporary Staffing Associates on any given week. This accrued amount is based on the amount our affiliate-owned ALL ABOUT PEOPLE® business pays for workers' compensation insurance and health insurance. We reserve the right to change the percentage used in this calculation at any time based on changes imposed by our insurance provider. Additionally, you must reimburse us for any premium overages we are assessed in connection with the quarterly and/or yearly audit we and our insurance provider conduct relating to the workers' compensation and health insurance coverage provided for your Temporary Staffing Associates.

- (3) You pay this fee when the Franchise Agreement or a substantial portion of the assets of the Business or any controlling interest in you is transferred. No transfer fee is due if the transfer is to an immediate family member.
- (4) This fee is payable only if: (a) an audit shows an understatement of at least 3% of Gross Sales for any month; or (b) an audit is required because you did not timely provide us with required information.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

SINGLE-TERRITORY FRANCHISE AGREEMENT

Type Of Expenditures (See Note 1)	Amount (See Note 2)	Method Of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee for Single Territory	\$48,000-\$49,000	Lump Sum	When you sign the Franchise Agreement	Us
Leasehold Improvements See Note 3	\$0-\$5,000	As Agreed Upon	As Incurred	Landlord, Third Party Suppliers
Real Property (Rental Expenses – Security Deposit and 1st six months’ rent) See Note 4	\$15,000-\$20,000	As Agreed Upon	Before Opening and As Incurred	Landlord
Equipment, Fixtures and Supplies See Note 5	\$2,500-\$5,000	As Agreed Upon	Before Opening	Third Party Suppliers
Insurance and Utility Deposits See Note 6	\$3,000-\$6,000	As Incurred	Before Opening	Us & Third Party Suppliers
Start-Up ToolKit & Proprietary Software System See Note 7	\$35,000	Lump Sum	Before Opening	Us
Recruiting / Job Posting See Note 8	\$3,500-\$5,050	As Agreed Upon	As Incurred	Third Party Suppliers
Miscellaneous Pre-opening Expenses See Note 9	\$7,500-\$10,000	As Incurred	Before Opening	Third Party Suppliers
Additional Funds - Six months See Note 10	\$155,000 to \$160,000	As Incurred	As Incurred	Employees and Third Party Suppliers
TOTAL See Note 11	\$269,500-\$295,050			

Notes:

- (1) The typical size of an ALL ABOUT PEOPLE® Business ranges from 500 to 1,500 square feet. For several items discussed below, your cost will increase as the number of square feet increases. The size of your Business is principally determined by requirements or restrictions that your landlord and appropriate municipality or zoning boards may impose, and availability and cost of leasable space. This Table reflects your estimated initial investment for a single Business operated under a Franchise Agreement. This information assumes that you will lease the premises for your Business.
- (2) Except where otherwise noted, all fees that you pay to us are non-refundable. Third party lessors, contractors and suppliers will decide if payments to them are refundable.
- (3) Typical locations for your Business include commercial office spaces, including executive suites or similar co-working spaces located in central business districts. Assuming that you will lease the premises for your Business, you will need to make certain leasehold improvements to the leased premises to comply with our approved plans and specifications. Leasehold improvements include lighting, flooring and partition walls. We anticipate that you will negotiate some or all of the cost of leasehold improvements as part of your rental expense. The exact cost or impact on your rental expense will depend on several factors, including the condition of the premises, whether you elect to do more than the minimum required renovations, the

landlord's agreement to reimburse you for certain improvements, the size and location of the premises for your Business and other economic factors. Although we do not recommend that you purchase the land and building for your Business, you will incur significantly greater costs in developing your Business if you choose to do so. All construction materials and fixtures must comply with our specifications. You may incur greater or lesser start-up costs depending on your ability to negotiate a tenant improvement allowance from your landlord.

- (4) The exact amount of rental expense will vary greatly, depending on the location of the Business premises, the portion of rent representing the value of leasehold improvements at the Business premises, local market conditions and other factors. Although we estimate that you will need to lease premises of approximately 500 to 1,500 square feet for a Business, you may need larger premises in some situations. We estimate that you may pay from \$20 to \$35 per square foot in the rental expense (including common area maintenance and taxes) for your Business premises. This estimate is assuming that you will be renting a fully-outfitted executive suite in a Class "A" commercial space (such as a Regus business center) for the operation of the ALL ABOUT PEOPLE® Business.
- (5) This amount includes estimated expenses for purchasing furniture, fixtures, equipment and supplies necessary for commencing operation of the ALL ABOUT PEOPLE® Business. The cost of purchasing fixtures, equipment and supplies may vary as a result of the characteristics of the Business site and price differences between suppliers. Generally, you will need to purchase or lease certain items of equipment including a telephone system, scanner, fax machine and other office equipment we designate. You also will need to purchase desks, chairs and other furniture we specify. These fixtures will be included within your rental agreement to a certain extent. This estimate is assuming that you will be renting a fully-outfitted executive suite in a Class "A" commercial space (such as a Regus business center) for the operation of the ALL ABOUT PEOPLE® Business.
- (6) This amount includes estimates for insurance premiums and utility deposits. Utility deposits may vary considerably, depending on the size and location of your Business. Deposits are generally refundable, but insurance premiums are not. Typically, the insurance premium deposit will represent approximately 25% of the annual insurance premium. Based on information you provide to us, we will obtain and maintain during the term of the Franchise Agreement workers' compensation insurance covering your Temporary Staffing Associates. You must reimburse us for all premiums, costs and expenses we incur in connection with providing this coverage.
- (7) This amount reflects the amount you pay for the Start-Up Toolkit & Proprietary Software System which we have selected for use in your Business. The Start-Up Toolkit includes the following items: four (4) desktop and/or laptop computer(s), printer, certain computer hardware & software along with initial setup & training for the computer system in addition to an initial quantity of 500 All About People® business cards, letterhead, and notecards and corresponding envelopes. This estimate includes the Start-Up Toolkit Fee you will pay to us for the Start-Up Toolkit, your ongoing monthly computer & hardware service costs (for a period of six months), initial set-up fee charged by our designated supplier for background checks (currently, TalentWise), and the first year subscription for the Proprietary Software System you are required to obtain from the source we designate, currently Bullhorn (for a period of 12 months, for 3 users which is currently \$150 per month per user). Additionally, you must use our designated accounting software (currently, Quickbooks), our designated bookkeeping supplier (currently, Bookkeeping Express), our designated skills testing and assessment software (currently, Prove It), and one (1) year of outsourced sales training. As of the date of this Disclosure Document, the range for monthly cost of services from Bookkeeping Express ranges from \$250-\$350 depending on the level of services you required, and the cost for the Prove It testing software is currently \$2,000. The first year subscription for the Proprietary Software System, Quickbooks software, first year subscription for Prove It skills testing and assessment software and first six (6) months of services from Bookkeeping Express are also included in the Start-Up Toolkit Fee.
- (8) Job boards or websites where you have the ability to post jobs for candidates to apply to and look for or source for candidates who have posted their resumes for consideration by potential employers will be an essential resource for you to use in finding and placing employees with your customers. We have negotiated

job posting and sourcing rates on your behalf with Careerbuilder and Monster. We require that you subscribe to one of them.

- (9) Miscellaneous pre-opening expenses include local permit and license fees, legal and accounting fees and lodging, meals and travel expenses for a minimum of four (4) people to attend the initial training program. This also includes the cost of your attendance at the Owner Training (as defined in Item 11). We do not charge a fee for attending the initial training program, but you are responsible for all travel and accommodation costs and expenses for you and those persons you designate to attend training.
- (10) This amount estimates the expenses you will incur during the first six (6) months of Business operations, including initial wages and fringe benefits (including the wages for one (1) Account Executive, one (1) Branch Manager and one (1) Recruiter), taxes, phone and internet service, accounts receivable reserve in the amount of \$10,000 from our approved supplier and other miscellaneous expenses of operating an ALL ABOUT PEOPLE® Business. This amount does not include any interest payments on any general business loans you secure or obtain for purposes of operating the Business. You also will incur expenses to fund the payroll paid to the Temporary Staffing Associates that you place with Clients. These expenses will vary, but currently are calculated at 0.065% of the amount of your daily outstanding accounts receivable. Given the varying nature of this expense, the estimate in the chart above does not include any amount for funding payroll. These amounts are estimates, and we cannot guarantee that you will not incur additional expenses in starting the business. Your costs will depend on factors such as how much you follow our systems and procedures, your management skills and experience, local economic conditions, the local market for ALL ABOUT PEOPLE® products, the prevailing wage rate, competition, the amount of the initial investment you decide to finance, and the sales level reached during the initial period.
- (11) This total is an estimate of your pre-opening initial investment and the expenses you will incur during the first six (6) months of Business operations. This total is based on our estimate of nationwide average costs and prevailing market conditions and our affiliate's experience in operating a similar business. You should review this amount carefully with a business advisor before deciding to purchase the franchise. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting or operating your ALL ABOUT PEOPLE® Business.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure a uniform image and uniform quality of products and services throughout the ALL ABOUT PEOPLE® system, you must maintain and comply with our quality standards. We will provide you with our confidential operations manual ("Operations Manual") and various bulletins and notices that will contain these standards. As we determine trends in the marketplace or develop new marketing techniques, technologies, products and services, we anticipate that we will develop and modify our standards as we consider appropriate and useful, and notify you through amendments to the Operations Manual, newsletters or other bulletins. You will operate the Business in strict compliance with the Operations Manual, as it may be reasonably changed by us from time to time. The Operations Manual must remain confidential and is our exclusive property. You will ensure that your copy of the Operations Manual is current and up to date, and will keep a copy of the Operations Manual in a safe and secure location. If there is a dispute relating to the contents of the Operations Manual, the master copy, which we maintain at our corporate headquarters, will control. We reserve the right to disclose updates to the Operations Manual via electronic means, including over our website or any intranet or extranet system established in connection with the System.

Location of your Business: Real Estate Lease

You must locate an Authorized Location for your Business that we consent to. We approve locations on a case by case basis, considering items such as size, appearance and other physical characteristics of the site, demographic characteristics, traffic patterns, competition from other businesses in the area and other commercial characteristics, such as rental obligations and other lease terms (including those that we require be in the lease). You may not sign a lease for the site until you provide us with a copy of the lease and allow us reasonable time to confirm that the lease contains certain mandated provisions, which will not exceed fifteen (15) days. We reserve the right to

reject the lease if the lease does not contain these provisions. You are not required to purchase, lease or sublease the Business premises from us or our affiliate. Generally, we recommend that our franchisees initially rent an approximately 700 square foot fully-outfitted executive suite in a Class “A” commercial space (such as a Regus office center). We expect that you will transition into a commercial space of your own no later than twenty-four (24) months after you open your ALL ABOUT PEOPLE® Business. Once you transition into your permanent space, you must outfit such space in accordance with our standards and specifications.

Fixtures, Equipment, Furniture & Signs

You must construct and develop your Business consistent with our specifications and standards. We or our designated supplier will furnish to you prototypical plans and specifications for your Business, including requirements for interior and exterior materials, decor, fixtures, equipment, furniture and signs. You must submit construction plans and specifications to us for our approval before you begin construction of your Business, and you must submit all revised plans and specifications to us during the course of construction. You must ensure that the plans and specifications comply with the Americans with Disabilities Act and all other applicable federal, state and local laws, ordinances, building code and permit requirements and lease requirements and restrictions. In developing and operating your Business, you may purchase only the types of construction and decorating materials, fixtures, equipment, furniture and signs that we require and have approved as meeting our specifications and standards for quality, design, appearance, function and performance. You must purchase these items from any supplier we designate or from any supplier who can satisfy our standards and specifications. We or one of our affiliates may be an approved supplier of one or more of these items.

Computer Hardware and Software

You must purchase a computer system (including the Proprietary Software System and computer hardware) that meets our standards and specifications (collectively, the “Computer System”). We may designate a third-party supplier or other approved suppliers (if any) from which you must obtain your Computer System. As of the date of this Disclosure Document, you must obtain your Computer System and Proprietary Software System from us with the Start-Up Toolkit. While not currently required, in the future you may be required to enter into our or a third-party supplier’s standard form computer access or license agreement in connection with your use of the Proprietary Software System or other computer software. Additionally, you must use the accounting software we designated (currently, Quickbooks), our designated bookkeeping supplier (currently, Bookkeeping Express), our designated skills testing and assessment software (currently, Prove It), our designated time-keeping software provider (currently, PeopleNet) and our designated supplier for background checks (currently, TalentWise). We currently do not receive a rebate based on your purchase of the Computer System.

Insurance

You must purchase and maintain for each Business you operate, at your expense, insurance coverage from our required supplier (currently, Creative Benefits & Insurance Solutions). The insurance policy must be written in accordance with the standards and specifications (including minimum coverage amounts) outlined in writing by us from time to time and, at a minimum, shall include the following: comprehensive general liability insurance with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate; workers’ compensation with minimum limits of \$1,000,000 per accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee; employers liability coverage with minimum limits of \$1,000,000 per accident and \$1,000,000 aggregate; professional liability coverage with minimum limits of \$5,000,000 per occurrence and \$5,000,000 per aggregate; employment practice liability with minimum limits of \$1,000,000 per occurrence and \$1,000,000 aggregate; excess liability with minimum limits of \$1,000,000 per occurrence and \$1,000,000 aggregate; non-owned and hired automobile liability with minimum coverage of \$1,000,000 per accident; commercial automobile liability for owned vehicles with minimum limits of \$1,000,000 per accident; third party crime coverage with minimum limits of \$100,000 aggregate; business interruption insurance and other insurance to meet statutory requirements. All insurance policies must insure us, you and any other person that we designate from all liability, damages or injury, and must meet all other requirements that we designate. If any lease or client contract requires higher limits than listed above, the lease or client contract will control, provided that such lease or client contract does not lower the amount from the amount listed above.

As noted above, we will serve as the employer of record for your Temporary Staffing Associates. Based on information you provide to us, we will obtain and maintain during the term of the Franchise Agreement workers' compensation insurance covering your Temporary Staffing Associates. You must reimburse us for all premiums, costs and expenses we incur in connection with providing this coverage. Additionally, you must reimburse us for any premium overages we are assessed in connection with the quarterly and/or yearly audit we and our insurance provider conduct relating to the workers' compensation coverage provided for your Temporary Staffing Associates.

Advertising and Promotional Approval

You must use only our approved advertising and promotional materials in promoting the Business. If you develop your own advertising and promotional materials, you must obtain our prior consent to these materials prior to use.

Supplier and Product Approval

We will provide you with lists of approved manufacturers, suppliers and distributors ("Approved Suppliers List") and approved inventory, products, fixtures, furniture, equipment, signs, supplies and other items or services necessary to operate your Business ("Approved Supplies List"). You must obtain your accounts receivable reserve in the amount of \$10,000 from our approved supplier in accordance with their contract. The Approved Suppliers List may list particular suppliers from which you must purchase certain supplies, equipment, materials, fixtures or other items for use in your Business. For example, as of the date of this Disclosure Document you must obtain the Start-Up Toolkit and Proprietary Software System from us. Additionally, we will handle all Client invoicing, serve as the employer of record for all Temporary Staffing Associates, pay all Temporary Staffing Associates, and obtain and maintain workers' compensation insurance coverage for all Temporary Staffing Associates. The Approved Supplies List may include specific brands or types of furnishings, equipment or accessories that you may buy from any source provided that the items conform to the standards and specifications for the System. For example, you must use the accounting software we designated (currently, Quickbooks) and the skills assessment and testing software we designate (currently, Prove It). We, an affiliate or a third-party vendor or supplier periodically may be the only approved supplier for certain products or services. The lists specify the suppliers and the products and services which we have approved for use in the System. We may revise these lists and provide you with a copy of approved lists as we deem advisable. Currently, we do not charge a fee in connection with supplier approval but we reserve the right to do so in the future.

If you want to use any unapproved material, fixture, equipment, furniture or sign, or purchase any items from any supplier that we have not approved, you must first notify us in writing and must submit to us, at our request, sufficient specifications, photographs, drawings or other information or samples for us to determine whether the services, material, fixture, equipment, furniture or signs comply with our specifications and standards, or the supplier meets our approved supplier criteria. We will notify you of our decision within thirty (30) days following our receipt of all information requested. We may inspect the facilities and products of any supplier or approved item and revoke our approval of any item or supplier which fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or supply. As part of the approval process, we may require that a proposed supplier sign a supplier agreement covering such items as insurance, product quality, trademark use, and indemnification. We do not provide material benefits to you based on your use of designated or approved sources.

We apply certain general criteria in approving a proposed supplier, including the supplier's quality and pricing of products, ability to provide products/services that meet our specifications, responsiveness, ability to provide products/services within the parameters required by the System, quickness to market with new items, financial stability, credit program for franchisees, freight costs, and the ability to provide support to the System (merchandising, field assistance, education and training respecting sales and use of products and services).

Miscellaneous

We may negotiate prices for numerous products for the benefit of the System, but not for any individual franchisee. We are not aware of any purchasing or distribution cooperative in the System. We attempt to receive volume discounts for the System.

During our last fiscal year ending December 31, ~~2017~~2016, neither we nor our affiliates received any revenue as a result of franchisee purchases of goods, products and services from us or our affiliates, but we reserve the right to do so in the future.

We may derive revenue directly or in the form of rebates or other payments from suppliers, based directly or indirectly on a franchisee's purchase of products or services. Although we currently do not receive rebates or other payments from suppliers, we reserve the right to receive rebates or other payments and estimate that this revenue will range between 0% to 5% or more of the total purchase price of those items. Additionally, our affiliate AAP may receive products and/or services from approved suppliers at reduced rates.

Aside from our officers' interest in us, our officers do not own a material interest in any supplier.

We estimate that the purchase or lease of equipment (including the Computer System hardware and software), signs, fixtures, furnishings, supplies, inventory and advertising and sales promotions materials which meet our specifications will represent approximately 70% to 80% of the total cost to develop the Business. We estimate that the purchase or lease of supplies, inventory and advertising and sales promotions materials which meet our specifications will represent approximately 10% to 20% of the total cost to operate your Business.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation		Section in Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 2(A) and 4(A) of Franchise Agreement	Item 11
b.	Pre-opening purchases/leases	Section 4 of Franchise Agreement	Items 7, 8 and 11
c.	Site development and other pre-opening requirements	Section 4 of Franchise Agreement	Item 5, 7, and 11
d.	Initial and ongoing training	Sections 5 and 15(C) of Franchise Agreement	Items 7 and 11
e.	Opening	Section 4(E) of Franchise Agreement	Items 5 and 11
f.	Fees	Sections 2(D), 4(F), 9, 10(J), 11, 13(C) and 15(C) of Franchise Agreement	Items 5, 6 and 7
g.	Compliance with standards and policies/ Operations Manual	Sections 4, 5(E) and 10 of Franchise Agreement	Items 11 and 16
h.	Trademarks and proprietary information	Sections 1(M), 6 and 7 of Franchise Agreement	Items 13 and 14
i.	Restriction on products/services offered	Section 2, 10(C) and 10 (E) of Franchise Agreement	Items 8 and 16
j.	Warranty and customer service requirements	Sections 10(E), 10(F), and 10(G) of Franchise Agreement	Item 11
k.	Territorial development and sales quotas	Sections 2(B), (C) and (D) of Franchise Agreement	Item 12
l.	Ongoing product/service purchases	Sections 4 and 10 of Franchise Agreement	Items 8 and 11

Obligation		Section in Franchise Agreement	Disclosure Document Item
m.	Maintenance, appearance and remodeling requirements	Sections 3(B), 4(B), 4(C), and 10(A) and (B) of Franchise Agreement	Item 11
n.	Insurance	Section 10(J) of Franchise Agreement	Items 6, 7 and 8
o.	Advertising	Section 11 of Franchise Agreement	Items 6, 7 and 11
p.	Indemnification	Section 8(B) of Franchise Agreement	None
q.	Owner's participation/management/staffing	Sections 10(D) and (I) of Franchise Agreement	Items 11 and 15
r.	Records/reports	Section 12 of Franchise Agreement	Item 6
s.	Inspections/audits	Section 13 of Franchise Agreement	Item 6
t.	Transfer	Section 15 of Franchise Agreement	Items 6 and 17
u.	Renewal	Section 3(B) of Franchise Agreement	Items 6 and 17
v.	Post-termination obligations	Sections 14 and 18 of Franchise Agreement	Item 17
w.	Non-competition covenants	Sections 14 and 18(A) of Franchise Agreement	Item 17
x.	Dispute resolution	Sections 19 and 20(D) and (E) of Franchise Agreement	Item 17

ITEM 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

ITEM 11

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

Except as listed below, All About People is not required to provide you with any assistance.

Pre-Opening Assistance. Before you open your Business, we will:

- (1) Provide assistance in your evaluation and selection of an Authorized Location for the Business and consent to the Authorized Location (Franchise Agreement – Section 4(A)).
- (2) Provide you with prototype plans and specifications for your Business, including those for dimensions, interior design and layout, building materials, fixtures, equipment, furniture, signs and décor (Franchise Agreement – Section 4(B)).
- (3) Provide the initial training program described below (Franchise Agreement – Section 5(A)) and the Start-Up Toolkit as described in Item 5 of this Franchise Disclosure Document.
- (4) Provide to you access to the confidential Operations Manual. You must keep the Operations Manual confidential and discontinue using it when the Franchise Agreement terminates (Franchise Agreement – Section 5(E)).
- (5) Provide you with a list of our Approved Supplies and Approved Suppliers (Franchise Agreement – Section 4(C)).

Ongoing Assistance. During the operation of your Business, we will:

- (1) Provide you with the services of one of our employees for a period of up to one (1) to two (2) days to assist in the opening and initial operation of the Business (Franchise Agreement – Section 5(B)).
- (2) Provide advisory services relating to Business operations, including services offered for sale, marketing assistance and sales promotion programs, and operating, administrative and general operating procedures (Franchise Agreement – Section 5(C)).
- (3) Periodically provide you with updated and revised materials for the Operations Manual (Franchise Agreement – Sections 5(C) and (E)).
- (4) Handle all Client invoicing, serve as the employer of record for all Temporary Staffing Associates, pay all Temporary Staffing Associates and obtain and maintain workers' compensation insurance coverage for all Temporary Staffing Associates (Franchise Agreement – Section 5(C)).
- (5) Operate the BDF Fund (Franchise Agreement – Section 11(A)).

Advertising Programs. We establish and conduct various advertising programs as follows:

We operate a Brand Development Fund (the "BDF Fund") to promote every ALL ABOUT PEOPLE® Business in the System. You will pay us a national brand development fee (the "BDF Fee") in the amount of .75% of Gross Sales. The BDF Fee is due and payable on Monday of each week and is payable by electronic funds transfer or such other form of payment that we require. We will deposit the BDF Fee in the BDF Fund that we manage through a separate account. We will use contributions to the BDF Fund, in our sole discretion, to develop, produce and distribute national, regional and/or local advertising and to create advertising materials and public relations programs which promote, in our sole judgment, the products and services offered by the System. We have the sole right to determine contributions and expenditures of the BDF Fund, or any other advertising program, and the sole authority to determine, without limitation, the selection of the advertising materials and programs; provided, however, that we will make a good faith effort to expend the BDF Fund's contributions in the general best interests of the System on a national or regional

basis. Nevertheless, you acknowledge that not all System franchisees will benefit directly or on a pro rata basis from the BDF Fund's expenditures. We may use the BDF Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, including the cost of: (i) preparing and producing television, radio, online, magazine and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; (ii) public relations activities and advertising agencies; (iii) developing and maintaining an Internet website and other digital promotional activities; (iv) the cost of holding a convention, and personnel and other departmental costs for advertising that we internally administer or prepare; and (v) the salary earned, and expenses incurred, by any national sales executive hired by us to obtain National Accounts on behalf of the ALL ABOUT PEOPLE® System. While we do not anticipate that any part of the BDF Fund's contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the BDF Fund's contributions for public relations or recognition of the ALL ABOUT PEOPLE® brand and for the creation and maintenance of a web site, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available." Sales materials, if developed, may be sold to franchisees at a reasonable cost.

We may periodically assist franchisees in maintaining high quality standards by conducting customer surveys, customer interviews, and other similar initiatives ("Surveys"). The cost of such programs will be paid from the BDF Fund. The cost of these programs may be charged directly to you if your results from a Survey fall below System-established minimum standards for such Surveys. We have the right to reimburse ourselves from the BDF Fund contributions for such reasonable costs and overhead, if any, as we may incur in activities reasonably related to the direction and implementation of the BDF Fund.

We are not required to spend any particular amount on marketing, advertising or production in the area in which your Business is located. BDF Fees not spent in any fiscal year will be carried over for future use. We may make loans to the BDF Fund bearing reasonable interest to cover any deficit of the BDF Fund and cause the BDF Fund to invest in a surplus for future use by the BDF Fund. The interest rate will not exceed the prime interest rate at the time the loan is granted. BDF Fees will not be used for advertising principally directed at the sale of franchises. At your request, we will provide you with an annual unaudited statement of the receipts and disbursements of the BDF Fund for the most recent calendar year.

During the fiscal year ending December 31, ~~2017~~2016, we spent ~~27~~50% of the BDF Fees on ~~public relations~~online advertising, ~~2%~~2% on ~~website development/marketing~~, and rolled over the remaining funds to use during the ~~2018~~2017 fiscal year.

We do not have an advertising council composed of franchisees that advise us on advertising policies, but reserve the right to form one in the future. We have the right to require that a purchasing and distribution cooperative, an advertising cooperative, and/or a franchisee advisory council be formed, changed, dissolved or merged and to establish the bylaws and other rules under which such groups will operate.

You may develop advertising materials for your own use, at your own cost, if your materials are factually correct, accurately depict the Trademarks, and communicate the brand position and character that we have established for ALL ABOUT PEOPLE® Businesses. If you develop advertisement materials, you must provide a copy of the materials to us for our review and approval (in writing) before you use the advertising materials. If we do not respond within fifteen (15) days from the date we receive your proposed materials, the materials are deemed disapproved. If we later determine that your marketing materials do not satisfy our then-current advertising and promotional standards, you immediately must cease using those materials upon written notice from us. In addition, you must comply with all social media policies we require, as described in the Operations Manual.

You must spend a minimum of \$1,000 per ALL ABOUT PEOPLE® Business per month on "approved" local advertising and promotional activities in your local geographic area. Business advertising and promotional activities are "approved" if they are included in our recommended media plan for the Business, if any, and otherwise satisfy our requirements (described above). Amounts spent on unapproved advertising activities will not qualify in determining whether you have satisfied this minimum expense requirement. If you do not spend the minimum amount required for local Business advertising and public relations activities, you must pay us the amount of the difference for deposit in the BDF Fund. You will not be required to spend more on local advertising if you purchase multiple Territories.

While we currently have not established any regional advertising cooperatives, we reserve the right to do so in the future and you may participate in and contribute to any local or regional advertising cooperative (the “Cooperative”) established in the area where your Business is located. We or a majority of franchisees (with our approval) may form a local or regional advertising Cooperative in your area. If a Cooperative is established, you may contribute an amount determined by the Cooperative or equal to the amount of your local advertising and promotional activities of at least \$1,000 each calendar year. The Cooperative will use contributions to fund local and regional advertising and promotional campaigns and activities that we recommend or approve for use by the Cooperative. In the future, we may establish advertising campaigns and activities that the Cooperative must use. Contributions to the Cooperative are credited to your local advertising obligation described above. Each Cooperative must adopt written governing documents. Each Cooperative will determine its own voting procedures so long as those procedures are consistent with the general operating rules we have established. Members of the Cooperative and their elected officials are responsible for administering the local Cooperative. We recommend, but do not require, that each Cooperative prepare annual financial statements and make those financial statements available to all franchisees in the Cooperative. We have the power to establish advertising cooperatives and the rules under which regional and local advertising cooperatives will operate.

Computer System. You must use in your Business the Computer System, which is a part of the Start-Up Toolkit and all existing or future communication or data storage systems that we have selected for use in Businesses. We periodically may update or change the Computer System in response to business, operations, marketing conditions, or changes in technology. We shall have the right, but not the obligation, to develop or designate: (i) computer software programs, which may be proprietary, that you must use in connection with the operation of the Business as part of the Start-Up Toolkit and Proprietary Software System, which you shall install at your own expense; (ii) updates, supplements, modifications, or enhancements to the Proprietary Software System, which you shall install at your own expense; (iii) the tangible media upon which you record data; and (iv) the database file structure of the Computer System. Any Proprietary Software System you are required to use will be deemed our proprietary material and the information collected therefrom will be deemed our Confidential Information.

Currently, the Start-Up Toolkit Package includes, amongst other items, a desktop and/or laptop computer(s), printer, Proprietary Software System that you will license from our designated supplier (currently, us) and other software that we designate. The Proprietary Software System is the proprietary property of Bullhorn, but you currently will pay us directly for access to the Proprietary Software System. You may be required to purchase upgrades or updates to the Proprietary Software System and there are no contractual limitations on the frequency and cost of this requirement, other than the requirement that the fee be reasonable in light of costs incurred to provide these services. You will pay us a monthly user fee for access to the Proprietary Software System (currently \$150 per month per user). Additionally, you must use our designated accounting software (currently Quickbooks), our designated bookkeeping supplier (currently, Bookkeeping Express), and our designated skills testing and assessment software (currently, Prove It). You must incorporate any upgrades and updates to the Computer System. The cost to obtain the required computer system is included in the Start-Up Toolkit Package as is noted in Item 5 of this Disclosure Document.

We have independent access to all of your operational and financial information and data, including Client, Direct Hire and/or Temporary Staffing Associate data (collectively, the “Customer Data”), produced by or otherwise located on your Computer System. We own the Customer Data that is stored on the Computer System and you assign your rights in the Customer Data to us. We periodically will establish policies respecting the use of the Customer Data. You will have at the Business Internet access with a form of high-speed connection as we require. You will use an email address we designate or approve for communication with us. You hereby expressly agree that all data that you input into your Computer System, or that we input on your behalf and at your direction, including all financial or rate information concerning agreements with Clients, Direct Hires or Temporary Staffing Associates, shall be true and accurate to the best of your knowledge. We may require that your Computer System be programmed to automatically transmit data and reports about the operation of the Business to us. We shall also have the right to, at any time without notice, electronically connect with your Computer System to monitor or retrieve data stored on the Computer System or for any other purpose we deem necessary. There are no contractual limitations on our right to access the information and data on your Computer System, including the Customer Data.

You are required to participate in any System-wide computer network, intranet system or extranet system that we implement and may be required by us to use the computer network, intranet system or extranet system to, among other things: (i) view and print updates to or portions of the Operations Manual; (ii) download approved local advertising

materials; (iii) communicate with us and other System franchisees; and (iv) complete training. You agree to use the facilities of any such area computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Operations Manual, including those related to the encryption of Confidential Information and prohibitions against the transmission of libelous, derogatory or defamatory statements.

Site Selection. If you already have a potential site for a Business, you may propose the location to us. We may consent to the site after we have independently evaluated it. The site for the Business will be identified in Exhibit A to the Franchise Agreement. If you do not have a proposed site when the Franchise Agreement is signed, you will sign Alternative Exhibit A to the Franchise Agreement and will have 120 days following the date of the Franchise Agreement to identify a Business site acceptable to us. We will provide you with our general site selection and evaluation criteria. You are solely responsible, however, for locating and obtaining a site which meets our standards and criteria and that is acceptable to us. If you sign Alternative Exhibit A to the Franchise Agreement and we and you cannot agree on a site during the 120-day period, we can terminate your Franchise under the terms of Section 16 of the Franchise Agreement.

You must submit to us a complete site report (containing information that we may reasonably require) for the proposed Business site. The general site and evaluation criteria which you should consider include demographic characteristics of the proposed location, traffic patterns, parking, the predominant character of the neighborhood, the proximity to other businesses (including other ALL ABOUT PEOPLE® Businesses), and other commercial characteristics, and the proposed location, size of premises, appearance and other physical characteristics. We will notify you in writing within fourteen (14) days after we receive your complete site report and other materials we request whether the proposed site satisfies our site selection criteria. Our review of a site for the Business does not represent any recommendation or guaranty as to the success of the proposed site.

Development Time. The typical length of time between our acceptance of the Franchise Agreement and the opening of your Business varies from ninety (90) to 180 days. This period may be longer or shorter, depending on the time of year, availability of financing, local construction delays, how soon you can attend training or other factors. You must complete development and open your Business by the date that we and you agree as stated in Exhibit A to the Franchise Agreement. If you fail to open your Business by the agreed upon date, we reserve the right to put you in default under the Franchise Agreement, however our current policy is to extend the timeline for a reasonable period of time if you are making a good faith effort to commence operations.

