FRANCHISE DISCLOSURE DOCUMENT

COFFEE NEWS USA, Inc.
A Maine Corporation
One Cumberland Place, Ste. 102
Bangor, Maine 04401
(207) 941-0860
www.coffeenewsusa.com

You will publish within an exclusive territory a free weekly restaurant publication called **Coffee News** for the patrons of restaurants, coffee shops, and other food related businesses.

The total investment necessary to begin operation of a Coffee News franchise is $11,150.00 - $12,250.00. This includes $9,900.00 - $11,000.00 that must be paid to the franchisor, COFFEE NEWS USA, INC. ("we or us). $7,000.00 must be paid to us for each additional franchise up to a maximum of 20 franchises per individual or company.

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.**

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

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

The Issuance Date: March 22, 2021

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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 Item 20 or Exhibit D.
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 support to my business?	Item 21 or Exhibit C includes financial statements. 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 Coffee News business 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 Coffee News franchisee?	Item 20 or Exhibit D 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*

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before 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 F.

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. See the Table of Contents for the location of the State Specific Addenda.

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 Maine. 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 Maine than in your own state.

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.

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B. Sample Coffee News
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ITEM 1

THE FRANCHISOR, AND ANY PARENT, PREDECESSORS, AND AFFILIATES

The Company

COFFEE NEWS USA, Inc. ("we" or "us") was incorporated in Maine on January 27, 1994, and maintains its principal business at One Cumberland Place, Suite 102, Bangor, Maine 04401. We conduct business under our corporate name and the mark "Coffee News USA" only. Our agents for service of process are listed in Exhibit G.

The Franchise Offered

We sell to you the right to publish **Coffee News** (the "Periodical") in hard copy and/or online version ("Coffee News Online"), and to distribute the Periodical to restaurants and other local establishments and to distribute Coffee News Online within a specified geographic area which is your exclusive territory. "You" or "Publisher" represents the franchisee, or in the event of a corporation, limited partnership, or other entity, "you" represents the owners of the franchisee or the Publisher. You will generate revenue through sales of advertising space on weekly editions of the Periodical. Food-related businesses such as restaurants distribute **Coffee News** as a service to their clientele and do not pay or receive any fee for this service. There are no limits as to where you may sell advertising.

On July 3, 1995, we acquired and operated 4 franchises in the Greater Bangor, Maine area until October 1, 2003 when they were sold. On August 1, 2012, we reacquired the 4 franchises in the Greator Bangor Area in Maine and have added a 5th franchise for Waldo County, Maine. On June 1, 2017, we assumed control of five (5) franchises in Maine due to the sudden death of the franchisee. On October 1, 2019 the four (4) franchises in the Greater Bangor area in Maine, along with the one (1) Waldo County, Maine edition were sold bringing our company owned franchises to three (3). Since these franchises formed the basis for the financial performance representations and projections in Item 19 herein, and we owned them for 10 months in 2019, we have elected to continue to base our estimates on these franchises during 2020.

On January 4, 2021, we offered Coffee News Online, as a service from Chil Consulting in Ontario, Canada. This enables you to offer an online version of Coffee News to readers within the service area of your print franchises. This service is mobile ready.

We do not operate any other line of businesses in this corporation.

The Periodical will compete for readership, display space, and advertising revenue with other print **and online** media. The publication is designed and intended for readership in restaurants, coffee shops, and other public places where patrons sit and eat. We know of no other periodical that has this specific focus.

You will compete for advertising revenue with all other media forms in the territory and there is no reason to believe you will be insulated in any way from the competition. The following strategies employed by us have been used extensively in Canada since 1988:

1) The Periodical is designed specifically for use anywhere people are sitting, waiting or eating and in high foot traffic locations or online.
2) Only one advertisement is suggested from each industry per edition.
3) Restaurants are not allowed to advertise except in seasonal editions during the high season.
4) All advertisements are the same size and are arranged to ensure maximum readership. Some variations may apply in the online versions.
5) A new issue is published and distributed each week and placed in holders uniquely designed to display the Periodical or posted online.

Our Parents, Predecessors and Affiliates

On February 5, 1996, we purchased the exclusive rights to franchise Coffee News in the continental United States, Alaska, Puerto Rico, Hawaii, Central America, and the Caribbean from 2703203 Manitoba, Inc. d/b/a Coffee News, 54 Harlow Bay, Winnipeg, Manitoba R2C 5N5, a corporation of the Province of Manitoba, Canada. Since 1988, 2703203, Manitoba, Inc. has licensed the distribution of Coffee News in most of the prime population areas of Canada and is seeking to establish a worldwide network in a variety of languages. We are the first to acquire the rights outside of Canada. Recently, other parties either have or are in the process of acquiring franchise rights in other countries.

2703203, Manitoba, Inc. provides us weekly copy for Coffee News which we distribute to our United States publishers every 8 weeks. The weekly copy provided to you contains all material to be published except advertising copy and local events listed under the "What's Happening" section, which you will provide. Due to language differences and local customs, we are authorized to edit the copy for the United States market. You are not authorized to edit the copy without our written permission to do so.

We purchased a printing company, July 1, 2008, that primarily prints Coffee News editions for our publishers primarily in North America called Coffee News Printing, LLC and located in Houlton, Maine. Effective July 1, 2020, the printing and shipping services were terminated and outsourced to a local commercial printer in Bangor, Maine, Coffee News Printing, LLC. retained the design and layout staff and all graphic arts services for Coffee News USA, Inc.

On October 21, 2008, William Buckley purchased 2703203 Manitoba, Inc. located in Winnipeg, Manitoba and 2703203 Manitoba, Inc. became our affiliate. This company holds all the rights and marks for Coffee News worldwide and holds all agreements with publishers of Coffee News in Canada and 7 other countries.

