



FRANCHISE DISCLOSURE DOCUMENT

THE BLUE COLLAR FRANCHISE GROUP, LLC

ISSUANCE DATE: April 28, 2025

FRANCHISE DISCLOSURE DOCUMENT



The Blue Collar Franchise Group, LLC

A Texas limited liability company

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The Blue Collar Franchise Group, LLC (“Blue Collar Recruiter”) offers franchises for the operation of a staffing and recruiting business serving employers in the hiring of skilled tradespeople such as licensed plumbers, electricians, and HVAC technicians (a “Franchised Business”).

The total investment necessary to begin the operation of a new Franchised Business ranges from \$72,650 to \$104,750. This includes \$52,000 that must be paid to the franchisor or 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 governmental 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 a different format contact Troy Latuff at 305 Horseback Hollow, Austin, TX 78732, (512)-354-1109, or email: troy@thebluecollarrecruiter.com

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 or other sources of information on franchising.

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

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How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

1. **Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.
2. **Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.
3. **Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.
4. **Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.
5. **Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.
6. **Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.
7. **When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda in Exhibit I.

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum annual fee and royalty payments, regardless of your sales levels, beginning in the fourth month of your franchise agreement term. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Sales Performance Requirement.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.

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

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT AND MIGHT REQUIRE A RIDER TO THE FRANCHISE AGREEMENT OR AREA DEVELOPMENT AGREEMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN AN ADDENDUM OR RIDER.

TABLE OF CONTENTS

ITEM	PAGE
ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	7
ITEM 2 BUSINESS EXPERIENCE.....	9
ITEM 3 LITIGATION	9
ITEM 4 BANKRUPTCY	9
ITEM 5 INITIAL FEES	10
ITEM 6 OTHER FEES	11
ITEM 7 ESTIMATED INITIAL INVESTMENT	15
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	17
ITEM 9 FRANCHISEE'S OBLIGATIONS.....	21
ITEM 10 FINANCING.....	22
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	24
ITEM 12 TERRITORY	30
ITEM 13 TRADEMARKS	32
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	34
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	35
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	35
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	36
ITEM 18 PUBLIC FIGURES	41
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	41
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	43
ITEM 21 FINANCIAL STATEMENTS	46
ITEM 22 CONTRACTS	46
ITEM 23 RECEIPTS	46

EXHIBITS

A.	FINANCIAL STATEMENTS
B.	LIST OF STATE ADMINISTRATORS AND AGENTS
C.	LIST OF CURRENT AND FORMER FRANCHISEES
D.	OPERATIONS MANUAL TABLE OF CONTENTS
E.	FRANCHISE AGREEMENT
F.	RESERVED
G.	FORM OF GENERAL RELEASE
H.	FORM OF NON-COMPETE AND CONFIDENTIALITY AGREEMENT
I.	STATE SPECIFIC ADDENDA
J.	LEASE RIDER
K.	ELECTRONIC FUNDS TRANSFER FORM
L.	STANDARD FORM OF PROMISSORY NOTE
M.	STATE EFFECTIVE DATE RECIEPTS

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The name of the franchisor is The Blue Collar Franchise Group, LLC. For ease of reference, The Blue Collar Franchise Group, LLC will be referred to as “we,” “us,” in this Disclosure Document. We will refer to the person who buys the franchise as “you,” throughout this Disclosure Document. If the franchisee is a corporation, partnership, or limited liability company, certain provisions of the Franchise Agreement will also apply to the owners. To fully understand all your and our rights and obligations to each other, you must still carefully review the actual agreements that you will execute. The opening and operation of your Franchised Business will be governed by the terms of the franchise agreement we and you execute.

The Franchisor and any Parents, Predecessors and Affiliates

We are a limited liability company organized under the laws of the State of Texas in August of 2022. Our principal place of business is located at 305 Horseback Hollow, Austin, Texas 78732. We do business under our corporate name and the mark “Blue Collar Recruiter.” We have offered franchises since January 2023. Businesses, but we will upon issuance of this Disclosure Document. We do not offer other franchises in any other line of business. We do not conduct any other business activities other than selling and supporting Franchised Businesses. We do not have any predecessors. Our agents for service of process are listed on Exhibit B.

Our parent, Latuff Management Company, LLC (“LMC”) was organized in Texas in December of 2011. LMC maintains a principal place of business at 305 Horseback Hollow, Austin, Texas 78732. LMC has never offered franchises in this or any other line of business.

Our affiliate, The Blue Collar Recruiter, LLC (“BCR Austin”) is a limited liability company organized under the laws of the State of Texas in February of 2020. BCR Austin maintains a principal place of business at 305 Horseback Hollow, Austin, TX 78732. BCR Austin operates a staffing and recruiting agency in substantially the same manner as Franchised Businesses will operate. We refer to BCR Austin as our Company-Owned Outlet.

Our Business

We offer franchises for the operation of a home-or office-based staffing and employment service that places skilled tradespeople with employers for temporary and permanent employment (“Services”). Franchised Businesses operate under the System we have developed for the operation of Franchised Businesses. The System consists of trademarks, service marks, trade dress, and other indicia of origin we have designated for use by franchisees (“Marks”); proprietary procedures, processes, methods, know-how, standards we have developed for use by franchisees (“System Standards”) that are set forth in our Operations Manual and elsewhere in writing (collectively, the “Manual”).

Market and Competition

The market for staffing and recruiting businesses is well developed and highly competitive throughout the United States. You will compete with both independent operators of similar businesses, some of whom belong to cooperative networks of offices, franchisees of other recruitment systems, and other Blue Collar Recruiter franchisees. The staffing and recruiting market serves employers and is year-round, not seasonal.

Industry-Specific Regulations

You must comply with all local, state, and federal laws and regulations that apply to the operation of your business including regulations of health, safety, insurance, discrimination, employment, and sexual harassment laws. In some states, you may be required to obtain an employment agency license or registration for the operation of direct hire or interim personnel placement services. Most of these laws and regulations relate to companies that charge fees to applicants for employment services and have an exemption for employer paid fee businesses.

Federal civil rights laws, including the Civil Rights Act of 1964 (Title VII), the Age Discrimination in Employment Act (ADEA), and the Americans with Disabilities Act (ADA) prohibit unlawful discrimination in classifying and referring applicants for employment. The state where your Franchised Business is located may have similar or equivalent regulations or laws that will also apply to your business.

The Patient Protection and Affordable Care Act 2010 (ACA) or any replacement health care law, may apply to your obligations to provide health insurance for your employees. You may also have to comply with the provisions of the Fair Labor Standards Act; federal, state, and local minimum wage laws; the Occupational Safety and Health Act, and federal Immigration laws. The Federal Immigration Reform and Control Act prohibits companies in our industry from knowingly referring an illegal alien for referring an illegal alien for employment in the United States. You are obligated to comply with all applicable laws in the operation of your Franchised Business.

The Federal Fair Credit Reporting Act has regulations on reference checking applicants for employment. The General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA) regulate the storing and use of personally identifiable information both into and out of the European Union and California. Other states may institute laws or regulations regarding the storing and use of personally identifiable information. You will need to ensure that your computer and filing systems are compliant with these regulations and laws.

Some states and municipalities have passed laws that prohibit inquiries about criminal convictions on job applications and prohibit discrimination based on criminal records. A growing number of states, counties, and municipalities have passed laws that prohibit inquiries about job applicants' salary histories.

You should investigate whether there are any federal, state, or local regulations that may apply in the state in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. You are responsible for obtaining all licenses and permits which may be required for the operation of your Franchised Business.

If you are a corporation, partnership or other entity, our Franchise Agreement will apply to your owners, officers, and directors. We strongly recommend that before signing the Franchise Agreement you engage a franchise attorney and other professional advisors to advise you in determining the laws, ordinances, and regulations affecting your establishment or operation of a franchise, to assist you in evaluating the financial ramifications of this business decision, and the risks of this business investment.

ITEM 2

BUSINESS EXPERIENCE

Troy Latuff, Founder and CEO

Troy Latuff founded Latuff Management Company in 2011 and has led the company from Austin, Texas since that time. Mr. Latuff founded The Blue Collar Recruiter, LLC, in Austin, Texas, in January 2020. Mr. Latuff founded The Blue Collar Franchise Group, LLC, in Austin, Texas, in August of 2022. From 2017 to October of 2019, he was the Vice President of Franchise Development for Authority Brands in Columbia, Maryland and Houston, Texas. Mr. Latuff has over 20 years of experience in the home service and franchising industry.

James Nichols, Vice President of Franchise Development

James Nichols has served as our Vice President of Franchise Development since January 2023. Mr. Nichols was the Vice President of Franchise Development for Threshold Brands in Boston, MA from June 2021 until November 2022. Mr. Nichols served as the Director of Sales for Authority Brands in Columbia, Maryland from July 2019 to June 2021. From January 2012 to July 2019 Mr. Nichols was the Director of Sales for Direct Energy in Houston, Texas. Mr. Nichols has over 24 years of experience in the home service and franchising industry.

Julie Bonner, Director of Operations

Julie Bonner has served as our Recruitment Manager since January 2023. Mrs. Bonner has served as the Recruitment Manager for BCR Austin since March 2021. Mrs. Bonner served as the Director of Client Onboarding and Full Cycle Recruiting from March 2013 until March 2018 in Waynesboro VA and Las Vegas NV. Mrs. Bonner served as the Office Manager for One Hour Heating and Air Conditioning in Salt Lake City, UT from 2005 to 2012. Mrs. Bonner has 13 years of experience in the home service and franchising industry.

Michelle Miller, Director of Sales and Business Development

Michelle Miller has served as our Director of Sales and Business Development since January 2025. Ms. Miller has been the Director of Sales and Business Development for our Company Owned Outlet since November 2022. Ms. Stanke was the Director of Human Resources for Homestead Assisted Living, located in Rexburg Idaho from November 2019 until November 2022.