Training. Before the opening of the Business, after all pre-check items are complete and after you sign a lease for the Business premises, we will provide, and you (or if you are an entity, a Principal Owner who has been approved by us), and the Branch Manager of the Business along with the Account Executive and Recruiter must attend, an initial training program on the operation of the Business. You (or if you are an entity, a Principal Owner who has been approved by us) must attend training specific to your role as the franchise owner (“Owner Training”) for up to five (5) days or one (1) week in addition to the initial training program. Your Business should be operational immediately following training. The initial training program will be held in Phoenix, Arizona or such other location we designate. A minimum of five (5) people must complete the initial training program to our satisfaction.

You may not open your Business until you (if a franchisee is an entity, a Principal Owner) and/or the Branch Manager, Account Executive and Recruiter successfully complete the initial training program to our satisfaction. We reserve the right to modify the initial training program depending on your background, expertise and experience. The initial training program consists of the following:

TRAINING PROGRAM

Subject ⁽¹⁾⁽²⁾	Hours of Classroom Training	Hours of On-the-Job Training	Location
Prerequisite: Industry Reading and Web-Based Training	15	0	At your home or office location
All About People Brand Characteristics and Cultural Expectations: Our Story	0	2	Phoenix, Arizona, or a location we designate
Operating the Business Model: Building your AAP internal team	0	40	Phoenix, Arizona, or a location we designate
Sales & Marketing/ KPIs	16	0	Phoenix, Arizona, or a location we designate
Temporary Staffing Mark-ups & Bill Rates; Direct Hire/Executive Search Fees Risk Management	2	0	Phoenix, Arizona, or a location we designate
Recruiting Process	14	0	Phoenix, Arizona, or a location we designate
System Training	3	0	Phoenix, Arizona, or a location we designate
Payroll, New Hire Processing & Assignment Orientation	2	0	Phoenix, Arizona, or a location we designate
Invoicing & Collections	1	0	Phoenix, Arizona, or a location we designate
Budgets, Forecasts & P&L Statements	2	20	Phoenix, Arizona, or a location we designate
TOTALS	55	62	Phoenix, Arizona, or a location we designate

(1) The instructional materials for each subject includes the Operations Manual.

(2) The following instructors will provide the initial training program:

Name	Years of Experience with AAP or Affiliates	Years of Experience in Industry
Charles Mitchell	15 <u>16</u>	16 <u>17</u>
Sherri Mitchell	15 <u>16</u>	22 <u>23</u>
Karen McEnroe	11 <u>12</u>	23 <u>24</u>
Brooke Tomlinson	2 <u>3</u>	2 <u>3</u>
Effie Hall	8 <u>9</u>	31 <u>32</u>

(3) We reserve the right to delegate and share responsibilities in connection with the initial training program with others that have experience in the relevant subject matters and/or our company.

(4) Prior to attending the initial training program, you must complete certain budget and projections for the ALL ABOUT PEOPLE® Business, as further outlined in the Operations Manual.

(5) We do not charge a fee for the initial training program described above. You must attend the first available training session following your execution of the Franchise Agreement, unless we permit you to attend a later session. All trainees that you designate must attend the training course at the same time. You are, however,

responsible for all travel and living expenses that you, your Branch Manager and any other people you bring to the initial training program incur while attending the initial training program.

- (6) Your other employees, if any, may be trained by you, however, we reserve the right to require that your employees attend the initial training program at our headquarters. If we require your employees to attend the initial training program, we will provide such training to your employees tuition-free, however, we reserve the right to charge a tuition fee in the future. All training related expenses for your additional personnel, including transportation to and from the training site, lodging, meals, and salaries during training, are your sole responsibility. We will provide you with training materials for you to use in training your personnel. Only our provided training materials may be used by you in training your personnel. Updated training materials will be provided to you by us upon written request. All training materials provided to you by us will at all times remain our property, and you agree not to challenge our or our affiliates' title or rights in or to the training materials. You may not make any disclosure, duplication or other unauthorized use of any portion of the training materials.
- (7) We conduct the initial training program on an as-needed basis and are conducting an initial training program approximately once every few months.

Within seven (7) days following the opening of the Business we will provide you with the services of one of our employees for a period of up to three (3) days to assist you in the opening and initial operations of the Business.

In addition, we may require that you (or the Principal Owner of a franchisee that is an entity) and your Branch Manager as well as additional members of your internal staff attend, or when available, participate by Internet in, supplemental and refresher training programs during the term of the Franchise Agreement. We may determine the time and place of this additional training and may charge you our then-current training fee for the training.

Except under certain circumstances, you must attend, at your expense, any annual franchise convention and/or conference we may hold or sponsor and all meetings relating to new services, operational procedures or programs, training, business management, sales or sales promotion or similar topics, including any system-wide teleconferences or web-conferences. We reserve the right to charge you a fee to attend any annual conferences, conventions, meetings, programs or other trainings we require. If you are not able to attend a meeting or convention, you must notify us prior to the meeting and must have a substitute person acceptable to us attend the meeting.

Operations Manual. During the term of the Franchise Agreement, we will loan to you one copy of, or allow electronic access to, our Operations Manual. The current table of contents of the Operations Manual is attached as Exhibit H and the Operations Manual is currently 124 pages.

ITEM 12

TERRITORY

Franchise Agreement

You will operate your Business only from the Authorized Location inside the Territory. The Authorized Location will be identified in Exhibit A to the Franchise Agreement. If you do not have an Authorized Location for your Business when you sign the Franchise Agreement, you will sign Alternative Exhibit A to the Franchise Agreement and will have ninety (90) days after the date of the Franchise Agreement to find a site for the Business (acceptable to us) within the designated geographic area. Once we approve the Authorized Location within the geographic area established in Alternative Exhibit A, we and you will then sign Exhibit A.

You will receive an exclusive "Territory" surrounding the Authorized Location of your Business. Typically, a Territory will include a total of at least 30,000 targeted jobs.

During the term of the Franchise Agreement and provided you are in compliance with the terms and conditions of the Franchise Agreement, we will not (i) modify the Territory without your written permission, (ii) locate

either a company-owned or franchised ALL ABOUT PEOPLE® business within the Territory, or (iii) establish a company-owned or another franchised business in the Territory under the Trademark or other trademarks that offers the same products and services as your ALL ABOUT PEOPLE® Business, except for Merger/Acquisition Activity (as defined and described below). If at the time you sign the Franchise Agreement we are servicing a client located in the Territory, we will (unless this client is a National Account) continue servicing this client and will transfer this business to you upon your completion of training and other pre-opening requirements. We will not be required to pay you any compensation during this transition period. The license granted to you does not include: (i) any right to sell products or services from any location other than the Authorized Location, (ii) any right to sell products or services to any person or entity for resale or further distribution, except as we may designate in writing, or (iii) any right to exclude, control or impose conditions on our development of future franchised, company or affiliated owned ALL ABOUT PEOPLE® businesses at any time or at any location outside the Territory.

If you purchase the right to operate in multiple Territories under the Franchise Agreement, you must comply with your opening obligations in order to maintain your exclusivity.

Rights Reserved by Us

Except as expressly stated in the Franchise Agreement, you may market and serve only those Clients located in the Territory. You may, however, provide services outside the Territory so long as the Client for which the services are being provided is located inside the Territory. As such, you acknowledge that we, our affiliates and/or other ALL ABOUT PEOPLE® franchisees may provide services inside the Territory for Clients that are located outside the Territory. You may not, unless in connection with other ALL ABOUT PEOPLE® franchisees, engage in marketing or advertising that targets areas outside of the Territory or make other representations to potential Clients that would lead them to believe that you have a location outside the Territory. Any Client requesting services to be provided in multiple areas outside the Territory must be approved by us prior to signing.

We and our affiliates retain all rights that are not expressly granted to you under the Franchise Agreement. Further, we may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, including you, and without granting you any rights therein:

1. establish and/or license others the right to establish franchised or company-owned ALL ABOUT PEOPLE® businesses at any location outside the Territory regardless of the proximity of such business to the Territory and use the Trademarks and System by ourselves or through our franchisees outside of your Territory;
2. merge with, acquire or become associated with (“Merger/Acquisition Activity”) any businesses of any kind under other systems and/or other marks, which businesses may convert to or operate under the ALL ABOUT PEOPLE® Trademarks or other trademarks and may offer or sell products and services that are the same as or similar to the products and services offered at or from your ALL ABOUT PEOPLE® Business, and which may be located anywhere inside or outside the Territory;
3. sell and distribute for ourselves and/or license others to sell and distribute through alternate channels of distribution, including the Internet, within and outside the Territory, products or services the same as or different from the products and services offered from your Business, and which are offered and distributed under marks the same as or different than the Trademarks;
4. advertise the System on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Trademarks;
5. enter into agreements with National Accounts; and
6. engage and license the right to engage in any other activities not expressly prohibited in the Franchise Agreement.

We are not required to pay you if we exercise any of the rights specified above inside the Territory.

National Accounts

Additionally, we or our affiliates have the right to sell and enter into agreements with National Accounts, both inside and outside the Territory. A National Account means any Client designated as such by us, based upon our sole determination that because the Client conducts its business at multiple locations and/or is deemed of strategic importance by us, the account, services and pricing of such Client must be negotiated and secured by us. Except as noted below, if a National Account requests temporary, temporary-to-hire, contract, contract-to-hire, direct hire and/or executive search services inside the Territory, we will offer to you the right to provide the services on the same terms and conditions as are in the contract negotiated by us and the National Account. Within three (3) days of us notifying you of the National Account business, you must confirm in writing your acceptance of the National Account business on the terms and conditions contained in the contract between us and the National Account. We will not be required to offer you the right to provide services to a National Account if, in our business judgment, we do not believe that you are able to provide the requested services to the National Account. If you fail to accept the National Account business within the timeframe noted above, we do not offer the National Account business to you, or if we or the National Account determine that you are not adequately servicing the National Account then we may: (i) provide the services requested by the National Account inside the Territory, or (ii) contract with a third party, which may be another ALL ABOUT PEOPLE® franchisee or unrelated third party to provide the services requested by the National Account inside the Territory. We are not required to pay you any consideration or compensation if we or a third party provide services to a National Account inside the Territory. If a National Account requests temporary, temporary-to-hire, contract, contract-to-hire, direct hire and/or executive search services inside the Territory and you provide the services in accordance with the contract between us and the National Account, we will pay you the Weekly Gross Profit generated from the temporary, temporary-to-hire, contract or contract-to-hire services, which will already include subtractions for the Deductions and National Account Management Fees you are required to pay to us, as is further outlined in Item 6 of this Disclosure Document.

If a National Account contacts you directly, you must refer the National Account to us. We will negotiate all contracts with National Accounts and you will not have any right to negotiate any contract or provide services to the National Account without our express written consent. If you refer to us a National Account that subsequently signs an agreement with us ("Referred National Account"), we will pay you a referral fee equal to 0.5% of the Gross Sales earned from the Referred National Account across the franchise system ("Referral Fee"). We will pay this amount to you on a monthly basis during the last calendar week of each month via electronic funds transfer for those Referred National Accounts where we have received payment. Furthermore, for all Referred National Accounts, we will waive the National Account Management Fee outlined in Section 9(D) of the Franchise Agreement for any services you provide to such Referred National Accounts. For all National Accounts you did not refer to us, you will be required to pay the National Account Management Fee for those National Account Gross Sales.

Minimum Gross Sales Requirement

After your first calendar year of operation after your Opening Date, the rights granted to you by the terms of the Franchise Agreement will be dependent on your achieving certain minimum annual Gross Sales in each Territory as outlined below:

Time Period	Minimum Gross Sales Requirement
First full calendar year after Opening Date	\$200,000
Second full calendar year after Opening Date	\$300,000
Third full calendar year after Opening Date	\$400,000
Fourth full calendar year after Opening Date	\$500,000
Fifth full calendar year after Opening Date	\$600,000
Sixth full calendar year after Opening Date	\$700,000
Seventh full calendar year after Opening Date	\$800,000
Eighth full calendar year after Opening Date	\$900,000
Ninth full calendar year after Opening Date and each calendar year after	\$1,000,000

If you fail to meet the minimum Gross Sales requirement during any time period outlined above, then we may do any of the following: (i) reduce the size of the Territory; or (ii) if this is the second time you have failed to meet your annual Gross Sales requirement, terminate the Franchise Agreement. In connection with calculating your Minimum Gross Sales Requirement, we will include all Gross Sales you generated during the applicable time period for all contract, contract-to-hire, temporary-to-hire, staffing, conversion fees, direct hire and executive search services you provide.

If you purchase multiple Territories, the minimum Gross Sales requirement will begin for each Territory the first full calendar year after you begin operation in that Territory. For example, if you purchase three Territories and open after January 1, ~~2018~~2017, the minimum Gross Sales requirements for the (a) first Territory begin in ~~2018~~2019, (b) second Territory begin in ~~2019~~2020, and (c) third Territory in ~~2020~~2021.

You may relocate your Business only with our written consent, which we will not unreasonably withhold. If we permit you to relocate your Business, you will need to build out the Business consistent with our then-current standards for new Businesses.

You must concentrate all advertising and other solicitation of customers inside your Territory unless you obtain our prior written consent.

You have no right of first refusal or similar rights to acquire additional franchises.

Except as disclosed, neither we nor any affiliate operates, franchises, or has any current plans to operate or franchise any business selling the products and services authorized for sale at an ALL ABOUT PEOPLE® Business under any other trademark or service mark.

ITEM 13

TRADEMARKS

We grant you the right to operate your Business under the name “All About People,” a federally registered service mark. You also may use our other Trademarks to operate your Business.

The following schedule lists only the principal Trademarks that you are licensed to use. We or our affiliate, AAP, have filed all required affidavits and renewal registrations for the Licensed Mark listed below.

Principal Trademarks	U.S. Registration or Serial No.	Registration Date	Principal/Supplemental Register
ALL ABOUT PEOPLE	3305683	Oct. 9, 2007	Principal
	4681190	February 3, 2015	Principal
POWER UP YOUR SUCCESS. POWER UP YOUR LIFE.	4671028	January 13, 2015	Principal

AAP has granted us the right to use and sublicense the Trademarks under the terms of the Trademark License Agreement between us and AAP dated December 2, 2013 (the “Trademark License Agreement”). We or AAP may terminate the Trademark License Agreement in the event of a breach by the other party that remains uncured thirty (30) days after notice of the breach was provided. Any sublicenses granted by us in existence at the time of termination will continue for the remaining term of the franchise agreement, provided the franchisee continues to comply with the terms of the franchise agreement. A material breach under the Trademark License Agreement includes our: (i) failure or refusal to perform any duty under the Trademark License Agreement, (ii) use of the Trademarks in a manner that AAP believes threatens the validity or integrity of the Trademarks, or (iii) failure to

comply with any provision of the Trademark License Agreement or any instruction of AAP concerning quality control standards for the Trademarks.

You acknowledge that you have no interest in or to the Trademarks and that your right to use the Trademarks is derived solely from the Franchise Agreement and is limited to the conduct of business in compliance with the Franchise Agreement and all applicable specifications, standards and operating procedures that we require during the term of the Franchise Agreement. You agree that your use of the Trademarks and any goodwill established exclusively benefits us and our affiliate, and that you receive no interest in any goodwill related to your use of the Trademarks or the System. You must not, at any time during the term of the Franchise Agreement or after your termination or expiration, engage in any conduct directly or indirectly that would infringe upon, harm or contest our or our affiliate's rights in any of the Trademarks or the goodwill associated with the Trademarks, including any use of the Trademarks in a derogatory, negative or other inappropriate manner in any media, including but not limited to print or electronic media, contest or assist any other person in contesting the validity or ownership of any of the Trademarks. Any and all goodwill arising from your use of the proprietary material will inure solely and exclusively to our benefit, and upon expiration or termination of the Franchise Agreement, no monetary amount will be assigned as attributable to any goodwill associated with your use of the System, the Trademarks, or any other proprietary material.

We have the right to periodically change the list of Trademarks. Your use of the Trademarks and any goodwill is to our exclusive benefit and you retain no rights in the Trademarks. You also retain no rights in the Trademarks when the Franchise Agreement expires or terminates. You are not permitted to make any changes or substitutions respecting the Trademarks unless we direct so in writing. You may not use any Trademark or portion of any Trademark as part of any corporate or any trade name, or any modified form or in the sale of any unauthorized product or service, or in any unauthorized manner unless we have expressly authorized such use in writing, and any unauthorized use thereof will constitute an infringement of our rights. You may not use any Trademark or portion of any Trademark on any website without our prior written approval. You may not use the Trademarks in connection with any other business activities that fall outside the scope of the Franchise Agreement. You will not use the Trademarks to incur any obligation or indebtedness on our behalf.

We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Trademarks. We or our affiliates currently maintain a website for the benefit of all company-owned and franchised ALL ABOUT PEOPLE® businesses, but we reserve the right to discontinue the website in the future. You acknowledge that we are the lawful, rightful and sole owner of the Internet domain name <http://www.allaboutpeople.net> and any other Internet domain names registered by us, and unconditionally disclaim any ownership interest in those or any colorably similar Internet domain name. You agree not to establish a website or permit any other party to establish a website that relates in any manner to your ALL ABOUT PEOPLE® Business or referring to the Trademarks or that contain words used in or similar to any the Trademarks or brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words, except as we may designate or approve in writing. You have the right to access our website and, as described further in the Operating Manual, we will provide one or more references or webpage(s) to your ALL ABOUT PEOPLE® Business within our website.

There are currently no effective material determinations by the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Trademarks that are relevant to your use in any state. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Trademarks in any manner material to the franchise.

You must promptly notify us of any suspected unauthorized use of the Trademarks and any Proprietary Software System we may now or hereafter designate for use in connection with the System, any challenge to the validity of the Trademarks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Trademarks, the Proprietary Software System, or the Operations Manual. You acknowledge that we have the sole right to direct and control any administrative proceeding or litigation involving the proprietary material, including any settlement thereof. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of our rights to the Trademarks or proprietary material or Trademarks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Trademarks. If we, in our sole discretion, determine that you have used the Trademarks in accordance with the Franchise Agreement, we will bear

the cost of such defense, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Trademarks in accordance with the Franchise Agreement, you will bear the cost of such defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Trademarks, you will execute any and all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Trademarks in a manner inconsistent with the terms of the Franchise Agreement, we agree to reimburse you for your out-of-pocket costs in performing such acts. We are unaware of any infringing uses or superior rights that could materially affect your use of the Trademarks.

You cannot make any changes or substitutions to the Trademarks unless we so direct in writing. We reserve the right, in our business judgment, to modify or discontinue use of any Trademark, or to use one or more additional or substitute trademarks or service marks. If we determine that a trademark infringement action requires changes or substitutions to the Trademarks, you will make these changes or substitutions at your own expense. You must discontinue using all Trademarks which we have notified you, in writing, have been modified or discontinued within ten (10) days of receiving written notice and, at your sole cost and expense, must promptly begin using such additional, modified or substituted marks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents, pending patent applications or copyrights currently registered that are material to the franchise. We do claim copyright ownership and protection for the Operations Manual and for certain other written materials we provide to assist you in operating your Business.

We own certain proprietary or confidential information relating to the operation of Businesses, including information in the Operations Manual (“Confidential Information”). “Confidential Information” means any trade secrets, information about the System, our Operations Manual and any other manuals or instructive materials provided by us, price lists, vendors, standards and specifications, Clients, Direct Hires or Temporary Staffing Associates acquisition methods and techniques, systems, methods, specifications, procedures, directions, audio/visual recordings, all software, advertising and publicity material, all information regarding our mode and methods of business and finances, and other methods, techniques and know-how concerning the operation of the Business which may be communicated to you or of which you may be apprised of by virtue of your operation of the Business. You further acknowledge and agree that all Clients, Direct Hires or Temporary Staffing Associates solicited by the Business belong to us, and certain compiled lists containing information about current and prospective Clients, Direct Hires or Temporary Staffing Associates including, (i) names and addresses, Customers, (ii) Clients, Direct Hires or Temporary Staffing Associates’ transaction history with the Business, and (iii) rates charged to Clients, Direct Hires or Temporary Staffing Associates, are owned solely by us and constitute our Confidential Information. You may divulge Confidential Information only to those of your employees as must have access to it in order to operate the Business. Confidential Information does not include information, processes or techniques that are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by you. You must keep confidential during and after the term of the Franchise Agreement the Confidential Information. When your Franchise Agreement expires or terminates, you must return to us all Confidential Information and all other copyright material. You must notify us immediately if you learn of an unauthorized use of the Confidential Information. We are not obligated to take any action and we will have the sole right to decide the appropriate response to any unauthorized use of the Confidential Information. You must comply with all changes to the Operations Manual at your cost. We will own Business customer data that is located on the Computer System. We will periodically establish policies under which we or you may use this Business customer data.

You must fully and promptly disclose to us all ideas, concepts, methods, techniques, improvements, additions and Customer Data relating to the development and/or operation of an ALL ABOUT PEOPLE® business or the System, or any new trade names, service marks or other commercial symbols, or associated logos relating to the operation of the Business, or any advertising or promotion ideas related to the Business (collectively the “Improvements”) that you and/or your employees conceive or develop during the term of the Franchise Agreement. All such Improvements will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you must assign ownership of that item, and all related

rights to that item, to us and must take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the Improvement. You agree that we have the perpetual right to use and authorize others to use the Improvements without any obligation to you for royalties or other fees.

You must require your Branch Manager and other key employees to execute covenants that they will maintain the confidentiality of the Confidential Information they receive in connection with their employment by you, prior to assisting in the operation of the Business. Such covenants will be in the form attached as Exhibit F to the Franchise Agreement.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Business must at all times be under the direct supervision of a Branch Manager who we have approved and who has satisfactorily completed the initial training program. We strongly recommend that you hire a third-party to serve as the Branch Manager, however, you may serve as the Branch Manager if we approve. If a third-party Branch Manager supervises the Business, you (or the Principal Owner) must remain active in overseeing Business operations. The Branch Manager does not have to own an interest in the franchisee entity.

The Branch Manager will be responsible for the day-to-day supervision of the Business and assumes his/her responsibilities on a full-time basis and may not engage in any other business or other activity that requires any significant management responsibility, time commitments, or otherwise may conflict with his/her obligations. Unless you receive our prior written consent, if you are an entity, you may not engage in, or work for, any business that offers staffing and/or recruiting services (“Competing Services”). In addition, the Principal Owner, Branch Manager, Account Executive(s) and Recruiter(s) must successfully complete our initial training program. You must employ a Branch Manager, Account Executive and Recruiter to operate in the Territory prior to attendance at the initial training program.

If you own the right to operate in a single Territory, you will need to hire a Branch Manager, Account Executive and Recruiter. For each additional Territory you purchase under the Franchise Agreement, you must employ one full-time (1) Account Executive and one (1) Recruiter to operate in that Territory. You must hire the Branch Manager, one (1) full-time Account Executive and one (1) Recruiter prior to attendance at the initial training program and the Branch Manager, Account Executive and Recruiter must attend, and complete to our satisfaction, the initial training program. For each additional Territory, you must hire additional groups of one (1) Account Executive and one (1) Recruiter and each group must complete our initial training program no later than thirty (30) days following the first anniversary and each subsequent anniversary of Franchise Agreement until you have reached the cumulative number of Account Executives and Recruiters you are required to hire. For example, if you purchase three (3) Territories on June 1, ~~2018~~2017, you must hire and train (a) one (1) Account Executive and one (1) Recruiter prior to opening the ALL ABOUT PEOPLE® Business, (b) an additional Account Executive and an additional Recruiter by June 30, ~~2018~~2019, and (c) an additional Account Executive and an additional Recruiter by June 30, ~~2019~~2020.

Each individual who owns a 10% or greater interest in the franchisee entity is considered a “Principal Owner” and must sign the Guaranty and Assumption of Obligations attached as Exhibit C to the Franchise Agreement. These people agree to discharge all obligations of the franchisee entity to us under the Franchise Agreement and are bound by all of its provisions, including maintaining the confidentiality of Confidential Information described in Item 14 and complying with the non-compete covenants described in Item 17. In addition, all of your employees who have managerial duties at the Business, as well as all corporate officers and directors of a corporate franchisee entity (all partners in a partnership), must sign a written agreement to maintain the confidentiality of our Confidential Information described in Item 14 and comply with the non-compete covenants described in Item 17.

We reserve the right to run a background check on you, your principals (if applicable), Branch Manager, any Account Executives and any additional staff members as we deem necessary in our sole discretion during the term of

the Franchise Agreement to ensure that you are complying with all laws and good business practices. Currently, it is also our practice to run a background check on you and your principals as part of the franchise application process.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell in your Business all and only, those products and services that we have approved. We may add new products or services that you must offer at your Business. Our right to modify the approved list of goods and services to be offered at a Business is not limited.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

FRANCHISE AGREEMENT

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

Provision		Section in Franchise Agreement	Summary
a.	Length of the franchise term	Section 3	Commences on the effective date of the Franchise Agreement and ends twenty (20) years after the Opening Date of the Business.
b.	Renewal or extension of the term	Section 3	If you are in good standing, you can renew the Franchise Agreement for two (2) additional ten (10) year terms.
c.	Requirements for you to renew or extend	Section 3	Provide advance notice, comply with current franchise agreement, complete any new/refreshers training programs we designate, sign new agreement (which may contain materially different terms and conditions than your original Franchise Agreement; provided you will not be required to pay an Initial Franchise Fee), maintain possession of the Business, remodel, satisfy all minimum performance requirements, and sign a general release of claims.
d.	Termination by you	Section 17	Not Applicable.
e.	Termination by us without cause	Not Applicable	Not Applicable.
f.	Termination by us with cause	Section 16	We may terminate your Franchise Agreement upon your default and, in some instances, failure to cure. Termination is effective upon delivery of written notice, except as otherwise provided in the Franchise Agreement.
g.	"Cause" defined – curable defaults	Sections 16(C) and (D)	The following are curable defaults under the Franchise Agreement, provided you cure the default within fifteen (15) days of our notice: (i) nonpayment of any sums due us, our affiliates or any of our System suppliers/vendors; (ii) your failure to immediately endorse and deliver to us any payments due us from any third party that are erroneously made to you; (iii) failure to commence operations in the prescribed time period; (iv) you fail to maintain the prescribed months, days or hours of operations at the Business; (v) if you, in our sole discretion, fail to personally supervise day-to-day operations

Provision		Section in Franchise Agreement	Summary
			of the Business (unless you have appointed a Branch Manager) or fail to employ a sufficient number of qualified, competent personnel as we prescribe; (vi) your failure to maintain the strict quality controls reasonably required by the Franchise Agreement and/or the Operations Manual; (vii) you conduct yourself in a manner that, although not criminal, reflects adversely on the System, the Marks, or the products offered through the System; or (viii) you fail to procure or maintain any licenses, certification or permits necessary for the operation of the Business. We have the right to terminate the Franchise Agreement after providing notice and a thirty (30) day period to cure if your fail to perform or comply with any one or more of the terms or conditions of the Franchise Agreement or any ancillary agreements between you and us or our affiliates.
h.	“Cause” defined – non-curable defaults	Sections 16(A) and (B)	The Franchise Agreement will automatically terminate without notice or opportunity to cure upon the occurrence of any of the following: (i) if you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the Business; (ii) if proceedings are commenced to have you adjudicated bankrupt or seek your reorganization under any state or federal bankruptcy or insolvency law and such proceeding are not dismissed within sixty (60) days, or a trustee is appointed for you or the Business without your consent and the appointment is not vacated within sixty (60) days; or (iii) your attempt to make an unauthorized transfer of the Business in violation of Section 15 of the Franchise Agreement. We have the right to terminate the Franchise Agreement upon notice and without opportunity to cure upon the occurrence of any of the following defaults: (i) you or your principal(s) are convicted of, or plead guilty or no contest to, a felony or other offense, related to the operation of the Business or which we believe, in our sole discretion, is likely to have an adverse effect on our Trademarks or the goodwill associated therewith; (ii) you or your principal(s) commit any fraud or misrepresentation in the operation of the Business, including a misrepresentation (financial or otherwise) made in completing your franchise application; (iii) if you or your principals make any misrepresentation or omission in connection with your application, including but not limited to, any financial misrepresentation; (iv) you fail to complete initial training; (v) we send you two (2) or more written notices to cure in any twelve (12) month period; (vi) you or your principals materially breach any other agreement between you and us, or our affiliates, or threaten any such breach, and fail to sure such breach within any permitted period for cure; (vii) if you or your

Provision		Section in Franchise Agreement	Summary
			principals misuse the Trademarks or any Confidential Information; (viii) you violate the in-term restrictive covenant in the Franchise Agreement; (ix) if a levy of writ of attachment or execution or any other lien is placed against you or your principals or any of their assets and such lien is not released or bonded within thirty (30) days; (x) you or your principals become insolvent; (xi) you abandon the Business; (xii) you offer any unauthorized and unapproved products or services at or from the Business; (xiii) you order or purchase supplies, signs, furnishings, fixtures, equipment or inventory from an unapproved supplier or supplier which we have not approved; (xiv) you misuse the Proprietary Software System, currently in use or later developed; (xv) you fail to maintain the required insurance; (xvi) you fail, within fifteen (15) days after notification of non-compliance by federal, state or local government authorities to comply with any law or regulation applicable to the Business; (xvii) if government action is taken against you that results in any obligation upon us or is not in our best interests, is uneconomical or would result in us having an unintended relationship or obligation; (xviii) you fail to comply with the anti-terrorist provisions of the Franchise Agreement; (xix) you take, for personal use, any assets or property of the Business; (xx) there are insufficient funds in your bank account to cover a check or EFT payment to us two (2) or more times within any twelve (12) month period; (xxi) if you willfully and repeatedly deceive Clients, Direct Hires or Temporary Staffing Associates relative to the source, nature, or quality of services provided; (xxiii) you develop or use an unapproved website in connection with the Business; and (xxiv) you fail to comply with the minimum performance requirements on two (2) or more occasions.
i.	Your obligations on termination/nonrenewal	Section 17	Cease immediately all operations under the Franchise Agreement, pay all amounts due us, stop using and return Operations Manual and other materials, assign to us the Business telephone number and telephone listing or (at our option) disconnect the telephone number, remove all signs and other materials containing any Trademarks, comply with obligations under the Proprietary Software System license/access agreements, cancel all fictitious or assumed name filings, cease using Confidential Information, comply with post-termination non-competition covenants, cease to use in advertising or in any other manner any methods, procedures, or techniques associated with the System, permit us to make final inspection of your books and records, execute from time to time any necessary documents to effectuate the intent of Section 17 of the Franchise Agreement.
j.	Assignment of contract by us	Section 15(A)	We have the right to freely assign our rights under the franchise agreement.

Provision		Section in Franchise Agreement	Summary
k.	"Transfer" by you-defined	Section 15(C)	A sale, transfer or assignment will be deemed to occur: (i) if the franchisee entity is a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of your voting stock or any increase in the number of outstanding shares of your voting stock which results in a change of ownership; (ii) if the franchisee entity is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if the franchisee entity is a limited liability company, upon the assignment, sale, pledge or transfer or any interest in the limited liability company.
l.	Our approval of transfer by franchisee	Section 15(B), (C) and (D)	We have the right to approve all transfers of the Franchise Agreement, but will not unreasonably withhold approval.
m.	Conditions for our approval of transfer	Section 15(C)	New franchisee qualifies and completes training, all amounts owed us or our affiliates are paid, and you are in good standing, new franchisee assumes existing Agreement or (at our option) signs then-current franchise agreement, we approve transfer agreement and you provide us with a copy of the executed purchase agreement, transfer fee paid, lease assigned (if applicable), you sign non-compete agreement and general release, you must cure all existing defaults under the Franchise Agreement, new franchisee must obtain all permits and licenses to operate the Business, the transfer must be made in compliance with all local laws and regulations, the purchase price and terms are not so burdensome as to impair the ability of the new franchisee to operate the Business, you must request that we provide franchisee with a copy of our then-current franchise disclosure document, our approval will not constitute a waiver of any claims we have against you, we have the right to disclose the new franchisee with revenue information concerning the operation of your Business, and we may withhold our consent of any transfer as we deem appropriate.
n.	Our right of first refusal to acquire your business	Section 15(F)	We have the right, exercisable by written notice delivered to you or your principal owners within thirty (30) days following receipt of the proposed offer, to purchase the interest in the Business or your ownership interest for the price and on terms contained in the offer. We may substitute cash for any non-cash form of payment proposed in the offer and will have a minimum of sixty (60) days to prepare for closing.
o.	Our option to purchase your business	Section 17 (B)	If the Franchise Agreement expires or is terminated for any reason, we have the option, upon thirty (30) days' written notice from the date of expiration or termination, to purchase from you all the tangible and intangible assets relating to the Business (excluding any unsalable inventory, cash, short-term investments and accounts receivable) (collectively, the "Purchased Assets") and to obtain an assignment of your lease for (i) the Business premises (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as your lease) and (ii) any other tangible leased assets used in operating the Business.
p.	Your death or disability	Section 15(D)	Franchise Agreement must be assigned by estate to an approved buyer within reasonable time not exceeding 180 days.