The shares of 2703203 Manitoba, Inc. are 100% owned by William A. Buckley. Coffee News USA, Inc shares are 45% owned by William A. Buckley, 45% owned by Sue-Ann Buckley and 10% owned by John B. Buckley. The shares of Coffee News Printing, LLC are 51% owned by William A. Buckley and 49% owned by Garrett Guernsey, the Chief Financial Officer of Coffee News USA, Inc.

On January 1, 2015, Coffee News USA, Inc. entered into a marketing agreement with Darter Specialties, Inc. P.O. Box 188, Cheshire, CT 06410 to provide exclusive rights within the geographic boundaries of the United States, to produce, inventory, promote, sell and ship

Products using the Coffee News Marks, in exchange for a percentage of the sale proceeds to publishers. Certain amounts of unsold existing inventory from Coffee News USA will be sold by Darter Specialties and the proceeds remitted to Coffee News USA, Inc. on a monthly basis.

In or around January of 2021, We entered into a service agreement with Chil Consulting, a Canadian corporation, to provide Coffee News Online related services enabling Coffee News franchisees to publish a digital version of the Coffee News Publication. Coffee News® online will retain many of the same features as the hard copy format used worldwide, but with enhanced features, making Coffee News® more accessible to readers, offering greater marketing opportunities, and generating additional advertising revenue from existing advertisers as well as restaurants at a modest cost. To enroll in the Coffee News Online feature, there are currently two (2) options: Basic and Premium, as outlined in Section 4 of the Coffee News Franchise Agreement.

We have no parents. Neither we nor 2703203 Manitoba, Inc. have ever offered franchise in any other line of business. Our company was incorporated under the name of Ergonomic Consulting Services, Inc. on January 27, 1994 and operated under a d/b/a of Coffee News. Effective on May 25, 2004, our name was changed to Coffee News USA, Inc. d/b/a Coffee News. This was a simple name change and all other aspects of our company remain unchanged.

Other than laws or regulations that apply to businesses generally, we know of no regulations specific to this industry which may affect the operation of your franchise.

ITEM 2

BUSINESS EXPERIENCE

President: William A. Buckley

William A. Buckley, the President and Director of Coffee News USA, Inc., has over 55 years of experience in the finance and marketing businesses. He has served in this position with Coffee News USA, Inc. since the company was formed in 1994 and began offering franchise for sale in 1996. In 2008, Mr. Buckley purchased 2703203 Manitoba, Inc. in Winnipeg, Manitoba and serves as President of that company. The International Franchise Association (IFA) has awarded Mr. Buckley a certificate of achievement as a Certified Franchise Executive (CFE).

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5

INITIAL FRANCHISE FEE

You must pay an initial franchise fee of $9,900.00 for the first franchise that is due upon signing the initial franchise agreement, $500.00 of which must be paid to us for document preparation including without limitation draft of the franchise agreement. The $500.00 shall be deducted from $9,900.00 upon signing the initial franchise agreement. For this, you will receive weekly copy within 14 days of signing the agreement with additional copy mailed in 8-week increments (no later than 5 business days prior to the end of the following 8-week period) which effectively represents reimbursement for weekly copy during the initial 3 month period of the agreement. Agreements may include up to the maximum 20 franchises permitted per publisher. A fee of $7,000.00 for each additional franchise is due at the time of signing the agreement for additional franchise(s). Upon our sole discretion, we may offer short term sales promotions to existing Publishers who wish to purchase additional franchise unit(s) from time to time. In the event that you notify us that you wish to revise the start date of business and postpone it by one month or more subsequent to your receipt of the initially executed franchise agreement, you need to pay for additional $1,000.00 to us to obtain such extension and hold your proposed licensed area for such one or more months before you pay the full amount due under the agreement. All fees are non-refundable.

In addition to the above initial fees applicable to the hard copy Periodical, if you choose to add the Coffee News Online feature, a one-time enrollment fee to participate in the amount of $100.00 shall be paid upon enrollment.

There are no other initial fees or payments required for services or goods before the date of the agreement. The date of the agreement is considered your date of opening your franchise business. Three months after your opening you will pay a required weekly fee for the continued receipt of copy or content for your periodical. The weekly fee is more fully explained in Item 6.

Initial fees and payments will be due in full upon our completion of all pre-opening obligations.

ITEM 6

OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Weekly - Initial Franchise for hardcopy Periodical (See note 1)	$80	fee begins on the first day of the third month following the month the initial franchise agreement was signed ("the fourth month of the agreement") and continues monthly	paid to us by credit / debit cards, check, or by PayPal

Name of Fee	Amount	Due Date	Remarks
Weekly - Additional Franchises for hardcopy Periodical (agreed to upon signing the initial franchise agreement)	$25 / additional franchise	the fee on the first 5 additional franchises is due to us on the first day of the tenth month following the month the initial franchise agreement was signed (i.e., the tenth month of the agreement) and every 6 months thereafter for each additional group of 5 or less franchises .	paid to us by credit / debit cards, check, or by PayPal
Initial - Additional Franchises (agreed to after signing the initial franchise agreement)	$7,000.00/ additional franchises	the fee on the additional franchises is due at the signing of the agreement.	paid to us directly when due
Coffee News Online Basic Service	$25.00	The fee is due to us on the first day of the month following the prior month services	paid to us by credit / debit cards, check, or by PayPal
Coffee News Online Premium Service	$50.00	The fee is due to us on the first day of the month following the prior month services	paid to us by credit / debit cards, check, or by PayPal
Transfer Fee	$2,900.00	The fee is due by the transfer closing date.	paid to Coffee News College when due

This schedule is designed to allow you ample time to put your entire territory into operation before you reach the maximum weekly fee requirement.[1]

After every 6 months, you have the option to return the remainder of your franchise if you are unable to put the franchises into operation. If your franchises are not in operation but you desire to maintain possession of the franchises, you may pay the next level of weekly fees. There are no other fees, including no additional initial or renewal fees and no fees for transfer of ownership or interest in your franchise(s).