Maggie McBride, Digital Marketing Specialist

Maggie McBride has served as our Digital Marketing Specialist since January 2025. Ms. McBride has served as the Digital Marketing Specialist for our Company Owned Outlet since March 2024. Ms. McBride was the Marketing Coordinator & Crude Gear Program Director for RPS Solutions in Lubbock, Texas from July 2023 until February 2024. Ms. McBride was a PR and Branding Intern for Carrie Loftus Shannon Art in Austin, Texas from April 2023 until August 2023.

ITEM 3

LITIGATION

No litigation information is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

You must pay us a franchise fee (the “Initial Franchise Fee”) when you sign the Franchise Agreement. The Initial Franchise Fee is \$49,500. In fiscal year 2024, we received franchise fees ranging from \$29,700 to \$49,500.

We offer a 20% discount on the Franchise Fee for qualified veterans of the United States Armed Forces.

Grand Opening Marketing Fee

Prior to opening your Franchised Business, you will be required to pay us \$2,500 in connection with grand opening marketing services we will provide to you or secure on your behalf (“Grand Opening Marketing”). The Grand Opening Marketing is uniform to all franchisees and is nonrefundable upon payment.

Refundability

These fees will be deemed fully earned upon payment and are not refundable under any circumstances. All payments are fully earned by us and are due and payable when you sign the Franchise Agreement. Fees paid are not refundable under any circumstances.

[The Remainder of this page intentionally left blank. Item 6 begins on the next page.]

**ITEM 6
OTHER FEES**

Type of Fee ¹	Amount	Due Date	Remarks
Royalty Fee	The greater of 8% of monthly Gross Revenue or \$500 per month during year one \$1,000 per month during year two \$1,500 per month during year three and thereafter	Monthly	Gross Revenue is defined in the Franchise Agreement and in Note 2 below. Royalties are currently due monthly. Franchisor may perform a monthly reconciliation for each Designated Territory. We require a mandatory minimum royalty payment beginning ninety days after you open your Franchised Business.
Brand Fund Contribution	2% of monthly Gross Revenue	Monthly	We may specify a different Brand Fund Contribution, not to exceed 4% of Gross Revenue, on thirty days' advance written notice to you.
Brand Fund Materials	Our costs.	As invoiced	Payable only if we reproduce or customize Brand Fund materials for you.
Local Advertising Expenditure	2% of monthly Gross Revenue or \$1,000 per month whichever is greater.	Monthly	We require you to spend 2% of monthly Gross Revenue to advertising directed to your Designated Territory. Generally, you will pay vendors, media outlets, etc. directly for local advertising. We may require you to pay the funds to us or third parties we designate or on categories of advertising we select.
Cooperative Advertising	Currently there are no advertising co-ops. If advertising co-ops are established by us, you may be required to contribute as approved by a majority vote of the members of the co-op.	Established by co-op	Not currently assessed. If the Franchisor forms a regional advertising or brand awareness co-op, you must contribute to the co-op. Any amount you must contribute to the co-op will be credited against the required local advertising expenditure.
Initial Training Fees	There are no fees for initial training for your Principal Executive and/or Key Manager (as defined in Item 15), but you are responsible for any costs of travel, wages, and living expenses.	Before training.	For all training, including initial training, you are responsible for all travel expenses, living expenses, wages, and other expenses incurred by your trainees. See Item 11 under "Training" for further information about our training program.

Type of Fee ¹	Amount	Due Date	Remarks
Account Support	Our costs	As invoiced	The Account Setup Fee is included in the Initial Franchise Fee, any additional account support will be charged at our current hourly rate when setting up the account.
Technology Fee	Currently \$450/month for the first user. \$150 for each additional user	Monthly. Payable by the 10 th of the month beginning in the month you open your Franchised Business.	The Technology Fee currently includes fees related to your access to and usage of our system, our intranet, any mobile applications we develop, and the System Website. We may add, delete, or otherwise modify the products and services that are included in the Technology Fee. There is no cap on the amount the Technology Fee may be increased. The first month will be assessed pro rata from the date on which you begin receiving services.
Call Center Fee	We estimate this cost to be between \$150 to \$250 per month if utilized	As invoiced	Paid directly to third party for outgoing customer service if utilized.
Transfer fee	50% of our then current franchisee fee for resale transfers 30% of our then current franchisee fee for transfers to immediate family members or existing approved employees	On demand, beginning and as a condition of our consent to any proposed transfer	Payable to us as a condition of approval for transfer. No fee for transfer to corporation or entity that you own or control other than our costs to evaluate the proposed transfer.
Transfer to Entity	\$1,000 plus our administrative costs in processing such Transfer, including any attorneys' fees and other third party costs that we incur	Upon demand	Payable when you transfer the Franchise Agreement to an entity that you control.
Reimbursement	Our costs plus 10% administrative charge	On demand	You are obligated to reimburse us for any amounts that you owe to third parties and which we pay on your behalf plus an administrative charge of 10% of such amounts payable to us.
Additional Training Programs	Varies based on programs	Within 10 days of receipt of an invoice	We may charge a reasonable fee for optional or required training programs that we may provide.

Type of Fee ¹	Amount	Due Date	Remarks
Annual Conference Fee	Between \$300 to \$700. We reserve the right to host up to two (2) Annual Conferences per year	As Incurred	We reserve the right to charge our then-current conference fee for your attendance at any required conference or seminar, regardless of whether or not you attend. Fees for travel, food, and lodging to attend seminars and conventions also must be paid by you.
Renewal Fee	\$10,000	Payable on execution of new Franchise Agreement, no later than 30 days before expiration of initial ten-year term or the first renewal term	When your agreement term ends, you will have the option to continue the franchise relationship with us, subject to certain conditions.
Insurance	Reimbursement of our costs, plus a 20% administration charge	On demand	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for the cost of insurance obtained plus 20% of the premium for an administrative cost of obtaining insurance.
Management Fee	5% of Gross Revenue during the period of time in which we manage your Franchised Business.	As invoiced	Payable only if: (a) the Principal Executive (see Item 15) dies or is incapacitated, and we elect to manage the Franchised Business pending transfer of his or her interest; or (b) the Principal Executive is arrested for or formally charged with a serious criminal offense, and we take over operation of the Franchised Business pending final disposition of the charges.
Non-Compliance Fee	1% of Gross Revenue, plus reasonable compensation and our costs and expenses, including travel and lodging incurred in performing follow-up inspections.	Same as Royalty	We are entitled to increase your Royalty by 1% of Gross Revenue due to your non-compliance with the Franchise Agreement or the brand standards. We can charge an inspection fee if we require follow-up inspections
Indemnification	Amount of claims	As incurred	You must reimburse us if we incur any damages, losses, or expenses, including reasonable attorneys' fees and other costs, as a result of claims arising from the operation of your Franchised Business.

Type of Fee ¹	Amount	Due Date	Remarks
Audit Costs	All amounts shown to be due, plus the cost of the audit, plus interest and late fees.	On demand	Payable only if: (a) you did not submit Gross Revenue statements; (b) you did not keep full books and records; or (c) the total Gross Revenue you reported for any three consecutive months is more than 2% below the audited Gross Revenue.
Late Fee	\$25 per day for each day in which any amounts owed to us are unpaid.	With payment of overdue amount	We can charge a Late Fee to compensate us for our administrative costs incurred in enforcing your obligation to pay us and submit required reports to us.
Interest	18% per annum or the maximum rate permitted by applicable law, whichever is less. Interest charges are distinct from Late Fees on past due amounts.	Continues to accrue until paid.	Applies only if you do not pay us on time. We calculate interest from the date the payment was due until paid in full.
Attorneys' Fees	Our costs and expenses	As incurred	You must pay our costs and expenses if we are involved in litigation by or against you.

Notes to Table 6:

1. Except as described in the remarks above, all of the fees in the table above are imposed by us, payable to us, non-refundable, and are uniformly imposed. You must use the payment methods we designate. You must furnish us and your bank with any necessary authorizations to make payment by the methods we require.

2. "Gross Revenue" means all revenue that you receive or otherwise derive from operating the Franchised Business, and any revenue derived from organizing and hosting off-site events, whether from cash, check, credit or debit card, gift card or gift certificate, or other credit transactions, and regardless of collection or when you actually provide the products or services in exchange for the revenue. If you receive any proceeds from any business interruption insurance applicable to loss of revenue at the Franchised Business, there shall be added to Gross Revenue an amount equal to the imputed gross revenue that the insurer used to calculate those proceeds. Gross Revenue includes promotional allowances or rebates paid to you in connection with your purchase of products or supplies or your referral of customers. Gross Revenue does not include (i) any bona fide returns and credits that are actually provided to customers, (ii) any bone fide shipping charges that you collect from a customer and actually pay to a third-party shipping or logistics company for the delivery of items to customers, and (iii) any sales or other taxes that you collect from customers and pay directly to the appropriate taxing authority. You may not deduct payment provider fees (i.e., bank or credit card company fees and gift card vendor fees) from your Gross Revenue calculation.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low Estimate	High Estimate	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee ¹	\$49,500	\$49,500	Lump Sum	At signing of Franchise Agreement	Us
Rent (3 Months) ²	\$0	\$3,000	As arranged	Prior to opening your Franchised Business	Suppliers
Equipment ³	\$250	\$3,000	As arranged	Prior to opening your Franchised Business	Suppliers
Business Management and Technology System ⁴	\$5,400	\$9,750	As arranged	Prior to opening your Franchised Business	Suppliers
Opening Inventory and Supplies ⁵	\$500	\$2,500	As arranged	Prior to opening your Franchised Business	Us, our Affiliates, or Suppliers
Grand Opening Marketing ⁶	\$2,500	\$2,500	Lump Sum	Prior to opening your Franchised Business	Us
Business Licenses and Permits ⁷	\$500	\$2,000	As arranged	Prior to opening your Franchised Business	Suppliers
Professional Fees ⁸	\$3,000	\$10,000	As arranged	As incurred	Professional Advisors
Insurance ⁹	\$1,000	\$2,500	As arranged	As incurred	Insurance Company
Additional Funds (3 months) ¹⁰	\$10,000	\$20,000	As arranged	As incurred	Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT¹¹	\$72,650	\$104,750			

Notes to Table 7:

- Initial Franchise Fee:* The initial franchise fee is fully earned and nonrefundable.
- Rent (3 Months):* You may operate your Franchised Business from your personal residence or from an office space that we approve in writing. The low estimate assumes you will operate the Franchised Business from your personal residence, while the high estimate assumes you will operate out of a shared office space.
- Equipment:* These include a functional and operating computer. Your costs will also include a webcam, speakers, smart phone, and printer.
- Business Management and Technology System:* This item includes the Blue Collar Recruiter applicant tracking software, accounting software, resume updater software, and any third party posting service software we may designate. The low end of this estimate assumes you will only have one user utilizing the software package; the high end of the estimate is for three users.