Provision		Section in Franchise Agreement	Summary
q.	Non-competition covenants during the term of the franchise	Section 14(B)	During the term of the Franchise Agreement, neither you, your officers, directors, principals, or Branch Manager, nor any member of the immediate family of you or your officers, directors, principals, or Branch Manager may, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, maintain, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, lend money to, extend credit to, or assist any person or entity engaged in any business that provides staffing and/or recruiting services (“Competing Services”), except: (i) with our prior written consent; or (ii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities. During the term of the Franchise Agreement, neither you, your officers, directors, principals, or Branch Manager, nor any member of the immediate family of you or your officers, directors, principals, or Branch Manager may, directly or indirectly: (i) divert or attempt to divert any business, account, Client, Direct Hire or Temporary Staffing Associate of the Business or of any other All About People® businesses or the System to any competing business; (ii) employ or seek to employ any person employed by you or us, or any other person who is at that time operating or employed by or at any other All About People® business, or otherwise directly or indirectly induce such persons to leave their employment; (iii) attempt to copy the Business in a way that uses the Confidential Information; (iv) perform any act injurious or prejudicial to the goodwill associated with us or the System; or (v) use any information regarding the Clients, Direct Hires or Temporary Staffing Associates for the direct or indirect purpose of providing Competing Services.

Provision		Section in Franchise Agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	Sections 14(C) and 18(A)	For a period of twenty four (24) months thereafter, neither you, your officers, directors, principals, or Branch Manager, nor any member of the immediate family of you or your officers, directors, principals, or Branch Manager may, directly or indirectly: (i) divert or attempt to divert any business, account, Client, Direct Hire or Temporary Staffing Associate of the Business or of any other All About People® businesses or the System to any competing business; (ii) employ or seek to employ any person employed by you or us, or any other person who is at that time operating or employed by or at any other All About People® business, or otherwise directly or indirectly induce such persons to leave their employment; (iii) attempt to copy the Business in a way that uses the Confidential Information; (iv) perform any act injurious or prejudicial to the goodwill associated with us or the System; or (v) use any information regarding the Clients, Direct Hires or Temporary Staffing Associates for the direct or indirect purpose of providing Competing Services. For a period of twenty four (24) months after the Franchise Agreement expires or is terminated or the date on which you cease to conduct the business franchised under the Franchise Agreement, whichever is later, neither you, your officers, directors, principals, or Branch Manager, nor any member of the immediate family of you or your officers, directors, principals, or Branch Manager may, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, maintain, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, lend money to, extend credit to, or assist any person or entity engaged in any business that provides Competing Services or any other related business that is competitive with or similar to an All About People® business that is (i) located at the Authorized Location, (ii) within a fifty (50) mile radius of the Territory or the Territory of any other then-existing All About People® business; provided, however, this restriction will not apply to: (i) other All About People® businesses that you operate under All About People® franchise agreements; or (ii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities.
s.	Modification of the agreement	Sections 6(E) and 19(D)	The Franchise Agreement may not be modified except by a written agreement that both of us sign; however, we can unilaterally modify or change our Operations Manuals and System, as we deem advisable in our sole discretion.
t.	Integration/merger clause	Section 19(K)	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of this Disclosure Document and/or Franchise Agreement may not be enforceable.

Provision		Section in Franchise Agreement	Summary
u.	Dispute resolution by arbitration or mediation	Section 18	All claims arising under the Franchise Agreement must first be brought to our President and/or CEO to determine whether the dispute can be resolved by internal dispute resolution at our corporate headquarters. At our option, any disputes and claims that are not resolved by internal dispute resolution must, at our option, be submitted to non-binding mediation. The mediation will take place in Phoenix, Arizona, under the auspices of the American Arbitration Association (“AAA”) in accordance with the AAA’s Commercial Mediation Rules then in effect. Before commencing any legal action against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. We will have a period of thirty (30) days following receipt of such notice within which to notify you as to whether we or our affiliates elect to exercise the option to submit such claim or dispute to mediation. You may not commence any action against us or our affiliates with respect to any such claim or dispute in any court unless we fail to exercise our option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either as the result of a written declaration: (i) of the mediator(s) that further mediation efforts are not worthwhile; or (ii) by us. Our right to mediation, as set forth herein, may be specifically enforced by us. Each party shall bear its own cost of mediation, except that we will share the mediator’s fees with you equally. This agreement to mediate will survive any termination or expiration of the Franchise Agreement. The parties shall not be required to first attempt to mediate a controversy, dispute, or claim through mediation if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Trademarks, the System, or in any Confidential Information; or (ii) any of the restrictive covenants contained in the Franchise Agreement.
v.	Choice of forum	Section 18(D)	For those claims that are not subject to mediation, as well as those claims that are not resolved through mediation, litigation must only be brought in a competent court of general jurisdiction located in Phoenix, Arizona, or, if appropriate, the United States District Court governing Phoenix, Arizona (subject to state law).
w.	Choice of law	Section 18(A)	Arizona law governs all claims arising out of the Franchise Agreement, except for those claims arising under the Lanham Act regarding our Trademarks or other claims specifically governed by federal law (subject to state law).

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.

Background

~~Section I of this Item sets forth certain historical operating information, including average annual gross sales, expenses, gross profit, net operating income and net income earned and incurred by the affiliate-owned Business ("Representative Affiliate Owned Business") for the period of January 1, 2010 to December 31, 2016 (the "Measurement Period"). The Representative Affiliate Owned Business has been operated by one of our affiliates, AAP, since August 2002, and is substantially similar to the franchise offered under this Disclosure Document except with respect to territory size. Historically, AAP has not had any restrictions on where it operates the Representative Affiliate Owned Business. As described further in Item 12 of this Disclosure Document, you will operate your ALL ABOUT PEOPLE® Business inside a Territory that we designate. The Representative Affiliate Owned Business currently operates in an area equal to approximately three (3) "Territories" granted under this Disclosure Document.~~

~~Section II of this Item sets forth certain average Temporary Staffing Associate Pay Rates, average Temporary Staffing Associate Customer bill rates and average Direct Hire Placement Fees during the Measurement Period. This financial performance information contained in this Section II includes information relating to the Representative Affiliate Owned Business.~~

~~We have excluded from this Item 19 five (5) franchised ALL ABOUT PEOPLE® Businesses that: (i) do not offer and utilize the temporary staffing services in accordance with our specifications from its ALL ABOUT PEOPLE® Business, which is a required service every ALL ABOUT PEOPLE® Business is required to offer during the We2016 calendar year; (ii) do not currently have the required number of Account Executives and Recruiters employed at their respective ALL ABOUT PEOPLE® Business as required under the Franchise Agreement; and (iii) were not open during the entire Measurement Period. Additionally, we have excluded from this Item 19 the six (6) franchised ALL ABOUT PEOPLE® Businesses that opened during 2016 because those units were not operating for at least a year as of the end of the Measurement Period.~~

~~The operating, gross sales and expense information presented in this Item is derived from the financial statements submitted by the Representative Affiliate Owned Business. Written substantiation of the data used in preparing this information will be made available upon reasonable request.~~

~~Importantly, the success of your franchise will depend largely upon your individual abilities and your market, and the financial results of your franchise are likely to differ, perhaps materially, from the results summarized in this Item. We believe that the following financial data has been compiled using generally accepted accounting principles but we have not audited the data. Additionally, this Item does not contain all of the expense and operating cost information that you will incur as franchisees.~~

Section I

The financial performance information contained in this Section I includes average yearly gross sales, expense, gross profit, and net income information of the Representative Affiliate Owned Business during the Measurement Period. To determine the average annual amounts below, we totaled each category during each calendar year of the Measurement Period and divided each total by seven (7).

TABLE I

SALES:	-
Temp Sales	\$8,152,652.00
Fee Income— Direct Hire	\$437,240.00
Fee Income— Conversion Fees	\$25,220.00
Management Service Fees	\$25,909.00
Career Coaching Fees	\$271.00
VMS Billings	\$ (10,148.29)
Chargebacks	\$(5,530.00)
GROSS SALES	\$8,625,613.71
DIRECT EXPENSES:	
Direct Labor	\$5,820,985.00
Payroll Taxes	\$581,141.00
Payroll Funding Fees	\$153,434.00
Recruiting Fees	\$55,357.00
Drug / Background Checks	\$20,940.00
Workmen's Compensation	\$28,309.00
TOTAL DIRECT EXPENSES:	\$6,660,166.00
-	
GROSS PROFIT¹	\$1,965,448.71

-	
OVERHEAD EXPENSES²:	
Office Salaries	\$424,974.00
Commissions / Bonus	\$56,275.33
Professional Fees	-\$23,612.87
Payroll Taxes	-\$36,830.00
Rent	-\$30,829.57
Insurance—General	-\$28,860.54
Education & Training	\$602.60
Telephone	\$15,868.00
Computer Expenses	\$3,596.00
Dues & Subscriptions	\$4,227.86
Office Supplies	\$3,636.00
Advertising & Promotion	-\$2,585.32
Group Insurance	-\$5,000.36
Licenses & Fees	-\$3,130.50
Office Expense	-\$1,208.00
Printing	-\$1,123.00
Equipment Rental	-\$4,728.00
Mileage Reimbursements	\$1,866.00
Maintenance Contracts	\$225.00
Franchisor Royalties ³	-\$539,100.86
Business Development Fund ³	-\$64,692.10
-	
TOTAL OVERHEAD EXPENSES	\$1,252,972.91
NET OPERATING INCOME⁴	\$712,475.80

Notes to Table I:

1. ——— We calculated Gross Profit by subtracting Total Direct Expenses from Gross Sales.
2. ——— Expense items such as officers' salaries, travel, auto expense, donations, officers' life insurance, meals and entertainment, consulting/professional fees, pension plan contributions, are not included in this Item 19 financial performance representation given the fact that the nature of these expenses are uniquely attributable to AAP in the operation of the Representative Affiliate Owned Business and would not be necessary or actual expenses that a franchisee would incur in the operation of an all about people® Business. Other included expenses are presented as incurred or as a franchisee would incur such expenses in the operation of the all about people® Business.

3. ~~While the Representative Affiliate Owned Business does not have to pay us royalties or contribute to the brand development fund, we have added these to the expenses category based on the average yearly income received by the Representative Affiliate Owned Business. The Franchisor Royalty and Business Development Fund percentages are based on the fee structure contained in our current version of Franchise Agreement. For purposes of this Item 19, the “Franchisor Royalty” figures provided above were calculated by multiplying that portion of the Gross Sales figure by 6.25% or 10%, as applicable for that portion of Gross Sales, and the “Business Development Fund” figures provided above were calculated by multiplying the Gross Sales figure by 0.75%. For more information on the royalty breakdown, please see Item 6 of this Disclosure Document.~~
4. ~~We calculated Net Operating Income by subtracting Total Overhead Expenses from Gross Profit.~~

Section II

The following table illustrates average annual Temporary Staffing Associate Pay Rates, average Temporary Staffing Associate Customer bill rates, and average Direct Hire Placement Fees of the Representative Affiliate Owned Business during the ~~2016~~ calendar year.

TABLE II

	Amount
Average Temporary Staffing Associate Pay Rate ²	\$17.86
Average Temporary Staffing Associate Customer Bill Rate ³	\$25.92
Average Direct Hire Placement Fee ⁴	\$9,283

Notes to Table II:

1. ~~Temporary Staffing Associate Pay Rate is defined as the pay rate earned by Temporary Staffing Associates.~~
2. ~~Temporary Staffing Associate Customer Bill Rate is defined as bill rate charged to customers employing Temporary Staffing Associates.~~
3. ~~Direct Hire Placement Fee is defined as equal to the first year annual compensation for a New Hire (a candidate provided or introduced to a customer by you that the customer hires) times the placement fee percentage amount.~~

General Notes:

1. ~~You should not use the information set forth in the above charts as an indication of how well your franchise will do. Actual results vary from ALL ABOUT PEOPLE® Business to ALL ABOUT PEOPLE® Business, and we cannot estimate the performance of a particular ALL ABOUT PEOPLE® Business. Sales and expenses may vary. In particular, the income and expenses of your business will be directly affected by many factors, such as: (a) geographic location; (b) advertising effectiveness based on market saturation; (c) whether you operate the business personally or hire a manager; (d) employee salaries and benefits (life and health insurance, etc.) and how you structure the employee pay rates and client bill rates; (e) insurance costs; (f) ability to generate Clients, Temporary Staffing Associates and Direct Hires; (g) customer loyalty; and (h) employment conditions in the market. Many factors, including location of your ALL ABOUT PEOPLE® Business, management capabilities, local market conditions, and other factors, are unique to each ALL ABOUT PEOPLE® Business and may significantly impact the financial performance of your business. You must bear in mind that a newly opened business should not be expected to achieve sales volumes similar to that of an established business.~~

2. ~~We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable to you. We suggest strongly that you consult your financial advisor or personal accountant~~

concerning the preparation of your financial projections and federal, including any applicable taxes that you may incur in operating an ALL ABOUT PEOPLE® Business.

3. We are providing you with the following information with the understanding that you will do your own research to develop data with which to perform your analysis. Reviewing this limited amount of information cannot substitute for thorough research on your part and careful evaluation of this franchise opportunity with professional and legal advisors.

4. Some outlets have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

5. Other than the preceding financial performance representations, we do not make any financial performance representations. 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 Charles Mitchell, All About People Franchise Services, LLC, 4422 E. Indian School Road, Phoenix, Arizona 85018, (602) 455-1212, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1
Systemwide Outlet Summary
For Years 20142015 to 20172016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2015 2014	0 3	3 5	+3 2
	2016 2015	3 5	5 11	+2 6
	2017 2016	5 11	11 15	+6 4
Company-Owned	2015 2014	1	1	0
	2016 2015	1	1 2	0 +1
	2017 2016	1 2	2 1	+1
Total Outlets	2015 2014	1 4	4 6	+3 2
	2016 2015	4 6	6 13	+2 7
	2017 2016	6 13	13 16	+7 3

TABLE NUMBER 2
Transfers of Outlets From Franchisee to New Owners (Other than the Franchisor)
For Years ~~2014~~2015 to ~~2017~~2016

State	Year	Number of Transfers
TOTAL	2015 2014	0
	2016 2015	0
	2017 2016	0

TABLE NUMBER 3
Status of Franchised Outlets
For Years ~~2014~~2015 to ~~2017~~2016

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations/ Other Reasons	Outlets at the End of the Year
Arizona	2015 2014	01	10	0	0	0	0	1
	2016 2015	1	0	0	0	0	0	1
	2017 2016	1	0	0	0	0	0	1
California	2015 2014	0	0	0	0	0	0	0
	2016 2015	0	01	0	0	0	0	01
	2017 2016	01	1	0	0	0	0	12
Colorado	2015 2014	01	10	0	0	0	0	1
	2016 2015	1	0	0	0	0	0	1
	2017 2016	1	0	0	0	0	01	10
Georgia	2015 2014	0	0	0	0	0	0	0
	2016 2015	0	01	0	0	0	0	01
	2017 2016	01	10	0	0	0	0	1
Illinois	2015 2014	0	0	0	0	0	0	0
	2016 2015	0	02	0	0	0	0	02
	2017 2016	02	20	01	0	0	01	20
New York	2015 2014	0	01	0	0	0	0	01
	2016 2015	01	10	0	0	01	0	10
	2017 2016	10	0	0	0	10	0	0

North Carolina	2015 2014	0	0	0	0	0	0	0
	2016 2015	0	0	0	0	0	0	0
	2017 2016	0	0	0	0	0	0	1
Ohio	2015 2014	0	0	0	0	0	0	1
	2016 2015	1	0	0	0	0	0	1
	2017 2016	1	0	0	0	0	0	1
Oregon	2015 2014	0	0	0	0	0	0	0
	2016 2015	0	0	0	0	0	0	0
	2017 2016	0	0	0	0	0	0	1
Texas	2015 2014	0	0	0	0	0	0	0
	2016 2015	0	1	0	0	0	0	1
	2017 2016	1	1	0	0	0	0	2
TOTAL	2015 2014	0	0	0	0	0	0	0
	2016 2015	1	1	0	0	0	0	1
	2017 2016	2	2	0	0	0	0	3

*This franchisee is still part of our system and has the right to re-open its Franchised Business in a different territory at a later date.

TABLE NUMBER 4
Status of Company-Owned Outlets
For Years 20142015 to 20162017

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Arizona	2014 2015	1	0	0	0	0	1
	2016 2015	1	0	0	0	0	1
	2016 2017	1	0	0	0	0	1
New York	2014 2015	0	0	0	0	0	0
	2016 2015	0	0	0	0	0	0
	2016 2017	0	0	0	0	0	0
Total	2014 2015	1	0	0	0	0	1
	2016 2015	1	0	0	0	0	1
	2016 2017	1	0	0	0	0	1

TABLE NUMBER 5
Projected Openings
As of December 31, ~~2016~~2017

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California North Carolina	0 1	10	0
Florida	2	1	0
Texas	4	4	0
TOTAL	6 1	60	0

The names and addresses and telephone numbers of the ALL ABOUT PEOPLE® Businesses are included in Exhibit C. As of the date of this disclosure document, no franchisee has had a franchise terminated, canceled, not renewed, otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement, or has not communicated with us within ten (10) weeks of the issuance date of this disclosure document. If you buy an ALL ABOUT PEOPLE® franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We are not aware of any trademark-specific franchisee associations.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit A are our audited financial statements for the fiscal years ending December 31, ~~2014~~, ~~December 31, 2015~~, December 31, 2016, and December 31, ~~2016~~2017. Our fiscal year end is December 31 of each year.

ITEM 22

CONTRACTS

The Franchise Agreement (including the Electronic Transfer of Funds form and Personal Guaranty) is attached as Exhibit B. The State Addenda are attached as Exhibit E. A general release form is attached as Exhibit F. The Disclosure Acknowledgment Agreement is attached as Exhibit G.

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this disclosure document are included at the end of this Disclosure Document (Exhibit I). You should keep one copy as your file copy and return the second copy to us.

EXHIBIT A
FINANCIAL STATEMENTS



ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

**Financial Statements
and
Independent Auditors' Report
December 31, 2017, 2016, and 2015**

EKS&H

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

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EKS&H LLP

INDEPENDENT AUDITORS' REPORT

To the Members
All About People Franchise Services, LLC
Phoenix, Arizona

We have audited the accompanying financial statements of All About People Franchise Services, LLC, which are comprised of the balance sheets as of December 31, 2017, 2016, and 2015, and the related statements of operations, changes in members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Members
All About People Franchise Services, LLC
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of All About People Franchise Services, LLC as of December 31, 2017, 2016, and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

EKS&H LLP
EKS&H LLP

April 20, 2018
Denver, Colorado

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Balance Sheets

	December 31,		
	2017	2016	2015
Assets			
Current assets			
Cash	\$ 25,500	\$ 99,295	\$ 153,965
Restricted cash	38,693	26,975	10,568
Accounts receivable, net	9,300	31,878	31,013
Prepaid expenses	26,868	37,316	29,126
Deferred franchise costs	79,500	424,000	228,461
Total current assets	<u>179,861</u>	<u>619,464</u>	<u>453,133</u>
Non-current assets			
Property and equipment, net	69,170	81,457	-
Franchise disclosure document costs, net of accumulated amortization of \$26,000 (2017), \$26,000 (2016), and \$17,334 (2015)	-	-	8,666
Prepaid expenses	-	-	5,000
Total non-current assets	<u>69,170</u>	<u>81,457</u>	<u>13,666</u>
Total assets	<u>\$ 249,031</u>	<u>\$ 700,921</u>	<u>\$ 466,799</u>
Liabilities and Members' Deficit			
Current liabilities			
Accounts payable and accrued expenses	\$ 119,362	\$ 47,721	\$ 17,050
Due to related parties	-	76,107	95,669
Current portion of long-term debt	11,830	10,561	-
Related party note payable	65,732	84,779	37,630
Deferred revenue	184,108	705,496	357,922
Deposits	-	4,192	-
Total current liabilities	<u>381,032</u>	<u>928,856</u>	<u>508,271</u>
Non-current liabilities			
Long-term debt, less current portion	<u>55,250</u>	<u>66,989</u>	<u>-</u>
Total liabilities	<u>436,282</u>	<u>995,845</u>	<u>508,271</u>
Members' deficit	<u>(187,251)</u>	<u>(294,924)</u>	<u>(41,472)</u>
Total liabilities and members' deficit	<u>\$ 249,031</u>	<u>\$ 700,921</u>	<u>\$ 466,799</u>

See notes to financial statements.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Statements of Operations

	For the Years Ended December 31,		
	2017	2016	2015
Revenues			
Initial franchise fees	\$ 831,000	\$ 1,345,000	\$ 182,500
Royalties	203,368	124,309	54,718
National marketing fund and technology fees	30,246	27,700	1,900
Toolkit revenues	<u>243,790</u>	<u>173,335</u>	<u>34,219</u>
Total revenues	<u>1,308,404</u>	<u>1,670,344</u>	<u>273,337</u>
Expenses			
Franchise-related costs	729,173	1,094,550	141,530
Operating expenses	<u>697,292</u>	<u>665,022</u>	<u>187,806</u>
Total expenses	<u>1,426,465</u>	<u>1,759,572</u>	<u>329,336</u>
Loss from operations	<u>(118,061)</u>	<u>(89,228)</u>	<u>(55,999)</u>
Other (expense) income			
Interest expense, net	(7,891)	(1,042)	(2,263)
Rent income	<u>-</u>	<u>4,192</u>	<u>-</u>
Total other (expense) income	<u>(7,891)</u>	<u>3,150</u>	<u>(2,263)</u>
Net loss	<u>\$ (125,952)</u>	<u>\$ (86,078)</u>	<u>\$ (58,262)</u>

See notes to financial statements.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

**Statement of Changes in Members' Deficit
For the Years Ended December 31, 2017, 2016, and 2015**

Balance - December 31, 2014	\$ 16,790
Net loss	<u>(58,262)</u>
Balance - December 31, 2015	(41,472)
Member distributions	(167,374)
Net loss	<u>(86,078)</u>
Balance - December 31, 2016	(294,924)
Member contributions	233,625
Net loss	<u>(125,952)</u>
Balance - December 31, 2017	<u><u>\$ (187,251)</u></u>

See notes to financial statements.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Statements of Cash Flows

	For the Years Ended December 31,		
	2017	2016	2015
Cash flows from operating activities			
Net loss	\$ (125,952)	\$ (86,078)	\$ (58,262)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities			
Depreciation and amortization	12,287	11,166	8,667
Changes in operating assets and liabilities			
Accounts receivable	22,578	(865)	(16,013)
Prepaid expenses	10,448	(3,190)	(34,126)
Deferred franchise costs	344,500	(195,539)	(228,461)
Accounts payable and accrued expenses	71,641	30,671	17,050
Deferred revenue	(521,388)	347,574	356,422
Deposits	(4,192)	4,192	-
Net cash (used in) provided by operating activities	<u>(190,078)</u>	<u>107,931</u>	<u>45,277</u>
Cash flows from investing activities			
Purchase of property and equipment	<u>-</u>	<u>(6,407)</u>	<u>-</u>
Net cash used in investing activities	<u>-</u>	<u>(6,407)</u>	<u>-</u>
Cash flows from financing activities			
Members' distributions	-	(167,374)	-
Members' contributions	233,625	-	-
Payments on loan	(10,470)		
Proceeds from related party note payable	65,732	84,779	37,630
Payments on related party note payable	(84,779)	(37,630)	-
(Payments to) advances from related parties	<u>(76,107)</u>	<u>(19,562)</u>	<u>56,826</u>
Net cash provided by (used in) financing activities	<u>128,001</u>	<u>(139,787)</u>	<u>94,456</u>
Net (decrease) increase in cash and restricted cash	(62,077)	(38,263)	139,733
Cash and restricted cash - beginning of year	<u>126,270</u>	<u>164,533</u>	<u>24,800</u>
Cash and restricted cash - end of year	<u>\$ 64,193</u>	<u>\$ 126,270</u>	<u>\$ 164,533</u>

(Continued on the following page)

See notes to financial statements.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Statements of Cash Flows

(Continued from the previous page)

Supplemental disclosure of cash flow information:

Cash paid for interest for the years ended December 31, 2017, 2016, and 2015 was \$7,906, \$1,060, and \$2,313, respectively.

The following table provides a reconciliation of cash and restricted cash reported within the balance sheets that sum up to the total of the same such amounts shown in the statements of cash flows:

	December 31,		
	2017	2016	2015
Cash	\$ 25,500	\$ 99,295	\$ 153,965
Restricted cash	<u>38,693</u>	<u>26,975</u>	<u>10,568</u>
	<u>\$ 64,193</u>	<u>\$ 126,270</u>	<u>\$ 164,533</u>

Supplemental disclosure of non-cash activity:

During the year ended December 31, 2016, the Company financed \$77,550 of equipment additions through a note payable.

See notes to financial statements.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Notes to Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies

All About People Franchise Services, LLC (the "Company") was organized in the state of Arizona on August 26, 2013 (inception). The Company is primarily engaged in the business of selling and providing operations, training, and sales support for franchisees conducting business as All About People franchisees as well as monitoring the activities of the franchisees, enforcing its rights, and ensuring the performance of obligations under the relevant franchise agreements.

The Company is part of an affiliated group of companies. The operating results of the Company could vary significantly if it operated independently. Accordingly, this affiliation and other related party disclosures must be taken into consideration in reviewing the accompanying financial statements.

The following table summarizes the number of franchises in operation:

	December 31,		
	2017	2016	2015
Franchises at beginning of year	11	5	3
Franchises opened	7	6	2
Franchises closed or ceased operations	3	-	-
Total franchises in operation at end of year	15	11	5
Total franchises sold but not opened	1	6	2

This table does not include All About People corporate- or affiliate-owned franchises.

Concentrations of Credit Risk

The Company grants credit in the normal course of business to franchisees in the United States. The Company periodically performs credit analysis and monitors the financial condition of its franchisees to reduce credit risk.

As of December 31, 2017, two franchisees accounted for 84% of total accounts receivable, and five franchisees accounted for 60% of total revenue for the year ended December 31, 2017. As of December 31, 2016, four franchisees accounted for 55% of total accounts receivable, and two franchisees accounted for 91% of total revenue for the year ended December 31, 2016. As of December 31, 2015, three franchisees accounted for 99% of total accounts receivable, and three franchisees accounted for 77% of total revenue for the year ended December 31, 2015.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Notes to Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Liquidity and Capital Resources

The Company has experienced recurring net losses and negative cash flows and has relied on member contributions to supplement its cash needs. As of December 31, 2017, the Company had an accumulated deficit of approximately \$187,000 and current debt of approximately \$78,000. The Company has a history of receiving contributions from its members to meet its obligations. The Company is also monitoring its budget and is reducing expenses by changing its operational strategy. Budgeted cash flow from operations, unused amounts on debt, and member contributions are expected to provide the Company with sufficient liquidity for the foreseeable future through April 2019.

Cash

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash. The Company continually monitors its positions with, and the credit quality of, the financial institutions with which it invests.

Restricted Cash

Restricted cash represents cash held by the Company as restricted as it represents the cash collected from franchisees for the national marketing fund and worker's compensation premiums collected on behalf of the franchisees that has not yet been spent or remitted.

Accounts Receivable

Accounts receivable represent amounts due from franchisees for various fees. A provision for uncollectible amounts is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover losses. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Company on an ongoing basis. The losses ultimately incurred could differ materially in the near term from the amounts estimated in determining the allowance. As of December 31, 2017 and 2016, management determined that no allowance for doubtful accounts was necessary. As of December 31, 2015, management determined that an allowance for doubtful accounts of \$15,000 was necessary.

Deferred Franchise Costs

Deferred franchise costs consist of amounts paid as commission to brokers who assist in locating, evaluating, and signing new franchisees to agreements with the Company. These costs are recognized when the related initial franchise fee revenue is recorded.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided utilizing the straight-line method over the estimated useful lives for owned assets, ranging from three to six years.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Notes to Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Franchise Disclosure Document Costs

Franchise disclosure document costs consist of amounts incurred for the development of the Franchise Disclosure Document, which is amortized over the estimated useful life of three years. Amortization expense related to these costs for the years ended December 31, 2017, 2016, and 2015 was \$0, \$8,666, and \$8,667, respectively.

Initial Franchise Fees

Initial franchise fees collected by the Company are recognized as revenue when all material services and conditions required to be performed by the Company have been substantially completed, which is generally when the franchise commences operations. Initial franchise fees collected by the Company before all material services and conditions are substantially performed are recorded as deferred initial franchise fees. These franchise fees are non-refundable.

Royalties

In accordance with the franchise agreements, the Company collects a royalty fee based upon the gross sales of the franchise. Royalties are recognized as revenue when earned.

National Marketing Fund and Technology Fees

The Company collects a national marketing fee, which is based upon a percentage of gross sales, and technology fees. These funds may only be spent in accordance with the franchise agreement. Unused advertising and technology fees collected are recorded as a deferred liability on the balance sheets and are held for future use.

Toolkit Revenues

In accordance with the franchise agreements, the Company provides toolkits to franchisees for a fee. The toolkit fees are recognized when earned.

Income Taxes

The Company has elected to be treated as a partnership for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of the Company's members, and no provision for income taxes has been recorded on the accompanying financial statements.

Accounting standards require a more-likely-than-not measurement methodology to reflect the financial statement impact of tax positions taken or expected to be taken on a tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Notes to Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

The Tax Cuts and Jobs Act ("Tax Act") was signed into law on December 22, 2017. The Tax Act includes significant changes to the U.S. corporate income tax system, including a federal corporate rate reduction from 35% to 21% effective January 1, 2018; limitations on the deductibility of interest expense; the creation of a new 20% deduction on qualified business income generated by pass through entities; and acceleration of depreciation rates on investments in new and used tangible property. The Company does not expect the Tax Act to have a financial impact on it because it is not subject to federal income tax and the tax effect of its activities pass through to the members. As such, no provision for federal income taxes has been rendered on the accompanying financial statements.

If incurred, interest and penalties associated with tax positions are recorded in the period assessed as operating expenses. No interest or penalties have been assessed as of December 31, 2017.

Beginning January 1, 2018, new rules will apply to IRS audits of partnerships and LLCs that are taxed as partnerships. Under these rules, adjustments resulting from an IRS audit of the partnership will be assessed at the partnership level.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2017, 2016, and 2015 was \$5,740, \$35,944, and \$82,855, respectively.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU No. 2014-09 amends the guidance for revenue recognition to replace numerous industry-specific requirements and converges areas under this topic with those of the International Financial Reporting Standards. The ASU implements a five-step process for customer contract revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards. The amendment also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenues and cash flows from contracts and customers. Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The amendments in this ASU are effective for reporting periods beginning after December 15, 2018, and early adoption is prohibited. Entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of the adoption. The Company has begun the process of evaluating the impact of this change in revenue recognition on its financial statements. This standard is expected to have a significant impact to the recognition of the Company's various sources of revenue and various disclosures related to those revenues. This evaluation will continue to be addressed in anticipation of adoption on January 1, 2019.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Notes to Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements (continued)

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The update aims to reduce diversity in practice by clarifying that a statement of cash flows should explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents; therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in the update are effective for private companies in 2019, with early adoption permitted. The Company adopted this updated standard for the year ended December 31, 2017. All prior-period restricted cash balances are presented retrospectively in the combined statement of cash flows.

Subsequent Events

The Company has evaluated all subsequent events through the auditors' report date, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in the financial statements.

Reclassifications

Certain amounts in the 2016 and 2015 financial statements have been reclassified to conform to the 2017 presentation.

Note 2 - Related Party Balances and Transactions

The Company is affiliated with All About People, Inc. ("AAPI") due to common ownership and pays a management fee to AAPI for certain operating costs incurred on the Company's behalf. For the years ended December 31, 2017, 2016, and 2015, management fees were \$108,500, \$176,107, and \$12,964. As of December 31, 2016 and 2015, the Company had amounts due to related parties of \$76,107 and \$95,669, respectively. As of December 31, 2017, the Company had no amounts due to related parties. During 2017, AAPI stopped charging these fees due to the financial condition of the Company.

During the year ended December 31, 2015, the Company signed a promissory note with AAPI in the amount of \$37,630. The note accrued interest at 6.65% during 2015 and was due and paid in full in during the year ended December 31, 2016.

During the year ended December 31, 2016, the Company signed a promissory note with AAPI in the amount of \$84,779. The note accrued interest at 7.15% during 2017 and was due and paid in full during the year ended December 31, 2017.