All fees are imposed and collated by us.
All fees mentioned above are non-refundable.
All fees are uniformly imposed.
No franchisor-owned outlets have controlling voting power to disclose the maximum and minimum fees that may be imposed.
We reserve the right to adjust the weekly fees based on the consumer price index.

Note:

1. For example, (a) if the agreement is signed 3/1/21 for 6 franchises, $9,900.00 is paid immediately for the initial franchise and $35,000.00 is paid immediately for the five additional franchises. The weekly fee of $80 begins on 6/1/21 and the weekly fee of $25 additional franchise begins 12/1/21.

ITEM 7

ESTIMATED INITIAL INVESTMENT

None of the following costs are refundable.

YOUR ESTIMATED INITIAL INVESTMENT[1]

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
INITIAL FRANCHISE FEE	$9,900.00	LUMP SUM	$500.00 FOR US TO PREPARE THE AGREEMENT; AND BALANCE AT SIGNING OF AGREEMENT	US
COFFEE NEWS ONLINE ENROLLMENT FEES	$100.00	LUMP SUM	UPON ENROLLMENT	US
POSTPONEMENT OF OPENING DATE	$1,000.00	LUMP SUM	UPON REQUEST TO POSTPONE THE START DATE FOR ONE MONTH OR MORE	US
TRAVEL AND LIVING EXPENSES IN TRAINING	$500.00	N/A	N/A	N/A
REAL ESTATE AND IMPROVEMENTS[2]	N/A	N/A	N/A	N/A

[1] We accept Visa/MasterCard.

[2] Coffee News franchises are home-based business and there is no need to rent a commercial office. To our best knowledge, none of our Coffee News publishers operates from a commercial office.

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
EQUIPMENT	N/A	N/A	N/A	N/A
STANDS[3]	$500.00	AS INCURRED	BY FIRST PRINTING	LOCAL VENDOR
SECURITY DEPOSITS, UTILITY DEPOSITS, BUSINESS LICENSES	N/A	N/A	N/A	N/A
MISCELLANEOUS OPENING COSTS[4]	$250.00	AS INCURRED	BY FIRST PRINTING	LOCAL VENDOR
OPENING INVENTORY	N/A	N/A	N/A	N/A
ADVERTISING[5]	N/A	N/A	N/A	N/A
ADDITIONAL FUNDS [6]--[initial period]	N/A	N/A	N/A	N/A
TOTAL	$11,150.00 - $12,250.0[7]			

[3] The current suggested stand for **Coffee News** can be purchased for $5.25 each plus shipping from Coffee News USA (total approx. $5.75 each). You have the option to purchase the stands locally if they can be purchased at a lower cost. The number of stands required will directly depend on the number of restaurants/businesses that distribute the Periodical. The above price is based on a distribution network of 50 restaurants/businesses.

[4] This includes business cards, invoices, rate sheets, and other miscellaneous office supplies.

[5] Advertising for the Periodical is sold through direct solicitation. You do not need nor do we require you to advertise the Periodical.

[6] Normal start-up of the first franchise requires about 30 – 45 days on average from the start of advertising sales to the publication of your first issue. During this period, most clients will pay for the advertising in advance. For this reason the costs for getting started are considered to be self-funded.

[7] We relied on our 24 years of experience in the Coffee News publication business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

All fees mentioned above are non-refundable. We offer direct and indirect financing to your purchase of the franchised territories. Please see Item 10 of this Disclosure Document for detailed information.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Periodical Copy

You must purchase weekly copy, also known as content, from us as the U.S. Franchisor. The weekly copy shall be used for the Periodical, hardcopy and/or online version, which contains the format and information to be included in all sections except the "What's Happening" section, which you shall provide. Weekly fees are not a part of the initial acquisition of your franchises as explained in Item 7. Weekly fees paid by you cover the cost of the copy or content we supply to you on an ongoing basis. Please see Item 6 for the amount of Weekly fees paid by you. Copy or content shall be incorporated in each edition of Coffee News you publish according to the guidelines in the franchise agreement. Additionally, you must purchase the printing service from Coffee News Printing, LLC in Houlton, Maine for a minimum period of one (1) year from the date of the franchise agreement. Upon expiration of such one (1) year, you may voluntarily stay with Coffee News Printing, LLC or have the option to purchase printing service from another print shop. The Coffee News Online related services, if enrolled, must be purchased, from Chil Consulting through us. Chil Consulting is a third-party contractor hired to provide Coffee News online services.

Other than the initial franchise fees, the weekly Royalty fees for copy represents all of our revenue from required purchases or leases in North America. In 2020, revenue from all sources was $600,447.00 with $435,442.00, representing all required purchases and leases for 72.5% of total revenues. In 2020, the affiliate Coffee News Printing LLC's total revenue was $368,382.00 and the required revenue derived from Coffee News publishers for the fiscal year 2020 was $16,271.00 representing 4.4% of its total revenue. However, the required purchase from Coffee News Printing LLC will not occur until after you open for business. The goods or services sold buy us or our affiliate to you may only be marked-up to the extent that they cover corresponding costs or expenses incurred in procuring or producing these goods and services.

We are the sole U.S. distributor of weekly copy of the Periodical and may edit weekly copy as provided by 2703203, Manitoba, Inc. You may not edit weekly copy without our prior written permission and we shall have final authority regarding the content of the Periodical. (See Section 5 of the franchise agreement.)