5. *Opening Inventory and Supplies:* This item includes miscellaneous office supplies such as pens, pencils, notebooks, post-it notes, office furniture, etc.
6. *Grand Opening Marketing:* You must pay us this fee in connection with pre-opening advertising and marketing services we will provide or arrange on your behalf.
7. *Business Licenses and Permits:* This estimates the costs of business licenses and permits for you to begin operations of the Franchised Business. This estimate is based on our experiences with business licenses in Austin, Texas, and may vary depending on your state and local requirements.
8. *Professional Fees:* This estimates the costs of professional advisors (like an attorney and an accountant) for the initial review and advice consistent with the start-up of a Franchised Business and is based on our experience establishing and operating The Blue Collar Franchise Group, LLC.
9. *Insurance.* This estimate is for your insurance premium deposit and your first three months of insurance coverage, which may be paid prior to opening. You will need to check with your insurance carrier for actual premium quotes and costs, as well as for the actual amount of the deposit. The cost of coverage will vary based upon the area in which your business will be located, your experience with the insurance carrier, the loss experience of the carrier, the amount of the deductibles and of coverage, and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may wish to carry above our required minimums.
10. *Additional Funds:* This category estimates your pre-operational expenses that are not listed in other categories, as well as additional funds necessary for the first three months of your operations including expenses such as employee salaries and wages, payroll taxes (including payroll to cover the grand opening promotional period and the pre-opening training period for your staff), Royalty Fees, legal and accounting fees, additional advertising, health and workers' compensation insurance, bank charges, miscellaneous supplies and equipment, staff recruiting expenses, state tax and license fees, deposits, prepaid expenses, and other miscellaneous items. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the Franchised Business. Your costs depend on factors such as: how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our concept; the prevailing wage rate; competition; and the sales level reached during this initial period.
11. *Total:* Except as expressly indicated otherwise, these estimates cover your initial cash investment up to the opening of your Franchised Business. They do not provide for your cash needs to cover any financing incurred by you or your other expenses. You should not plan to draw income from the operation during the start-up and development stages of your Franchised Business, the actual duration of which will vary materially from franchisee to franchisee and cannot be predicted by us for your Franchised Business. You must have additional sums available, whether in cash or through a bank line of credit, or you must have other assets which you may liquidate or against which you may borrow, to cover other expenses and any operating losses you may sustain, whether during your start-up and development stage or beyond. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your Franchised Business, which in turn will depend upon factors such as the demographics and economic conditions in the area in which your Franchised Business is located, the presence of other similar services or other public awareness of our business and trademarks within the general vicinity of your proposed Franchised Business, your ability to operate efficiently and in conformance with our recommended methods of doing business and competition. Because the actual amount of reserves will vary from operation to operation and cannot be meaningfully estimated by us, we urge you to retain the services of an experienced accountant or financial advisor to develop a business plan and financial projections for your particular operation.

The ranges and categories listed in the table above are based on our own experience. Your expenses may be significantly different depending on the suppliers you use and local costs. Do not rely on this estimate of expenses to predict your future performance because your expenses may differ from the ranges above and you will have additional expenses to third-party suppliers and to us which we have not listed. See Item 8 for additional information concerning your purchases from third-party suppliers.

You will incur labor costs in employing your employees, but those costs are dependent on numerous factors that we cannot predict or estimate, such as the labor rates, labor tax rates, and workers' compensation rates within your Designated Territory, as well as the availability of workers, number of employees you decide to use, skill and experience levels of your employees, number of hours worked per employee, volume of business, etc. You should investigate the costs of labor in your Designated Territory before making any decision to operate a Franchised Business, as this will be a significant portion of your ongoing expenses. We will work with you to develop the best strategy and timing for adding production capacity.

None of the estimated expenditures listed in the table are refundable except to the extent of the terms of any purchase you make from a third party. We do not offer, directly or indirectly, financing for any of the above expenditures. See Item 10. The availability and terms of financing to you will depend on many factors, including the availability of financing generally, your creditworthiness, other security that you may have, and policies of lending institutions concerning the type of business being operated by you.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required and approved purchases and suppliers:

We have the right to require that all equipment, technology, inventory, supplies, signs, furnishings, fixtures, décor items, retail merchandise, payment systems, and other products and services that you purchase for use or resale in the Franchised Business: meet specifications that we establish from time to time; and/or be purchased only from vendors that we have expressly approved; and/or be purchased only from a single source (which may include us or our affiliates) at the then-current price. To the extent that we establish specifications, require approval of vendors, or designate specific vendors for particular items, we will notify franchisees via the Manual or otherwise.

We and our affiliates may earn a profit on products and services we sell to you directly, and we and our affiliates may receive rebates, administrative fees, commissions, licensing fees, or other benefits from unaffiliated vendors and distributors with respect to their sales of products or services to you or other franchisees, whether or not the product or service is presently mentioned in this Item. Except as limited by applicable law, we and our affiliates have the right to retain any payments received from vendors.

We or our affiliates may negotiate purchasing arrangements under which vendors agree to make goods or services available to Franchised Businesses on specific terms. You agree to participate in and abide by the terms of any vendor purchase program we establish. The following specific restrictions on your purchasing are in effect as of the issuance date of this Disclosure Document, but we can impose other restrictions at any time.

Items you must purchase from us or affiliates:

Other than as provided below, neither we nor any of our affiliates is an approved vendor of products or services to our franchisees as of the issuance date of this Disclosure Document. However, we reserve the right to designate ourselves and/or our affiliates as an approved vendor, or as the only approved vendor, for other products and services in the future. If we do not require you to use a designated source or approved vendor for a particular item, you may purchase the item from any source you choose, as long as your purchases conform to the brand standards.

Items that must meet our specifications:

For some products and services, we have not designated a specific source or vendor that you must use, but you must follow our specifications and/or obtain our approval of the vendor. As of the date of this Disclosure Document, they include:

Insurance. You must maintain the types and minimum amounts of insurance coverage and bonds we specify for the Franchised Businesses which may vary by state. As of the date of this Disclosure Document, Our insurance requirements include the following, but we may change these requirements in our discretion:

Property Insurance: Replacement Cost value with Personal Property “special form” coverage. If You are in a flood zone, You must have flood insurance. Note: Insure furniture, equipment and software upon delivery.

Liability Insurance: Commercial General and Professional Liability coverages with limits of \$1,000,000 for bodily injury and property damage, including employees’ non-owned automobile liability, arising from Franchise employees’ vehicles.

Fidelity/Crime Bond: \$5,000 for theft, disappearance, and destruction on the franchise premises; \$5,000 for theft, disappearance, and destruction off the franchise premises; \$5,000 employee blanket dishonesty, covering dishonest acts committed by franchise employees. The deductible for each loss under the above coverage must be no greater than \$1,000.

Workers’ Compensation and Employers’ Liability: As required by state statute (for franchise staff personnel).

Your insurance policies must be written by a carrier with an industry rating acceptable to us, must name us, The Blue Collar Franchise Group, LLC, and our parents, subsidiaries, and affiliates, and their respective officers, directors, members, shareholders, and employees as additional insureds, and must not have deductibles, exclusions or co-insurance that are unacceptable to us. All public liability and property damage policies must be primary and non-contributory and must contain a waiver by the insurance company of subrogation rights against us and our affiliates, successors, and assigns.

Prior to opening your Franchised Business, you must provide us with certificates of insurance demonstrating that you have met the requirements. At least thirty (30) days before expiration of a policy, you must furnish evidence of renewal or replacement insurance. If you do not obtain the required coverage, we have the right (but not obligation) to obtain insurance on your behalf. If we do so, you must reimburse us for the cost of insurance, plus a reasonable fee for our services. We can increase the coverage requirements or require different or additional kinds of insurance.

Vendor Approval Process

If we require you to use an approved vendor for a particular item, but you wish to purchase the item from a source that we have not approved, you may submit a written request for approval of the vendor, unless it is an item for which we have designated a specific vendor. To obtain approval, proposed vendors must demonstrate the ability to meet our standards and must possess adequate quality controls and capacity to supply your needs promptly and reliably. We will provide the relevant standards and specifications to vendors that wish to become approved vendors, provided that the proposed vendor signs a confidentiality agreement; however, we may refuse to disclose product formulations or specifications that we deem to be extremely sensitive. At our request, you must submit samples and other information we require to examine, test, and determine whether the proposed vendor meets our specifications and quality standards. We may also require that the proposed vendor allow our representatives to inspect its facilities. We may charge vendors a license fee to use our trademarks or other proprietary property. We may also charge vendors a rebate or other fee for participation in our purchasing program.

We have no obligation to approve any specific vendor or any minimum number of vendors for any item, and any proposed vendor relationship must not jeopardize the availability of any special pricing or other benefits offered by existing vendors based on system-wide purchases. We may require you to pay a fee to cover our costs of reviewing a proposed vendor, which you must pay whether or not we approve the vendor. We generally will give you written notice of approval or disapproval of the proposed vendor within 30 days after receiving your request and completion of evaluation and testing, if required. You may not sell or offer for sale any products or services of the proposed vendor until you receive our written approval.

We have the right to revoke approval of particular vendors if we determine that their products or services no longer meet our standards. Upon receipt of written notice of revocation, you must stop buying from the disapproved vendor. In addition, if we revoke our approval of the products because they fail to meet our standards, you may be required not to use your remaining inventory of those products.

Your purchases from us will be at the prices and on the terms in effect at the time of your purchase.