During the year ended December 31, 2017, the Company signed a promissory note with AAPI in the amount of \$65,732. Interest will accrue at 7.90% in 2018 and the note matures on December 31, 2018. Interest expense incurred on these related party notes was \$7,906, \$1,060, and \$2,313 for the years ended December 31, 2017, 2016, and 2015, respectively.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Notes to Financial Statements

Note 3 - Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2017	2016
Software	\$ 7,500	\$ 7,500
Vehicles	<u>76,457</u>	<u>76,457</u>
	83,957	83,957
Less accumulated depreciation	<u>(14,787)</u>	<u>(2,500)</u>
	<u>\$ 69,170</u>	<u>\$ 81,457</u>

Depreciation and amortization expense for the years ended December 31, 2017 and 2016 was \$12,287 and \$2,500, respectively. There was no property and equipment or depreciation expense at and during the year ended December 31, 2015.

Note 4 - Long-Term Debt

Long-term debt consists of the following:

	December 31,	
	2017	2016
A note payable to a bank with interest at 2.79%. The note calls for monthly principal and interest payments of \$1,129 and matures in May 2023. The note is collateralized by certain assets of the Company.	\$ 67,080	\$ 77,550
Less current portion	<u>(11,830)</u>	<u>(10,561)</u>
	<u>\$ 55,250</u>	<u>\$ 66,989</u>

Maturities of long-term obligations are as follows:

Year Ending December 31,

2018	\$ 11,830
2019	12,164
2020	12,508
2021	12,862
2022	13,225
Thereafter	<u>4,491</u>
	<u>\$ 67,080</u>

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Notes to Financial Statements

Note 5 - Members' Equity

The members entered into the Operating Agreement (the "Agreement") consistent with the Arizona Limited Liability Act under which the Company operates.

The relative rights and privileges of the limited liability company membership interests are specified in the Company's Agreement. Each member is entitled to vote, and this vote is weighted based on his or her percentage interest. Profits and losses, for tax reporting purposes, are distributed first until cumulative losses and profits are offset and then ratably to the members in proportion to such member's percentage interest. Net cash flow shall be distributed to members in accordance with each members' percentage interest. To the extent available, the Company is required to distribute excess cash equal to the federal and state income taxes payable by each member annually. A member can only transfer his or her interest in the Company with specific consent from the majority interest member.



ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

**Financial Statements
and
Independent Auditors' Report
December 31, 2016, 2015, and 2014**

EKS&H

AUDIT | TAX | CONSULTING

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

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INDEPENDENT AUDITORS' REPORT

To the Members
All About People Franchise Services, LLC
Phoenix, Arizona

We have audited the accompanying financial statements of All About People Franchise Services, LLC, which are comprised of the balance sheets as of December 31, 2016, 2015, and 2014, and the related statements of operations, changes in members' (deficit) equity, and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Members
All About People Franchise Services, LLC
Page Two

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of All About People Franchise Services, LLC as of December 31, 2016, 2015, and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

EKS+H LLLP

EKS&H LLLP

April 3, 2017
Denver, Colorado

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Balance Sheets

	December 31,		
	2016	2015	2014
Assets			
Current assets			
Cash	\$ 104,517	\$ 155,403	\$ 24,800
Restricted cash	21,753	9,130	-
Accounts receivable, net	31,878	31,013	15,000
Prepaid expenses	37,316	29,126	-
Deferred franchise costs	424,000	228,461	-
Total current assets	<u>619,464</u>	<u>453,133</u>	<u>39,800</u>
Non-current assets			
Property and equipment, net	81,457	-	-
Franchise disclosure document costs, net of accumulated amortization of \$26,000 (2016), \$17,334 (2015), and \$8,667 (2014)	-	8,666	17,333
Prepaid expenses	-	5,000	-
Total non-current assets	<u>81,457</u>	<u>13,666</u>	<u>17,333</u>
Total assets	<u>\$ 700,921</u>	<u>\$ 466,799</u>	<u>\$ 57,133</u>
Liabilities and Members' (Deficit) Equity			
Current liabilities			
Accounts payable	\$ 47,721	\$ 17,050	\$ -
Due to related parties	76,107	95,669	38,843
Current portion of long-term debt	10,561	-	-
Related party note payable	84,779	37,630	-
Deferred revenue	705,496	357,922	1,500
Deposits	4,192	-	-
Total current liabilities	<u>928,856</u>	<u>508,271</u>	<u>40,343</u>
Non-current liabilities			
Long-term debt, less current portion	66,989	-	-
Total liabilities	<u>995,845</u>	<u>508,271</u>	<u>40,343</u>
Members' (deficit) equity	<u>(294,924)</u>	<u>(41,472)</u>	<u>16,790</u>
Total liabilities and members' (deficit) equity	<u>\$ 700,921</u>	<u>\$ 466,799</u>	<u>\$ 57,133</u>

See notes to financial statements.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Statements of Operations

	For the Years Ended December 31,		
	2016	2015	2014
Revenues			
Initial franchise fees	\$ 1,345,000	\$ 182,500	\$ 120,000
Royalties	124,309	54,718	-
Other fees	201,035	36,119	-
Total revenues	<u>1,670,344</u>	<u>273,337</u>	<u>120,000</u>
Expenses			
Franchise-related costs	1,094,550	141,530	-
Operating expenses	<u>665,022</u>	<u>187,806</u>	<u>138,214</u>
Total expenses	<u>1,759,572</u>	<u>329,336</u>	<u>138,214</u>
Loss from operations	<u>(89,228)</u>	<u>(55,999)</u>	<u>(18,214)</u>
Other income (expense)			
Interest expense, net	(1,042)	(2,263)	-
Rent income	<u>4,192</u>	<u>-</u>	<u>-</u>
Total other income (expense)	<u>3,150</u>	<u>(2,263)</u>	<u>-</u>
Net loss	<u>\$ (86,078)</u>	<u>\$ (58,262)</u>	<u>\$ (18,214)</u>

See notes to financial statements.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

**Statement of Changes in Members' (Deficit) Equity
For the Years Ended December 31, 2016, 2015, and 2014**

Balance - December 31, 2013	\$ 35,004
Net loss	<u>(18,214)</u>
Balance - December 31, 2014	16,790
Net loss	<u>(58,262)</u>
Balance - December 31, 2015	(41,472)
Member distributions	(167,374)
Net loss	<u>(86,078)</u>
Balance - December 31, 2016	<u><u>\$ (294,924)</u></u>

See notes to financial statements.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Statements of Cash Flows

	For the Years Ended		
	December 31,		
	2016	2015	2014
Cash flows from operating activities			
Net loss	\$ (86,078)	\$ (58,262)	\$ (18,214)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities			
Depreciation and amortization	11,166	8,667	8,667
Bad debt	-	-	15,000
Changes in operating assets and liabilities			
Accounts receivable	(865)	(16,013)	(30,000)
Prepaid expenses	(3,190)	(34,126)	-
Deferred franchise costs	(195,539)	(228,461)	-
Franchise disclosure document costs	-	-	(6,000)
Accounts payable	30,671	17,050	(10,000)
Deferred revenue	347,574	356,422	1,500
Deposits	4,192	-	-
Net cash provided by (used in) operating activities	107,931	45,277	(39,047)
Cash flows from investing activities			
Restricted cash	(12,623)	(9,130)	-
Purchase of property, plant, and equipment	(6,407)	-	-
Net cash used in investing activities	(19,030)	(9,130)	-
Cash flows from financing activities			
Members' distributions	(167,374)	-	-
Proceeds from related party note payable	84,779	37,630	-
Payments on related party note payable	(37,630)	-	-
(Payments to) advances from related parties	(19,562)	56,826	38,843
Net cash (used in) provided by financing activities	(139,787)	94,456	38,843
Net (decrease) increase in cash	(50,886)	130,603	(204)
Cash - beginning of year	155,403	24,800	25,004
Cash - end of year	<u>\$ 104,517</u>	<u>\$ 155,403</u>	<u>\$ 24,800</u>

Supplemental disclosure of cash flow information:

Cash paid for interest for the years ended December 31, 2016, 2015, and 2014 was \$1,060, \$2,313, and \$0, respectively.

Supplemental disclosure of non-cash activity:

The Company financed \$77,550 of equipment additions during the year ended December 31, 2016 through a note payable.

See notes to financial statements.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Notes to Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies

All About People Franchise Services, LLC (the "Company") was organized in the state of Arizona on August 26, 2013 (inception). The Company is primarily engaged in the business of selling and providing operations, training, and sales support for franchisees conducting business as All About People franchisees as well as monitoring the activities of the franchisees, enforcing its rights, and ensuring the performance of obligations under the relevant franchise agreements.

The Company is part of an affiliated group of companies. The operating results of the Company could vary significantly if it operated independently. Accordingly, this affiliation and other related party disclosures must be taken into consideration in reviewing the accompanying financial statements.

The following table summarizes the number of franchises in operation:

	December 31,		
	2016	2015	2014
Franchises at beginning of year	5	3	-
Franchises opened	6	2	3
Franchises closed	-	-	-
Total franchises in operation at end of year	<u>11</u>	<u>5</u>	<u>3</u>
Total franchises sold but not opened	<u>6</u>	<u>2</u>	<u>-</u>

This table does not include All About People corporate- or affiliate-owned franchises.

Concentrations of Credit Risk

The Company grants credit in the normal course of business to customers in the United States. The Company periodically performs credit analysis and monitors the financial condition of its customers to reduce credit risk.

As of December 31, 2016, four franchisees accounted for 55% of total accounts receivable, and two franchisees accounted for 91% of total revenue for the year ended December 31, 2016. As of December 31, 2015, three franchisees accounted for 99% of total accounts receivable, and three franchisees accounted for 77% of total revenue for the year ended December 31, 2015.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Notes to Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Cash

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash. The Company continually monitors its positions with, and the credit quality of, the financial institutions with which it invests.

Restricted Cash

Restricted cash represents cash held by the Company as restricted as it represents the cash collected from franchisees for the national marketing fund that has not yet been spent.

Accounts Receivable

Accounts receivable represents amounts due from franchisees for various fees. A provision for uncollectible amounts is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover losses. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Company on an ongoing basis. The losses ultimately incurred could differ materially in the near term from the amounts estimated in determining the allowance. For the years ended December 31, 2016, 2015, and 2014, management determined that an allowance for doubtful accounts of \$0, \$15,000, and \$15,000 was necessary, respectively.

Deferred Franchise Costs

Deferred franchise costs consist of amounts paid as commission to brokers who assist in locating, evaluating, and signing new franchisees to agreements with the Company. These costs are recognized when the related initial franchise fee revenue is recorded.

Franchise Disclosure Document Costs

Franchise disclosure document costs consist of amounts incurred for the development of the Franchise Disclosure Document, which is amortized over the estimated useful life of three years. Amortization expense related to these costs for the years ended December 31, 2016, 2015, and 2014 was \$8,666, \$8,667, and \$8,667, respectively.

Property and Equipment

Property and equipment is stated at cost. Depreciation is provided utilizing the straight-line method over the estimated useful lives for owned assets, ranging from three to seven years.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Notes to Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Initial Franchise Fees

Initial franchise fees collected by the Company are recognized as revenue when all material services and conditions required to be performed by the Company have been substantially completed, which is generally when the franchise commences operations. Initial franchise fees collected by the Company before all material services and conditions are substantially performed are recorded as deferred initial franchise fees. These franchise fees are non-refundable.

Royalties

In accordance with the franchise agreements, the Company collects a royalty fee based upon the gross sales of the franchise. Royalties are recognized as revenue when earned.

National Marketing Fund

The Company collects a national marketing fee, which is based upon a percentage of gross sales. These funds may only be spent in accordance with the franchise agreement. Unused advertising fees collected are recorded as a liability on the balance sheets and are held for future use.

Income Taxes

The Company has elected to be treated as a partnership for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of the Company's members, and no provision for income taxes has been recorded on the accompanying financial statements.

Accounting standards require a more-likely-than-not measurement methodology to reflect the financial statement impact of tax positions taken or expected to be taken on a tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

If incurred, interest and penalties associated with tax positions are recorded in the period assessed as general and administrative expense. No interest or penalties have been assessed as of December 31, 2016.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2016, 2015, and 2014 was \$35,944, \$82,855, and \$67,928, respectively.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Notes to Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU No. 2014-09 amends the guidance for revenue recognition to replace numerous industry-specific requirements and converges areas under this topic with those of the International Financial Reporting Standards. The ASU implements a five-step process for customer contract revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards. The amendment also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenues and cash flows from contracts and customers. Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The amendments in this ASU are effective for reporting periods beginning after December 15, 2018, and early adoption is prohibited. Entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of the adoption. In the normal course of adoption of a new accounting standard, the Company has begun the process of evaluating the impact of this change in revenue recognition on its financial statements. This standard is expected to have a significant impact to the recognition of the Company's various sources of revenue and various disclosures related to those revenues. This evaluation will continue to be addressed over the next two years in anticipation of adoption on January 1, 2019.

Subsequent Events

The Company has evaluated all subsequent events through the auditors' report date, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in the financial statements.

Note 2 - Related Party Balances and Transactions

The Company is affiliated with All About People, Inc. ("AAPI") due to common ownership and receives funds from AAPI for payment of operating expenses. As of December 31, 2016, 2015, and 2014, the Company had amounts due to related parties of \$76,107, \$95,669, and \$38,843 respectively.

During the year ended December 31, 2015, the Company signed a promissory note with AAPI in the amount of \$37,630. The note accrued interest at 6.65% during 2015 and was due and paid in full in 2016.

During the year ended December 31, 2016, the Company signed a promissory note with AAPI in the amount of \$84,779. Interest will accrue at 7.15% in 2017 and the note matures on December 31, 2017. Interest expense incurred on these related party notes was \$1,060, \$2,313, and \$0 for the years ended December 31, 2016, 2015, and 2014, respectively.

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

Notes to Financial Statements

Note 3 - Property and Equipment

Property and equipment consists of the following at December 31, 2016:

Software	\$ 7,500
Vehicles	<u>76,457</u>
	83,957
Less accumulated depreciation	<u>(2,500)</u>
	<u>\$ 81,457</u>

Depreciation expense for the year ended December 31, 2016 was \$2,500. There was no property and equipment or depreciation expense at and during the years ended December 31, 2015 and 2014.

Note 4 - Long-Term Debt

Long-term debt consists of the following at December 31, 2016:

A note payable entered into on December 30, 2016 to a bank with interest at 2.79%. The note calls for monthly principal and interest payments of \$1,129 and matures in May 2023. The note is collateralized by certain assets of the Company.

Less current portion	\$ 77,550
	<u>(10,561)</u>
	<u>\$ 66,989</u>

Maturities of long-term obligations are as follows:

Year Ending December 31,

2017	\$ 10,561
2018	11,833
2019	12,167
2020	12,511
2021	12,864
Thereafter	<u>17,614</u>
	<u>\$ 77,550</u>

EXHIBIT B
FRANCHISE AGREEMENT

**ALL ABOUT PEOPLE®
FRANCHISE AGREEMENT**

FRANCHISEE

DATE OF AGREEMENT

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EXHIBITS

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C – GUARANTY AND ASSUMPTION OF OBLIGATIONS

D – CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS

E-1 – CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT FOR EMPLOYEES
AND BRANCH MANAGER

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ALL ABOUT PEOPLE® FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 20__ (the “Effective Date”), between All About People Franchise Services, LLC, an Arizona limited liability company, with a principal place of business at 4422 E. Indian School Road, Phoenix, Arizona 85018 (“we” or “us”), and _____, a _____ formed and operating under the laws of the State of _____, or _____, an individual, with a principal place of business at _____ (“you”).

INTRODUCTION

A. We have developed a unique system for opening and operating a recruiting and staffing business that provides, among other services, contract, contract-to-hire, temporary, temporary-to-hire, direct hire, executive search placement and other staffing and talent acquisition services.

B. Our affiliate owns the ALL ABOUT PEOPLE® trademarks, and other related trademarks and service marks used in operating the System, and has granted us the right to license those trademarks and service marks to third parties.

C. You desire to obtain the right to develop and operate an ALL ABOUT PEOPLE® business using the System at a specific location.

D. We have agreed to grant to you, the right to develop and operate an ALL ABOUT PEOPLE® business subject to the terms and conditions of this Agreement.

AGREEMENTS

In consideration of the mutual covenants and agreements stated below, the parties agree as follows:

1. DEFINITIONS

A. “Business” means the recruiting and staffing business you develop and operate under the ALL ABOUT PEOPLE® Trademarks pursuant to the terms and conditions of this Agreement. The Business will offer administrative, general office, professional and technical personnel recruiting and staffing services including contract, contact-to-hire, temporary, temporary-to-hire, direct hire, executive search placement and other staffing and talent acquisition services. Unless you obtain our prior written consent, the Business will not offer recruiting and staffing services for placing general labor, light industrial or clinical healthcare personnel.

B. “Confidential Information” means any trade secrets, information about the System, our Operations Manual and any other manuals or instructive materials provided by us, price lists, vendors, standards and specifications, AAP Customer acquisition methods and techniques, systems, methods, specifications, procedures, directions, audio/visual recordings, all software, advertising and publicity material, all information regarding our mode and methods of business and finances, and other methods, techniques and know-how concerning the operation of the Business which may be communicated to you or of which you may be apprised of by virtue of your operation of the Business. Confidential Information does not include information, processes or techniques that are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by you.

C. “Client” means an entity or individual that enters into an executive search and placement or staffing contract with you.

D. “Deductions” means the amounts that we take off of your top line Gross Sales and includes (a) our royalties, (b) BDF Fee, (c) workers’ compensation and health insurance costs, (d) the total cost of payroll fees/labor (including social security and unemployment insurance), (e) taxes (federal, state and municipal), (f) any commissions due to the employees of any other ALL ABOUT PEOPLE® Business (including corporate/affiliate-owned and franchisee-owned), including commissions for originating National Accounts, and (g) any other applicable fees due to us for the prior week period in which sales were made. The remainder amount that we pay to you is your Weekly Gross Profit. Any commissions we deduct as part of the Deductions will be paid by you at cost and we will not mark-up any portion of the commissions for our benefit. We will pay the commissions on your behalf to any employee of a corporate-owned or franchisee-owned ALL ABOUT PEOPLE® Business who is due such commission based on the Gross Sales of your ALL ABOUT PEOPLE® Business.

E. “Direct Hire(s)” means any individual(s) that you place with a Client who is considered an employee of the Client and is paid directly by the Client.

F. “Gross Sales” means the aggregate amount of all sales of goods and services, whether for cash, by check, credit card or trade or otherwise, made or provided at or in connection with the Business, including internet sales, off-premises sales and monies derived at or away from the Business, including Gross Staffing Sales and Gross Placement Sales. The term “Gross Sales” does not include: (1) any federal, state, municipal or other sales, value added or retailer’s excise taxes that you pay or accrue; and (2) discounts allowed to Clients, Direct Hires or Temporary Staffing Associates on sales. Gross Sales will not be adjusted for uncollected accounts.

G. “Gross Staffing Sales” is equal to the total billable hours for all Temporary Staffing Associates times the total hourly bill rate for each Temporary Staffing Associate.

H. “Gross Placement Sales” is equal to the total amount of Placement Fees for a specified week, month or year. Each “Placement Fee” is equal to the first year annual compensation for a New Hire (a candidate provided or introduced to a customer by you that the customer hires) times the Placement Fee percentage amount. Please note that the Gross Placement Sales will not be available for payment until the check submitted by the Client has cleared and the funds have been deposited in our account. To determine the amount of Gross Placement Sales owed to you each week, we will determine which checks cleared during the prior week and that amount will be deemed the Gross Placement Sales.

I. “Manuals” or “Operations Manual” means our Operations Manual and any other collection of written, video, audio and/or software media (including materials distributed electronically), regardless of title and consisting of various subparts and separate components, all policies, procedures and recommendations for your ALL ABOUT PEOPLE® Business, all of which we may change from time to time.

J. “National Account” means any Client designated as such by us, based upon our sole determination that because such Client conducts its business at multiple locations and/or is deemed of strategic importance by us, the account, services and pricing of such Client must be negotiated and secured by us.

K. “Branch Manager” means the individual, approved by us, who will oversee the day-to-day operation of your ALL ABOUT PEOPLE® Business. You or a Principal Owner may serve as the Branch Manager, but the Branch Manager is not required to own any interest in you. You must have a designated

Branch Manager in connection with the ALL ABOUT PEOPLE® Business. The Branch Manager must complete our initial training program to our satisfaction.

L. “Principal Owner” means any person or entity who directly or indirectly owns a ten percent (10%) or greater interest in you (if you are an entity). If any corporation or other entity other than a partnership is a Principal Owner, a “Principal Owner” also will mean a shareholder or owner of a ten percent (10%) or greater interest in such corporation or other entity. If a partnership is a Principal Owner, a “Principal Owner” also will mean each general partner of such partnership and, if such general partner is an entity, each owner of a ten percent (10%) or greater interest in such general partner. If you are one or more individuals, each individual will be deemed a Principal Owner.

M. “Protected Area” means the geographic area, identified in Exhibit A.

N. “System” means the ALL ABOUT PEOPLE® system which includes operating a staffing and recruitment business under the Trademarks, using certain distinctive types of equipment, including the Computer System (as defined in Section 4(D) below), supplies, Confidential Information, business techniques, methods and procedures, and sales promotion programs, as we periodically may modify and further improve.

O. “Temporary Staffing Associate(s)” means any individual(s) that you place with a Client on a temporary basis and who is considered our employee and is paid directly by us. For purposes of this Agreement, Clients, Direct Hires, and Temporary Staffing Associates will sometimes be collectively referred to as “AAP Customers”.

P. “Trademarks” means the ALL ABOUT PEOPLE® trademark, and the other trademarks, service marks, domain names, logos and commercial symbols that we have designated, or may in the future designate, for use in the System.

Q. “Weekly Gross Profit” equals the amount of Gross Staffing Sales and Gross Placement Sales attributable to your ALL ABOUT PEOPLE® Business minus the Deductions for the prior week period (Monday through Sunday) in which sales were made.

2. GRANT OF FRANCHISE

A. Grant of Franchise, Business Location. Subject to the provisions contained in this Agreement, we grant you a franchise (the “Franchise”) to own and operate an ALL ABOUT PEOPLE® Business at a site approved by us and to use the Trademarks in operating the Business. The location of the Business (“Authorized Location”) will be identified on Exhibit A. Alternatively, we and you will complete and sign Alternative Exhibit A, in which we designate a geographic area in which the Authorized Location of the Business will be established, and subject to our acceptance, you will select an Authorized Location for your Business within ninety (90) days after the date of this Agreement. The designation of the geographic area in Alternative Exhibit A does not confer any territorial rights upon you, and we and our affiliates have the right to operate and franchise other ALL ABOUT PEOPLE® businesses within the geographic area. Once we consent to an Authorized Location for the Business within the geographic area established in Alternative Exhibit A, however, we and you will sign Exhibit A and we will identify the Protected Area. You accept the Franchise and undertake the obligation to operate an ALL ABOUT PEOPLE® Business at the Authorized Location using the Trademarks and System in compliance with the terms and conditions of this Agreement. The foregoing grant to you does not include any right to: (i) offer any product or service via e-commerce without our prior written approval; (ii) establish an independent website or to establish a URL incorporating the Trademarks or any variation thereof; or (iii) distribute, market, or

implement our products and services in any channel of distribution not specifically identified in this Agreement.

B. Protected Area. Except as noted below, the license is limited to the right to develop and operate one Business at the Authorized Location within the area described on Exhibit A (the “Protected Area”). We may permit certain individuals to purchase a larger Protected Area that encompasses multiple territories (each, a “Territory”). If you wish to purchase multiple Territories, you must (i) pay us a multi-territory fee equal to (a) \$80,000 for two Territories, (b) \$100,000 for three Territories, (c) \$140,000 for five territories, or (d) \$240,000 for ten territories (the “Multi-Territory Fee”); and (ii) hire one (1) full-time account executive (“Account Executive”) and one (1) full-time recruiter (“Recruiter”) per Territory in accordance with the hiring deadlines noted below. The Multi-Territory Fee includes the Initial Franchise Fee under this Agreement. If you do purchase multiple Territories, the Territories must be contiguous with respect to boundaries and in the same market location. You may operate all the Territories out of one office location. You must hire one (1) Account Executive and one (1) Recruiter prior to attendance at the initial training program and the Account Executive and Recruiter must attend, and complete to our satisfaction, the initial training program. For each additional Territory, you must hire additional groups of one (1) Account Executive and one (1) Recruiter and each group must complete our initial training program no later than thirty (30) days following the first anniversary and each subsequent anniversary of your attendance at the initial training program until you have reached the cumulative number of Account Executives and Recruiters you are required to hire. For example, if you purchase three Territories and attend our initial training program on June 1, ~~2017~~2018, you must hire and train (a) one (1) Account Executive and one (1) Recruiter prior to June 1, ~~2017~~2018, (b) an additional Account Executive and an additional Recruiter by June 30, ~~2018~~2019, and (c) an additional Account Executive and an additional Recruiter by June 30, ~~2019~~2020.

During the term of this Agreement and provided you are in compliance with the terms and conditions of this Agreement, we will not (i) modify the Protected Area without your written permission, (ii) locate either a company-owned or franchised ALL ABOUT PEOPLE® business within the Protected Area, or (iii) establish a company-owned or another franchised business in the Protected Area under the Trademark or other trademarks that offers the same products and services as your ALL ABOUT PEOPLE® Business, except for Merger/Acquisition Activity (as defined and described below). If at the time you sign this Agreement we are servicing a client located in the Protected Area, we will (unless the client is a National Account) continue servicing this client and will transfer this business to you within one (1) year after the Effective Date of this Agreement. We will not be required to pay you any compensation during this one (1) year transition period. The license granted to you does not, however, include any right to (i) sell products or services at any location other than the Authorized Location, (ii) sell products or services to any person or entity for resale or further distribution, except as we may designate in writing, or (iii) exclude, control or impose conditions on our development of future franchised, company or affiliated owned ALL ABOUT PEOPLE® businesses at any time or at any location outside the Protected Area.

Except as expressly stated in this Agreement, you may market and serve only those Clients, located in the Protected Area. You may, however, provide services outside the Protected Area so long as the Client for which the services are being provided is located inside the Protected Area. As such, you acknowledge that we, our affiliates and/or other ALL ABOUT PEOPLE® franchisees may provide services inside the Protected Area for Clients that are located outside the Protected Area. You may not, unless in connection with other ALL ABOUT PEOPLE® franchisees, engage in marketing or advertising that targets areas outside of the Protected Area or make other representations to potential Clients that would lead them to believe that you have a location outside the Protected Area. Any Client requesting services to be provided in multiple areas outside the Protected Area must be approved by us prior to signing.

C. Rights Reserved To Us. We retain all rights that are not expressly granted to you under this Agreement. Further, we may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, including you, and without granting you any rights therein:

1. establish and/or license others the right to establish franchised or company-owned ALL ABOUT PEOPLE® businesses at any location outside the Protected Area regardless of the proximity of such business to the Protected Area and use the Trademarks and System by ourselves or through our franchisees outside of your Protected Area;

2. merge with, acquire or become associated with (“Merger/Acquisition Activity”) any businesses of any kind under other systems and/or other marks, which businesses may convert to or operate under the ALL ABOUT PEOPLE® Trademarks or other trademarks and may offer or sell products and services that are the same as or similar to the products and services offered at or from your ALL ABOUT PEOPLE® Business, and which may be located anywhere inside or outside the Protected Area;

3. sell and distribute for ourselves and/or license others to sell and distribute through alternate channels of distribution, including the Internet, within and outside the Protected Area, products or services the same as or different from the products and services offered from your Business, and which are offered and distributed under marks the same as or different than the Trademarks;

4. advertise the System on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Trademarks;

5. enter into agreements with National Accounts as provided in Section 2(D) below; and

6. engage and license the right to engage in any other activities not expressly prohibited in this Agreement.

D. National Accounts. We or our affiliates have the right to sell and enter into agreements with National Accounts, both inside and outside the Protected Area. Except as noted below, if a National Account requests contract, contract-to-hire, temporary, temporary-to-hire and/or direct hire services inside the Protected Area, we will offer to you the right to provide the services on the same terms and conditions as are in the contract negotiated by us and the National Account. Within three (3) days of us notifying you of the National Account business, you must confirm in writing your acceptance of the National Account business on the terms and conditions contained in the contract between us and the National Account. We will not be required to offer you the right to provide services to a National Account if, in our business judgment, we do not believe that you are able to provide the requested services to the National Account. If you fail to accept the National Account business within the timeframe noted above, we do not offer the National Account business to you, or if we or the National Account determine that you are not adequately servicing the National Account then we may: (i) provide the services requested by the National Account inside the Protected Area, or (ii) contract with a third party, which may be another ALL ABOUT PEOPLE® franchisee or unrelated third party to provide the services requested by the National Account inside the Protected Area. We are not required to pay you any consideration or compensation if we or a third party provide services to a National Account inside the Protected Area. If a National Account requests contract, contract-to-hire, temporary or temporary-to-hire services inside the Protected Area and you provide the services in accordance with the contract between us and the National Account, we will pay you one hundred percent (100%) of the Gross Sales generated from the contract, contract-to-hire, temporary or temporary-

to-hire services, less the Royalty, BDF and National Account Management Fees (defined below) you are required to pay to us, less our costs and expenses (including certain insurance costs as noted in Section 9(I)) incurred in securing and providing the contract, contract-to-hire, temporary or temporary-to-hire services. If a National Account requests direct hire and/or executive search services inside the Protected Area and you provide the services in accordance with the contract between us and the National Account, we will pay you a portion of the Gross Sales generated from the direct hire and/or executive services (as outlined in the Operations Manual), less the Royalty, BDF and National Account Management Fees you are required to pay to us, less our costs and expenses incurred in securing and providing the direct hire and/or executive search services.

If a National Account contacts you directly, you must refer the National Account to us. We will negotiate all contracts with National Accounts and you will not have any right to negotiate any contract or provide services to the National Account without our express written consent.

If you refer to us a National Account that subsequently signs an agreement with us (“Referred National Account”), we will pay you a referral fee equal to 0.5% of the Gross Sales earned from the Referred National Account across the franchise system (“Referral Fee”). We will pay this amount to you on a monthly basis during the last calendar week of each month via electronic funds transfer for those Referred National Accounts where we have received payment. Furthermore, for all Referred National Accounts, we will waive the National Account Management Fee outlined in Section 9(D) of this Agreement for any services you provide to such Referred National Accounts. For all National Accounts you did not refer to us, you will be required to pay the National Account Management Fee for those National Account Gross Sales.

E. Minimum Performance Requirements. After your first calendar year of operation, the rights granted to you by the terms of the Agreement will be dependent on your achieving certain minimum annual Gross Sales in each Territory as outlined below:

Time Period	Minimum Gross Sales Requirement
First full calendar year after Opening Date	\$200,000
Second full calendar year after Opening Date	\$300,000
Third full calendar year after Opening Date	\$400,000
Fourth full calendar year after Opening Date	\$500,000
Fifth full calendar year after Opening Date	\$600,000
Sixth full calendar year after Opening Date	\$700,000
Seventh full calendar year after Opening Date	\$800,000
Eighth full calendar year after Opening Date	\$900,000
Ninth full calendar year after Opening Date and each calendar year thereafter	\$1,000,000

If you fail to meet the minimum Gross Sales requirement during any time period outlined above, then we may do any of the following: (i) reduce the size of the Protected Area, or (ii) if this is the second time you have failed to meet your annual Gross Sales requirement, terminate this Agreement.

3. TERM OF FRANCHISE; RENEWAL RIGHTS

A. Term. The term of this Agreement commences on the Effective Date of this Agreement and ends twenty (20) years after the “Opening Date” of the Business (as defined in Exhibit A).

B. Renewal. You will have the right to renew the Franchise for the Business for two (2) additional ten (10) year terms, provided you meet the following conditions:

1. you have given us written notice at least one hundred eighty (180) days before the end of the term of this Agreement of your intention to renew;
2. you have complied with all of the material provisions of this Agreement, including the payment of all monetary obligations you owe to us or our affiliates and approved suppliers/vendors, and have complied with our material operating and quality standards and procedures;
3. you maintain possession of the Business premises and have at your expense made such reasonable capital expenditures necessary to remodel, modernize and redecorate the Business premises and to replace and modernize the supplies, fixtures, signs, and equipment used in your Business so that your Business reflects the then-current physical appearance of new ALL ABOUT PEOPLE® businesses, or are able to secure a new location within the Protected Area which we have accepted (such acceptance not to be unreasonably withheld) and agree to construct all required improvements to the Business premises and install all required fixtures and equipment in compliance with our then-current standards and specifications for new ALL ABOUT PEOPLE® businesses;
4. you (or if you are an entity, a Principal Owner who has been approved by us) and the Branch Manager completes, to our satisfaction, any new training and refresher programs as we may reasonably require. You are responsible for travel, living and compensation costs of attendees;
5. you sign our then-current form of Franchise Agreement (the terms of which may differ materially from the terms of this Agreement); provided you will be not be required to pay us the Initial Franchise Fee stated in the then-current Franchise Agreement and the Royalty Fee will be the same as stated in this Agreement;
6. you and each Principal Owner signs a general release, in form acceptable to us, of all claims against us and our affiliates, officers, directors, employees, and agents; and
7. you are in compliance with your minimum performance requirements outlined in Section 2(E) above.