There are no other required purchases or leases. There exist no purchase or distribution cooperatives. We are the sole provider of copy or content for your periodical. All other products

or services including stands may be purchased from a third-party supplier. You are not required to purchase any computer hardware or software.

The shares of Coffee News Printing, LLC are 51% owned by William A. Buckley. We have negotiated an agreement with Intuit, Inc. for a reduced cost copy of Quickbooks accounting software for you when you join our franchise system that includes a merchants service agreement to accept credit card charges from your advertisers. This software is offered to all publishers whether you purchase from designated or approved suppliers or not. Only one initial copy of the software will be provided, and you will be required to pay for any future upgrades to the software if you wish to acquire them. The merchants service agreement provides a stated discount on each charge which can vary in the future and by type of charge you accept. Use of the charge card system is optional.

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	ITEM IN DISCLOSURE DOCUMENT
a. Site selection and acquisition / lease	Section 1.2	Items 6, 11
b. Preopening purchases / leases	Section 2.1	Items 6, 8, 11
c. Site development and other pre-opening requirements	Not Applicable	Not Applicable
d. Initial and ongoing training	Section 10	Item 11
e. Opening	Not Applicable	Not Applicable
f. Fees	Sections 2, 10, 12	Items 5, 6
g. Compliance with standards and policies / operating manual	Sections 7.1, 8, 13	Item 11
h. Trademarks and proprietary information	Sections 6, 7.1, 7.2, 8.11, 8.12, 8.15	Items 13, 14

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
i. Restrictions on products/ services offered	Sections 5, 9	Item 16
j. Warranty and customer service requirements	Section 8.6	Items 11, 15
k. Territorial development and sales quotas	Section 8.1	Item 15
l. Ongoing product / service	Sections 2, 4	Item 8
m. Maintenance, appearance, and remodeling requirements	Not Applicable	Not Applicable
n. Insurance	Not Applicable	Not Applicable
o. Advertising	Section 8.15	Not Applicable
p. Indemnification	Sections 8.1, 8.13	Item 13
q. Owner's participation / management / staffing	Section 8.1	Items 11, 15
r. Records / reports	Sections 8.7, 8.8, 14.3	Item 6
s. Inspections / audits	Sections 8.7, 8.8	Item 6
t. Transfer	Sections 11, 16.4	Item 17
u. Renewal	Section 3.2	Item 17
v. Post-termination obligations	Sections 13, 14	Item 17
w. Non-competition covenants	Section 8.5	Item 17
x. Dispute resolution	Section 16	Item 17
y. Other (describe)	Not Applicable	Not Applicable

ITEM 10

FINANCING

After one year under your agreement, we may finance additional purchases of franchise territories through Coffee News USA, Inc. at competitive rates and terms pursuant to a Promissory Note. If you want to buy more than one franchise, we may finance for up to three more franchises initially as long as you have good credit and net worth of at least $100,000.00. We also accept all major charge cards in payment. Interest will be at 5% APR (Annual Percentage Rate). The term will vary from two to five years based on the amount borrowed and the ability to pay based on the negotiations and a review of a personal financial statement.

There is no prepayment penalty. We will hold any such licensed rights to the licensed territories granted under the Coffee News License Agreement as security until you have paid your Promissory Note in full. There are no waivers of your legal rights and you are not barred from asserting a defense against us. We have no current practice or interest to sell, assign or discount to a third party all or part of the financing arrangement. If you do not pay on time, you hereby agree that Coffee News can call the loan and demand immediate payment of the full outstanding balance and obtain court costs and attorney's fees if a collection action is necessary. If Publisher / Debtor is a corporation, professional corporation, partnership, limited liability partnership, or a limited liability company, a Guarantee of Performance by the Principal stockholder(s), general partner(s), or member(s), as the case may be, must be executed.

For those with excellent credit, as evidenced by a credit report from Equifax, Experian or Transunion or similar credit rating agencies in other countries, and with verifiable extensive advertising or similar sales experience including entrepreneurial management experience of at least 2 years, you may be eligible for full funding for the purchase of a minimum of four or more franchises, subject to the initial payment of the training fee as more fully explained in Item 11. You will be required to attend the next Coffee News College at the time of purchase, and you will be required to use the printing services of Coffee News Printing, Inc. during the term of the loan. The interest rate will be 5% simple interest with weekly payments for principal and interest for up to 48 months and the weekly fees beginning at the start of the fourth month under the agreement by credit or debit card or electronic funds transfer in accordance with Item 6, (Other Fees).

Although we offer direct and indirect financing, we do not guarantee your note, lease, or obligation associated with any financing plan. See Item 22, Coffee News License Agreement as Exhibit A for a specimen copy of the Promissory Note.[8]

ITEM 11

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

Except as disclosed below, we are not required to provide you with any assistance.

Before you publish your first edition of **Coffee News**,

[8] A sample Promissory Note is attached to Coffee News License Agreement as Schedule B.

1) We will provide you upon your initial franchise fee payments an operations manual describing how to arrange the distribution of the Periodical within your geographic area, how to sell advertising, how advertising in the Periodical operates, how to design such advertisements, how to determine the suggested pricing of advertising, and how to determine coverage areas as well as including sample filler advertisements, office supply samples of insertion orders, business cards, envelops, and monthly sales envelops for your use in producing your own supplies of such materials (Franchise Agreement Section 7.1). Responsibility for the sale of advertisements rests solely with you.