We may negotiate contracts with providers of goods and services in an effort to obtain favorable pricing for our franchisees and Affiliate-Owned Outlets. Terms of purchase agreements may vary based on any number of factors and prices may change from time to time.

Other than as noted above, we do not currently negotiate purchasing arrangements with vendors on behalf of our franchisees, but we reserve the right to do so, including pricing terms. Our ability to negotiate and maintain arrangements with vendors may depend on the participation of as many franchisees as possible. Accordingly, if we name a specific vendor for a product or service, you must obtain the product or service from that designated vendor. You must comply with the terms and conditions included in the contract with a specific vendor.

As noted above in this Item, vendors may make payments to us based on franchisees' use of the vendors. Vendor payments may include participation fees per franchise, rebates based on actual purchases, marketing contributions for joint promotion of the vendor's products with our brand, and/or sponsorship fees for conferences and other events. We will use any restricted funds in the manner agreed with the vendor. Except as limited by applicable law, we have the right to pass through, share or retain all or a portion of any rebates, commissions, discounts, or beneficial pricing that we obtain from vendors. We may use these monies to, among other things, recapture costs related to maintaining the vendor program, negotiating designated vendor arrangements, facilitating orders, and making a profit.

As of the date of this Disclosure Document, none of our officers owns an interest in any unaffiliated vendors that sell products or services to our franchisees. As of our last fiscal year ending December 31, 2023, neither we or our affiliates derived any revenue from franchisee required purchases.

We estimate that the proportion of your required purchases and leases from approved suppliers to all purchases and leases in establishing the Franchised Business is 80% to 90%. We estimate that the current proportion of your required purchases and leases from approved suppliers to all purchases and leases in operating the Franchised Business is approximately 80% to 90%, but this amount is subject to change.

There are no purchasing cooperatives or distribution cooperatives in our franchise system as of the date of this disclosure document. We do not provide material benefits to franchisees based on their purchase of particular products or services or use of particular vendors.

[The Remainder of this page intentionally left blank. Item 9 begins on the next page.]

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation		Section In Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 4.1	Items 8 and 11
b.	Pre-opening purchases/leases	Section 6.9	Items 5, 6, 7 and 8
c.	Site development and other pre-opening requirements	Sections 4.1, 5.1, and 5.2	Items 7, 8 and 11
d.	Initial and ongoing training	Article 5;	Item 11
e.	Opening	Section 4.3 and 5.2	Item 11
f.	Fees	Articles 3, Sections 5.3, 8.4, 13.6, 14.2, and 16.9	Items 5, 6 and 7
g.	Compliance with standards and policies/Operations Manual	Article 6 and Sections 14.1 and 14.2	Item 1
h.	Trademarks and proprietary information	Article 9 and Section 15.5	Items 13 and 14
i.	Restrictions on products/services offered	Sections 6.6, 6.7 and 12.1	Items 11 and 16
j.	Warranty and client service requirements	Not Applicable	Not Applicable
k.	Territorial development and sales quotas	Section 6.4, 4.2	Item 12
l.	On-going product/service purchases	Sections 6.6, 6.7, and 6.9	Item 8
m.	Maintenance, appearance and remodeling requirements	Not Applicable	Not Applicable
n.	Insurance	Article 6.12	Item 7
o.	Advertising	Article 7	Items 6, 7 and 11
p.	Indemnification	Article 11	Item 6

Obligation		Section In Franchise Agreement	Disclosure Document Item
q.	Owner's participation/management/staffing	Sections 6.2	Items 11 and 15
r.	Records/reports	Article 8	Item 6
s.	Inspections/audits	Article 8	Item 6
t.	Transfer	Article 13	Item 17
u.	Renewal	Section 2	Item 17
v.	Post-termination obligations	Article 15 and Section 9.6	Item 17
w.	Non-competition covenants	Article 12 and Sections 1.5 and 10.2;	Item 17
x.	Dispute resolution	Article 16;	Item 17
y.	Owner's/Shareholder's Guaranty	Section 1.5, 12.4	Item 15

ITEM 10 FINANCING

Except as disclosed below, we do not offer any direct or indirect financing. We do not guarantee your notes, leases, or obligations to third parties.

We may finance a portion of your Initial Franchise Fee and Grand Opening Marketing, due to us under any one or more franchise agreements you execute in at the same time. If you obtain financing through us, you will have to execute the Promissory Note (Exhibit M to this Disclosure Document) and its related Guaranty of Payment (Attachment A to Exhibit M). In exchange for offering this financing to you we require you and each of your Owners, as defined below, to sign the Guaranty of Payment by each of your Owners, as defined below.

Summary of Financing Offered

Down Payment

At least 50% of the total Initial Franchise Fee and Grand Opening Marketing under each franchise agreement you intend to sign must be paid at signing and the full remainder may be financed with us.

Term

No more than 24 months from your first payment date.

Interest Rate

The lesser of 12% per year or the maximum rate allowed by law.

Payment

Payments will be due and payable via ACH along with each calendar month's Royalty Fee payment. Full payment must be made no more than 24 months from your first payment date. Payments will begin within 30 days of the signing of the Franchise Agreement(s).

Prepayment and Penalty

Prepayments permitted without penalty.

Security Required

Guaranty of Payment (Attachment A to Exhibit K) and Personal Guarantee of Owner/Shareholder (attached to Franchise Agreement), each of which must be executed by all of your Owners. The term "Owner" means all individuals who have a direct or indirect beneficial ownership interest in the franchise. If the franchisee is an entity, this includes the franchisee's and any of its entity owners' shareholders, members, general and limited partners, and grantors and trustees, the intent being that all individuals who hold a beneficial interest in the franchisee entity, whether directly or indirectly through other entities, executes the guaranties.

Liability Upon Default

Delinquent payments plus interest equal to the lesser of 12% and the highest rate allowed by applicable law; acceleration of total unpaid principal of and accrued unpaid interest on the note; reasonable attorneys' fees and costs; and default under your Franchise Agreement(s) and Guaranty of Payment and Payment and Performance Guarantee attached to the License Agreement.

Loss of Legal Right

Waiver of grace period, demand, notice of demand, presentment, notice of dishonor, notice of default, notice of intention to accelerate, notice of acceleration, protest, notice of protest, diligence in collecting and the bringing of suit, and all other notices.

We do not assign or discount to third parties notes, contracts or other instruments executed by you or other licensees, but we reserve the right to take, pledge and assign or discount to third parties in the future notes, contracts or other instruments executed by you or other franchisees should we determine, in our sole discretion, that this action is advisable or in our best interest. Except as described above, we do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

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A copy of the finance agreement is attached to this disclosure document as Exhibit K.

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

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

Pre-Opening Assistance:

Before you open your Franchised Business, we or our designee will provide the assistance described in the list below.

1. Approve of the location of your Franchised Business (the "Approved Location") and designate such location in the Franchise Agreement.
2. Furnish an initial training program described below in this Item. (Article 5 of Franchise Agreement.)
3. Give you a copy of or access to an electronic copy of our confidential and proprietary Operations Manual, covering the specifications, standards, and operating procedures that we require in a Franchised Business. (Section 6.1 of Franchise Agreement.)
4. Assist in the grand opening and grand opening marketing for your Franchised Business. (Section 7.4 of the Franchise Agreement.)

Continuing Assistance:

During the operation of your Franchised Business, we or our designee will:

1. Provide you access to advertising and promotional materials that we may, but are not required to, develop. We may, at our option, pass the cost of the advertising and promotional materials that you use on to you or charge the Brand Fund. (Article 7 of the Franchise Agreement.)
2. Provide additional trainings or programs, at a frequency that we will determine, on new methods, marketing techniques, equipment, and products. This may include a mandatory annual meeting or convention that all franchisees must attend at their cost. (Section 5.3 of Franchise Agreement.)
3. Provide you with, or otherwise make available, any updates, changes, or modifications to the Operations Manual and or other manuals and support materials that are related to the operation of your Franchised Business. You are responsible for making sure that you continually update your manual(s) once we have made such updates or revisions available to you. (Section 6.1 of the Franchise Agreement.)
4. We may establish and administer a Brand Fund for the benefit of all Blue Collar Recruiter businesses. We will also review for approval any local or regional advertising proposed by you. (Sections 7.2, 7.3 and 7.4 of the Franchise Agreement.)
5. Review proposed transferees of your Franchise Business for approval. (Section 13.3 of the Franchise Agreement.)

Franchise Advisory Council

Franchisee Advisory Council. We may establish an advisory council of franchisees (“Franchisee Advisory Council”) using a form and process set forth in the Manual to advise us on various issues and strategies. The Franchisee Advisory Council will have an advisory role, but no operational or decision-making power. We may change the structure and process of the Franchisee Advisory Council or dissolve the Franchisee Advisory Council at any time. If we establish a Franchisee Advisory Council, you must participate in all council-related activities and meetings and must pay any dues related to the administration of the Franchisee Advisory Council.

Local Advertising:

You must use your best efforts to promote the use of the Mark in your market area. You must spend the greater of 2% of monthly Gross Revenue or \$1,000 per month on local advertising and promotional activities (the “Local Advertising Expenditure”). Your Local Advertising Expenditure is in addition to your Brand Fund Contribution. We have the right to designate in the Manuals the types of expenditures that will or will not count toward the Local Advertising Expenditure. At our request, you must submit appropriate documentation to verify compliance with the Local Advertising Expenditure. If you fail to spend (or prove that you spent) the Local Advertising Expenditure in any month, then we may, in addition to and without limiting our other rights and remedies, require you to pay us the shortfall as an additional Marketing Fee or to pay us the shortfall for us to spend on local marketing for your Franchised Business.

You must participate in such advertising, promotional, and community outreach programs that we may specify from time to time, at your own expense. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Designated Territory, unless we and franchisees in neighboring territories agree otherwise. You must ensure that all of your advertising, marketing, promotional, customer relationship management, public relations and other brand related programs and materials that you or your agents or representatives develop or implement relating to the Franchised Business is completely clear, factual and not misleading, complies with all applicable laws and regulations, and conforms to the highest ethical standards and the advertising and marketing policies that we periodically specify. Moreover, you must conduct all advertising in a dignified manner and in conformance with the standards and requirements we specify in the Manuals.