C. Interim Period. If you do not exercise your right to renew this Franchise Agreement prior to the expiration of this Agreement and you continue to accept the benefits of this Agreement after the expiration of this Agreement, then at our option, this Agreement may be treated either as (i) expired as of the date of expiration with you then operating a franchise without the right to do so and in violation of our rights; or (ii) continued on a month-to-month basis (the “Interim Period”) until one (1) party provides the other with written notice of such party’s intent to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after receipt of the notice to terminate the Interim Period. In the latter case, all of your obligations under this Agreement will remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

4. DEVELOPMENT AND OPENING OF THE BUSINESS

A. Lease for Business Premises. You are responsible for purchasing or leasing a site that meets our site selection guidelines. We must consent to the site in writing. We do not select the site for your Business, but will assist you with this process. We make no guarantees concerning the success of the Business located at any site to which we consent.

If you enter into a lease for the Business premises, you must provide a copy of the proposed lease to us before you sign it. We reserve the right to reject the proposed lease if your lease does not contain provisions requiring that: (i) so long as this Agreement remains in effect, the premises will be used only for an ALL ABOUT PEOPLE® Business; (ii) we will be granted the right (but not the duty) to take possession of the Business premises and assume the lease in the event of a termination of this Agreement or a threatened termination of the lease as a result of a breach by you; (iii) the landlord will provide us written notice of any default or right to cure by you; and (iv) upon vacating the Business premises or termination of this Agreement or the lease for the Business premises, you must remove all signs and materials bearing the words “All About People” and other Trademarks.

B. Your Development of the Business. Promptly after you sign a lease or acquire the premises for the Business, and receive from us or our designee the prototype plans and specifications for the Business, you will:

1. prepare and submit to us for approval, which will not be unreasonably withheld, any proposed modifications to our basic plans and specifications, which you may modify only to the extent necessary to comply with applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions;
2. obtain all required building, utility, sign, health, sanitation and business permits and licenses, and any other required permits and licenses; and
3. construct all required improvements to the Business premises, purchase and install all required fixtures and equipment and decorate the premises in compliance with the plans and specifications approved by us and all applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions.

C. Fixtures, Equipment, Furniture and Signs. You will use in constructing and operating the Business only those types of construction and decorating materials, fixtures, equipment (including computer hardware and software), furniture, and signs that we have approved for ALL ABOUT PEOPLE® businesses as meeting our specifications and standards for appearance, function and performance. You may purchase approved types of construction and decorating materials, fixtures, equipment, furniture and signs from any supplier we approve or designate (which may include us and/or our affiliates). If you propose to purchase any material, fixture, equipment, furniture or sign we have not then approved, or any items from any supplier we have not then approved, you must first notify us in writing and will provide to us (upon our request) sufficient specifications, photographs, drawings and other information or samples for us to determine whether the material, fixture, equipment, furniture or sign complies with our specifications and standards, or the supplier meets our approved supplier criteria, which determination we will make and communicate in writing to you within a reasonable time.

D. Computer System. You will use in the Business the computer system, including all existing or future communication or data storage systems, components thereof and associated service, which we have developed and/or selected for the System (the “Computer System”), which you will purchase as part of the

start-up toolkit and proprietary software system required expenditure (“Start-Up Toolkit”). You will purchase a Start-Up Toolkit which includes certain computer hardware and software from us.

1. We shall have the right, but not the obligation, to develop or designate: (i) computer software programs, which may be proprietary, that you must use in connection with the operation of the Business as part of the Start-Up Toolkit (the “Proprietary Software”), which you shall install at your own expense; (ii) updates, supplements, modifications, or enhancements to the Proprietary Software, which you shall install at your own expense; (iii) the tangible media upon which you record data; and (iv) the database file structure of the Computer System. Any Proprietary Software you are required to use will be deemed our proprietary material and the information collected therefrom will be deemed our Confidential Information. You must use the Proprietary Software that we or our designated third-party supplier provides. The Proprietary Software will remain the confidential property of us or our third-party supplier. You may be required to enter into our or a third-party supplier’s standard form computer software access or license agreement in connection with your use of the Proprietary Software. You will pay us or our third-party supplier any fees we or they designate related to your use of the Proprietary Software as further outlined in Section 9 of this Agreement. We may change or modify the Computer System, including Proprietary Software, from time to time and you must comply with any such changes or modifications. We also may access financial information and AAP Customers’ data produced by or otherwise located on your Computer System (collectively, the “Customer Data”). We own the Customer Data that is stored on the Computer System and you assign your rights in the Customer Data to us. We periodically will establish policies respecting the use of the Customer Data which you must comply with. You will have at the Business Internet access with a form of high-speed connection as we require. You will use an email address we designate or approve for communication with us and your Clients. The computer hardware component of the Computer System must comply with specifications we develop. We have the right to designate a single source from which you must purchase the Computer System, any software or hardware components thereof or associated service, and we or our affiliates may be that single source. You will be required to use and pay for all future updates, supplements and modifications to the Computer System.

2. You hereby expressly agree that all data that you input into your Computer System, or that we input on your behalf and at your direction, including all financial or rate information concerning agreements with AAP Customers, shall be true and accurate to the best of your knowledge. We may require that your Computer System be programmed to automatically transmit data and reports about the operation of the Business to us. We shall also have the right to, at any time without notice, electronically connect with your Computer System or email address we designate for use with the System to monitor or retrieve data stored on the Computer System or for any other purpose we deem necessary. There are no contractual limitations on our right to access the information and data on your Computer System. You have no expectation of privacy with respect to any information contained on the email server we designate or approve for use and we have the right to independently access that information at any time that we see fit.

3. You are required to participate in any System-wide computer network, intranet system or extranet system that we implement and may be required by us to use the computer network, intranet system or extranet system to, among other things: (i) view and print updates to or portions of the Operations Manual; (ii) download approved local advertising materials; (iii) communicate with us and other System franchisees; and (iv) complete training. You agree to use the facilities of any such area computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Operations Manual, including those related to the encryption of Confidential Information and prohibitions against the transmission of libelous, derogatory or defamatory statements.

E. Business Opening. You will not open the Business without our prior written approval. You agree to complete the development and open the Business within the time period stated in Exhibit A or Alternative Exhibit A, whichever Exhibit is applicable. If you fail to open your Business within one

hundred twenty (120) days of the Effective Date of this Agreement, we may terminate this Agreement or grant you an extension of time to open your Business. We are not responsible or liable for any of your pre-opening obligations, losses or expenses you might incur for your failure to open by a particular date.

F. Relocation of Business. You will not relocate the Business from the Authorized Location without our prior written consent. If you relocate the Business under this Section, the “new” franchised location of the Business, including the real estate and building, must comply with all applicable provisions of this Agreement and with our then-current specifications and standards for ALL ABOUT PEOPLE® businesses. We will not unreasonably withhold our consent to the proposed relocation, provided we have received at least ninety (90) days’ written notice prior to the closing of the Business at the Authorized Location, you have obtained a site acceptable to us within the Protected Area, and you agree to open the “new” location for the Business within five (5) days after you close the Business at the “prior” franchised location and otherwise comply with any other conditions that we may require. If you must relocate the Business because the Business was destroyed, condemned or otherwise became un-tenantable by fire, flood or other casualty, you must reopen the Business at the new franchised location in the Protected Area within six (6) months after you discontinue operation at the Authorized Location. You must also pay all costs of any relocation.

5. TRAINING AND OPERATING ASSISTANCE

A. Training. Before the opening of the Business and after you sign a lease for the Business premises, we will provide, and you (or if you are an entity, a Principal Owner who has been approved by us), your Branch Manager, your Account Executive and your Recruiter must attend, an initial training program on the operation of a Business, provided at a place and time we designate. You (or if you are an entity, a Principal Owner who has been approved by us) must attend training specific to your role as the franchise owner (“Owner Training”) for up to five (5) days or one (1) week in addition to the initial training program. You are solely responsible for the compensation, travel, lodging and living expenses you, your Branch Manager, your Account Executive, your Recruiter and your employees incur in attending the initial training program or any supplemental or refresher training programs. A minimum of five (5) people must attend, and complete to our satisfaction, the initial training program.

1. Prior to attendance at the initial training program, you must hire, and maintain employment of, the Branch Manager, one (1) full-time Account Executive and one (1) Recruiter to operate in the Protected Area.

2. The initial training program will take place over a period of seven (7) to fourteen (14) days depending on your background, expertise and experience. If, during any training program, we determine that your proposed Branch Manager is not qualified to manage the Business, we will notify you and you must select and enroll a substitute Branch Manager in the training program.

3. You must attend the first available training session following your execution of this Agreement, unless we permit you to attend a later session. All trainees that you designate must attend the training course at the same time. All training related expenses, including your transportation to and from the training site, lodging, meals, and salaries during training, are your sole responsibility. Should your Branch Manager fail to complete the initial training program to our satisfaction, we may permit you to send a replacement (the “Replacement Personnel”) to the next available initial training program. We may charge a tuition fee for such Replacement Personnel attending an initial training program.

4. Your other employees, if any, may be trained by you, however, we reserve the right to require that your employees attend the initial training program at our headquarters. If we require your employees to attend the initial training program, we will provide such training to your employees tuition-

free, however, we reserve the right to charge a tuition fee in the future for the provision of such training. All training related expenses for your additional personnel, including transportation to and from the training site, lodging, meals, and salaries during training, are your sole responsibility. We will provide you with training materials for you to use in training your personnel. Only our provided training materials may be used by you in training your personnel. Updated training materials will be provided to you by us upon written request. All training materials provided to you by us will at all times remain our property, and you agree not to challenge our or our affiliates' title or rights in or to the training materials. You may not make any disclosure, duplication or other unauthorized use of any portion of the training materials.

4. If you are operating multiple Territories, the additional Account Executive(s) and Recruiter(s) that you are required to hire must complete the initial training program to our satisfaction no later than thirty (30) days following the anniversary of the Franchise Agreement by which each person must be hired as outlined in Exhibit A. We reserve the right to require each additional Account Executive(s) and Recruiter(s) attend the initial training program at our designated training facility upon notice to you. You are responsible for all of the costs associated with each Account Executive's and Recruiter's attendance at the initial training program.

5. After the Business opens, we will provide training (at times we determine) to any new Branch Manager at your expense. We may require that you (or a Principal Owner) and your Branch Manager attend all supplemental and refresher training programs that we designate. We may charge you a reasonable fee for the supplemental and refresher training programs.

B. Opening Assistance. We will provide you with the services of one of our employees for up to three (3) days to assist you in the opening and initial operations of the Business. We will determine the time at which the employee is available to you.

C. Operating Assistance. We will advise you on operational issues and provide assistance in operating the Business as we deem appropriate. We will handle all Client invoicing, serve as the employer of record for all Temporary Staffing Associates, pay all Temporary Staffing Associates and obtain and maintain workers compensation insurance coverage for all Temporary Staffing Associates. We also may provide advice regarding the following:

1. services authorized for sale at ALL ABOUT PEOPLE® businesses;
2. updates to approved supplies and suppliers;
3. updates to the Operations Manual;
4. marketing assistance and sales promotion programs; and
5. establishing and operating administrative, bookkeeping, accounting, sales and general operating procedures to properly operate an ALL ABOUT PEOPLE® Business.

We will provide such guidance, as we deem appropriate, through our Operations Manual or other written materials, telephone conversations and/or meetings at our office or at the Business in connection with an inspection of the Business. We reserve the right to charge you a fee for any additional assistance we provide.

D. Attendance at Meetings. Except under certain circumstances, you must attend, at your expense, all annual franchise conventions we may hold or sponsor and all meetings relating to new services, new operational procedures or programs, training, business management, sales or sale promotion or similar

topics, including any system-wide teleconferences or web-conferences. We reserve the right to charge you a fee to attend any annual franchise conventions, meetings, programs or other trainings we require. If you are not able to attend a meeting or convention, you must notify us prior to the meeting and must have a substitute person acceptable to us attend the meeting.

E. Operations Manual. We will provide on loan to you, during the term of this Agreement, one manual copy or electronic (Internet) access to the Operations Manual. The Operations Manual will contain mandatory and suggested specifications, standards and operating procedures that we develop for ALL ABOUT PEOPLE® businesses and information relating to your other obligations. We may add to, and otherwise modify, the Operations Manual to reflect changes in authorized products and services, and specifications, standards and operating procedures of an ALL ABOUT PEOPLE® business. The master copy of the Operations Manual that we maintain electronically or at our principal office and make available to you will control if there is a dispute involving the contents of the Operations Manual. You will operate the Business in strict compliance with the Operations Manual, as it may be reasonably changed by us from time to time. The Operations Manual must remain confidential and is our exclusive property. You will not disclose, duplicate or make any unauthorized use of any portion of the Operations Manual. The provisions of the Operations Manual constitute provisions of this Agreement as if fully set forth herein. You will ensure that your copy of the Operations Manual is current and up to date, and will keep a copy of the Operations Manual in a safe and secure location. If there is a dispute relating to the contents of the Operations Manual, the master copy, which we maintain at our corporate headquarters, will control. We reserve the right to disclose updates to the Operations Manual via electronic means, including over our website or any intranet or extranet system established in connection with the System.

6. TRADEMARKS

A. Ownership and Goodwill of Trademarks. You acknowledge that you have no interest in or to the Trademarks and that your right to use the Trademarks is derived solely from this Agreement and is limited to the conduct of business in compliance with this Agreement and all applicable specifications, standards and operating procedures that we require during the term of the Franchise. You agree that your use of the Trademarks and any goodwill established exclusively benefits us and our affiliate, and that you receive no interest in any goodwill related to your use of the Trademarks or the System. You must not, at any time during the term of this Agreement or after your termination or expiration, engage in any conduct directly or indirectly that would infringe upon, harm or contest our or our affiliate's rights in any of the Trademarks or the goodwill associated with the Trademarks, including any use of the Trademarks in a derogatory, negative or other inappropriate manner in any media, including but not limited to print or electronic media, contest or assist any other person in contesting the validity or ownership of any of the Trademarks. Any and all goodwill arising from your use of the proprietary material will inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with your use of the System, the Trademarks, or any other proprietary material. Except as specified in Section 2(A), the license of the Trademarks granted to you hereunder is nonexclusive and we retain the right, among others, (i) to use the Trademarks ourselves in connection with selling products and services, (ii) to grant other licenses for the Trademarks, and (iii) to develop and establish other systems using the Trademarks, similar marks, or any other marks, and to grant licenses thereto without providing any rights therein to you.

B. Limitations on Your Use of Trademarks. You agree to use the Trademarks as the sole identification of the Business, but you must identify yourself as the independent owner in the manner we direct. You must not use any Trademark as part of any corporate or trade name or in any modified form, and you cannot use any Trademark in selling any unauthorized product or service or in any other manner unless we have expressly authorized such use in writing, and any unauthorized use thereof will constitute an infringement of our rights. You may use the Trademarks on various materials such as business cards,

stationery and checks provided you (i) accurately depict the Trademarks on the materials as we describe, (ii) include a statement on the materials indicating that the Business is independently owned and operated by you, (iii) do not use the Trademarks in connection with any other trademarks, trade names or service marks unless we specifically approve in writing and (iv) make available to us, upon our request, a copy of any materials depicting the Trademarks. You agree to display the Trademarks prominently and in the manner we direct on all signs and forms. Subject to our rights described in this Agreement, you agree to obtain fictitious or assumed name registrations as may be required under applicable law. You will use all Trademarks without prefix or suffix and in conjunction with the symbols “TM,” “SM,” “S,” or “R,” as applicable. You may not use the Trademarks in connection with any other business activities that fall outside the scope of this Agreement. You will not use the Trademarks to incur any obligation or indebtedness on our behalf.

C. Restrictions on Internet and Website Use. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Trademarks. We or our affiliates currently maintain a website for the benefit of all company-owned and franchised ALL ABOUT PEOPLE® businesses, but we reserve the right to discontinue the website in the future. You agree not to establish a website or permit any other party to establish a website that relates in any manner to your ALL ABOUT PEOPLE® Business or referring to the Trademarks or that contain words used in or similar to any the Trademarks or brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words, except as we may designate or approve in writing. You have the right to access our website and, as described further in the Operating Manual, we will provide one or more references or webpage(s) to your ALL ABOUT PEOPLE® Business within our website. We may, but are not obligated to, create interior pages on our website(s) that contain information about the Business and other locations. If we do create such pages, we may require you to prepare all or a portion of the page for the Business, at your expense, using a template that we provide. All such information will be subject to our approval prior to posting. We will be the web master of such pages, either directly or through a third party, and will have sole discretion and control over the website.

1. Except as we may authorize in writing, however, you will not: (i) use or display the Trademarks as part of any website or webpage that is not linked to our website or any other website we designate; (ii) conduct any business or offer to sell or advertise any products or services on the Internet (or any other existing or future form of electronic communication); (iii) create or register any Internet domain name in any connection with your Franchise; and (iv) use any email address which we have not authorized for use in operating the Business. You will not register, as Internet domain names, any of the Trademarks or any abbreviation, acronym or variation of the Trademarks, or any other name that could be deemed confusingly similar. Further, you may not market, advertise or promote your Business or conduct any business on the Internet, including using social and professional networking sites to promote your Business, except as provided in our written social media policy (if any) and with our prior written approval.

2. If we ever do approve in writing a request for you to use a separate website (although we are not required to permit you do so), then we have the right to require that you comply with the standards, specifications, conditions, and requirements relating to such websites that we may periodically prescribe in the Operating Manual or otherwise in writing.

3. We shall have the right to modify the provisions of this Section 6(C) relating to Internet policies as we deem necessary or appropriate in the best interest of the System.

D. Notification of Infringements and Claims. You must promptly notify us of any suspected unauthorized use of the Trademarks and any proprietary software we may now or hereafter designate for use in connection with the System, any challenge to the validity of the Trademarks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Trademarks, the

proprietary software, or the operations manual. You acknowledge that we have the sole right to direct and control any administrative proceeding or litigation involving the proprietary material, including any settlement thereof. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of our rights to the Trademarks or proprietary material. We will defend you against any third-party claim, suit, or demand arising out of your use of the Trademarks. If we, in our sole discretion, determine that you have used the Trademarks in accordance with this Agreement, we will bear the cost of such defense, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Trademarks in accordance with this Agreement, you will bear the cost of such defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Trademarks, you will execute any and all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Trademarks in a manner inconsistent with the terms of this Agreement, we agree to reimburse you for your out-of-pocket costs in performing such acts.

E. Changes. You cannot make any changes or substitutions to the Trademarks unless we so direct in writing. We reserve the right, in our business judgment, to modify or discontinue use of any Trademark, or to use one or more additional or substitute trademarks or service marks. You must discontinue using all Trademarks which we have notified you, in writing, have been modified or discontinued within ten (10) days of receiving written notice and, at your sole cost and expense, must promptly begin using such additional, modified or substituted marks.

7. CONFIDENTIAL INFORMATION/IMPROVEMENTS

A. Confidential Information. You acknowledge and agree that you do not acquire any interest in the Confidential Information, other than the right to use it in developing and operating the Business pursuant to this Agreement, and that the use or duplication of the Confidential Information in any other business constitutes an unfair method of competition. You further acknowledge and agree that all AAP Customers solicited by the Business belong to us, and certain compiled lists containing information about current and prospective AAP Customers including, (i) names and addresses, Customers, (ii) AAP Customers' transaction history with the Business, and (iii) rates charged to AAP Customers, are owned solely by us and constitute our Confidential Information. You may divulge Confidential Information only to those of your employees as must have access to it in order to operate the Business. Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential will be deemed Confidential Information for purposes of this Agreement. You acknowledge and agree that the Confidential Information is proprietary and is a trade secret of ours and is disclosed to you solely on the condition that you agree that you: (i) will not use the Confidential Information in any other business or capacity; (ii) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (iii) will not make unauthorized copies of any Confidential Information disclosed in written form; (iv) will adopt and implement all reasonable procedures we direct to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to Business employees; and (v) will sign a Confidentiality Agreement and will require all employees with access to Confidential Information to sign such an agreement in a form we approve. The restrictions on your disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information in judicial or administrative proceedings to the extent you are legally compelled to disclose this information, if you use your best efforts to maintain the confidential treatment of the Confidential Information, and provide us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us of confidential treatment for the information required to be so disclosed.

B. Improvements. You must fully and promptly disclose to us all ideas, concepts, methods, techniques, improvements, additions and Customer Data relating to the development and/or operation of an

ALL ABOUT PEOPLE® business or the System, or any new trade names, service marks or other commercial symbols, or associated logos relating to the operation of the Business, or any advertising or promotion ideas related to the Business (collectively the “Improvements”) that you and/or your employees conceive or develop during the term of this Agreement. All such Improvements will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you must assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the Improvement. You agree that we have the perpetual right to use and authorize others to use the Improvements without any obligation to you for royalties or other fees.

C. Employees. You must require your Branch Manager and other key employees to execute covenants that they will maintain the confidentiality of the Confidential Information they receive in connection with their employment by you, prior to assisting in the operation of the Business. Such covenants will be in the form attached as Exhibit E-1 to this Agreement.

8. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

A. Independent Contractor Status. You are an independent contractor responsible for full control over the internal management and daily operation of the Business, and neither party to this Agreement is the agent, principal, partner, employee, employer or joint venture partner of the other party. You may not act or represent yourself, directly or by implication, as our agent, partner, employee or joint venture partner, and you may not incur any obligation on our behalf or in our name. All stationery, business cards and contractual agreements entered into by you must contain your corporate or fictitious name and a conspicuously displayed notice in the place we designate, that you operate the Business as an independently owned and operated business and that you independently own and operate the Business as a System franchisee. Nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name; and we will in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor will we be liable by reason of any of your acts or omissions in the operation of the Business or for any claim or judgment arising therefrom against you or us. Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed to state or imply that we are the employer of your employees and/or independent contractor, nor vice versa.

B. Indemnification. You and your principals agree to indemnify, defend and hold us, our affiliates and their respective shareholders, directors, officers, employees, agents, successors and assignees (“Indemnitees”) harmless against and to reimburse them for all claims, obligations, liabilities and damages (“Claims”), including any and all taxes, directly or indirectly arising out of, in whole or in part: (i) the operation of your Business, including but not limited to your advertising and your placement of Direct Hires and Temporary Staffing Associates; (ii) the unauthorized use of the Trademarks and other proprietary material; (iii) the transfer of any interest in this Agreement or your Business in any manner not in accordance with this Agreement; (iv) the infringement, alleged infringement, or any other violation or alleged violation by you or any of your principals of any patent, trademark or copyright or other proprietary right owned or controlled by third parties; or (v) libel, slander or any other form of defamation of us, the System or any franchisee operating under the System, by you or by any of your principals. For purposes of this indemnification, “Claims” shall mean and include all obligations, actual, consequential, punitive and other damages, and costs reasonably incurred in the defense of any action, including attorneys’, attorney assistants’ and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether or not such claims exceed the amount of insurance coverage available through you to us. We shall have the right to defend any such claim against us in such manner as we deem appropriate or desirable in our sole discretion. Such an undertaking by us shall, in no

manner or form, diminish your and each of your principals' obligations to indemnify the Indemnitees and to hold them harmless. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

C. Survival. The indemnities and assumptions of liabilities and obligations continue in full force and effect after the expiration or termination of this Agreement.

9. FRANCHISE FEES

A. Initial Franchise Fee. You will pay us an initial franchise fee of forty nine thousand dollars (\$49,000). The initial franchise fee is payable when you sign this Agreement. The initial franchise fee is fully earned by us when we sign this Agreement and is non-refundable.

B. Start-Up Toolkit Fee. You will pay us a start-up toolkit fee in an amount of \$35,000 (the "Start-Up Toolkit Fee"). The Start-Up Toolkit Fee is payable when you sign this Agreement, is fully earned by us when we sign this Agreement and is non-refundable.

C. Royalty Fee. You will pay us a non-refundable weekly Royalty Fee based upon the services(s) provided as noted below.

Type of Services Provided	Weekly Royalty Fee
All contract, contract-to-hire, temporary, temporary-to-hire and payroll staffing services you provide, including any conversion fees.	6.25% of total Gross Staffing Sales
All direct hire and executive search services you provide.	10% of total Gross Placement Sales

Each Monday, we will make payable to you by electronic funds transfer the amount of Gross Sales minus the applicable Royalties, brand development fund fee ("BDF Fee"), any other applicable fees due to us and the total Cost of Payroll/Labor (including the cost of funding for such Payroll/Labor and insurance costs as described in Section 9(I) of this Agreement) made by you for the prior week period (Monday through Sunday) in which sales were made. Please note that the Gross Placement Sales will not be available for payment until the check submitted by the Client has cleared and the funds have been deposited in our account. To determine the amount of Gross Placement Sales owed to you each week, we will determine which checks cleared during the prior week and that amount will be deemed the Gross Placement Sales.

D. National Account Management Fee. In addition to paying us a Royalty Fee on all National Account Gross Sales, you also will pay us a non-refundable National Account Management Fee in the amount of 1% of all National Account Gross Sales. The National Account Management Fee is due and payable on the Monday of each week based on the total National Account Gross Sales for the previous week (Sunday through Saturday). The National Account Management Fee is in addition to the Royalty and BDF Fees you are required to pay to us under the terms of this Agreement.

E. Technology Fee. You must pay us a technology fee equal to one hundred fifty dollars (\$150) per calendar month, which must be paid quarterly via the same payment method as the Royalty Fee and BDF Fees ("Technology Fee"). The Technology Fee shall be pre-paid in advance of the quarter the payment will cover. We will use the Technology Fee for any costs incurred in connection with technological advancements associated with the System, including but not limited to (a) building on-line infrastructure for the System, (b) developing proprietary software for use within the System, (c) developing and maintaining our corporate website, (d) software developments, (e) third-party vendor costs associated with

computer system installation, (f) payroll for our employees that assist franchisees with all technology-related issues, or (g) develop any new technological advancements for the System as we deem necessary.

F. Proprietary Software System Fee. You must pay us a proprietary software system fee equal to one hundred fifty dollars (\$150) per user, per month for your use of the proprietary software system through our license with our designated third-party provider (“Proprietary Software System Fee”) which must be paid on a quarterly basis in advance of the quarter. For example, you must pay us no later than December 16 for the quarter of January – March. We reserve the right to change the vendor of this service in our sole discretion and increase the fee based on our change in supplier.

G. Employee Misclassification Fee. If you use or have used the wrong workers’ compensation classification code and/or rate for any Temporary Staffing Associate, you must reimburse us for any additional costs, expenses and/or premiums were are charged as a result of your misclassification of the Temporary Staffing Associate.

H. Time-Keeping Software Fee. On Monday of each week, you must pay us a fee equal to \$0.02 per hour of time processed for your Temporary Staffing Associates which is paid to our third-party vendor in connection with the use of the time-keeping software that will calculate the number of hours worked by your Temporary Staffing Associates each week and allow your Clients to approve such hours worked for the purpose of generating invoices to secure Client payment. For example, if you have ten (10) Temporary Staffing Associates who each worked forty (40) hours in a one-week period, you would pay \$.80 per Temporary Staffing Associate or \$8 for all ten (10) Temporary Staffing Associates’ time to be calculated and processed for that one week period. We reserve the right to change the vendor of this service in our sole discretion and revise the fee based on our change in supplier.

I. Workers’ Compensation and Health Insurance Coverage. We will serve as the employer of record for your Temporary Staffing Associates. Based on information you provide to us, we will obtain and maintain during the term of this Agreement workers’ compensation insurance and/or health insurance (as is required under federal law) covering your Temporary Staffing Associates. While we pay the insurance costs on a monthly basis, we will accrue these charges to you on a weekly basis by subtracting 0.5% of your All About People® Business’s payroll for Temporary Staffing Associates before we pay you your Weekly Gross Profit. “Payroll” equals the total amount of wages paid to your Temporary Staffing Associates on any given week. This accrued amount is based on the amount our affiliate-owned All About People® business pays for workers’ compensation insurance and health insurance. We reserve the right to change the percentage used in this calculation at any time based on changes imposed by our insurance provider. Additionally, you must reimburse us for any premium overages we are assessed in connection with the quarterly and/or yearly audit we and our insurance provider conduct relating to the workers’ compensation and health insurance coverage provided for your Temporary Staffing Associates.

J. Electronic Transfer of Funds. We will require you to sign electronic transfer of funds authorizations and other documents as we periodically designate, in the form attached as Exhibit B, to authorize your bank to transfer, either electronically or through some other method of payment designated by us, directly to our account and to charge your account for all amounts due to us from you. Your authorizations will permit us or a third party we designate to identify the amount to be transferred from your account. You will maintain a balance in your accounts sufficient to allow us or any third party we designate to collect the amounts owed to us when due. You will be responsible for any penalties, fines or similar expenses associated with the transfer of funds described herein.

K. Interest Charges; Late Fees. All Royalty Fees, BDF Fees, National Account Management Fees and other amounts which you owe to us or our affiliates will bear interest after the due date at the lesser of: (i) eighteen percent (18%) per annum; or (ii) the maximum contract rate of interest permitted by

law in the state in which the Business is located. In addition to the interest charges, we reserve the right to charge a late fee of twenty-five dollars (\$25), or the maximum rate applicable by law, for each delinquent payment that you owe to us under this Agreement. A payment is delinquent for any of the following reasons: (1) we do not receive the payment on or before the due date; or (2) there are insufficient funds in your bank account to collect the payment by a transfer of funds on or after the due date. The late fee is not interest or a penalty, it is only to compensate us for increased administrative and management costs due to late payment.

L. Application of Payments. We may apply against amounts due to us or any of our affiliates any payments received from you or any indebtedness of us to you.

M. Withholding Payments Unlawful. You agree that you will not withhold payment of any Royalty Fees, BDF Fees, National Account Management Fees, or any other amount due us, and that the alleged non-performance or breach of any of our obligations under this Agreement or any related agreement does not establish a right at law or in equity to withhold payments due us for Royalty Fees, BDF Fees, National Account Management Fees or any other amounts due.

N. Tax Indemnification. You will indemnify us and reimburse us for all income, capital, gross receipts, sales, and other taxes that the state in which the Business is located imposes, or may in the future impose, as a result of your operation of the Business or the license of any of our intangible property in the jurisdiction in which the Business is located. If more than one ALL ABOUT PEOPLE® franchisee is located in such jurisdiction, they will share the liability in proportion to their Gross Sales from the Business, except in the case of sales taxes and gross receipts taxes, which will be divided in proportion to taxable sales to the franchisees. If applicable, this payment is in addition to the Royalty Fee payments described above.

10. BUSINESS IMAGE AND OPERATING STANDARDS

A. Condition And Appearance Of Business/Rebuilding Of Business. You agree to maintain the condition and appearance of the Business, and refurbish and modify its layout, decor and general theme, as we may require to maintain the condition, appearance, efficient operation, ambience and overall image of ALL ABOUT PEOPLE® businesses (as we may modify). You will replace worn out or obsolete fixtures, equipment, furniture, or signs, repair the interior and exterior of the Business and periodically clean and redecorate the Business; provided that we will not require you to substantially modernize or refurbish the Business more than once every five (5) years starting from the Effective Date. Notwithstanding the foregoing, you acknowledge and agree that each and every renewal governed by Section 3(B) is expressly conditioned upon your compliance with these modernization and replacement requirements at the time of renewal. If at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Business premises or its fixtures, equipment, furniture or signs does not meet our then-current standards, we will so notify you, specifying the action you must take to correct the deficiency. To the extent the cooperation of the landlord is needed to complete the maintenance or refurbishing, you will use your best efforts to work with the landlord to correct the deficiency. If you fail, within ten (10) days after receipt of notice, to commence action and continue in good faith and with due diligence, to undertake and complete any required maintenance or refurbishing, we may (in addition to our rights under Section 16 below) enter the Business premises and correct the deficiencies on your behalf, and at your expense.

If the Business is damaged or destroyed by fire or any other casualty, you will, within thirty (30) days, initiate repairs or reconstruction, and thereafter in good faith and with due diligence continue (until completion) repairs or reconstruction, to restore the Business premises to its original condition before the casualty. If, in our reasonable business judgment, the damage or destruction is of a nature or to an extent that you cannot repair or reconstruct the premises of the Business you must relocate and open your Business

at a new location within the Protected Area in accordance with the relocation requirements outlined in Section 4(F).