2) Prior to purchasing any territories and to signing an agreement with us and to paying the Initial franchise fees, you and we will agree on the boundaries of your exclusive distribution territory that will optimally have a population of 25,000 to 50,000 total and 25 to 40 active restaurants (Franchise Agreement Section 1.1). Since no territory may overlap another, we will research the territory that you wish to service to determine if all or part of it is currently serviced by us or any of our franchises. We usually approve an area where you wish to publish if it does not overlap another where an existing publisher operates. We will also research population and commerce figures to determine the number of people and the number of restaurants that are contained within the proposed territory. This population/restaurant guideline is based on discussions with existing franchises in the U.S. and Canada and considers information from our 5 company-owned franchises. Upon signing the franchise agreement, you will have exclusive rights to distribute your editions of **Coffee News** within the agreed territory. It is important to note that you may solicit and accept advertisements from any source inside or outside your territory since the agreement limits only your distribution rights.

We will not sign an agreement with you or require the payment of the Initial fees until we have agreed on the specific territories you wish to purchase.

When you request the areas where you wish to publish, we will determine the number of franchises that the area would represent based on the guidelines in Item 11.2 and Item 12. There is no time limit for an acceptance since all site locations are resolved before you sign an agreement with us.

3) We shall disclose to you the unique marketing and sales techniques employed in the design and format of the Periodical, described in detail in the operations manual (Franchise Agreement Section 7.2).

4) The design of the periodical stand is disclosed in the operations manual. You may purchase periodical stands with labels attached from Darter Specialties, Inc. for $5.25 each plus shipping and handling for a total of approximately $5.75 each (Franchise Agreement Section 7.3). If you opt to purchase stands elsewhere, we will provide labels for each stand at a nominal charge.

After you publish your first edition of **Coffee News**,

1) We shall provide you support services as deemed reasonable and advisable by us (Franchise Agreement Section 7.4).

You are not required to purchase a computer or any associated systems from us or any other vendor. We do not have any advertising council composed of publishers. You are not required to participate in a local or regional advertising cooperative.

Marketing materials

In addition to the marketing materials we provide, you may create any additional marketing materials you deem important or necessary to launching or maintaining market awareness to grow your business. The franchisees normally adopt the marketing formats that We provide as examples and there is no requirement for approval of franchisee generated marketing materials.

Startup Time Period

Once the agreement is signed, you will spend approximately 4-6 weeks preparing to publish your first edition of **Coffee News**. Your timing is affected by the rate of sales of advertisements, the state of preparations with printers, and your selection of restaurants as distribution locations. We shall provide you with 8 weekly editions of copy within 14 calendar days of signing the agreement. Future editions will be mailed no later than 5 business days prior to the end of the previous 8-week period (Franchise Agreement Section 4.2).

TRAINING PROGRAM

We have no obligations to provide any training classes before or after you begin publishing or to set up an advertising program or fund.

We offer a three-day Coffee News College every 8-13 weeks for all North American publishers/franchisees which all costs including without limitation mentoring and startup services are covered by the one – time training fee of $2,900.00, which is included in and will be deducted from the $9,900.00 initial franchise fees. Said onetime fee only applies to new publishers coming into our system. All signatories, usually the business owners and/or the principal officers of the entity, to the agreement are required to attend the next available Coffee News College and need to complete the training to our satisfactory. Travel expenses are not included.

The 3-day classroom style program utilizes both veteran publishers and corporate staff to provide a combination of lectures and hands on involvement. There is time allowed for networking between you and veteran publishers during this period.

The training is at no additional cost to you except for your own travel expenses to and from the training program. We pay for your meals and lodging while at the initial training program. The training is normally offered in Bangor, Maine every 8-13 weeks and at other random locations around North America one (1) additional occasion, depending on the volume of new publishers. The topics covered in the 3-day training program include but are not limited to sales, ad design, billing, collections, distribution, marketing, and startup.

In the previous 12 month period, approximately 100% of all new publishers attended the training program. There are no other additional training programs we offer. All existing publishers may attend future initial training programs voluntarily at their own expense.

TRAINING PROGRAM

Subject	Hours of classroom training	Hours of on the job training	Location	Instructor
Profitability	1.5 hours	8 wk Mentor program	Bangor, ME	Mr. William Buckley Mr. Garrett Guernsey Mr. John Dyer
Start up	1.0 hours	8 wk Mentor program	Bangor, ME	Mrs. Karen Newton Ms. Deborah Jackson
Sales DISC	1.0 hours	8 wk Mentor program	Bangor, ME	Mr. John Buckley
Distribution and Systems	1.0 hours	8 wk Mentor program	Bangor, ME	Mr. John Dyer Mr. William Buckley
Ad design	1.0 hours	8 wk Mentor program	Bangor, ME	Mrs. Karen Newton Ms. Deborah Jackson Ms. Carolyn Peterson
Art work	1.0 hours	8 wk Mentor program	Bangor, ME	Ms. Carolyn Peterson
Printing	.5 hours	6 wk Mentor program	Bangor, ME	Ms. Carolyn Peterson
Branding	1.0 hours	8 wk Mentor program	Bangor, ME	Mrs. Karen Newton Ms. Deborah Jackson
Networking	1.0 hours	8 wk Mentor program	Bangor, ME	Mr. William Buckley
Billing and Collections	1.0 hours	8 wk Mentor program	Bangor, ME	Mr. Garrett Guernsey
Referrals / Power sales	1.0 hours	8 wk Mentor program	Bangor, ME	Mr. William Buckley
Motivational Videos	.5 hours	8 wk Mentor program	Bangor, ME	Mr. John Buckley
Support Services	1.0 hours	8 wk Mentor program	Bangor, ME	Mr. John Buckley Mrs. Melissa Coombs
CN Online and Social Media	2.0 hours	8 wk Mentor program	Bangor, ME	Mrs. Melissa Coombs
Business Plan	2.0 hours	8 wk Mentor program	Bangor, ME	Mrs. Karen Newton Mr. William Buckley Mr. Garrett Guernsey
Capulus	2 hours	8 wk Mentor program	Bangor, ME	Mr. Walter Heuvingh
Total hours	18 hours			