You must submit to us in writing for our prior approval all sales promotion materials and advertising that have not been prepared by or previously approved by us. If our written approval is not received within 14 days from the date we received the material, the material is deemed disapproved. We will have the final decision on all creative development of advertising and promotional messages. We reserve the right to require you to discontinue the use of any advertising or marketing materials.

Grand Opening Marketing:

You must pay us \$2,500 to conduct a grand opening advertising campaign which may include but is not limited to pre-launch digital ads, social media posts, PR announcements, and an e-mail campaign. No amount paid by you for your grand opening will be credited toward the Brand Fund Contribution or Local Advertising Expenditure. We are not required, under the Franchise Agreement, to spend any amount on advertising in your area or territory outside of the grand opening advertising campaign.

Cooperative Advertising:

We have not established any local or regional advertising or brand awareness cooperatives (“Co-op”). If we do so in the future, you must participate in any cooperative advertising or brand awareness program for the region in which your Franchised Business is located. We may change, dissolve, or merge Co-ops in our sole discretion. You must contribute to the Co-op up to two percent of your Gross Revenue, as determined by the members of the Co-op. Any amount contributed to the Co-op will be credited against the minimum amount which you must spend on local advertising, as described above. There is no advertising council at the present time.

Brand Fund:

We have established a brand development fund for the common benefit of System franchisees Fund (the “Brand Fund”). You must contribute 2% of your monthly Gross Revenue to the Brand Fund (the “Brand Fund Contribution”). We reserve the right to increase the Brand Fund to up to 4% of Gross Revenue upon 30 days’ notice to you. The Brand Fund established by us is operated under the following parameters. All franchisees will generally be required to contribute to the Brand Fund at the same rate, and Company-Owned Outlets are not required to contribute to the Brand Fund. The sums you and other franchisees contribute to the Brand Fund are deposited in our general operating account and segregated administratively on our books, but the funds are commingled with our general operating revenues. If we spend less than the total of all contributions to the Brand Fund during any fiscal year, we may accumulate such sums for use in later years.

At your request, we will furnish to you, within 120 days after the end of each of our fiscal years, an unaudited report certified as correct by one of our officers showing the Brand Fund balance at the beginning of the year, the total amount contributed by franchisees and allocated by us on behalf of our company-owned businesses, and the amount actually spent for the year, and the remaining balance or deficit in the Brand Fund at the end of the fiscal year. In our last fiscal year ending on December 31, 2024, we collected no amount in Brand Fund Contributions from franchisees.

We intend to spend an amount equal to the Brand Fund revenue received or allocated by us for national, regional, or local advertising, public relations, and promotional campaigns, typically in media such as direct mail, digital marketing, email, social media advertising, newspapers, radio, and cable and local television. A reasonable portion of this sum may also be spent for other items including conducting marketing studies; and the production and purchase of advertising art, commercials, musical jingles, print advertisements, point of sale materials, media advertising, outdoor advertising art, and direct mail pamphlets and literature, and may also be allocated to reimburse us or our affiliates for internal expenses of operating an advertising department and administration of our advertising program. We determine, in our discretion, all matters relating to such advertising, public relations, and promotional campaigns, and we are not required to allocate or expend brand fund contributions for the benefit of any particular franchisee or group of franchisees on a pro-rata or proportional basis. We are not required to spend any amounts on advertising in your Designated Territory. In our most recent fiscal year, no Brand Fund money was disbursed. No Brand Fund contributions are used solely for advertising to solicit new franchisees, however, the brand website, public relations activities, community involvement activities, and other activities supported by the Brand Fund may contain information about franchising opportunities.

In no event will we be deemed a fiduciary with respect to any contributions to the Brand Fund we receive or administer. We are not required to have an independent audit of the Brand Fund completed. We will prepare an unaudited statement of contributions and expenditures for the Brand Fund and make it available within 120 days after the close of our fiscal year to franchisees who make a written request for a copy.

Time To Open:

We estimate that the length of time between signing a franchise agreement and the opening of your Franchised Business will be approximately thirty to sixty days. The factors that may affect this time period include the ability of your Required Trainees to complete training, your ability to obtain any needed permits or licenses, and the time needed to secure any licensing, financing, or staff. If you fail to open your Franchised Business within 120 days of signing, we reserve the right to terminate the Franchise Agreement.

Training:

You or your Principal Executive, any Key Manager(s), must attend and successfully complete our training programs ("Required Trainees"). We may waive a portion of Initial Training or alter the training schedule if we determine that your Required Trainees have sufficient prior experience or training. Initial Training will be provided as soon as practicable after you sign your Franchise Agreement.

At all times during the term of your franchise agreement, at least one management employee at your Franchised Business must have attended and completed our week-long full-time Initial Training course to our satisfaction, at our offices in Austin, Texas, or at some other location we may designate, or through a virtual environment. Initial Training programs are offered periodically as needed to meet the demands of new franchisees. Your designated representative and management personnel must be approved by us in writing before participating in our training course. There is no tuition fee for attendance by you or your manager or designated representative. We may charge our then current training fees for any additional personnel attending the training course, or for any attendees who fail to complete the training course to our satisfaction and must repeat the training.

We may periodically offer additional training programs to you, your manager, and designated representative covering such subjects as new procedures, marketing, bookkeeping, accounting and general operating procedures and the establishment, development, and improvement of computer systems. Attendance by you or your manager or designated representative may be mandatory or optional, in our discretion. There is no tuition fee for mandatory or optional training courses. All expenses that you and your personnel incur while attending or obtaining all training will be borne entirely by you.

We will provide an experienced training staff, which will instruct on System operating procedures, steps to opening your Franchised Business, the market for Staffing and Recruiting Services, and marketing and sales. Our training will be conducted virtually by Troy Latuff who has over 20 years of experience in the staffing service and franchising industry; see Item 2 above. We may employ more training directors, including training directors with different areas of expertise, in the future.

Instruction materials include our Manual, digital training materials, and related workbooks. New operators and managers must be approved by us and complete training program before assuming active duty at your Franchised Business.

INITIAL TRAINING PROGRAM

Subject	Virtual/Classroom Training
Establishing the Business Legal Compliance Basics of the Model Our Relationship Goals and Targets	4
The Business and Background History of Industry Company Culture Business Model Financial Model	4
Equipment and Systems Equipment Vendors Technology Maintenance	8
Marketing and Sales Promoting the Franchise Generating Sales Managing Relationships	8
Operations and Management Overseeing Franchise Operations Supporting new Franchisees Training Systems	8
Execution and Implementation	8
TOTALS:	40 Hours

Scheduling. All training is scheduled by us throughout the year on an as-needed basis to reasonably accommodate franchisees.

Computer Systems

You must obtain and use in the Franchised Business a computer system containing the hardware and software we specify (the “Business Management and Technology System” to (i) enter and track customer information, (ii) enter and manage your customer’s contact information, (iii) generate sales reports and analysis relating to the Franchised Business, and (iv) provide other services relating to the operation of the Franchised Business.). The Business Management and Technology System currently includes a back-office computer, a printer, a phone, and software from our designated vendors. We anticipate the Business Management and Technology System will cost between \$5,400 to \$9,750.

Specifications for the brand, operating capabilities, and functionality of these hardware components will be set forth in the Manuals and is subject to change. At a minimum, the components of the Business Management and Technology System must be connected to the Internet via a high-speed Internet connection and must be able to run our designated software programs and general business software such as email, word processing, and similar programs.

The Business Management and Technology System will use third-party software from our approved vendors for point-of-sale functions, email marketing, and all customer management functions. For any proprietary software or third-party software that we require you to use, you must execute and be responsible for the fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require.

You must maintain the Business Management and Technology System at your expense and must purchase any hardware or software maintenance or technical support programs that we require. You must replace, upgrade, or update the Business Management and Technology System as we may require from time to time. We will establish reasonable deadlines for implementation of any changes to our Business Management and Technology System requirements, but there are no contractual limitations on our right to require changes to the Business Management and Technology System.

We currently do not require you to enter into, or expect that you will need to enter into, any maintenance, updating, upgrading, or support contracts related to the Business Management and Technology System. We, our affiliates, and third-party vendors are not obligated to provide you with any ongoing maintenance, repairs, upgrades, or updates. Vendors may be able to offer optional maintenance, updating, upgrading, or support contracts to you, which we estimate may cost between \$300 to \$500 per year.

You, at all times, must give us unrestricted and independent electronic access (including users IDs and passwords, if necessary) to the Business Management and Technology System for the purposes of obtaining the information relating to the Franchised Business. You must permit us to download and transfer data via a high-speed Internet connection or such other connection that we specify on a real-time basis. There are no contractual limitations on our right to access data stored in the Business Management and Technology System.

You must dedicate your computer system for use as the Business Management and Technology System only and use the Business Management and Technology System in accordance with our policies and operational procedures. Your employees must complete any and all training programs we reasonably require for the proper operation and use of the Business Management and Technology System. You may not use any other cash registers or computer systems in your Franchised Business.

Operations Manual

Our Operations Manual is currently under active development. Attached as Exhibit D is a copy of the current table of contents of our current Manual, which indicates the topics addressed and the number of pages devoted to each topic.

Website

We have established and intend to maintain a website at www.TheBlueCollarRecruiter.com that provides information about the franchise System (the “Blue Collar Recruiter Website”). We will include on the Blue Collar Recruiter Website an interior page containing information about your Franchised Business. If we include your information on the Blue Collar Recruiter Website, we have the right to require you to prepare all or a portion of the page, at your expense, using a template that we provide. All information is subject to our approval before posting. We will have sole discretion and control over the Website’s design and contents. You consent to the posting of information about your Franchised Business on the Website.

We have the sole right to approve any linking to or use of the Website. We have no obligation to maintain the Blue Collar Recruiter Website indefinitely, and we reserve the right to discontinue it at any time without liability to you. As we have no control over the stability or maintenance of the internet generally, we are not responsible for damage or loss caused by errors or malfunctions of the internet.