B. Business Alterations. You cannot alter the premises or appearance of the Business, or make any unapproved replacements of or alterations to the fixtures, equipment, furniture or signs of the Business without our prior written approval. We may, in our sole business judgment and at your sole expense, correct any alterations to the Business not previously approved by us.

C. Restriction on Use of Premises. You agree that you will not, without our prior written approval, offer at the Business any products or services not then authorized by us for ALL ABOUT PEOPLE® Businesses, nor will the Business or the premises which you occupy be used for any purpose other than the operation of an ALL ABOUT PEOPLE® Business in compliance with this Agreement.

D. Your Hiring and Training of Employees. You will have sole authority and control over the day-to-day operations of the ALL ABOUT PEOPLE® Business and your employees and/or independent contractors. You agree to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the ALL ABOUT PEOPLE® Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will you or your employees be deemed to be employees of us or our affiliates. You will maintain at all times a staff of trained employees sufficient to operate the Business in compliance with our standards. All of your employees must sign a confidentiality agreement in a form we designate.

E. Products, Supplies and Materials. You agree that the Business will only offer for sale those products and services which we have approved as being suitable for sale and meeting the standards of quality and uniformity for the System. Certain products, equipment, supplies, materials and services must be purchased from suppliers approved by us (which may include us and/or our affiliates). We periodically may modify the lists of approved brands and suppliers, and you will comply with such modified lists of approved brands and suppliers. If you propose to offer for sale or purchase any products, equipment, supplies, materials or other services which we have not approved, you must first notify us in writing and provide sufficient information, specifications and samples concerning the brand and/or supplier to permit us to determine whether the brand complies with our specifications and standards and/or the supplier meets our approved supplier criteria. We will notify you within a reasonable time whether or not the proposed brand and/or supplier is/are approved. We may develop procedures for the submission of requests for approved brands or suppliers and obligations that approved suppliers must assume (which may be incorporated in a written agreement to be signed by approved suppliers). We will have the right to charge each proposed supplier a reasonable fee in reviewing a proposed brand or supplier. We may impose limits on the number of suppliers and/or brands for any products, equipment, supplies, materials and services to be used in the Business. You agree that certain products, materials, and other items and supplies may only be available from one source, and we or our affiliates may be that source. You will pay the then-current price in effect for approved products, equipment, supplies, materials and services you purchase from us, our affiliates or any third party we designate. WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, RESPECTING PRODUCTS, EQUIPMENT (INCLUDING ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER ITEMS THAT WE DISTRIBUTE OR THAT THIRD PARTIES APPROVED BY US MANUFACTURE OR DISTRIBUTE FOR USE IN THE SYSTEM.

F. Standards of Service. You must at all times give prompt, courteous and efficient service to your AAP Customers. You must, in all dealings with your AAP Customers, suppliers and the public, adhere to the highest standards of honesty, courtesy, integrity and fair dealing.

G. Specifications, Standards and Procedures. You acknowledge and agree that each and every detail of the appearance and operation of the Business is important to us and other ALL ABOUT PEOPLE® businesses. You agree to maintain the highest standards of quality and service in the Business and agree to comply with all mandatory specifications, standards and operating procedures (whether contained in the Operations Manual or any other written communication to you) relating to the appearance or operation of an ALL ABOUT PEOPLE® Business, including:

1. type, quality and uniformity of service;
2. methods and procedures relating to marketing, dealing with AAP Customers and providing services to AAP Customers;
3. the hours and days during which the Business is open for business as specified in the Operations Manual;
4. the safety, maintenance, cleanliness, function and appearance of the Business premises and its fixtures, equipment, furniture, décor and signs;
5. qualifications, dress, general appearance and demeanor of Business employees;
6. the style, make and/or type of equipment (including computer equipment) used in operating the Business;
7. use and illumination of exterior and interior signs, posters, displays, standard formats and similar items; and
8. business advertising and promotion.

H. Compliance with Laws and Good Business Practices. You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Business and must operate the Business in full compliance with all applicable laws, ordinances and regulations. You must notify us in writing within five (5) days of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, injunction, and award of decree, by any court, agency, or other governmental instrumentality that may adversely affect the operation or financial condition of you or the Business. You will not conduct any business or advertising practice which injures our business, the System or the goodwill associated with the Trademarks and other ALL ABOUT PEOPLE® businesses. You must comply with all applicable federal, state and local laws, ordinances and regulations regarding the operation of the Business (including, without limitation, all government regulations relating to occupational hazards and health regulations, health and sanitation laws and regulations, trademark and copyright infringement, fair marketing laws, consumer protection, trade regulation, workers' compensation, unemployment insurance, withholding and payment of federal and state income taxes and social security taxes and sales, use and property taxes, and the applicable provisions of the Americans with Disabilities Act ("ADA")). Furthermore, we reserve the right to run a background check on you, your principals (if applicable) and your staff members as we deem necessary in our sole discretion during the term of this Agreement to ensure that you are complying with all laws and good business practices.

I. Management Of the Business/Conflicting Interests. The Business must at all times be under your direct supervision or, if you are a partnership, corporation or limited liability company, a Principal Owner or a Branch Manager who we have approved and who has satisfactorily completed our designated training program. At all times, you must have a designated person to serve as the Branch Manager of the ALL ABOUT PEOPLE® Business. If a third-party Branch Manager supervises the Business,

you (or the Principal Owner) must remain active in overseeing Business operations. If there is more than one Principal Owner, the Principal Owners must designate (in writing) one Principal Owner who will oversee Business operations and represent you in interacting with us.

You must at all times faithfully, honestly and diligently perform your obligations and continuously use your best efforts to promote and enhance the Business. The person who is responsible for the day-to-day supervision of the Business (i.e., the Principal Owner or the Branch Manager) must assume responsibilities on a full-time basis and must not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitments or otherwise may conflict with your obligations and must attend and successfully complete our initial training program.

J. Working Capital. You must at all times maintain such working capital as may be reasonably necessary to enable you to properly and fully carry out and perform all of your duties, obligations and responsibilities hereunder and to operate the Business in a professional, proper and efficient manner.

K. Business Inspection. You agree that in order to maintain the high quality and uniform standards associated with the System and to protect its goodwill and reputation, you will permit us, during business hours, to inspect the location of the Business, confer with you and your employees (if applicable) and AAP Customers, observe and evaluate your operation methods, and perform any other inspection which we deem necessary to protect the standards of quality and uniformity of the System and your performance under this Agreement. You are obligated to make changes to your operations based upon any inspections by us. We are not required to provide you with any notice prior to conducting such an inspection.

L. Personal Conduct. You agree to refrain from committing any act or pursuing any course of conduct that tends to bring the Trademarks into disrepute.

M. Best Efforts. You must use best efforts to promote and consistently increase the exposure of ALL ABOUT PEOPLE® by soliciting AAP Customers within your Protected Area. All of your advertising and promotion must be completely factual and conform to the highest standards of ethical advertising. You agree to refrain from any business or advertising practice which may be injurious to the Business or the goodwill associated with the Trademarks and System.

N. Payment of Debts. You are solely responsible for: (i) selecting, retaining and paying your employees; (ii) the payment of all invoices for the purchase of goods and services used in connection with operating the Business, other than as expressly set forth in this Agreement; and (iii) determining whether, and on what terms, to obtain any financing or credit which you deem advisable or necessary for the operation of the Business. You agree to pay all current obligations and liabilities to suppliers and creditors on a timely basis. You agree to indemnify us in the event that we are held responsible for debts owed by you if we elect to pay any of your obligations in order to preserve the relationship between suppliers and System franchisees. You agree to make prompt payment of all federal, state and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, personal property taxes and real estate taxes arising from your operation of the Business, and you agree to indemnify us in the event that we are held responsible for these taxes.

O. Image. You agree to offer products and services and to operate the Business in such a manner that emulates and enhances the image we intend for the System. You further acknowledge and agree that each aspect of the System is important not only to you but also to us and to other System franchisees in order to maintain the highest operating standards, achieve system wide uniformity and increase the demand for the products sold and services rendered by System franchisees. You agree to comply with the standards, specifications and requirements we set forth in order to uniformly convey the distinctive image of a Business. You will, in the operation of the Business, use only business cards,

letterhead, and other items imprinted with the Trademarks as prescribed from time to time by us. You shall not (a) engage any AAP Customers that are engaged in any business, or (b) purchase any products that would, in our sole determination, reflect poorly on our brand, Trademarks and System.

P. Pending Actions. You must notify us, in writing, within five (5) days of the commencement of any action, suit or proceeding and the issuance of any order, suit or proceeding of any court, agency or other government instrumentality, including the receipt of any notice or citation, which may adversely affect the operation or financial condition of you or the Business.

Q. Insurance. You agree to purchase and maintain in force, at your expense, the following insurance (i) comprehensive general liability insurance with minimum limits of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate, (ii) workers' compensation and employers liability coverage with minimum limits of One Million Dollars (\$1,000,000) per accident, One Million Dollars (\$1,000,000) per employee and One Million Dollars (\$1,000,000) aggregate, (iii) professional liability coverage with minimum limits of One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) per aggregate, (iv) employment practice liability with minimum limits of One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) aggregate, (v) excess liability with minimum limits of One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) aggregate, (vi) non-owned and hired automobile liability with minimum coverage of One Million Dollars (\$1,000,000) per accident, commercial automobile liability for owned vehicles with minimum limits of One Million Dollars (\$1,000,000) per accident, (vii) third-party crime coverage with minimum limits of One Hundred Thousand Dollars (\$100,000) aggregate, and (viii) business interruption insurance and other insurance to meet statutory requirements. If any lease or client contract requires higher limits than listed above, the lease or client contract will control, provided that such lease or client contract does not lower the amount from the amount listed above.

1. All insurance policies will: (i) be issued by an insurance carrier(s) we designate or that meets our requirements; (ii) will name us and our affiliates as an additional insured; (iii) contain a waiver of the insurance company's right of subrogation against us; (iv) contain the above-mentioned insurance coverage for each ALL ABOUT PEOPLE® Business that you operate; and (v) provide that we will receive thirty (30) days' prior written notice of any material change in or termination, expiration or cancellation of any policy. We periodically may, with prior written notice to you, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. If you at any time fail to maintain in effect any insurance coverage we require, or to furnish satisfactory evidence thereof, we, at our option, may obtain insurance coverage for you. You agree to promptly sign any applications or other forms or instruments required to obtain any insurance and pay to us, on demand, any costs and premiums we incur. You will provide us with a copy of the certificate of insurance in compliance with these requirements at least two (2) weeks before you take possession and commence development of the Business premises. In addition, you will provide to us a copy of the certificate of or other evidence of the renewal or extension of each insurance policy.

2. Our acceptance of an insurance carrier does not constitute our representation or guarantee that the insurance carrier will be capable of meeting claims during the term of the insurance policy. You agree to carry such insurance as may be required by the lease of the Authorized Location or by any of your lenders or equipment lessors and such workers compensation insurance as may be required by applicable law.

3. You must provide us with copies of any insurance claims or insurance cancellations within twenty-four (24) hours. You have a period of twenty four (24) hours to cure any lapses in insurance coverage.

4. If you fail to comply with the minimum insurance requirements set forth herein. We have the right to obtain such insurance and keep same in force and effect and you will pay us, on demand, the premium cost thereof and administrative costs of eighteen percent (18%) in connection with our obtaining the insurance.

5. We will serve as the employer of record for your Temporary Staffing Associates. Based on information you provide to us, we will obtain and maintain during the term of this Agreement workers compensation insurance covering your Temporary Staffing Associates. As outlined above, you must reimburse us for all premiums, costs and expenses we incur in connection with providing this coverage. Additionally, you must reimburse us for any premium overages we are assessed in connection with the quarterly and/or yearly audit we and our insurance provider conduct relating to the workers compensation coverage provided for your Temporary Staffing Associates.

R. Participation in Internet Website. We require you to participate in an ALL ABOUT PEOPLE® website listed on the Internet or other online communications and participate in any extranet system we establish. We will determine the content and use of an ALL ABOUT PEOPLE® website and extranet system and will establish rules under which franchisees will participate. We will retain all rights relating to the ALL ABOUT PEOPLE® website and extranet system and may alter or terminate the website or extranet system upon thirty (30) days' notice to you. You acknowledge that we are the lawful, rightful and sole owner of the Internet domain name <http://www.allaboutpeople.net> and any other Internet domain names registered by us, and unconditionally disclaim any ownership interest in those or any colorably similar Internet domain name.

You acknowledge that certain information obtained through your online participation in the website or extranet system is considered Confidential Information, including access codes and identification codes. Your right to participate in the ALL ABOUT PEOPLE® website or extranet system or otherwise use the Trademarks or the System on the Internet will terminate when this Agreement expires or terminates.

11. ADVERTISING

A. Brand Development Fund. During the term of this Agreement, you will pay to us for deposit in a brand development fund (the "BDF Fund") a BDF Fee in the amount of three-quarter percent (0.75%) of Gross Sales. The BDF Fee is due and payable on Monday of each week and is payable by electronic transfer of funds or such other form of payment that we require. We will place all BDF Fees we receive in the BDF Fund and will manage such BDF Fund.

1. We will use contributions to the BDF Fund, in our sole discretion, to develop, produce and distribute national, regional and/or local advertising and to create advertising materials and public relations programs which promote, in our sole judgment, the products and services offered by the System. We have the sole right to determine contributions and expenditures of the BDF Fund, or any other advertising program, and the sole authority to determine, without limitation, the selection of the advertising materials and programs; provided, however, that we will make a good faith effort to expend the BDF Fund's contributions in the general best interests of the System on a national or regional basis. Nevertheless, you acknowledge that not all System franchisees will benefit directly or on a pro rata basis from the BDF Fund's expenditures. We may use the BDF Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, including the cost of: (i) preparing and producing television, radio, online, magazine and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; (ii) public relations activities and advertising agencies; (iii) developing and maintaining an Internet website and other digital promotional activities; (iv) the cost of holding a convention, and personnel and other departmental costs for advertising that we internally administer or prepare; and (v) the salary earned, and expenses incurred, by any national sales executive hired by us to obtain National Accounts on behalf of the ALL ABOUT PEOPLE®

System. While we do not anticipate that any part of the BDF Fund's contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the BDF Fund's contributions for public relations or recognition of the ALL ABOUT PEOPLE® brand and for the creation and maintenance of a web site, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available." Sales materials, if developed, may be sold to franchisees at a reasonable cost.

2. Our contribution to the BDF Fund for subsequent company-owned units will be paid at the rate provided for in our franchise disclosure document in the year that the company-owned unit is established. Should the advertising contribution for the System decrease at any time, we have the right to reduce our contribution from company-owned units to the rate specified for franchised locations. The BDF Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the BDF Fund. We may spend in any fiscal year an amount greater or less than the aggregate contributions of ALL ABOUT PEOPLE® businesses to the BDF Fund in that year. We may, through the BDF Fund, furnish you with approved local marketing plans and materials on the same terms and conditions as we impose on plans and materials we furnish to other ALL ABOUT PEOPLE® franchisees. Upon written request, we will provide you an annual unaudited statement of the receipts and disbursements of the BDF Fund for the most recent calendar year.

3. We may periodically assist franchisees in maintaining high quality standards by conducting customer surveys, customer interviews, and other similar initiatives ("Surveys"). The cost of such programs will be paid from the BDF Fund. The cost of these programs may be charged directly to you if your results from a Survey fall below System-established minimum standards for such Surveys.

4. We have the right to reimburse ourselves from the BDF Fund contributions for such reasonable costs and overhead, if any, as we may incur in activities reasonably related to the direction and implementation of the BDF Fund.

B. Local Advertising and Business Promotion. In addition to the BDF Fee due under Section 11(A) above, you will spend at least one thousand dollars (\$1,000) during each calendar month on "approved" Business advertising and promotional activities. Within ninety (90) days after the end of your fiscal year you will provide us with an accounting of the funds that you have spent for approved local advertising for the preceding calendar year. If you fail to spend the minimum amount required under this Section during the calendar year for approved local advertising, you will deposit with us the difference between what you should have spent for approved advertising during the calendar year and what you actually spent for approved advertising during the calendar year. We will deposit that amount in the BDF Fund or spend it in the Protected Area. For purposes of this Section, Business advertising and promotional activities are "approved" if they comply with Section 11(E) below.

C. Cooperative Advertising. While we currently have not established any regional advertising cooperatives, we reserve the right to do so in the future and you must participate in, support and contribute a proportionate share, but no more than an amount equal to one percent (1%) of the Gross Sales for the Business, of the cost of regional cooperative advertising programs we designate. We have the right to require that a purchasing and distribution cooperative, an advertising cooperative, and/or a franchisee advisory council be formed, changed, dissolved or merged and to establish the bylaws and other rules under which such groups will operate. Your contributions to regional and local advertising cooperatives will be credited toward your local advertising obligations described in Section 11(B) above.

D. Online Directory Advertising. You must, at your expense, list and advertise the Business in the online directories we direct, using our standard forms of listing. The cost of advertising will be credited towards your local advertising obligations as described in Section 11(B) above.

E. Approved Advertising, Media Plans and Business Promotion Materials. We may develop, and make available to you, local business media planning assistance. If we do so, you must use our recommended media plan in promoting the Business or otherwise develop, and obtain our advance written approval to, an alternative media/promotion plan. In addition, you will use only our approved advertising and promotional materials approved by us in promoting the Business. If you desire to use any advertising or promotional materials in promoting the Business which we previously have not approved, you must obtain written approval from us before using any such materials, which approval will not be unreasonably withheld. If we do not respond within fifteen (15) days from the date we receive your proposed materials, the materials are deemed disapproved. If we later determine that your advertising materials do not satisfy our then-current advertising and promotional standards, you will immediately cease using such materials upon written notice from us.

F. Participation in Certain Programs and Promotions. You will use your best efforts to promote and advertise the Business and will participate in all advertising and promotional programs we establish in the manner we direct. You will have the right to advertise and sell your products at the prices you determine, provided such prices are consistent with our general marketing and advertising guidelines.

G. Territorial Advertising Restriction. You are not permitted to solicit customers and/or advertise outside your Protected Area, except to the extent that you have received our prior written authorization, which we may withhold at our sole discretion. We may condition our authorization upon your agreement to offer System franchisees that are operating a Business in territories encompassed by the circulation base of the proposed advertising the opportunity to participate in, and share the expense of, such solicitation and/or advertising. The language in this Section is subject to the National Account language set forth in Section 2(D) of this Agreement. You may not advertise the Business or any products or services offered by the Business via the Internet or any other means of e-commerce without our prior written consent.

12. RECORDS AND REPORTS

A. Accounting and Records. During the term of this Agreement, you will, at your expense, maintain and retain for a minimum of seven (7) years from the date of their preparation, complete and accurate books, records and accounts (using such methods of bookkeeping and accounting as we may require) relating to the Business (the “Records”), in the form and manner we direct in the Operations Manual or otherwise in writing. Additionally, while we are the employer of record for your Temporary Staffing Associates, you will maintain and develop the Client relationship for placement of your Temporary Staffing Associates. You must provide us with all reports, forms and documents we request in connection with the placement of Temporary Staffing Associates and Direct Hires with Clients.

You must use any accounting and/or recordkeeping software we designate. The Records will include the following: (i) daily cash reports; (ii) cash receipts journal and general ledger; (iii) cash disbursements journal and weekly payroll register; (iv) monthly bank statements and daily deposit slips and canceled checks; (v) all tax returns relating to the Business and of each of the Principal Owners; (vi) suppliers’ invoices (paid and unpaid); (vii) semi-annual balance sheets and monthly profit and loss statements; and (viii) such other records and information as we periodically may request. You will be permitted to preserve Records and submit reports electronically, consistent with our requirements.

B. Reports and Tax Returns. You must complete and grant us access to the following: (i) weekly sales reports relating to Gross Sales; (ii) by the tenth (10th) of each month monthly financial statements for the previous month that include a complete profit and loss statement and a balance sheet; (iii) within ninety (90) days after the end of each fiscal year, an annual profit and loss statement and source and use of funds statement for the Business for the year and a balance sheet for the Business as of the end of the year, which must be reviewed by an independent certified public accountant; (iv) within thirty (30)

days after they are filed, a copy of your income tax returns, sales tax returns and payroll tax returns; and (v) such other reports as we may from time to time require, in the form and at the time we prescribe. Your fiscal year must be on a calendar year basis. You also will provide to us copies of all Records and other information and supporting documents as we designate. All financial statements, reports and information must be on forms we approve and signed and verified by you. We will have full access to all of your data, system, and related information by means of direct access, whether in person, or by telephone/modem installed and maintained at your sole expense. We have the right to disclose data derived from the reports you furnish to us in our Franchise Disclosure Document.

13. INSPECTION AND AUDITS

A. Our Right to Inspect the Business. To determine whether you are complying with this Agreement, we may, at any time during business hours and without prior notice to you, inspect the Business. You will fully cooperate with our representatives making any inspection and will permit our representatives to take photographs or videotapes of the Business and to interview employees, AAP Customers of the Business.

B. Our Right to Examine Books and Records. We may, at all reasonable times and without prior notice to you, examine, audit, or request copies of the Records, including the books, records and state and/or federal income tax records and returns of any Principal Owner. You must maintain all Records and supporting documents at all times at the Business premises. You will make financial and other information available at a location we reasonably request, and will allow us (and our agents) full and free access to any such information at the Business.

You also must make copies of any Records we request and deliver those Records to us or our designee. You otherwise will fully cooperate with our representative and independent accountants hired to conduct any examination or audit.

C. Result of Audit; Unreported Gross Sales. If any examination or audit discloses an understatement of Gross Sales, you will pay to us, within fifteen (15) days after receipt of the examination or audit report, the Royalty Fees and any BDF Fees due on the amount of the understatement, plus interest (at the rate provided in Section 9(M) above) from the date originally due until the date of payment. You must reimburse us for the cost of the audit or examination, including the charges of any independent accountants and the travel expenses, room and board and compensation of our employees, if: (i) an examination or audit is necessary because you failed to timely provide required information; or (ii) any examination or audit results in a determination that Gross Sales for any month are understated by greater than three percent (3%). The foregoing remedies are in addition to all other of our remedies and rights under applicable law.

14. COVENANTS

A. Non-Solicitation of Customers/Employees. During the term of this Agreement, and for a period of twenty four (24) months thereafter, neither you, your officers, directors, principals, or Branch Manager, nor any member of the immediate family of you or your officers, directors, principals, or Branch Manager may, directly or indirectly: (i) divert or attempt to divert any business, account, or AAP Customer of the Business or of any other ALL ABOUT PEOPLE® businesses or the System to any competing business; (ii) employ or seek to employ any person employed by you or us, or any other person who is at that time operating or employed by or at any other ALL ABOUT PEOPLE® business, or otherwise directly or indirectly induce such persons to leave their employment; (iii) attempt to copy the Business in a way that uses the Confidential Information; (iv) perform any act injurious or prejudicial to the goodwill associated with us or

the System; or (v) use any information regarding the AAP Customers for the direct or indirect purpose of providing Competing Services (as defined in Section 14(B) below).

B. Covenant Not To Compete During Term. During the term of this Agreement, neither you, your officers, directors, principals, or Branch Manager, nor any member of the immediate family of you or your officers, directors, principals, or Branch Manager may, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, maintain, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, lend money to, extend credit to, or assist any person or entity engaged in any business that provides staffing and/or recruiting services (“Competing Services”), except: (i) with our prior written consent; or (ii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities.

C. Post-Term Covenant Not To Compete. For a period of twenty four (24) months after this Agreement expires or is terminated or the date on which you cease to conduct the business franchised under this Agreement, whichever is later, neither you, your officers, directors, principals, or Branch Manager, nor any member of the immediate family of you or your officers, directors, principals, or Branch Manager may, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, maintain, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, lend money to, extend credit to, or assist any person or entity engaged in any business that provides Competing Services or any other related business that is competitive with or similar to an ALL ABOUT PEOPLE® business that is (i) located at the Authorized Location, (ii) within a fifty (50) mile radius of the Protected Area or the protected area of any other then-existing ALL ABOUT PEOPLE® business; provided, however, that this Section 14(C) will not apply to: (i) other ALL ABOUT PEOPLE® businesses that you operate under ALL ABOUT PEOPLE® franchise agreements; or (ii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities.

You agree that the length of time in Section 14(C) above will be tolled for any period during which you are in breach of the covenants or any other period during which we seek enforcement of this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

15. ASSIGNMENT

A. By Us. This Agreement is fully assignable by us and benefits our successors and assigns. Any such assignment will require the assignee to fulfill our obligations under this Agreement.

B. Your Assignment to Corporation or Limited Liability Company. If you are an individual and desire to assign your rights under this Agreement to a corporation, partnership or limited liability company, we may consent to such transfer provided: (i) the corporation, partnership, or limited liability company is newly organized and its activities are confined to operating the Business; (ii) you are, and at all times remain, the owner of 51% of the outstanding shares of the corporation or a controlling interest in the limited liability company or partnership; (iii) you and all Principal Owners of the assignee entity sign the Personal Guaranty attached hereto as Exhibit C; (iv) you provide us fifteen (15) days’ prior written notice before the proposed date of assignment of this Agreement to the corporation or limited liability company; (v) you provide to us a certified copy of the articles of incorporation, operation agreement, organizational documents, a list of all shareholders or members having beneficial ownership, reflecting their respective interest in the assignee entity; (vi) the organizational documents and all issued and outstanding stock or membership certificates will bear a legend, in a form acceptable to us, reflecting or referring to the assignment restrictions stated in Section 15(C) below; and (vii) the corporation, partnership, or limited

liability company agrees in writing to assume all of your obligations hereunder. You will not pay a transfer fee for an assignment under Section 15(B).

C. Your Assignment or Sale of Substantially All of Your Assets. You understand that we have granted the franchise under this Agreement in reliance upon your individual or collective character, aptitude, attitude, business ability and financial capacity. You (and your Principal Owners) shall not sell, transfer, assign or encumber your interest in the Business without our prior written consent. Any sale, transfer, assignment or encumbrance made without our prior written consent shall be voidable at our option and shall subject this Agreement to termination as specified herein. A sale, transfer or assignment requiring our prior written consent shall be deemed to occur: (i) if you are a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of your voting stock or any increase in the number of outstanding shares of your voting stock that results in a change of ownership; (ii) if you are a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if you are a limited liability company, upon the assignment, sale, pledge or transfer or any interest in the limited liability company. Any new partner, shareholder, or member or manager will be required to personally guarantee your obligations under this Agreement. We will not unreasonably withhold our consent to an assignment, provided you comply with any or all of the following conditions which we may deem necessary:

1. All of your accrued monetary obligations to us and our affiliates have been satisfied, and you otherwise are in good standing under this Agreement;
2. The transferee-franchisee (or the managing Principal Owners, if applicable) is approved by us and demonstrates to our satisfaction that he/she meets our managerial, financial and business standards for new franchisees, possesses a good business reputation and credit rating, and has the aptitude and ability to conduct the Business. You understand that we may communicate directly with the transferee-franchisee during the transfer process to respond to inquiries, as well as to insure that the transferee-franchisee meets our qualifications;
3. The transferee-franchisee signs our then-current standard form of franchise agreement;
4. The transferee-franchisee successfully completes the initial training program required of new franchisees and, at our option, pays us our then-current training fee;
5. If required, the lessor of the Business premises consents to your assignment or sublease of the premises to the transferee-franchisee;
6. You pay us a five thousand dollar (\$5,000) assignment fee. There is not an assignment fee due upon transfer to heirs or immediate family members;
7. You (and each Principal Owner, if applicable) sign a general release, in form and substance satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees and agents, except to the extent limited or prohibited by applicable law;
8. We approve the material provisions of the assignment or sale of assets which assignment or sale cannot permit you to retain a security interest in this Agreement or any other intangible asset and you or franchisee-transferee shall provide us with a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including franchisee-transferee's assumption of and agreement to faithfully perform all of your obligations under this Agreement;

9. You must cure all existing defaults under this Agreement, or any other agreement between you and us, our affiliates, or our designated/approved suppliers and vendors, within the period permitted for cure and you must have substantially complied with such agreements during their respective terms;

10. You (and each Principal Owner, if applicable) sign an agreement, in form satisfactory to us, in which you and each Principal Owner covenants to observe the post-termination covenant not to compete and all other applicable post-termination obligations;

11. The transferee-franchisee must obtain, within the time limits set by us, and maintain thereafter, all permits and licenses required for the operation of the Business;

12. The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

13. The purchase price and terms of the proposed transfer are not so burdensome to the prospective franchisee-transferee as to impair or materially threaten the future operation of the Business and performance under the franchise agreement;

14. You must request that we provide the prospective transferee-franchisee with our current form of disclosure document and we shall not be liable for any representations not included in the disclosure document;

15. Our approval of the transfer shall not constitute a waiver of any claims we may have against the transferring party;

16. We shall have the right to disclose to any prospective transferee-franchisee such revenue reports and other financial information concerning you and your Business as you have supplied us hereunder; and

17. In any event, we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise.

D. Your Death or Disability. If you (or the managing Principal Owner) die or are permanently disabled, your executor, administrator or other personal representative, or the remaining Principal Owners, must appoint a competent Branch Manager acceptable to us within a reasonable time, not to exceed thirty (30) days, from the date of death or permanent disability. The appointed Branch Manager must satisfactorily complete our designated training program. If a Branch Manager we approve of is not appointed within thirty (30) days after your death or permanent disability, we may, but are not required to, immediately appoint a Branch Manager to maintain Business operations on your behalf until an approved assignee can assume the management and operation of the Business, or we may (but are not required to) operate your Business on your behalf and at your expense for such period of time (and under such terms and conditions) as we determine. Our appointment of a Branch Manager or operational take-over does not relieve you of your obligations, and we will not be liable for any debts, losses, costs or expenses incurred in operating the Business or to any of your creditors for any products, materials, supplies or services purchased by the Business while it is managed by our appointed Branch Manager. We may charge a reasonable fee for management services and may cease to provide management services at any time. You (and/or your estate) will indemnify us against any costs and/or liabilities incurred by us in connection with, or related in any way to, the operation (or otherwise) of the Business.

Furthermore, if you (or the managing Principal Owner) die or are permanently disabled, such person's legal representative will have the right to continue the operation of the Business as franchisee under this Agreement if: (i) within one hundred eighty (180) days from the date of death, disability or incapacity (the "180-Day Period"), such person has furnished a personal guaranty of any corporation, partnership, or limited liability company your obligations to us and our affiliates; and (ii) such person successfully completes our training program (which we will provide at our then-current tuition rate).

E. Public or Private Offerings. Subject to Section 15(C) above, if you (or any of your Principal Owners) desire to raise or secure funds by the sale of securities (including common or preferred stock, bonds, debentures or general or limited partnership interests) in you or any of your affiliates, you agree to submit to us any written information we request before its inclusion in any registration statement, prospectus or similar offering circular or memorandum and must obtain our written consent to the method of financing before any offering or sale of securities. Our written consent will not imply or represent our approval respecting the method of financing, the offering literature submitted to us or any other aspect of the offering. No information respecting us or any of our affiliates will be included in any securities disclosure document, unless we furnish the information in writing in response to your written request, which request will state the specific purpose for which the information is to be used. Should we object to any reference to us or any of our affiliates in the offering literature or prospectus, the literature or prospectus will not be used unless and until our objections are withdrawn. We assume no responsibility for the offering.

The prospectus or other literature utilized in any offering must contain the following language in boldface type on the first textual page:

"NEITHER ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC NOR ANY OF ITS AFFILIATES IS DIRECTLY NOR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED. NEITHER ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC NOR ANY OF ITS AFFILIATES ASSUMES ANY RESPONSIBILITY RESPECTING THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED HEREIN. NEITHER ALL ABOUT PEOPLE SERVICES, LLC NOR ANY OF ITS AFFILIATES ENDORSES OR MAKES ANY RECOMMENDATION RESPECTING THE INVESTMENT CONTEMPLATED BY THIS OFFERING."

F. Our Right of First Refusal. If you or your Principal Owners at any time during the term of this Agreement desire to sell or assign for consideration the franchise, the Business, any ownership interest in you or all or substantially all of your assets, you or your Principal Owners must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must deliver a copy of the offer to us. We have the right, exercisable by written notice delivered to you or your Principal Owners within thirty (30) days following receipt of the proposed offer, to purchase the interest in the Business or your ownership interest for the price and on terms contained in the offer. We may substitute cash for any non-cash form of payment proposed in the offer and will have a minimum of sixty (60) days to prepare for closing. If we do not exercise our right of first refusal, you or your Principal Owners may complete the sale to the proposed purchaser under the terms of the offer, provided you and the Principal Owners otherwise comply with this Section 15. If the sale to the proposed purchaser is not completed within one hundred twenty (120) days after delivery of the offer to us, or if there is a material change in the terms of the sale, we again have the right of first refusal.