* Note:

Mr. William Buckley is in charge of all training. In addition to an undergraduate degree in Marketing and Finance and a master's degree in business administration from the University of Maine in 1965 and 1984 respectively, Mr. Buckley was employed for over 25 years in Banking in

various sales, human resource and administrative positions. He established the first bank teller training school in the state of Maine in 1970. He is a graduate of the Williams College School of Banking in 1971 and the Stonier Graduate School of Banking at Rutgers in 1977. Mr. Buckley is a Certified Franchise Executive (CFE). Prior to Purchasing Coffee News USA. Inc, he was a management consultant for four years with an injury prevention consulting firm, a workers compensation insurance company and later at a sales trainer for medical professionals seeking industrial clients. Instructors for the training program may change due to the availability and location convenience from time to time. Instructors are selected based on years of experience in publishing Coffee News, compliance with franchise standards, and strong communication skills as demonstrated by their presentations in Conferences. We require a minimum of 2 years of publishing experience with Coffee News.

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ITEM 12

TERRITORY

The exclusive territory of each franchise is based on the 2010 census data (wwww.census.gov) for resident population within the selected area. Generally, each franchise territory should have a population of 25,000 - 50,000 and we are flexible on how many franchise territories may be available in any geographic area. You do not have the right of first refusal or similar rights to acquire additional outlets. The operations manual provides a chart for your use in determining the number of franchises that may be available within any geographic area under consideration by you. We will review and approve your proposed territory in a timely manner.

At the signing of the franchise agreement, we will grant you exclusive rights to distribute your publication of **Coffee News** within the agreed boundaries. Your exclusive territory is a specific geographic area where you may distribute the Periodical. Although you are allowed to distribute **Coffee News** only within this territory, you may solicit and accept advertisements from sources both inside and outside your territory. You may solicit advertising clients both from within your territory and outside your territory by any means that you deem appropriate. We place no

restriction on outside territory solicitation. We do suggest, however, as a matter of courtesy and to maintain harmonious relations with mutual clients and fellow publishers, that you communicate with your neighboring publishers before you enter such a publishers' territory to solicit and/or sell advertising. You may acquire additional franchise territories by proposing territories to us and we will research and tailor the boundaries of the proposed territory.

Coffee News Online may be accessed by readers outside the Territory. However, the Franchisee's publication of Coffee News Online shall be restricted to his/her/its licensed Territory and no publication shall be made to serve communities beyond the Territory. Franchisor shall provide a drop down of the area served by Franchisee's online version through Franchisor's website.

We will not establish or allow another publisher to establish distribution locations within your territory but all franchises are allowed to solicit and accept advertisements from within and outside their respective territory. We do not conduct business using another mark in your territory. We do not do any business solicitation in your exclusive territories in competition with you either directly or indirectly through the internet or by any other means. We do not reserve the right to use alternative distribution, including the internet, within your territory, under our principal trademarks or different trademarks.

There is no minimum advertising sales quota. You maintain the exclusive rights to your area even if the population should increase.

There exists no obligation on the part of the franchisor to provide promotional support for your franchise(s) since advertisements in **Coffee News** are sold by direct solicitation.

In the event that you decide to relocate to any other part of the country, we encourage you to sell your franchises as an ongoing business to a third party to maximize your return on your investment.

ITEM 13

TRADEMARKS

You may use the Coffee News principal trademarks in the promotion and publication of your editions of **Coffee News**. See Exhibit B for an example of the Coffee News logo, format, and content categories. Listed here are the specifics regarding these principal trademarks:

Coffee News Format

Size:	11" by 17" page size.
Coloring:	Light brown coloring of paper.
Format:	2-sided printing with each page divided into 3 columns, with the 2 border columns each allowing for 8 advertisements arranged

vertically and a center column allowing for the publication of information.

Ad proportions: Equal sized, approximately 2 7/8" by 2" inches in a rectangular rounded corner box with 1 open corner.

Coffee News Content Categories

Everybody's Talking!
Quotable Quotes
What's Happening
Trivia
Your Weekly Horoscope
Did You Know...
On the Lighter Side

Coffee News (words only) trademark is with the Principal Register of the United States Patent and Trademark Office, as of November 18, 1997, trademark registration number 2,113,507. The Coffee News logo has been consistently, actually, and continuously used for at least 20 years in the U.S. and global wide and therefore is protectable under the applicable federal trademark laws and common laws.

Coffee News Periodical format as described above is protected as Coffee News trade dress under the trademark laws through its actual and continuous use over the years. The Coffee News Periodicals nationwide and global wide all have the exact same format in the past at least 24 years.

Nothing in the franchise agreement shall be construed as a grant to you of any right, or interest in the "Coffee News" name or format, since all rights are reserved by 2703203, Manitoba, Inc. and us except for this license to the "Coffee News" name and format only as expressly provided in the franchise agreement. Furthermore, nothing in the agreement shall be construed as an assignment or license to you of any right or interest in any trade names or symbols, service marks, signs, slogans, or insignia not designated by the agreement as licensed to you, which may be developed by us for use with other publishers. In signing the agreement, you recognize the great value of the goodwill associated with our name and format and you acknowledge that the goodwill belongs to us and 2703203, Manitoba, Inc. You also will agree that you will not, at any time attack the title or any rights of us or 2703203, Manitoba, Inc. to the "Coffee News" name or format or attack the validity of the license to use the name or format or do anything which would jeopardize or diminish our rights or the value or the name.

You will have the right to use trademarks during any dispute between us and 2703203, Manitoba, Inc.