You will not be allowed to establish or operate any website for your Franchised Business or establish or participate in any System related blog or other discussion forum without our express consent. If we no longer maintain an internet website promoting the System and franchised businesses, you may be allowed to establish or operate any other website for your Franchised Business or establish or participate in any System related blog or other discussion forum with our advance written consent.

We may maintain one or more social media sites (e.g., Facebook, Twitter, Instagram, or other social media sites). You may not establish or maintain any social media sites utilizing any of the Marks without our advance written consent. We may designate from time to time regional or territory-specific usernames/handles that you must maintain. You must adhere to any social media policies, including those that may be included in the Manual, that we establish from time to time and must require all of your employees to do so as well.

ITEM 12 TERRITORY

You will be granted a Designated Territory which will include a population of approximately 200,000 – 250,000 individuals (with a variance that may be granted by Franchisor in its discretion) and will be defined using county boundaries present at the time the Designated Territory is established. Nonetheless, the population of the Designated Territory may vary depending on a number of factors that we determine, including the geographic size of the Designated Territory. You will be able to choose your Designated Territory based on available pre-defined Territories. We will use the most recent population information available in the U.S. Census Data, or other population statistical sources of our choosing to determine populations. The size of your Territory could vary depending on the demographic information and population density of the area included in the Designated Territory. For example, your Designated Territory could vary in size from a city in an urban location to a county in a more suburban area.

You must operate your Franchised Business from a location within your Designated Territory. You may operate your Franchised Business as a home-based business as long as your home is located in your Designated Territory. You may choose to operate your Franchised Business from business premises outside of your primary residence. If we grant you the right to operate multiple Designated Territories, you must operate the Franchised Business within one of the Designated Territories. Prior to operating your Franchised Business outside of your primary residence, you must obtain our prior written approval. It is in our sole discretion to approve or deny these premises. Unless we have provided our acceptance of the proposed business premises in writing the request will be deemed denied after 30 days after receiving your written request.

You are permitted to advertise and market outside of your Designated Territory. You may service a market area outside of your Designated Territory only if the customers you are servicing are not located within two miles of a Designated Territory of another Blue Collar Recruiter Franchisee, and you must obtain our prior written consent. If you are servicing customers in an area outside of your Designated Territory, we may but are not required to grant you a right of first refusal in the event the territory is acquired by another Blue Collar Recruiter franchisee. If you are not granted or if you decline a right of first refusal, you will be no longer permitted to operate in the area. We do not restrict you from passively attracting clients from outside your Designated Territory and likewise we do not restrict other franchisees from passively attracting clients outside their designated territory which may include your Designated Territory.

If your Designated Territory lies within the reach of media or marketing sources that serve other franchise or affiliate-owned businesses, we can require you to advertise and market cooperatively with those franchise or affiliate-owned businesses. The terms of the cooperative advertising will be established by us at that time.

Except when advertising or marketing cooperatively, or through media that, in addition to your Designated Territory also includes territory of another franchisee, you cannot actively advertise or solicit business outside your Designated Territory. We can advertise, market and promote our and our affiliates brands, but cannot otherwise solicit business, within your Designated Territory.

We will not establish or license another person or entity to establish any other Blue Collar businesses within your Designated Territory while your Franchise Agreement is in effect, however we can develop, use and franchise other trade names and trademarks for other similar businesses. We and our affiliates also have the right to acquire, be acquired by, or merge with other companies which provide staffing and recruiting services for employers in the hiring of skilled tradespeople such as licensed plumbers, electricians, and HVAC technicians, related businesses, and other related services anywhere (including inside or outside of the Designated Territory and, even if such businesses are located in the Designated Territory, provided the other businesses continue to operate under another name). We will not compensate you for any of our activities including soliciting or accepting business in your Designated Territory, even if they have an impact on your Franchised Business.

Presently, there are no active plans to do so, but we also have the right to develop and use alternative channels of distribution, such as the Internet, or other direct marketing methods, for the sale of proprietary products and services both within and outside your Designated Territory under trademarks the same and different from those you will use under your Franchise Agreement, and you will receive no compensation for our sales through alternative distribution channels.

If you are granted an option to purchase or right of first refusal and you fail to execute a franchise agreement for the optioned territory within the allotted timeframe, you will be deemed to have waived your option or right. Your option to purchase will be valid only so long as you meet the requirements of any and all other agreements with us and have substantially complied with the terms and conditions of all the agreements during the term of the Franchise Agreement. In the event that the provisions of the Franchise Agreement are not substantially complied with by you, the option to purchase or right of first refusal will be permanently waived. If waived and you wish to acquire additional franchises you must undertake the new franchisee application process. An option to purchase or right of first refusal cannot be sold, given or assigned to another person or business entity.

You retain the rights to your Designated Territory even if the business population increases. As long as you are in compliance with the terms of your Franchise Agreement, we will not modify your territorial rights. .

Minimum Performance Requirements and Modifications to Your Territory. During the term of your Franchise Agreement, you will be required to meet the minimum performance requirements detailed in the table below (the “Minimum Performance Requirements”).

Years of Operation	Minimum Annual Revenue
2-5	\$180,000
6-10	\$500,000

If you do not achieve the applicable Minimum Performance Requirements, we will have the right to:

- reduce the size of the Designated Territory;
- establish or license a third party to establish a Franchised Business within the Designated Territory;
- require you to implement an improvement program, which may include, among other things, engaging in specified marketing activities, or

- terminate your Franchise Agreement.

If we require you to implement an improvement program, your failure to comply with the terms of the program or failure to achieve Minimum Performance Requirements will allow us to terminate the Franchise Agreement. The Minimum Performance Requirements are not a representation or guarantee of any financial results.

ITEM 13 TRADEMARKS

Pursuant to the Franchise Agreement, you are granted a license to operate a Blue Collar Recruiter using the marks, Blue Collar Recruiter (logo) and other marks in connection with the business (the “Marks”). The Marks listed below are the subjects of valid and subsisting U.S. Patent and Trademark Office registrations shown below.

In addition to the Marks in the chart below, franchisees may also use other marks, registered or unregistered, that we own or have the right to use through a license agreement between Latuff Management, LLC., and The Blue Collar Franchise Group, LLC (the “License Agreement”) and that we designate as part of the Marks. The License Agreement does not contain any significant limitations on our right to use or license the Marks to you and is perpetual in duration and may be terminated unilaterally by either party only upon a material breach of the License Agreement.

Latuff Management, LLC has registration with the Principal Register of the USPTO for the following trademarks and plans to file all required ongoing affidavits with respect to each of the Marks:

Mark	Registration Number	Registration Date
The Blue Collar Recruiter	7078602	June 13, 2023

At this time, we do not have a registration for the trademarks below. Therefore, these trademarks do not have many of the legal benefits and rights as a federally registered trademark. If your right to use these trademarks is challenged, you may have to change to an alternative trademark which will increase your expenses.

Marks	
	

We also claim common law rights to our designs, logos, and trade dress items, including color schemes and appearance, as well as copyright where applicable, but there have not been judicial determinations of the existence, validity, or extent of our rights. We claim and intend to rely on common law and/or statutory trade secret and unfair competition protection for the proprietary materials and information you are awarded a license to use under the Franchise Agreement.

There are presently no final effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any trademark administrator of any state or any court proceedings which limit or restrict our right to use the above-described Marks or are relevant to your use of the Marks for your Franchised Business.

We have the right to control any administrative proceeding or litigation involving a trademark licensed by or to you. If you learn of any claim, suit, or demand against you by a third party for any alleged infringement, unfair competition, or similar matter due to your use of the Marks, in accordance with the terms of the Franchise Agreement, you must promptly notify us of the claim, suit, or demand. We will then take whatever action we, in our sole discretion, consider necessary or appropriate. We intend to take reasonable steps to preserve and protect our ownership of the Marks and their validity. We are not obligated to protect any rights awarded to you to use the Marks or protect you against claims of infringement or unfair competition regarding the Marks. You may not settle or compromise any claim by a third party without our prior written consent. We may defend, compromise, or settle any claim at our cost, using attorneys that we choose, and you must cooperate fully with us in defending the claim. If you learn of any infringing use, you must promptly notify us. We will decide in our discretion whether or not to prosecute any purported infringement of the Marks and our decisions will be final.

We are the lawful and sole owner of the domain name(s) www.thebluecollarrecruiter.com. You cannot register any of the Marks owned by us or any abbreviation, acronym, or variation of the Marks, or any other name that could be deemed confusingly similar, as internet domain names. We retain the sole right to advertise the System on the internet and to create, operate, maintain, and modify, or discontinue using, a website using the Marks. You may access our website. Except as we may authorize in writing in advance, however, you cannot: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products or services on the worldwide web; or (iii) create or register any internet domain name in connection with your franchise.

You may use only the Marks which we designate, and you may use them only in the manner we authorize and permit. Any goodwill associated with Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit. You may use the Marks only for the operation of the business and only in your Designated Territory, on the truck, or in advertising for the business. You will use all Marks without prefix or suffix and in conjunction with the symbols “SM,” “TM,” “S” or “®,” as applicable, to the extent they have been validly registered in the USPTO. You may not use the Marks in connection with the offer or sale of any services or products which we have not authorized for use in connection with the franchise System. You may not use the Marks as part of your corporate or other legal name. We must approve your corporate name and all fictitious names under which you propose to do business in writing before use. You must use your corporate or limited liability company name alone. You are not permitted under any circumstances to use the initials “D/B/A” and the business name “Blue Collar Recruiter.” You must promptly register at the office of the county in which your business is located, or such other public office as provided for by the laws of the state in which your business is located, as doing business under such assumed business name.

All of your advertising must prominently display the Marks and must comply with our standards for using the Marks. All such advertising is subject to our prior written approval, which we will not unreasonably withhold. We reserve the right to approve all signs, stationery, business cards, forms, and other materials and supplies bearing the Marks. You may use the Marks including, without limitation, trade dress, color combinations, designs, symbols, and slogans, only in the manner and to the extent specifically permitted by the Franchise Agreement or by our prior written consent. You must submit to us, and we must approve, all advertising, publicity, signs, decorations, furnishings, equipment, or other materials employing the Marks, or related marks, before first publication or use. You must identify yourself as the owner of the Franchised Business (in the manner we prescribe) in conjunction with any use of the Marks including, without limitation, on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations as we may designate in writing on your business location.