G. Guaranty. All Principal Owners of you, if you are a corporation, partnership or other entity, will sign the Guaranty and Assumption Agreement in the form attached to this Agreement as Exhibit C (the "Guaranty Agreement"). Any person or entity that at any time after the date of this Agreement becomes a Principal Owner of you under the provisions of this Section 15 or otherwise will, as a condition of becoming

a Principal Owner, sign the Guaranty Agreement. You will furnish to us at any time upon reasonable request a certified copy of the Articles of Incorporation or Articles of Organization and a list, in a form we reasonably require, of all shareholders or members of record and all persons having a beneficial interest in any corporation or other entity that is or becomes a franchisee. Additionally, the spouse of each person required to sign the Guaranty Agreement must sign the Spouse Confidentiality and Restrictive Covenant Agreement attached to this Agreement as Exhibit E-2.

16. OUR TERMINATION RIGHTS

A. Automatic Termination. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

1. Voluntary Bankruptcy. If you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the Business.

2. Involuntary Bankruptcy. If proceedings are commenced to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for you or the Business without your consent, and the appointment is not vacated within sixty (60) days.

3. Unauthorized Transfer. If you purport to sell, transfer or otherwise dispose of you or any interest in this Agreement or the Business in violation of Section 15 hereof.

B. With Notice and Without Opportunity to Cure. We have the right to terminate this Agreement upon notice without providing you an opportunity to cure for any of the following breaches or defaults:

1. Criminal Acts. If you or your principals are convicted of or plead guilty or no contest to a felony, or other offense related to the operation of the Franchised Business or which we believe, in our sole discretion, is likely to have an adverse effect on the Trademarks or the goodwill associated therewith.

2. Fraud. If you or your principals commit any fraud or misrepresentation in the operation of Business.

3. Misrepresentation. If you or your principals make any misrepresentation or omission in connection with your franchise application, including but not limited to any financial misrepresentation.

4. Failure to Complete Training. If you fail to complete initial training program.

5. Repeated Breaches. If we send you two (2) or more written notices to cure pursuant to Sections 16(C) or 16(D) hereof in any twelve (12) month period, regardless of whether the defaults set forth in the notices were subsequently cured.

6. Breach of Other Agreements. If you or your principals materially breach any other agreement with us or any of its affiliates, or threaten any material breach of any such agreement, and fail to cure such breach within any permitted period for cure.

7. Misuse of the Trademarks or Confidential Information. If you or your principals materially violate any provision hereof pertaining to Trademarks or Confidential Information or misuse the Trademarks or Confidential Information.

8. Violation of In-Term Restrictive Covenant. If you violate the in-term restrictive covenant contained in Sections 14(A) or 14(B).

9. Liens. If a levy of writ of attachment or execution or any other lien is placed against you or any of your principals or any of their assets which is not released or bonded against within thirty (30) days.

10. Insolvency. If you or any of your principals become insolvent.

11. Abandonment. If you voluntarily or otherwise abandon the Business. The term “abandon” includes any conduct which indicates a desire or intent to discontinue the Business in accordance with the terms of this Agreement and will apply in any event you fail to operate the Business for a period of five (5) or more consecutive days without our prior written approval.

12. Unauthorized Products or Services. If you offer any unauthorized and unapproved products or services at or from the Business.

13. Unapproved Purchases. If you order or purchase supplies, signs, furnishings, fixtures, equipment or inventory from a supplier which we have not approved.

14. Proprietary Software. If you misuse or make unauthorized use of any Proprietary Software we may now or in the future develop for use in connection with the System.

15. Insurance. If you fail to maintain insurance or to repay us for insurance paid for by us, or otherwise fail to adhere to the requirements of Section 10(Q).

16. Government Regulations. If you fail, within fifteen (15) days after notification of non-compliance by federal, state or local government authorities, to comply with any law or regulation applicable to the Business.

17. Government Actions. If any government action is taken against you that results in any obligation upon us which in our sole judgment is uneconomical, not in the best interests of us, or would result in us having an unintended relationship or obligation.

18. Anti-Terrorist Activities. If you fail to comply with the provisions of Section 20(N).

19. Personal Use of Business Property. If you take for your own personal use any assets or property of the Business, including employee taxes, FICA, insurance or benefits.

20. Insufficient Funds. If there are insufficient funds in your bank account to cover a check or electronic funds transfer payment to us two (2) or more times within any twelve (12) month period.

21. Deception. You willfully and repeatedly deceive AAP Customers relative to the source, nature or quality of services provided.

22. Unapproved Website. You develop or use an unapproved website in connection with the Business or otherwise conduct any unauthorized activity on the Internet in violation of Section 6(C) above.

23. Failure to Comply with Minimum Performance Requirements. You fail to meet your minimum performance requirements as outlined in Section 2(E) on two (2) or more occasions.

C. Upon 15 Days' Notice to Cure. We have the right to terminate this Agreement if any of the following defaults remain uncured after expiration of a fifteen (15) day cure period:

1. Nonpayment. If you fail to pay as and when due any sums owed to us, any of our affiliates, or any of our approved suppliers or vendors.

2. Endorsement of Checks. If you fail to immediately endorse and deliver to us any payments due to us from any third party that is erroneously made to you.

3. Failure to Open. If you fail to commence operations of the Business within the time periods prescribed in Section 4(E) of this Agreement.

4. Interruption of Service. If you fail to maintain the prescribed months, days or hours of operation at the Business.

5. Failure to Personally Supervise Business Operations. If you fail, in our sole discretion, to personally supervise day-to-day operations of the Business or fails to employ a sufficient number of qualified, competent personnel as we prescribe.

6. Quality Control. If you fail to maintain the strict quality controls reasonably required by this Agreement and/or the Operations Manual.

7. Other Conduct Reflecting Adversely on System. If you conduct yourself in a manner that, although not criminal, reflects adversely on the System, the Trademarks, or the products offered through the System.

8. Licenses and Permits. If you fail to procure or maintain any licenses, certifications, or permits necessary for the operation of Business.

D. Upon 30 Days' Notice to Cure. We have the right to terminate this Agreement after providing notice and a thirty (30) day period to cure if you fail to perform or comply with any one or more of the terms or conditions of this Agreement, the Operations Manual, or any ancillary agreements between you and us or our affiliates.

E. Nonwaiver. Our delay in exercising or failing to exercise any right or remedy under this Agreement or our acceptance of any late or partial payment due hereunder will not constitute a waiver of any of our rights or remedies against you.

F. Step In Rights. In addition to our right to terminate this Agreement, and not in lieu of such right, or any other rights, we may have against you, upon a failure to cure any default within the applicable time period (if any), we have the right, but not the obligation, to exercise complete authority with respect to the operation of the Business until such time as we determine, in our sole discretion that the default has been cured, and you are otherwise in compliance with this Agreement. In the event we exercise the rights described in this Section, you must reimburse us for all reasonable costs and overhead, if any, incurred in

connection with our operation of your Business including, without limitations, costs of personnel for supervising and staffing the Business and their travel and lodging accommodations. If we undertake to operate the Business pursuant to this Section, you agree to indemnify and hold us (and our representative(s) and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of our operation of the Business.

17. YOUR OBLIGATIONS UPON TERMINATION

A. Post-Term Duties. If this Agreement expires and is not renewed or is terminated for any reason you will:

1. cease immediately all operations under this Agreement;
2. within ten (10) days after termination, pay all amounts due and owing to us, our affiliates and our vendors, including all Royalty Fees, BDF Fees and accrued interest due under this Agreement;
3. discontinue using, and return to us by first class prepaid United States mail any hard copies of, the Operations Manuals and any other manuals, advertising materials, and all other printed materials relating to the operation of the Franchise;
4. immediately cease using all telephone and facsimile numbers and listings, as well as any permitted domain names, social media sites or email addresses, used in connection with the operation of the Business (collectively, the “Assigned Property”), and direct the telephone company, domain name registrar, or other applicable third party to transfer all such Assigned Property to us or our designee pursuant to the Conditional Assignment of Telephone Numbers and Domain Name attached hereto as Exhibit D, which must be signed by you upon execution of this Agreement;
5. remove from the Business premises and at our option destroy or return to us all signs, posters, fixtures, decals, wall coverings, stationery, and other materials that are distinctive of a Business or bear the name “All About People” or other Trademarks or any name or mark substantially similar to any Trademark and discontinue immediately the use of the Trademark and cease immediately to hold yourself out as our franchisee or as otherwise affiliated with the System;
6. discontinue using the Proprietary Software, including the return of all materials relating to the Proprietary Software, and provide us or our designee with full access to your Computer System hard drive to delete the Proprietary Software and related content;
7. take such action as will be necessary to amend or cancel any assumed name, business name or equivalent registration which contains any trade name or other Trademarks we licensed to you and furnish us evidence satisfactory to us of compliance with this obligation within fifteen (15) days after the termination, expiration or transfer of this Agreement;
8. immediately cease using Confidential Information and return to us all documents, including those documents in electronic format, that contain Confidential Information;
9. make such changes and modifications to the exterior and interior appearance of the Business premises that we designate including, but not limited to: (i) repainting the premises with totally different colors; (ii) removing all signs and other materials bearing the name “All About People” and other Trademarks; (iii) removing from the premises all fixtures which are indicative of

ALL ABOUT PEOPLE® businesses; (iv) taking such other action, at your expense, as we may reasonably require.

10. cease using all Customer Data or communicate with any AAP Customers;
11. cease to use in advertising or in any other manner, any methods, procedures or techniques associated with us or the System;
12. permit us to make final inspection of your financial records, books, and other accounting records within one (1) month of the effective date of termination, expiration, or transfer; and
13. execute from time to time any necessary papers, documents, and assurances to effectuate the intent of this Section 18; and
14. comply with all other applicable provisions of this Agreement, including the non-compete provisions.

Upon termination of this Franchise Agreement for any reason, your right to use the name “All About People” and the other Trademarks and the System will immediately terminate and you (and the Principal Owners) will not in any way associate yourself/themselves as being associated with us. If you fail to immediately initiate modifications to the premises of the former Business or complete such modifications within any period of time we deem appropriate, you agree that we or our designated agents may enter the premises of the former Business to make such modifications, at your risk and expense, without responsibility for any actual or consequential damages to your property or others, and without liability for trespass or other tort or criminal act.

B. Our Option To Purchase Business. If this Agreement expires or is terminated for any reason, we have the option, upon thirty (30) days’ written notice from the date of expiration or termination, to purchase from you all the tangible and intangible assets relating to the Business (excluding any unsalable inventory, cash, short-term investments and accounts receivable) (collectively, the “Purchased Assets”) and to obtain an assignment of your lease for (i) the Business premises (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as your lease) and (ii) any other tangible leased assets used in operating the Business. We may assign this option to purchase and assignment of leases separate and apart from the remainder of this Agreement.

The purchase price for the Business will be the “Book Value” (as defined below) of the Purchased Assets. “Book Value” means the net book value of the Purchased Assets, as disclosed in the last quarterly statement of the Business provided to us under Section 12(B) before termination or expiration, provided, however, that: (i) each depreciable asset will be valued on a “straight-line” basis without provision for salvage value; (ii) we may exclude from the Purchased Assets any products or other items that were not acquired in compliance with this Agreement; and (iii) we may exclude from Book Value any provision for goodwill or similar value attributable to intangible property. If we are not satisfied with the accuracy or fairness of any financial statements, or none has been submitted, our regularly employed firm of certified public accountants will determine (by audit) the Book Value. We and you will equally bear the cost of the audit. The results of the audit will be final and binding on both parties.

The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur no later than sixty (60) days after we deliver notice of our election to purchase the Business, unless Book Value is determined by audit, in which case the closing will occur within a reasonable time, not to exceed sixty (60) days, after the results of the audit are made available. At the closing, you will

deliver documents transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to us or our designee and such other documents we may reasonably request to permit us to operate the Business without interruption. We may set off against and reduce the purchase price by all amounts you owe to us or any of our affiliates. If we exercise our option to purchase the Business, we may, pending the closing, appoint a manager to maintain Business operations.

C. Continuing Obligations. All obligations of us and you which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect following its expiration or termination and until they are satisfied or expire.

D. Damages, Costs, and Expenses. In the event of termination for any default by you, you will promptly pay to us all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of the default, which obligation will give rise to and remain, until paid in full, a lien in favor of us against any and all of your personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Business.

18. DISPUTE RESOLUTION

A. Choice of Law. This Agreement will be governed by and construed in accordance with the laws of the State of Arizona (without reference to its conflict of laws principals).

B. Internal Dispute Resolution. You must first bring any claim or dispute between you and us to our President and/or Chief Executive Officer, after providing notice as set forth in Section 19(F) below. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

C. Mediation. At our option, all claims or disputes between you and us or our affiliates arising out of, or in any way relating to, this Agreement or any other agreement by and between you and us or our affiliates, or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Section 19(B) above, must be submitted first to non-binding mediation, in or closest to Phoenix, Arizona, under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. We will have a period of thirty (30) days following receipt of such notice within which to notify you as to whether we or our affiliates elect to exercise the option to submit such claim or dispute to mediation. You may not commence any action against us or our affiliates with respect to any such claim or dispute in any court unless we fail to exercise our option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated as the result of a written declaration either: (i) of the mediator(s) that further mediation efforts are not worthwhile; or (ii) by us. Our rights to mediation, as set forth herein, may be specifically enforced by us. Each party will bear its own cost of mediation and we and you will share mediation costs equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 19(C) if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Trademarks, the System, or in any Confidential Information; or (ii) any of the restrictive covenants contained in this Agreement.

D. Selection of Venue. Nothing contained in this Agreement will prevent us from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction,

preliminary injunction and/or other emergency relief available to safeguard and protect our interests. Notwithstanding the foregoing, the parties expressly agree to the jurisdiction and venue of any state court of general jurisdiction nearest to Phoenix, Arizona, and the jurisdiction and venue of the United States District Court presiding over Phoenix, Arizona. You acknowledge that this Agreement has been entered into in the State of Arizona and that you are to receive valuable and continuing services emanating from our headquarters in Phoenix, Arizona, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, you hereby irrevocably consent to the personal jurisdiction of the state and federal courts of Phoenix, Arizona set forth above. The parties agree that all proceedings, whether litigation or mediation, will be conducted on an individual, not a class-wide basis, and that any proceeding between you or your principals and guarantors and us or your principals, affiliates or employees may not be consolidated with any other proceeding between us and any other person or entity.

E. Third Party Beneficiaries. Our officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including, but not limited to, the mediation provision set forth in this Section 19, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by you.

F. Prior Notice of Claims. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice will preclude any claim for damages.

G. No Right to Offset. You are prohibited from withholding all or any part of any payment to us or any of its affiliates on the grounds of our alleged nonperformance or as an offset against any amount we or any of our affiliates allegedly may owe you under this Agreement or any related agreements.

H. Injunctive Relief. Nothing in this Agreement will prevent us from seeking to obtain injunctive relief, without posting a bond, against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions. If injunctive relief is granted, your only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, you expressly waive all claims for damages you incurred as a result of the wrongful issuance.

I. Limitation of Action. You further agree that no cause of action arising out of or under this Agreement may be maintained by you against us unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us hereunder, whichever occurs sooner, and that any action not brought within this period will be barred as a claim, counterclaim, defense, or set-off.

1. You hereby waive the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by us, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

J. Waiver of Punitive Damages. You hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, that your recovery is limited to actual damages. If any other term of this Agreement is found or

determined to be unconscionable or unenforceable for any reason, the foregoing language will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

K. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

19. ENFORCEMENT

A. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or non-renewal of this Agreement than is required, or the taking of some other action not required, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure we prescribe is invalid or unenforceable, the prior notice and/or other action required by law or rule will be substituted for the comparable provisions.

B. Waiver of Obligations. Our waiver of any breach by you, or our delay or failure to enforce any provision of this Agreement, will not be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights respecting that or any other breach.

C. Rights of Parties are Cumulative. The rights that we and you have are cumulative and no exercise or enforcement by either party of any right or remedy precludes such party from exercising or enforcing any other right or remedy to which such party is entitled by law or equity to enforce.

D. Binding Effect. This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified except by written agreement signed by both you and us. Except as provided above, this Agreement is not intended, and will not be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

E. References. If you consist of two (2) or more individuals, such individuals will be jointly and severally liable, and references to you in this Agreement will include all such individuals. Reference to you as neuter or a male will also include a neuter, male or female you as relevant in the context.

F. Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

1. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

2. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree or are required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise “reasonable business judgment” in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of “reasonable business judgment,” even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other of our individual interests. Examples of items that will promote or benefit the System include enhancing the value of the Trademarks, improving AAP Customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System. Neither you nor any third party (including a trier of fact) will substitute their judgment for our reasonable business judgment.

G. Waiver of Punitive Damages. You and we and our affiliates agree to waive, to the fullest extent permitted by law, the right to or a claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between us, each will be limited to the recovery of actual damages sustained by it.

H. Jury Waiver. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement.

I. Force Majeure. If any party fails to perform any obligation under this Agreement due to a cause beyond the control of and without the negligence of such party, such failure will not be deemed a breach of this Agreement, provided such party uses reasonable best efforts to perform such obligations as soon as possible under the circumstances. Such causes include strikes, wars, riots, civil commotion, and acts of government, except as may be specifically provided for elsewhere in this Agreement.

J. Notice of Our Potential Profit. We advise you that we and/or our affiliates periodically may make available to you goods, products and/or services for use in the Business on the sale of which we and/or our affiliates may make a profit. We further advise you that we and our affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, products or services to you or in consideration for services provided or rights license to such persons. You agree that we and our affiliates will be entitled to such profits and consideration.

K. Entire Agreement. The “Introduction” section, the exhibit(s) to this Agreement, and that certain Disclosure Acknowledgment Agreement signed contemporaneously by you are a part of this Agreement, which represents the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. Nothing in this Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document we provided to you.

L. Anti-Terrorist Activities. You certify that neither you, nor your owners, principals, employees or anyone associated with you are listed in the Annex to Executive Order 13224 (the “Annex”). You agree not to hire or have any dealings with a person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, your owners, principals, employees, or anyone associated with you being listed in the Annex. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, you certify, represent, and warrant that none of your property or interests is subject to being “blocked” under any of the Anti-Terrorism Laws and that you and your owners or principals are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for

ascertaining what actions must be taken by you to comply with all such Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities as provided in Section 8(B) of this Agreement pertain to your obligations under this Section 20(N). Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your owners, principals or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or one of our affiliates in accordance with the terms of Section 16(B)(18) of this Agreement. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies lists and any other requirements of any governmental authority (including without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts or acts of war.

M. Attorneys' Fees. If you are in breach or default of any monetary or non-monetary material obligation under this Agreement or any related agreement between you and us and/or our affiliates, and we engage an attorney to enforce our rights (whether or not formal judicial proceedings are initiated), you must pay all reasonable attorneys' fees, court costs and litigation expenses we incur. If you institute any legal action to interpret or enforce the terms of this Agreement, and your claim in such action is denied or the action is dismissed, we are entitled to recover our reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

20. NOTICES

Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be in writing and signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid, and if such notice is a notice of default or of termination, by registered or certified mail or overnight delivery, and addressed as follows:

1. If intended for us, addressed to All About People Franchise Services, LLC, 4422 E. Indian School Road, Phoenix, Arizona 85018; with a copy to Megan B. Center, Esq., Fox Rothschild LLP, 2700 Kelly Road, Suite 300, Warrington, PA 18976.

2. If intended for you, addressed to you at _____

in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Section.

21. ACKNOWLEDGEMENTS

A. **No Authority; No Representations.** NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE US EXCEPT OUR AUTHORIZED OFFICER BY A WRITTEN DOCUMENT. YOU ACKNOWLEDGE THAT NO REPRESENTATIONS, PROMISES, INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE BY US OR ON OUR BEHALF WHICH HAVE LED YOU TO ENTER INTO THIS AGREEMENT. YOU UNDERSTAND THAT WE AND ANY OF OUR REPRESENTATIVES AND/OR AGENTS WITH WHOM YOU HAVE MET HAVE NOT MADE AND ARE NOT MAKING ANY

GUARANTEES AS TO THE EXTENT OF YOUR SUCCESS IN YOUR BUSINESS, AND HAVE NOT AND ARE NOT IN ANY WAY REPRESENTING OR PROMISING ANY SPECIFIC AMOUNTS OF EARNINGS OR PROFITS IN ASSOCIATION WITH YOUR BUSINESS. YOU UNDERSTAND THAT WHETHER YOU SUCCEED AS A FRANCHISEE IS DEPENDENT UPON YOUR EFFORTS, BUSINESS JUDGMENTS, THE PERFORMANCE OF YOUR EMPLOYEES, MARKET CONDITIONS AND VARIABLE FACTORS BEYOND OUR CONTROL OR INFLUENCE. YOU FURTHER UNDERSTAND THAT SOME FRANCHISEES ARE MORE OR LESS SUCCESSFUL THAN OTHER FRANCHISEES AND THAT WE HAVE MADE NO REPRESENTATION THAT YOU WILL DO AS WELL AS ANY OTHER FRANCHISEE.

B. Opportunity for Review by Your Advisors. YOU ACKNOWLEDGE THAT WE HAVE RECOMMENDED, AND THAT YOU HAVE HAD THE OPPORTUNITY TO OBTAIN, REVIEW OF THIS AGREEMENT BY YOUR LAWYER, ACCOUNTANT OR OTHER BUSINESS ADVISOR PRIOR TO EXECUTION HEREOF. YOU ACKNOWLEDGE THAT YOU HAVE BEEN GIVEN THE OPPORTUNITY TO CLARIFY ANY PROVISION OF THIS AGREEMENT THAT YOU MAY NOT HAVE INITIALLY UNDERSTOOD AND THAT WE HAVE ADVISED YOU TO HAVE THIS AGREEMENT REVIEWED BY AN ATTORNEY. YOU ACKNOWLEDGE THAT YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT AND RECOGNIZE THAT IT INVOLVES BUSINESS RISKS WHICH MAKE THE SUCCESS OF THE VENTURE LARGELY DEPENDENT UPON YOUR ABILITIES AND EFFORTS.

C. Execution of Agreement. EACH OF THE UNDERSIGNED PARTIES WARRANTS THAT IT HAS THE FULL AUTHORITY TO SIGN AND EXECUTE THIS AGREEMENT. IF YOU ARE A PARTNERSHIP, LLC, OR CORPORATION, THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF SUCH ENTITY WARRANTS TO US, BOTH INDIVIDUALLY AND IN HIS CAPACITY AS PARTNER, MANAGER/MEMBER, OR OFFICER, THAT ALL OF THE PARTNERS OF THE PARTNERSHIP, MANAGERS/MEMBERS OF THE LLC, OR ALL OF THE SHAREHOLDERS OF THE CORPORATION, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT, INCLUDING ANY RESTRICTIONS WHICH THIS AGREEMENT PLACES UPON RIGHTS TO TRANSFER THEIR INTEREST IN THE PARTNERSHIP, LLC, OR CORPORATION.

D. No Personal Liability. YOU AGREE THAT FULFILLMENT OF ANY AND ALL OF OUR OBLIGATIONS WRITTEN IN THIS AGREEMENT OR BASED ON ANY ORAL COMMUNICATIONS WHICH MAY BE RULED TO BE BINDING IN A COURT OF LAW WILL BE OUR SOLE RESPONSIBILITY AND NONE OF OUR AGENTS, REPRESENTATIVES, NOR ANY INDIVIDUALS ASSOCIATED WITH US WILL BE PERSONALLY LIABLE TO YOU FOR ANY REASON. THIS IS AN IMPORTANT PART OF THIS AGREEMENT. YOU AGREE THAT NOTHING THAT YOU BELIEVE YOU HAVE BEEN TOLD BY US OR OUR REPRESENTATIVES WILL BE BINDING UNLESS IT IS WRITTEN IN THIS AGREEMENT. THIS IS AN IMPORTANT PART OF THIS AGREEMENT. DO NOT SIGN THIS AGREEMENT IF THERE IS ANY QUESTION CONCERNING ITS CONTENTS OR ANY REPRESENTATIONS MADE.

The parties have signed this Agreement on the date stated in the first paragraph.

US:

All About People Franchise Services, LLC,
An Arizona Limited Liability Company

By: _____
Title: _____

YOU:

(If you are a corporation)

Name of Corporation

By: _____
Title: _____

(If you are an individual owner,
you must sign below; if a partnership,
all partners must sign below)

(If you are a limited liability company)

Name of Limited Liability Company

By: _____
Title: _____

EXHIBIT A
TO FRANCHISE AGREEMENT
AUTHORIZED LOCATION AND PROTECTED AREA

EXHIBIT A

AUTHORIZED LOCATION, PROTECTED AREA AND ACCOUNT EXECUTIVES/RECRUITERS

This Exhibit is attached to and is an integral part of the ALL ABOUT PEOPLE® Franchise Agreement dated _____, 20____ (the “Franchise Agreement”), between us and you.

1. Authorized Location. We and you agree that the Business will be located at the following premises: _____. You acknowledge that our acceptance of a proposed location does not represent a warranty or representation of any kind as to the suitability of the proposed location for an ALL ABOUT PEOPLE® Business.

2. Protected Area. We and you agree that the Business will be located in the following Protected Area: _____. The Protected Area constitutes ____ Territories under the Franchise Agreement. If you purchase multiple Territories, the minimum Gross Sales requirement will begin for each Territory the first full calendar year after you begin operation in that Territory.

3. Account Executives/Recruiters/Branch Manager. You must hire, and maintain in employ, a total of one Branch Manager, __ Account Executives and __ Recruiters on or before _____. Specifically, you must hire and ensure completion of our initial training program by: (a) your Branch Manager, 1 Account Executive and 1 Recruiter on or before _____; (b) an additional 1 Account Executive and an additional 1 Recruiter on or before _____; and (c) an additional 1 Account Executive and an additional 1 Recruiter on or before _____.

4. Defined Terms. All capitalized terms contained in this Exhibit and not defined herein will have the same meaning as provided in the Franchise Agreement.

US:
All About People Franchise Services, LLC,
An Arizona Limited Liability Company

YOU:
(If you are a corporation or LLC)

Name of Entity

By: _____
Title: _____

By: _____
Title: _____

(If you are an individual owner/partnership
you must sign below)

**ALTERNATIVE EXHIBIT A
TO FRANCHISE AGREEMENT**

**AUTHORIZED LOCATION
(ALTERNATIVE)**

This Exhibit is attached to and is an integral part of the ALL ABOUT PEOPLE® Franchise Agreement dated _____, 20____ (the “Franchise Agreement”), between us and you.

1. Area for Authorized Location. Within ninety (90) days after the date of the Franchise Agreement, you will select and obtain our acceptance of a location with the provisions of this Exhibit within the following described geographical area (the “Area”): _____

2. Acceptance of Authorized Location and Business Opening. To obtain our acceptance of the proposed Business premises, you must deliver to us a complete site report (containing information we require) for the location at which you propose to establish and operate the Business and which you reasonably believe will satisfy the standardized site selection criteria we establish. The proposed location is subject to our prior written acceptance, which will not be unreasonably withheld. In evaluating the proposed location, we will consider matters we deem material, including demographic characteristics of the proposed location, traffic patterns, parking, the predominant character of the neighborhood, the proximity to other businesses, including other ALL ABOUT PEOPLE® businesses, and other commercial characteristics, the purchase price or rental obligations and other lease terms for the proposed location, and the size of premises, appearance and other physical characteristics. Within _____ days following our receipt of the complete site report and other materials we request, we will accept or reject (in writing) the location proposed by you for the Business.

YOU ACKNOWLEDGE AND AGREE THAT OUR ACCEPTANCE OF A PROPOSED LOCATION DOES NOT REPRESENT A WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESSED OR IMPLIED, AS TO THE SUITABILITY OF THE PROPOSED LOCATION FOR An ALL ABOUT PEOPLE BUSINESS.

You agree to complete the development of and open your ALL ABOUT PEOPLE® Business by _____.

3. Termination of Franchise Agreement. We have the right to terminate the Franchise Agreement, effective upon delivery of notice of termination to you, if you fail to obtain approval of a location for the Business within one hundred twenty (120) days after the date of the Franchise Agreement.

4. Protected Area. We and you agree that the Business will be located in the following Protected Area: _____. The Protected Area constitutes ____ Territories under the Franchise Agreement. If you purchase multiple Territories, the minimum Gross Sales requirement will begin for each Territory the first full calendar year after you begin operation in that Territory.

5. Account Executives/Recruiters/Branch Manager. You must hire, and maintain in employ, a total of one Branch Manager, __ Account Executives and __ Recruiters on or before _____. Specifically, you must hire and ensure completion of our initial training program by: (a) your Branch Manager, 1 Account Executive and 1 Recruiter on or before _____; (b) an additional 1 Account Executive and an additional 1 Recruiter on or before _____; and (c) an additional 1 Account Executive and an additional 1 Recruiter on or before _____.

6. Defined Terms. All capitalized terms contained in this Exhibit and not defined in this Exhibit will have the same meaning as provided in the Franchise Agreement.

US:

All About People Franchise Services, LLC
An Arizona Limited Liability Company

YOU:

(If you are a corporation or limited liability company)

Name of Corporation or Limited Liability Company

By: _____
Title: _____

By: _____
Title: _____

(If you are an individual owner, you must sign below; if a partnership, all partners must sign below)

EXHIBIT B
TO FRANCHISE AGREEMENT
ELECTRONIC TRANSFER OF FUNDS FORM

EXHIBIT B TO FRANCHISE AGREEMENT
ELECTRONIC TRANSFER OF FUNDS FORM

ACH AUTHORIZATION

Date: _____

I, the undersigned officer of _____ (“Franchisee”), hereby authorize All About People Franchise Services, LLC or any third party designed by All About People Franchise Services, LLC to withdraw or deposit funds, utilizing the following account, by ACH draft or electronic debit for payment or receipt of funds relating to royalty fees, advertising fund contributions, or payment of goods or services. If Franchisee has not established an account for ACH/debit payments as of the execution date of the Franchise Agreement, Franchisee agrees to provide to All About People Franchise Services, LLC the missing information before commencement of the initial training program.

Name on the Account: _____

Address: _____

City, State, Zip: _____

Bank Routing Number: _____

Bank Account Number: _____

Email Confirmation: _____

Signature: _____

Name: _____

Title: _____

EXHIBIT C
TO FRANCHISE AGREEMENT
GUARANTY AND ASSUMPTION OF OBLIGATIONS

EXHIBIT C

GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of the execution of that certain Franchise Agreement of even date (the “Agreement”) by All About People Franchise Services, LLC (the “Company,” “we” or “us”), each of the undersigned (a “Guarantor”) personally and unconditionally guarantees to us, and our successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement that _____ (the “Franchisee” or “you”) will timely pay and perform each and every undertaking, agreement and covenant stated in the Agreement; and agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including but not limited to the non-compete provisions in Section 14 and the dispute resolution provisions contained in Section 19 and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of this Franchise Agreement.

Each of the undersigned waives: (1) acceptance and notice of acceptance by us of the foregoing undertaking; (2) notice of demand for payment of any indebtedness; (3) protest and notice of default to any party respecting the indebtedness; (4) any right he/she may have to require that an action be brought against you or any other person as a condition of liability.

Each Guarantor consents and agrees that:

(1) Guarantor’s liability under this undertaking will be direct and independent of the liability of, and will be joint and several with, you and your other Guarantors;

(2) Guarantor will make any payment or perform any obligation required under the Franchise Agreement upon demand if you fail to do so;

(3) Guarantor’s liability hereunder will not be diminished or relieved by bankruptcy, insolvency or reorganization of you or any assignee or successor;

(4) Guarantor’s liability will not be diminished, relieved or otherwise affected by any extension of time or credit which we may grant to you, including the acceptance of any partial payment or performance, or the compromise or release of any claims;

(5) We may proceed against Guarantor and you jointly and severally, or we may, at our option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against you or any other Guarantor; and

(6) Guarantor will pay all reasonable attorneys’ fees and all costs and other expenses we incur in enforcing this Guaranty against Guarantor or any negotiations relative to the obligations hereby guaranteed.

Each of the undersigned has signed this Guaranty as of the same day and year as the Agreement was executed.

GUARANTOR(S) (PERCENTAGE OF OWNERSHIP)

_____ ()

_____ ()

_____ ()

_____ ()

_____ ()

_____ ()

EXHIBIT D
TO FRANCHISE AGREEMENT
CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

EXHIBIT D

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

The undersigned _____, doing business at _____ (“Assignor”), in exchange for valuable consideration provided by All About People Franchise Services, LLC (“Assignee”), the receipt of which is hereby acknowledged:

1. Conditionally assigns to Assignee all current and future telephone numbers, cell phone numbers, fax numbers, and all Internet and other listings including, but not limited to telephone book, Google, Yahoo, LinkedIn, Yelp, Google+, Facebook, Instagram, Pinterest, and Craigslist listings utilized by Assignor in the operation of its All About People Business.