In addition, you shall immediately notify us of any apparent infringements of or challenges to the use of the "Coffee News" name or format or your licensed business in the geographic area covered by the agreement. You shall not communicate with any person other than us, 2703203, Manitoba, Inc. and its counsel in connection with any such infringement or challenge. You will

agree that 2703203, Manitoba, Inc. shall have sole discretion to take the action it deems appropriate and the right to exclusively control any litigation or other administrative claim or action relating to the infringement, challenge, or claim. Any money, damages, or other benefits arising from the infringement or challenge shall benefit 2703203, Manitoba, Inc. You must execute all instruments and documents, give all assistance and perform those acts to protect and maintain our interests as required by counsel of 2703203, Manitoba, Inc., us and its publishers in any litigation or administrative proceeding.

We do not know of any infringing uses that could materially affect your use of the Coffee News trademarks.

We have filed all required Affidavits and renewals. There are no effective determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board or any state trademark administrator or court; and any pending infringement, opposition, or cancellation proceeding involving proprietary marks that are material to Coffee News. There are no agreements currently in effect that significantly limit our rights to use or license the use of such proprietary marks that are material to the Coffee News franchise. If a new model were introduced and Publishers were required to modify or discontinue using a trademark that has been licensed to them, We will move the current publishers to the new model at no cost.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own rights in, or licenses to, patents that are materials to the franchise. We have no pending patent applications that are material to the franchise. We do not know of any patent or copyright infringement that could materially affect the franchisee.

Although we have not filed an application for a copyright registration for our training programs or the Coffee News Operations Manual, we claim a copyright and deems the information contained in our manual, training program materials, marketing promotion materials, our License Agreement, and all content that We and our affiliate have developed to be proprietary. Additionally, our affiliate 2703203 Manitoba Inc. claims copyright to the Coffee News format design and the content of the Periodicals.

You must also promptly tell us when you learn about an unauthorized use of our proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate. There is no current material determination of the United States Patent and Trademark Office, the United States Copyright Office, or a court that affects our franchise business. There is no agreement limiting the use of the copyrights. We do not know of any superior rights or patent or copyright infringement that could materially affect your use of the above-mentioned copyrighted materials. There is no agreement that requires us to participate in your defense or indemnify you for damages or expenses in a proceeding involving a copyright or claims relating to your use of the above-mentioned copyrighted materials.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You or a designated person must use your best efforts in the sale of advertisements and in distributing your editions of Coffee News. You personally are not required to perform the duties necessary to accomplish these goals, but it is recommended. Only signatories to the Franchise Agreement are required to complete the training.

As the owner of the franchise(s), you are responsible for the compliance of all employees with the terms and conditions of the Franchise Agreement including your manager, on- premises supervisor or minority stockholder, if a company. If the franchisee is a company, there is no minimum equity interest required that the on-premises supervisor must have in the company. We do not impose any restriction that you must place on your managerial staff. You may, however, require a non-compete of all employees and a non-disclosure of trade secrets.

We place no other limitations or restrictions on your staff other than those contained in the Item 17. We do not require a personal guaranty of the performance.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The only thing that you will sell is advertising space in the Periodical and we do not restrict the advertisements you may accept for publication.

We reserve the right to sell all Coffee News products and promotional items to our publishers and do not require that you purchase any of these items from us. We do restrict you from reselling any of the Coffee News products or promotional items you purchase, either from us or other vendors, to other publishers or the public. You are free to purchase any Coffee News products or promotional items and provide them free of charge to other publishers or the public, if you wish. You do not have the right to make any modification to the items from us.

We reserve the right to change the Coffee News products and promotional items we offer you for your use and not for resale.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Term of the franchise.	Section 3.1	4 year term.
b. Renewal or extension of the term.	Section 3.2 Exhibit A	Right to renew agreement for another 4 years if provisions are met.
c. Requirements for you to renew or extend. See Note 7(c) for details.	Section 3.2 Exhibit A	Comply with terms in franchise agreement. You may be required to sign a franchise agreement containing terms and conditions that could be materially different from the original franchise agreement.
d. Termination by you.	Sections 13.3, 14.1, 14.3 Exhibits A	120 days notice required. Deposit is nonrefundable.
e. Termination by Coffee News USA without cause.	None Exhibit A	We will not terminate without cause.
f. Termination by Coffee News USA with cause.	Section 12.1 Exhibit A	We can terminate if you breach or default under any provision of the franchise agreement.
g. "Cause" defined defaults which can be cured.	None Exhibit A	There exists no provisions for defaults which may be cured.
h. "Cause" defined defaults that cannot be cured.	Sections 13.1, 13.2, Exhibit A	Waivers for prior breaches or defaults are not binding against same or different breaches or defaults.
i. Your obligations on termination / nonrenewal.	Section 14.3 Exhibit A	You shall return all materials and information relevant to sales and production of **Coffee News.**
j. Assignment of contract by Coffee News USA.	Section 11.1 Exhibit A	Franchise agreement does not specifically restrict or permit us to assign our rights but this section does suggest that it is permitted.
k. "Transfer" by you definition.	Sections 11.2, 11.3, 16.4 Exhibit A	Transfers are prohibited unless we consent.
l. Coffee News USA's approval of transfer by you.	Sections 11.2, 16.4, Exhibit A	We must approve all transfers.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
m. Conditions for Coffee News USA's approval of transfers.	Not Applicable	We do not provide conditions for approval of transfers.
n. Coffee News USA's right of first refusal to acquire your business.	Sections 11.2; 11.3	Not applicable.
o. Coffee News USA's option to purchase your business.	Not Applicable	Not applicable.
p. Your death or disability.	Not Applicable	There are no specific provisions that address what happens when you die or become disabled.
q. Non-competition covenants during the term of the franchise.	Section 8.5 (see Exhibits A:e)	No involvement in competing business in your state.
r. Non-competition covenants after the franchise is terminated or expires.	Section 8.5 (see Exhibits A:e)	No involvement in competing business in your state for 2 years following termination.
s. Modification of agreement.	Section 16.1, Exhibit A	Agreement may not be changed except by the mutual consent of both parties.
t. Integration / merger clause.	Section 11.3, Exhibit A	Only the terms of the franchise agreement are enforceable, subject to state law. Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation.	Section 16.8 Exhibit A	Arbitration must be held at a location within Maine, unless the parties mutually agree to an alternative location.
v. Choice of law.	Section 16.2 Exhibit A	Maine Laws apply.
w. Choice of forum.	Section 16.2 Exhibits A	Litigation must be in U.S. District Court for the District of Maine.