If it becomes advisable at any time in our sole discretion for us or you to modify or discontinue use of the Marks or use one or more additional or substitute trade or service marks, you must comply with our directions to modify or discontinue the use of the Marks within the time frame specified by us. We may add to, delete, or modify our Marks. You must accept, use, or cease using, as may be applicable, the Marks, including modified or additional Marks in accordance with our prescribed procedures, policies, rules, and regulations whether contained in the Manuals, in the Franchise Agreement, or otherwise. You will not be compensated as a result of any discontinuation or modification of the Marks.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We have no patents or pending patent applications that are material to the franchise. Under the Federal Copyright Act (the “Act”), a copyright arises upon creation of the work and continues for 75 years. The Act does not require registration and our copyrighted materials are not registered. We claim copyrights and other proprietary rights in our Manual and other materials we provide to you for the operation of your Franchised Business. You may use all of these materials while you are a franchisee. You and your employees may only use them for the operation of the Franchised Business. You must keep them confidential. You may not use them in any other business or provide them or copies of them to any person other than your employees. You must return them to us if your franchise agreement is terminated or expires.

There are no current material determinations of, or proceedings pending in the United States Patent and Trademark Office, the U.S. Copyright Office, or any court regarding any of our copyrights discussed above.

There are no agreements currently in effect which limit your right to use any of our copyrights. As of the date of this disclosure document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them.

You must notify us immediately when you learn about an infringement of or challenge to your use of the copyrights. We will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement and proper use of the copyrights, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of the copyrights. We have the right to control any administrative proceedings or litigation involving the copyrights licensed by us to you. You must fully cooperate with us in defending and/or settling the litigation.

During the term of this Agreement, you may have access to and become acquainted with our Confidential Information, which includes trade secrets, including, but not limited to, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the System; the Operations Manual; methods of advertising and promotion; instructional materials; marketing plans, business methods, research, development or know-how, any other information which we may or may not specifically designate as “confidential” or “proprietary”, and the components of our System whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights. You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all such Confidential Information and trade secrets will remain our exclusive property. You may never (during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated) reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our Confidential Information or give it to a third party except as we authorize in writing to you beginning any dissemination.

You must promptly tell us when you learn about unauthorized use of any Confidential Information. We are not obligated to take any action but will respond to this information as we think appropriate. We will indemnify you for losses brought by a third party concerning your use, in strict compliance with the Franchise Agreement, of the Confidential Information.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Unless we approve your employment of management personnel to operate the Franchised Business, you must actively participate in the actual operation of the Franchised Business and devote as much of your time as is reasonably necessary for its efficient operation. We recommend that you actively participate in the operation and supervision of the Franchised Business. If you are a limited or general partnership, limited liability company, corporation, or other legal entity (“Entity”) or if more than one person will execute the Franchise Agreement as a Franchisee, you must designate one partner, member, equity or stockholder, or other possessor of an ownership interest in the Entity (collectively, “Owners”) to make all decisions on behalf of your Franchised Business and represent you in your dealings with us and our affiliates (a “Principal Executive”). Your Principal Executive must be a natural person who directly or indirectly owns at least twenty percent (20%) of the total ownership interest in the Entity. You may not change your Principal Executive without our prior written consent. You may appoint a non-Owner to oversee the establishment and operation of your Franchised Business (“Key Manager”), subject to our approval which we will not withhold unreasonably. Your governing documents must give the Principal Executive or Key Manager the right to make all decisions with respect to your Franchised Business and represent you in your dealings with us and our affiliates. You or your Principal Executive, any Key Manager(s), must attend and successfully complete our training programs (“Required Trainees”). Refer to Item 11 for details. All Required Trainees must complete our initial training program to our sole, subjective satisfaction. We do not require Key Managers to have an equity interest in the Franchised Business.

We may require all Owners to personally guaranty your obligations under the Franchise Agreement and also agree to be personally bound by, and jointly and severally liable for the breach of, any provision of the Franchise Agreement. All of your Owners, management personnel, and employees who are provided access to the Manual or other confidential information must sign a Confidentiality Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all products and services which are a part of the System, and all products and services which we may incorporate into the System in the future. You may only offer those products and services which we have previously approved. There are no limits regarding to whom you may offer goods and services.

You may not use our Marks for any other business, and you may not conduct any business other than the Network franchise from your Approved Location. You cannot engage in any business other than your Blue Collar Recruiter franchise that competes with your franchise, or our Affiliates.

We may add to, delete from, or modify the products and services which you can and must offer. You must abide by any additions, deletions and modifications, but only if the changes do not materially and unreasonably increase your obligations under the Franchise Agreement. There are no other limits on our rights to make these changes.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The table below 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	§2.1	10 years
b.	Renewal or extension of the term	§2.2	You may renew the Agreement for a Renewal Term of five years up to two times by giving written notice at least six and not more than twelve months before the expiration of the then-current term
c.	Requirements for franchisee to renew or extend	§2.2	You must not be in default under the Agreement, have substantially complied with the Agreement throughout the Term, made all payments on time when due, signed a new franchise agreement which may have materially different terms, refurbished the Franchised Business to conform to our then-current standards, executed a general release, completed additional required training, secured the Site for the Renewal Term, and paid the Renewal Fee.
d.	Termination by franchisee	§14.3	You may terminate this agreement only if we commit a material breach of this Agreement; you give us written notice of the breach; we fail to cure the breach, or to take reasonable steps to begin curing the breach, within sixty days after receipt of your notice; and you are in full compliance with your obligations under this Agreement. Termination will be effective no less than ten days after you deliver to us written notice of termination for failure to cure within the allowed period.
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with cause	Article 14	On the occurrence of any Event of Default as defined in §14.1 of the Agreement.
g.	“Cause” defined – curable defaults	§14.1(a)	If Franchisee fails to pay any financial obligation pursuant to this Agreement (a) within five (5) days of the date on which Franchisor gives notice of such delinquency, (b) immediately upon written notice if such payment has not been made within sixty (60) days after the date on which it is required to be paid, or (c) immediately upon written notice if Franchisee is determined to have under-

			reported its Gross Revenue during any month by two percent (2%) or more of the actual Gross Revenue during such month on two (2) or more occasions during the Term of this Agreement, whether or not Franchisee subsequently rectifies such deficiency; if Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by an appropriate authority to comply with any law or regulation applicable to the operation of the Franchised Business; if Franchisee fails to perform or breaches any covenant, obligation, term, condition, warranty, or certification herein or fails to operate the Franchised Business as specified by Franchisor in the Manual, fails to pay promptly any undisputed invoices from Franchisor or suppliers, and fails to cure such non-compliance or deficiency within thirty (30) days (or such longer term as granted by Franchisor) after Franchisor's written notice thereof; if Franchisee abandons or ceases to operate all or any part of the Franchised Business conducted under this Agreement for seventy-two (72) hours or longer (except as otherwise provided herein) or defaults under any mortgage, deed of trust or lease with Franchisor or any third party covering the Franchised Business or the Site, fails to cure such abandonment or default and Franchisor or such third party treats such act or omission as a default, and Franchisee fails to cure such default to the satisfaction of Franchisor or such third party within any applicable cure period granted Franchisee by Franchisor or such third party.
h.	"Cause" defined – non-curable defaults	§14.1(b)	Automatically, without notice or action required by Franchisor, if Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, or, unless otherwise prohibited by law, if a petition in bankruptcy is filed by Franchisee, or such a petition is filed against and consented to by Franchisee or not dismissed within thirty (30) days, or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee, or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed; or if a final judgment in excess of Five Thousand Dollars (\$5,000) against Franchisee relating to the Franchised Business remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are

			taken to effectively stay enforcement of such judgment in the relevant jurisdiction); if Franchisee fails to commence operation of the Franchised Business as required by Article 8; if Franchisee makes, or has made, any materially false statement or report to Franchisor in connection with this Agreement or application therefore; if there is any violation of any transfer and assignment provision contained in Article 13 of this Agreement; if Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations of this Agreement during any twelve (12) month period; if Franchisee or its Designated Owner or Designated Representative fails to complete to Franchisor's reasonable satisfaction any of the training required pursuant to Section 8.4 of this Agreement; if Franchisee violates any covenant of confidentiality or non-disclosure contained in Article 9 of this Agreement or otherwise discloses, uses, permits the use of, copies, duplicates, records, transmits or otherwise reproduces any manuals, materials, goods, or information created or used by Franchisor and designated for confidential use within the System without Franchisor's prior approval; if Franchisee or any person controlling, controlled by or under common control with Franchisee, or any principal officer or employee of Franchisee or any such person, owning an interest in the Franchised Business is convicted of a felony, or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to affect adversely the System, the Marks, or the goodwill associated therewith; if Franchisee or any guarantor(s) hereof default on any other agreement with Franchisor, or any affiliate or parent corporation of Franchisor, and such default is not cured in accordance with the terms of such other agreement; if Franchisee fails to perform or breaches any covenant, obligation, term, condition, warranty or certification in this Agreement related to the Marks, including misuse of the Marks..
i.	Franchisee's obligations on termination / nonrenewal	Article 15	You must pay all amounts due; discontinue using the Marks and the System; return all Proprietary Information to us; cease identification with The Blue Collar Recruiter including by canceling all assumed name or equivalent registrations relating to your use of the Marks; cancel or transfer to us or our designee all authorized and unauthorized domain names, social media accounts, telephone numbers, PO boxes, and classified and other directory

			listings relating to or used in connection with your Franchised Business or the Marks; and sell us the Operating Assets (as defined in the Agreement) at fair market value if we exercise our option to purchase the Assets.
j.	Assignment of contract by franchisor	§13.1	We may assign the Agreement and all of our rights, duties, and obligations under the Agreement to any person or Entity that we choose in our sole discretion. Upon any such assignment, we will be released from all of our duties and obligations hereunder, and you will look solely to our assignee for the performance of such duties and obligations.
k.	“Transfer” by franchisee – definition	§13.2	Includes transfer of Franchise Agreement or of the franchise or its assets or any change in ownership of franchisee entity.
l.	Franchisor’s approval of transfer by franchisee	§13.3	Neither you nor any of the Owners or any successors to any part of your interest in this Agreement or the License may make any Transfer or permit any Transfer to occur without obtaining our prior written consent, except as provided in this Agreement. If you or any of your Owners desire to make a Transfer, you must promptly provide us with written notice. Any purported Transfer without our prior written consent will be void and will constitute an Event of Default (as herein defined), for which we may terminate this Agreement without opportunity to cure. We have sole and absolute discretion to withhold our consent, except as otherwise provided in this Agreement.
m.	Conditions for franchisor approval of transfer	§13.4, §13.5, & §13.6	Transferee qualifies, all amounts due are paid in full, transferee completes training, transfer fee paid, then-current Franchise Agreement signed, franchisee signs general release and noncompetition covenant.
n.	Franchisor’s right of first refusal to acquire franchisee’s business	§13.9	We may match any offer.
o.	Franchisor’s option to purchase franchisee’s business	§15.6	Upon expiration or termination of the Franchise Agreement, we may purchase your Franchised Business or some or all of the Franchised Business’s assets.
p.	Death or disability of franchisee	§13.8	Franchise must be assigned to approved assignee within 120 days.
q.	Non-competition covenants during the term of the franchise	§12.1	No involvement in Competing Business and no diversion.