2. This conditional agreement will become effective automatically upon termination or expiration of Assignor’s franchise agreement for any reason.

3. Assignor agrees to pay the telephone company and/or listings providers on or before the effective date of assignment all amounts owed for the use of the telephone number(s) and listings. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company and/or listings providers to effectuate this agreement, and agrees to fully cooperate with the telephone company or listing provider and Assignee in effectuating this assignment.

4. Assignor hereby appoints Assignee as its attorney-in-fact to execute and file any such documentation and to do all other lawful acts as are necessary to effectuate the forgoing.

ASSIGNOR:

BY: _____
TITLE: _____

Date: _____

ASSIGNEE:

ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC

BY: _____
TITLE: _____

Date: _____

EXHIBIT E
TO FRANCHISE AGREEMENT
CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

EXHIBIT E-1

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT (for trained employees and Branch Manager of Franchisee)

In consideration of my being a _____ of _____ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that Franchisee, has acquired the right and license from All About People Franchise Services, LLC (the "Company") to establish and operate an All About People business (the "Business") and the right to use in the operation of the Business the Company's trade names, trademarks and service marks (the "Trademarks") and the Company's unique and distinctive format and system relating to the establishment and operation of Business (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion.

1. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes price lists, vendors, standards and specifications, AAP Customer acquisition methods and techniques, systems, methods, specifications, procedures, directions, audio/visual recordings, all software, advertising and publicity material, all information regarding our mode and methods of business and finances, and other methods, techniques and know-how concerning the operation of the Business which may be communicated to you or of which you may be apprised of by virtue of your operation of the Business (the "Confidential Information"). You further acknowledge and agree that all AAP Customers solicited by the Business belong to us, and certain compiled lists containing information about current and prospective AAP Customers including, (i) names and addresses, Customers, (ii) AAP Customers' transaction history with the Business, and (iii) rates charged to AAP Customers, are owned solely by us and constitute our Confidential Information. Any and all information, knowledge, know-how, techniques, and other data which the Company designates as confidential will be deemed Confidential Information for purposes of this Agreement.

2. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential will be deemed to be Confidential Information for purposes of this Agreement.

3. As _____ of Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the All About People Franchise Services, LLC Operations Manual (the "Manual") and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I will hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. Except as otherwise approved in writing by the Company, I will not, while in my position with Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business which operates or licenses any other Business, except for a Business operating under the System and Trademarks.

7. I agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

8. I understand and acknowledge that the Company will have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

9. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with Franchisee. I am aware that my violation of this Agreement will cause the Company and Franchisee irreparable harm; therefore, I acknowledge and agree that Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to Franchisee and the Company, any claim I have against Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

10. This Agreement will be construed under the laws of the State of Arizona (without reference to its conflict of laws principals). The only way this Agreement can be changed is in writing signed by both Franchisee and me.

Signature: _____
Name: _____
Address: _____
Title: _____

ACKNOWLEDGED BY FRANCHISEE

By: _____
Name: _____
Title: _____

EXHIBIT E-2
SPOUSE CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

In consideration of my being a spouse of an owner of _____ (the “Franchisee”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that Franchisee, has acquired the right and license from All About People Franchise Services, LLC (the “Company”) to establish and operate an All About People business (the “Business”) and the right to use in the operation of the Business the Company’s trade names, trademarks and service marks (the “Trademarks”) and the Company’s unique and distinctive format and system relating to the establishment and operation of Business (the “System”), as they may be changed, improved and further developed from time to time in the Company’s sole discretion.

1. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes price lists, vendors, standards and specifications, AAP Customer acquisition methods and techniques, systems, methods, specifications, procedures, directions, audio/visual recordings, all software, advertising and publicity material, all information regarding our mode and methods of business and finances, and other methods, techniques and know-how concerning the operation of the Business which may be communicated to you or of which you may be apprised of by virtue of your operation of the Business (the “Confidential Information”). You further acknowledge and agree that all AAP Customers solicited by the Business belong to us, and certain compiled lists containing information about current and prospective AAP Customers including, (i) names and addresses, Customers, (ii) AAP Customers’ transaction history with the Business, and (iii) rates charged to AAP Customers, are owned solely by us and constitute our Confidential Information. You may divulge Confidential Information only to those of your employees as must have access to it in order to operate the Business. Any and all information, knowledge, know-how, techniques, and other data which the Company designates as confidential will be deemed Confidential Information for purposes of this Agreement.

2. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential will be deemed to be Confidential Information for purposes of this Agreement.

3. As a spouse of an owner of Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the All About People Franchise Services, LLC Operations Manual (the “Manual”) and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I will hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will not disclose and/or use the Confidential Information and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. Except as otherwise approved in writing by the Company, I will not, while my spouse is an owner of Franchisee, a party to the Franchise Agreement, and for a period of two (2) years thereafter,

for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business which operates or licenses any other Business, except for a Business operating under the System and Trademarks.

7. I agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

8. I understand and acknowledge that the Company will have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

9. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with Franchisee. I am aware that my violation of this Agreement will cause the Company and Franchisee irreparable harm; therefore, I acknowledge and agree that Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to Franchisee and the Company, any claim I have against Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

10. This Agreement will be construed under the laws of the State of Arizona (without reference to its conflict of laws principals). The only way this Agreement can be changed is in writing signed by both Franchisee and me.

Signature: _____
Name: _____
Address: _____
Title: _____

ACKNOWLEDGED BY FRANCHISEE

By: _____
Name: _____
Title: _____

EXHIBIT C

LIST OF FRANCHISEES AS OF DECEMBER 31, 2016/2017

<u>First Name</u>	<u>Phone Number Last Name</u>	<u>Email</u>	<u>Office Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Phone</u>
Court and Meghan Fable Dana	720.263.4700 Ammons	efable@allaboutpeople.net mfable@allaboutpeople.net	333 N. 8310 S. Valley Hwy., Wilmont Rd. Suite 300 Englewood, CO 80112340	Tuscon	AZ	85711	520.432.0830
Brian Hall	Hall 216.239.1424	bhall@allaboutpeople.net	3740 Euclid Avenue, Ave. Suite 100 Cleveland, OH 44115	Cleveland	OH	44115	216.239.1424

Dana Ammons	520.432.0830	dammons@allaboutpeople.net	333 N. Wilmot Road, Suite 340 Tucson, AZ 85711
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Ray	Ray LaStrape	713.968-9839	rlastrape@allaboutpeople.net	4265 San Felipe Street, Suite 1100 Houston, TX 77027	Houston	TX	77027	713.968.9839
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Jennie Parisi	212.564.2400	jparisi@allaboutpeople.net	10 Times Square, 6th Floor New York City, NY 10018
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Joseph and JoAnn & JoAnn Fuller	Fuller 919.263.0642	jfuller@allaboutpeople.net, joann@allaboutpeople.net	8601 Six Forks Road, Suite 400 Raleigh, NC 27615	Raleigh	NC	27615	919.263.0642
Matt and Michelle Jordan	Jordan 404.437.6117	mjordan@allaboutpeople.net, michelle@allaboutpeople.net	3355 Lenox Road, Lenox Rd., Suite 750 Atlanta, GA 30326	Atlanta	GA	30326	404.437.6117

Jerome and AnJanette Byers**	312.474.6108	jbyers@allaboutpeople.net, abyers@allaboutpeople.net	10 South Riverside Plaza, Suite 875 Chicago, IL 60606
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John	John Wheeler	949.397.1226	jwheeler@allaboutpeople.net	7545 Irvine Center Drive, Suite 200 Irvine, CA 92618	Irvine	CA	92618	949.397.1226
Jody	Jody White	503.726.5976	jwhite@allaboutpeople.net	5200 S.W. Meadow Rd., Suite B120 Lake Oswego, OR 97035	Lake Oswego	OR	97035	503.726.5976

Sam and Beth White	<u>White</u> <u>man</u> <u>24</u> <u>4.935.9</u> <u>799</u>	swhiteman@allaboutpeople.net, bwhiteman@allaboutpeople.net	5080 Spectrum Drive, Dr. Suite 1000 East Addison, TX 75001	<u>Addison</u>	<u>TX</u>	<u>7500</u> <u>1</u>	<u>214.935.9</u> <u>799</u>
Kathryn Tecza	847.531.3109	ktecza@allaboutpeople.net	1821 Walden Office Square, Suite 400 Schaumburg, IL 60173				
Avram Schreiber	212 564 2400	Aschreiber@allaboutpeople.net	5 Penn Plaza, 19th Floor New York, New York 10001				
Andrew Shearer*	N/A	ashearer@allaboutpeople.net					
Raj and Leena Singh*	N/A	rsingh@allaboutpeople.net, lsingh@allaboutpeople.net					
Sai Kodali	Sai Kodali and Kannan Padmanabhan*	N/A6060 N. Central Expressway	5 kpadmanabhan@allaboutpeople.netDallas	TX	75206	214.396.1955	
Gary Stout*		N/A		gstout@allaboutpeople.net			
Mark	Mark Wanner*	N/A9320 Lakeside Blvd. Suite 200	The Woodlands	TX	77381	713.999.5295	
Raj & Leena	Singh	9801 Westheimer Rd. Suite 302	Houston	TX	77042	832.655.8109	
Andrew	Shearer	7000 N. Mopac Expressway, Suite 200	Austin	TX	78731	408.228.2554	
Gary	Staudt	Executive Office Suites of Baldwin Park, 4767 New Broad St.	Orlando	FL	32814	407.751.7146	
Julio	Lopez		San Jose	CA		408.425.6858	
Paul	Wyman	33 Market Point Dr. Suite 3033	Greenville	SC	29607	864.527.0433	
Steve*	Defenbaugh	10130 Mallard Creek Rd. Suite 300	Charlotte	NC	28262	704.944.3521	

*These franchisees signed Franchise Agreements in 2016 but were not open as of December 31, 2016.

**This franchisee has one open unit and one unit that was unopened as of December 31, 2016. *Became a franchisee in 2018

LIST OF FRANCHISEES THAT LEFT THE SYSTEM

<u>Name</u>	<u>City, State</u>	<u>Email or Phone Number</u>
Court and Meghan Fable	Englewood, CO	720.263.4700
Jerome and AnJanette Byers	Chicago, IL	312.474.6108
Kathryn Tecza	Chicago, IL	847.531.3109

EXHIBIT D

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

CALIFORNIA

(state administrators)
Department of Business Oversight:
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7500 Toll Free (866) 275-2677

1515 K Street, Suite 200
Sacramento, California 95814
(916) 445-7205

1350 Front Street
San Diego, California 92101
(619) 525-4233

One Sansome Street, Suite 600
San Francisco, California 94104-4428
(415) 972-8565

(agents for service of process)
California Commissioner of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344

Commissioner of Business Oversight
One Sansome Street, Suite 600
San Francisco, California 94104-4428

Commissioner of Business Oversight
1515 K Street, Suite 200
Sacramento, California 95814

CONNECTICUT

(state administrator)
State of Connecticut
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103-1800
(860) 240-8230

(agent for service of process)
Banking Commissioner

<u>HAWAII</u> (state administrator) Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 (agent for service of process) Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722	<u>ILLINOIS</u> Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
<u>INDIANA</u> (state administrator) Indiana Secretary of State Securities Division, E-111 302 Washington Street Indianapolis, Indiana 46204 (317) 232-6681 (agent for service of process) Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531	<u>MARYLAND</u> (state administrator) Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360 (agent for service of process) Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
<u>MICHIGAN</u> (state administrator) Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117 (agent for service of process) Corporations Division Bureau of Commercial Services Department of Labor and Economic Growth P.O. Box 30054 Lansing, Michigan 48909	<u>MINNESOTA</u> (state administrator) Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-6328 (agent for service of process) Minnesota Commissioner of Commerce

<u>NEW YORK</u> (state administrator) Office of the New York State Attorney General Investor Protection Bureau Franchise Section 120 Broadway, 23rd Floor New York, New York 10271-0332 (212) 416-8236 (Phone); (212) 416-0042 (fax) (agent for service of process) Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492	<u>NORTH DAKOTA</u> North Dakota Securities Department State Capitol, Fifth Floor, Dept. 414 600 East Boulevard Avenue Bismarck, North Dakota 58505 (701) 328-4712
<u>OREGON</u> Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	<u>RHODE ISLAND</u> Securities Division Department of Business Regulation, Bldg 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9582
<u>SOUTH DAKOTA</u> Division of Securities Department of Labor & Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501-3185 (605) 773-4823	<u>VIRGINIA</u> (state administrator) State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 (for service of process) Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
<u>WASHINGTON</u> (state administrator) Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98507-9033 (360) 902-8760 (agent for service of process) Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501	<u>WISCONSIN</u> (state administrator) Division of Securities Department of Financial Institutions 201 W. Washington Avenue, 3rd Floor Madison, Wisconsin 53703 (608) 266-1064 (agent for service of process) Administrator, Division of Securities Department of Financial Institutions 201 W. Washington Avenue, 3rd Floor Madison, Wisconsin 53703

EXHIBIT E
STATE ADDENDA

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW.DBO.CA.GOV.

Item 3, Additional Disclosure:

Neither we nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq. suspending or expelling such persons from membership in such association or exchange.

Item 17, Additional Disclosures:

The franchise agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law. California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The franchise agreement requires application of the laws of Arizona. This provision may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101 et seq.)

The franchise agreement requires non-binding mediation and litigation. The mediation and litigation will occur in Arizona. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 and Code of Civil Procedure Section 1281) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law. California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The Franchise Agreement requires application of the laws of Arizona. This provision may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

The Franchise Agreement requires non-binding mediation and litigation. The mediation and litigation will occur in Arizona. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 and Code of Civil Procedure Section 1281) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:
All About People Franchise Services, LLC

By: _____
Its: _____
Date: _____

FRANCHISEE:

By: _____
Its: _____
Date: _____

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

Item 5, Initial Fees. The following disclosure is added to Item 5:

Due to Franchisor's financial condition, please be advised that Franchisor has obtained a surety bond in the amount of \$84,000 to demonstrate Franchisor's financial capability to fulfill its pre-opening obligations to franchisees that are subject to the jurisdiction of the Illinois Franchise Disclosure Act under the Franchise Agreement.

Item 17, Additional Disclosures. The following statements are added to Item 17:

The conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Franchise Agreement is inconsistent with Illinois law, Illinois law will control.

Illinois law shall govern the Franchise Agreement.

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

Any release of claims or acknowledgments of fact contained in the Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Illinois Franchise Disclosure Act, or a rule or order under the Illinois Franchise Disclosure Act will be void and are deleted with respect to claims under the Illinois Franchise Disclosure Act.

Exhibit G, Franchisee Agreement Acknowledgement Addendum:

The representations under this Franchise Agreement Acknowledgment Addendum are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act.

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Due to Franchisor's financial condition, please be advised that Franchisor has obtained a surety bond in the amount of \$84,000 to demonstrate Franchisor's financial capability to fulfill its pre-opening obligations to franchisees that are subject to the jurisdiction of the Illinois Franchise Disclosure Act under the Franchise Agreement.

Any claims franchisee may have under the Illinois Franchise Disclosure Act shall be governed by Illinois law.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois, provided that the Franchise Agreement may provide for arbitration in a forum outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Franchise Agreement is inconsistent with Illinois law, Illinois law will control.

Illinois law shall govern the Franchise Agreement.

Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to franchisee concerning nonrenewal and termination of the Franchise Agreement. If the Franchise Agreement or contains a provision that is inconsistent with the Act, the Act shall control.

Any release of claims or acknowledgments of fact contained in the Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Illinois Franchise Disclosure Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:
All About People Franchise Services, LLC

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

INDIANA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Indiana Franchise Registration and Disclosure Law applies, the terms of this Addendum apply.

Item 17, Additional Disclosures. The following statements are added to Item 17:

The laws of the State of Indiana supersede any provisions of the Franchise Agreement/ the other agreements or Arizona law if such provisions are in conflict with Indiana law.

Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement issued in the State of Indiana.

INDIANA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Indiana Franchise Registration and Disclosure Law applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The laws of the State of Indiana supersede any provisions of the Franchise Agreement, the other agreements or Arizona law if such provisions are in conflict with Indiana law.

Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement issued in the State of Indiana.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

FRANCHISOR:
All About People Franchise Services, LLC

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

DISCLOSURES REQUIRED BY MICHIGAN LAW

To the extent the Michigan Franchise Investment Law, Mich. Comp. Laws §§445.1501 – 445.1546 applies, the terms of this Addendum apply.

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first

refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 670 Law Building, Lansing, Michigan 48913, telephone: (517) 373-7117.

NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF MINNESOTA

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80c. 14, subsections 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.

Notwithstanding anything to the contrary in the Franchise Agreement, pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, the Franchisor is prohibited from requiring litigation to be conducted outside Minnesota, or requiring waiver of jury trial. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. However, we and you will enforce those provisions in our Franchise Agreement to the extent the law allows.

Notwithstanding anything contained in the Franchise Agreement to the contrary, the Franchisor shall protect the Franchisee's right to use the trade marks, service marks, trade names, logotypes, symbols, and other commercial symbols belonging to the Franchisor and which the Franchisee has been permitted to use under the Franchise Agreement.

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

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

1. Notwithstanding anything contained in the Franchise Agreement to the contrary, the Franchisor shall protect the Franchisee's right to use the trademarks, service marks, trade names, logotypes, symbols, and other commercial symbols belonging to the Franchisor and which the Franchisee has been permitted to use under the Franchise Agreement.
2. 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.
3. Any reference contained in the Franchise Agreement to the effect that the Franchisor "is entitled" to injunctive relief, or any imputation that the Franchisee can waive any rights under any law shall, in any Franchise Agreement entered into in the State of Minnesota be deleted and replaced with the words, "may seek".
4. Notwithstanding anything to the contrary in the Franchise Agreement, pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, the Franchisor is prohibited from requiring litigation to be conducted outside Minnesota. In addition, nothing in the offering circular or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
5. With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Rule 2860.4400D which prohibits a franchisor from requiring a franchisee to assent to a general release as a requirement to renew or extend.
6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
7. Except as expressly modified by this Addendum, Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

FRANCHISOR:
All About People Franchise Services, LLC

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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2. AMENDMENT TO ALL ABOUT PEOPLE FRANCHISE SERVICES, LLC FRANCHISE AGREEMENT REQUIRED BY THE STATE OF NEW YORK
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STATEMENT REQUIRED BY THE STATE OF NEW YORK

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

In recognition of the requirements of Article 33 of the General Business Law of the State of New York, the parties to the All About People Franchise Services, LLC Franchise Agreement agree as follows:

1. Sections 3(B)(6) and 15(C)(7) of the Franchise Agreement shall be supplemented by adding the following language at the end of the Section:

provided, however, that all rights enjoyed by franchisee and any causes of action arising in franchisee's favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the nonwaiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied;

2. Section 19(A) of the Franchise Agreement, which are generally under the heading discussing choice of law shall be supplemented by the addition of the following language at the end of the Section:

However, the foregoing choice of law shall not be considered a waiver of any right conferred upon franchisee by the provisions of Article 33 of the General Business Law of the State of New York.

3. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the General Business Law of the State of New York, Sections 680-695, with respect to each such provision, are met independent of this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

FRANCHISOR:
All About People Franchise Services, LLC

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the New York General Business Law, Article 33, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.2 the Franchise Disclosure Document for All About People Franchise Services, LLC for use in the State of New York shall be amended as follows:

1. Item 3 shall be supplemented by the following:

Neither, the franchisor, its predecessor, a person identified in item 2, nor an affiliate offering franchises under the franchisor's principal trademark:

- A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations; or pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of a or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of any franchise law, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.
- C. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. Item 4 shall be supplemented by the following:

Neither, the franchisor, its affiliate, its predecessor, current officers, or general partner during the 10-year period immediately before the date of the FDD:

- (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code;
- (b) obtained a discharge of its debts under the bankruptcy code; or
- (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

3. The following are revisions to Item 5 of the disclosure document:

The Initial Franchise Fee is to be used for the purpose of sales development, training, and marketing costs as set forth in Item 7.

4. Item 17, *Renewal, Termination*, Section(d), shall be amended to also state the following:

Franchisee may terminate the Franchise Agreement on any grounds available by law.

5. Item 17, *Assignment*, Section(i), shall be amended to also state the following:

However, no assignment will be made except to an assignee who, in good faith and judgment of Franchisor, is willing and financially able to assume franchisor's obligations under the franchise agreement.

6. Item 17, the Summary Column opposite Provision W, shall be amended to also state the following:

The foregoing Choice of Law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by the General Business Law of the State of New York, Article 33.

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

For franchises and franchisees subject to the North Dakota Franchise Investment Law, the following information supersedes or supplements, as the case maybe, the corresponding disclosures in the main body of the text of the All About People Franchise Services, LLC Franchise Agreement.

1. Sections 3(B)(6) and 15(C)(7) of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

Any provision requiring a franchisee to sign a general release upon renewal of the Franchise Agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

2. Section 9 of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

Payment of the Initial Franchise Fee for Businesses located in North Dakota is deferred until all of Franchisor's initial obligations are complete and Franchisee opens the Business, at which time the Initial Franchise Fee must be paid in full.

3. Section 14 of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

3. Section 16 of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

Any provision in the Franchise Agreement requiring a franchisee to consent to termination or liquidated damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

4. Section 19 of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of such arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

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.

Any provision in the Franchise Agreement requiring a franchisee to consent to a waiver of exemplary and punitive damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Any provision in the Franchise Agreement requiring franchisee to consent to a limitation of claims within one year is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law and the statute of limitations provided in the North Dakota Franchise Investment Law shall control.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

FRANCHISOR:
All About People Franchise Services, LLC

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

NORTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

For franchises and franchisees subject to the North Dakota Franchise Investment Law, the following information supersedes or supplements, as the case maybe, the corresponding disclosures in the main body of the text of the All About People Franchise Services, LLC Franchise Disclosure Document.

1. Item 5 is amended by the addition of the following language to the original language that appears therein:

Payment of the Initial Franchise Fee for Businesses located in North Dakota is deferred until all of Franchisor's initial obligations are complete and Franchisee opens the Business, at which time the Initial Franchise Fee must be paid in full.

2. Item 17 is amended by the addition of the following language to the original language that appears therein:

Any provision requiring a franchisee to sign a general release upon renewal of the Franchise Agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Any provision in the Franchise Agreement requiring a franchisee to consent to termination or liquidated damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of such arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

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.

Any provision in the Franchise Agreement requiring a franchisee to consent to a waiver of exemplary and punitive damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Any provision in the Franchise Agreement requiring franchisee to consent to a limitation of claims within one year is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law and the statute of limitations provided in the North Dakota Franchise Investment Law shall control.

RHODE ISLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

For franchises and franchisees subject to the Rhode Island Franchise Investment Protection Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the All About People Franchise Services, LLC Franchise Disclosure Document.

Item 17(v) of the Franchise Disclosure Document is hereby amended as follows:

§19-28.1-14 of the Rhode Island Franchise Investment Act 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 this Act.”

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

This Addendum shall pertain to franchises sold in the State of Rhode Island and shall be for the purpose of complying with Rhode Island statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the agreements shall be amended as follows:

Pursuant to §19-28.1-14 of the Rhode Island Franchise Investment, any provision in the 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 this Act.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

FRANCHISOR:
All About People Franchise Services, LLC

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

SOUTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE
AGREEMENT

This Addendum shall pertain to franchises sold in the State of South Dakota and shall be for the purpose of complying with South Dakota statutes and regulations. Notwithstanding anything which may be contained in Item 5 of the Franchise Disclosure Document and Section 9(A) of the Franchise Agreement to the contrary, Item 5 of the Franchise Disclosure Document and Section 9(A) of the Franchise Agreement shall be supplemented as follows:

Pursuant to SDCL §37-5B-5, payment of the Initial Franchise Fee for Businesses located in South Dakota is deferred until all of Franchisor's initial obligations are complete and Franchisee opens the Business, at which time the Initial Franchise Fee must be paid in full.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

FRANCHISOR:
All About People Franchise Services, LLC

By: _____
Its: _____
Date: _____

FRANCHISEE:

By: _____
Its: _____
Date: _____

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for All About People Franchise Services, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 5:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer the 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.

Additional Disclosure. The following statements are added to Item 17 h.:

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

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Washington Franchise Investment Protection Act, Wash. Rev. Code §§19.100.010 – 19.100.940 applies, the terms of this Addendum apply.

Item 5, Additional Disclosure:

Due to our financial condition, please be advised that we have secured a surety bond in the amount of \$100,000 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees under the Franchise Agreement that are subject to the jurisdiction of the Washington Franchise Investment Protection Act, which is on file with the Securities Division of the Washington Department of Financial Institutions.

Item 17, Additional Disclosure:

The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel.

Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Washington Franchise Investment Protection Act, Wash. Rev. Code §§19.100.010 – 19.100.940 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

Due to our financial condition, please be advised that we have secured a surety bond in the amount of \$100,000 to demonstrate our financial capability to fulfill our pre-opening obligations to franchisees under the Franchise Agreement that are subject to the jurisdiction of the Washington Franchise Investment Protection Act, which is on file with the Securities Division of the Washington Department of Financial Institutions.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

FRANCHISOR:
All About People Franchise Services, LLC

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

WISCONSIN ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

For franchises and franchisees subject to the Wisconsin Fair Dealership Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the All About People Franchise Services, LLC Wisconsin Franchise Disclosure Document.

Item 17.

For Wisconsin franchisees, ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract between Franchisor and franchisee inconsistent with the Law.

WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT

This Addendum shall pertain to franchises sold in the State of Wisconsin and shall be for the purpose of complying with the Wisconsin Fair Dealership Law. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the agreements shall be amended as follows:

Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between Franchisor and franchisee inconsistent with the Law.

FRANCHISOR:
All About People Franchise Services, LLC

FRANCHISEE:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

EXHIBIT F
GENERAL RELEASE FORM

RELEASE OF CLAIMS

THIS IS A CURRENT RELEASE FORM THAT GENERALLY WILL BE USED WITH OR INCORPORATED INTO A SEPARATE AGREEMENT. THIS FORM IS SUBJECT TO CHANGE OVER TIME.

For and in consideration of the Agreements and covenants described below, All About People Franchise Services, LLC ("Franchisor") and _____ ("Franchisee") enter into this Release of Claims ("Agreement").

RECITALS

A. Franchisor and Franchisee entered into an ALL ABOUT PEOPLE® Franchise Agreement dated _____, ____.

B. [NOTE: Describe the circumstances relating to the release.]

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release.** Franchisee hereby releases Franchisor, its officers, directors, shareholders, and agents, and their respective successors, assigns, heirs, and personal representatives, from all debts, representations, agreements, liabilities, actions, and causes of action of every kind and nature arising out of or relating to the Franchise Agreement between Franchisor and Franchisee, the offer and sale of that franchise and the franchise relationship between the parties.

5. **General.** No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of _____ without regard to conflicts of laws principles. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

FRANCHISEE:

FRANCHISOR:

All About People Franchise Services, LLC

BY: _____

BY: _____

ITS: _____

ITS: _____

DATE: _____

DATE: _____

EXHIBIT G

FRANCHISE AGREEMENT ACKNOWLEDGMENT ADDENDUM

Franchise Agreement Acknowledgment Addendum

As you know, you and we are entering into a Franchise Agreement for the operation of an ALL ABOUT PEOPLE® franchise. The purpose of this Acknowledgement Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least fourteen calendar days prior to signing the Franchise Agreement? Check one: ☐ Yes ☐ No. If no, please comment: _____

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? Check one: ☐ Yes ☐ No. If no, please comment: _____

3. Did you understand all of the information contained in both the Disclosure Document and Franchise Agreement? Check one: ☐ Yes ☐ No. If no, please comment: _____

4. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document? Check one: ☐ Yes ☐ No. If yes, please state in detail the oral, written or visual claim or representation: _____

5. Did any employee of other person speaking on behalf of All About People Franchise Services, LLC make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any ALL ABOUT PEOPLE® location or business, or the likelihood of success at your franchised business? Check one: ☐ Yes ☐ No. If yes, please state in detail the oral, written or visual claims or representation: _____

6. Did any employee or other person speaking on behalf of All About People Franchise Services, LLC make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document? Check one: ☐ Yes ☐ No. If yes, please comment: _____

7. Except as stated in Item 19, did any employee or other person speaking on behalf of All About People Franchise Services, LLC make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any ALL ABOUT PEOPLE® location or business, or the likelihood of success at your franchised business? Check one: ☐ Yes ☐ No. If yes, please state in detail the oral, written or visual claim or representation: _____
8. Do you understand that the franchise granted is for the right to operate an ALL ABOUT PEOPLE® Business at the Authorized Location within the Territory only and that we and our affiliates have the right to issue franchises or operate competing businesses for or at locations, as we determine, outside the Territory and engage in certain activities inside the Territory? Check one: ☐ Yes ☐ No. If no, please comment: _____
9. Do you understand that the Franchise Agreement and Disclosure Document contain the entire agreement between you and us concerning the franchise for the ALL ABOUT PEOPLE® Business, meaning that any prior oral or written statements not set out in the Franchise Agreement or Disclosure Document will not be binding? Check one: ☐ Yes ☐ No. If no, please comment: _____
10. Do you understand that the success or failure of your Business will depend in large part upon your skills and experience, your business acumen, your location, the local market for services under the ALL ABOUT PEOPLE® Trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Business may change? Check one: ☐ Yes ☐ No. If no, please comment: _____
11. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Section 14 and that an injunction is an appropriate remedy to protect the interest of the ALL ABOUT PEOPLE® system if you violate the covenant(s)? Check one: ☐ Yes ☐ No. If no, please comment: _____
12. On the receipt pages of your Disclosure Document you identified _____ as the franchise sellers involved in this franchise sales process. Are the franchise sellers identified above the only franchise sellers involved with this transaction? Check one: ☐ Yes ☐ No. If no, please identify any additional franchise sellers involved with this transaction: _____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____
Print Name: _____
Date: _____

Signed: _____
Print Name: _____
Date: _____

**Approved on behalf of All About People Franchise
Services, LLC**

Signed: _____
Print Name: _____
Date: _____

Signed: _____
Print Name: _____
Date: _____

EXHIBIT H

OPERATIONS MANUAL TABLE OF CONTENTS

Total Pages: 124

Topic	Number of Pages
Preface	3
Operating the Franchise	26
Franchise Personnel	32
Center Operations	51
Center Administration	12

EXHIBIT I
RECEIPTS

Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If All About People Franchise Services, LLC ("All About People") offers you a franchise, All About People must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, All About People or our affiliate in connection with the proposed franchise sale. Iowa, New York and Rhode Island require that All About People gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that All About People gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If All About People 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 those state administrators listed on Exhibit D.

The franchisor is All About People Franchise Services, LLC located at 4422 E. Indian School Road, Phoenix, Arizona 85018. Its telephone number is (602) 955-1212.

Issuance Date: April 3, 2018, ~~2017~~

The franchise sellers involved in offering and selling the franchise to you are Charles Mitchell, 4422 E. Indian School Road, Phoenix, Arizona 85018, (602) 955-1212, Sherri Mitchell, 4422 E. Indian School Road, Phoenix, Arizona 85018, (602) 955-1212; Doug Schadle, Rhino 7 Franchising, 431 Keisler Drive, Suite 201, Cary, North Carolina 27518, 919-977-9518; and the following individuals listed below (with address and telephone number) or will be provided to you separately before you sign a franchise agreement:

All About People authorizes the respective state agencies identified on Exhibit D to receive service of process for us in the particular state.

I have received a disclosure document dated April 20, 2018, ~~The franchise sellers involved in offering and selling the franchise to you are Charles Mitchell, 4422 E. Indian School Road, Phoenix, Arizona 85018, (602) 955-1212, Sherri Mitchell, 4422 E. Indian School Road, Phoenix, Arizona 85018, (602) 955-1212; Doug Schadle, Rhino 7 Franchising, 431 Keisler Drive, Suite 201, Cary, North Carolina 27518, 919-977-9518; and the following individuals listed below (with address and telephone number) or will be provided to you separately before you sign a franchise agreement:~~

~~All About People authorizes the respective state agencies identified on Exhibit D to receive service of process for us in the particular state.~~

~~I have received a disclosure document dated April 3, 2017 that included the following Exhibits:~~

- | | |
|---|---|
| (A) Financial Statements | (E) State Addenda |
| (B) Franchise Agreement | (F) General Release Form |
| (C) List of Franchised Businesses | (G) Franchise Agreement Acknowledgment Addendum |
| (D) List of State Administrators; Agents for Service of Process | (H) Operations Manual Table of Contents |
| | (I) Receipts |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If All About People Franchise Services, LLC ("All About People") offers you a franchise, All About People must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, All About People or our affiliate in connection with the proposed franchise sale. Iowa, New York and Rhode Island require that All About People gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that All About People gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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| | (I) Receipts |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name