r.	Non-competition covenants after the franchise is terminated or expires	§12.2	No Competing Business for 2 years within 25 miles of your Franchised Business or any other Blue Collar Recruiter Business.
s.	Modification of the agreement	§17.2	The Agreement may be amended or modified only by a written document signed by each party except that the Manual, System Standards, and any other policy or procedure not expressly prohibited under the Agreement may be amended at any time by us.
t.	Integration/merger clause	§17.1	The Agreement and the documents referred to herein constitute the entire agreement between you and us with respect to the Franchised Business and supersede all prior discussions, understandings, representations, and agreements concerning the same subject matter. Notwithstanding the foregoing, nothing in the Agreement shall disclaim or require you to waive reliance on any representations that we made in the most recent Franchise Disclosure Document (the “FDD”) that we delivered to you or your representatives. The Agreement includes the terms and conditions on Attachment A, which are incorporated into this Agreement by this reference.
u.	Dispute resolution by arbitration or mediation	§16.1	Except as otherwise provided, prior to filing any proceeding to resolve any dispute based upon, arising out of, or in any way connected with the Agreement, a party must submit the dispute for mediation. The mediation will be held before one mediator selected by the parties, and if the parties cannot agree upon the mediator, then a mediator selected by the American Arbitration Association (“AAA”). All parties must attend and participate in the mediation. The mediation will not last more than one day and will be held in Austin, Texas unless we no longer have an office there, in which case it will be held in the metropolitan area of our then-current principal place of business. If we and you do not resolve our dispute, then thereafter any party may file for litigation, as applicable in accordance with the terms of this Agreement. The mediation will be governed by the rules of the AAA. It is the intent of the parties that mediation be held not later than fourteen (14) days after a written request for mediation is served on the other parties. The obligation to mediate will not be binding on either party with respect to claims relating to the Marks, the non-payment or underpayment of any monies due under the Agreement, the noncompetition covenants, or requests by

			either party for temporary restraining orders, preliminary injunctions or other procedures in a court of competent jurisdiction to obtain interim relief provided such equitable relief is deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute.
v.	Choice of forum	§16.2	Litigation in Texas (subject to state law).
w.	Choice of law	§16.3	Texas law applies (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) the franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The financial performance representation is historic based upon our existing Company-Owned Outlet (“BCR Austin,”) and four franchised outlets (“Franchise Outlets”). It includes historical financial results from BCR Austin for the fiscal year of 2024 (the “Measurement Period.”) An outlet’s full operation throughout the Measurement Period is the only criteria that were used to select the financial performance information that is included in Item 19. We have a reasonable basis and written substantiation for the financial performance information disclosed in Item 19.

Table 1 of this Item 19 details certain Key Performance Indicators of BCR Austin during the Measurement Period.

Table 2 of this Item 19 details certain Key Performance Indicators of the Franchise Outlets during the Measurement Period.

The explanatory notes included with the following charts are an integral part of this financial performance representation and should be read in their entirety for a full understanding of the information contained in the following charts.

Some outlets have sold this much. Your individual results may differ. There is no assurance you’ll sell as much.

Table 1 – Key Performance Indicators of BCR Austin during the Measurement Period.

Category	BCR Austin
Total Gross Revenue	\$1,438,898
Total Blue Collar Recruiter Placements	152
Total Blue Collar Recruiter Placements Revenue	\$1,225,741
Average Ticket Amount	\$8,064

Table 2 – Key Performance Indicators of the Franchise Outlets during the Measurement Period

Category	Franchise Outlet 1	Franchise Outlet 2	Franchise Outlet 3
Total Gross Revenue	\$291,020	\$109,992	\$210,392
Total Blue Collar Recruiter Placements	38	8	25
Total Blue Collar Recruiter Placements Revenue	\$291,020	\$80,312	\$208,750
Average Ticket Amount	\$7,658	\$10,039	\$8,350

Notes to Item 19 Tables:

- The figures in the tables above use the historical information that BCR Austin and the Franchise Outlets have provided. Franchise Outlet 1 operates two locations under a combined accounting protocol and have therefore been listed one unit for purposes of this Item 19. You should be advised that no certified public accountant has audited these figures or expressed his or her opinion concerning their contents or form, nor have we sought to independently verify their accuracy. Upon your reasonable request, we will provide written substantiation for this financial performance representation.
- “Gross Revenue” means all revenues derived from providing products and/or services to customers. Gross Revenue does not include taxes which were collected and paid to applicable governmental authorities or revenue for which there was a valid corresponding refund paid to the customer. This figure represents the gross revenue earned by BCR Austin and the Franchise Outlets during the Measurement Period.
- “Total Blue Collar Recruiter Placements” means the total number of Blue-Collar Recruiter job placements by BCR Austin and the Franchise Outlets during the Measurement Period.
- “Blue Collar Recruiter Placement Revenue” means the revenue derived by BCR Austin and the Franchise Outlets from Blue Collar Recruiter job placements during the Measurement Period.

9. “Average Ticket Price Per Placement” means the average ticket price per Blue Collar Recruiter Placement by BCR Austin and the Franchise Outlets during the Measurement Period.

10. The market for staffing and recruiting businesses is well developed and highly competitive throughout the United States. You will compete with both independent operators of similar businesses, some of whom belong to cooperative networks of offices, franchisees of other recruitment systems, and other Blue Collar Recruiter franchisees. The staffing and recruiting market serves employers and is year-round, not seasonal. Additionally, acquiring a site is highly competitive with other businesses for suitable sites. The performance of your Franchised Business will be affected by the region in which you operate, your competitors, and the success you have in marketing and managing your operations.

11. You should consult other sources for financial information including your financial, business, and legal advisors in connection with the information provided and our franchisees listed in Exhibit C to this Franchise Disclosure Document to obtain additional information necessary for you to develop estimates of the sales, costs, expenses, earnings, and profits.

12. Written substantiation to support the information appearing in this financial performance representation is available to you upon reasonable request.

Some outlets have sold this much. Your individual results may differ. There is no assurance you’ll sell as much.

Other than the preceding financial performance representation, 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 Troy Latuff at 305 Horseback Hollow, Austin, TX 78732, (512) 387-3513, or email: troy@thebluecollarrecruiter.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2022 TO 2024**

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2022	0	0	0
	2023	0	4	4
	2024	4	4	8
Company Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	1	1	0
	2023	1	5	4
	2024	5	9	4

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE
FRANCHISOR) FOR YEARS 2022 TO 2024

STATE	YEAR	NUMBER OF TRANSFERS
TX	2022	0
	2023	0
	2024	0
Total Outlets	2022	0
	2023	0
	2024	0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS FOR YEARS 2022 TO 2024

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF YEAR
GA	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
IN	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
MO	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	2	0	0	0	0	2
NC	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
OH	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
PA	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Total Outlets	2022	0	0	0	0	0	0	0
	2023	0	4	0	0	0	0	4
	2024	4	4	0	0	0	0	8

TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS FOR YEARS 2022 TO 2024

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
TX	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Total Outlets	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

TABLE NO. 5
PROJECTED OPENINGS AS OF JANUARY 1, 2024

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN NEXT FISCAL YEAR	PROJECTED NEW COMPANY OWNED OUTLETS IN NEXT FISCAL YEAR
NC	0	0	0
FL	1	0	0
TX	0	2	0
TOTAL	1	2	0

Exhibit C lists the names of all current and former franchisees and the addresses and telephone numbers of their outlets as of January 1, 2024.

There are no franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within ten weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the franchise System. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you. There are currently no franchisees who have signed a confidentiality agreement during the last three years.

There are no independent franchisee organizations associated with the franchise System.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit A to this Disclosure Document is our audited financial statements for 2022, 2023, and 2024. Our fiscal year ends on December 31.

ITEM 22
CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document or as Attachments to the Franchise Agreement.

Document/Contract	Location in FDD
Franchise Agreement (FA)	FDD Exhibit E
Franchisee Information and Designated Territory	FA Attachment A
Personal Guaranty for Owner/Shareholder	FA Attachment B
Operations Manual Table of Contents	FDD Exhibit D
Forms of General Release	FDD Exhibit G
Form of Confidentiality and Noncompete Agreement	FDD Exhibit H
State-Required Franchise Agreement Riders	FDD Exhibit I
Lease Rider	FDD Exhibit J
Electronic Funds Transfer Authorization	FDD Exhibit K

ITEM 23
RECEIPTS

The last two pages of this Disclosure Document are duplicate Receipts for you to sign. Keep one for your records and return the other one to us at: The Blue Collar Franchise Group, LLC, 305 Horseback Hollow, Austin, Texas 78732.