ITEM 18

PUBLIC FIGURES

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

ITEM 19

Financial Performance Representation and Projection

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

We do not make any representation about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mr. William A. Buckley, at One Cumberland Place, Suite 102, Bangor, ME 04401, (207) 941-0860, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

Item 20 Table No. 1
Table No. 1-A United States and Central American Outlet Summary
For years 2018-2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Changes
Franchised	2018	434	416	-18
	2019	416	335	-81
	2020	335	319	-16
Company-Owned	2018	8	8	0
	2019	8	3	-5
	2020	3	3	3
Total Outlets	2018	442	424	-18
	2019	424	338	-86
	2020	338	319	-19

Table No. 1-B Canada Outlet Summary
For years 2018-2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Changes
Franchised	2018	203	200	-3
	2019	200	209	9
	2020	209	205	-4
Company-Owned	2018	0	0	0
	2019	0	0	0
	2020	0	0	0
Total Outlets	2018	203	200	-3
	2019	200	209	9
	2020	209	205	-4

Item 20 Table No. 2
Transfers of Outlets from Franchisees to new Owners (other than the Franchisor)
For years 2018-2020

Table No. 2-A United States

State	Year	Number of Transfers
Arizona	2018	3
	2019	5
	2020	1
California	2018	0
	2019	5
	2020	0
Florida	2018	6
	2019	3
	2020	3
Georgia	2018	0
	2019	0
	2020	4
Kansas	2018	5
	2019	0
	2020	0
Kentucky	2018	0
	2019	0
	2020	2
Maine	2018	0
	2019	5
	2020	0
Mississippi	2018	0
	2019	0
	2020	4
Nebraska	2018	6
	2019	0
	2020	0

State	Year	Number of Transfers
New Hampshire	2018	0
	2019	1
	2020	0
North Carolina	2018	1
	2019	0
	2020	0
Ohio	2018	6
	2019	0
	2020	0
Oklahoma	2018	0
	2019	0
	2020	1
South Carolina	2018	9
	2019	0
	2020	2
Tennessee	2018	0
	2019	0
	2020	3
Texas	2018	6
	2019	0
	2020	0
Washington	2018	0
	2019	1
	2020	0
Total Transfers in the United States	2018	42
	2019	20
	2020	20

Item 20 Table No. 2
Transfers of Outlets from Franchisees to new Owners (other than the Franchisor)
For years 2018-2020

Province	Year	Number of Transfers
Alberta	2018	**0**
	2019	**25**
	2020	**2**
British Columbia	2018	**4**
	2019	**4**
	2020	**4**
Total	2018	**4**
	2019	**29**
	2020	**6**

Table No. 2-C Grand Total Transfers of Outlets in the United States, Central America, and Canada

State	Year	Number of Transfers
Grand Total	2018	54
	2019	49
	2020	26

Item 20 Table No. 3
Status of Franchised Outlets
For years 2018-2020
Table No. 3-A The United States

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other reasons	Outlets at End of the Year
Arizona	2018	20	3	0	0	0	0	23
	2019	23	0	0	0	0	0	23
	2020	23	0	2	0	0	0	21
California	2018	13	0	4	0	0	0	9
	2019	9	0	3	0	0	0	6
	2020	6	3	0	0	0	0	9
Colorado	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Florida	2018	46	4	9	0	0	0	41
	2019	41	0	1	0	0	0	40
	2020	40	9	7	0	0	0	42
Georgia	2018	4	2	2	0	0	0	4
	2019	4	3	2	0	0	0	5
	2020	5	3	0	0	0	0	8
Illinois	2018	11	0	2	0	0	0	9
	2019	9	0	7	0	0	0	2
	2020	2	0	0	0	0	0	2
Indiana	2018	17	1	0	0	0	0	18
	2019	18	0	1	0	0	0	17
	2020	17	1	3	0	0	0	15
Iowa	2018	6	0	0	0	0	0	6
	2019	6	0	0	0	0	0	6
	2020	6	0	0	0	0	0	6
Kansas	2018	13	7	6	0	0	0	14
	2019	14	0	7	0	0	0	7
	2020	7	0	0	0	0	0	7
Kentucky	2018	13	0	0	0	0	0	13
	2019	13	3	0	0	0	0	16
	2020	16	0	4	0	0	0	12
Louisiana	2018	3	0	0	0	0	0	3
	2019	3	2	3	0	0	0	2
	2020	2	3	0	0	0	0	5
Maine	2018	14	11	0	0	0	0	25
	2019	25	0	10	0	0	0	15
	2020	15	0	0	0	0	0	15
Maryland	2018	9	0	0	0	0	0	9
	2019	9	0	0	0	0	0	9
	2020	9	0	4	0	0	0	5
Massachusetts	2018	5	2	0	0	0	0	7
	2019	7	0	2	0	0	0	5
	2020	5	0	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other reasons	Outlets at End of the Year
Michigan	2018	19	0	3	0	0	0	16
	2019	16	0	3	0	0	0	13
	2020	13	0	3	0	0	0	10
Minnesota	2018	6	0	0	0	0	0	6
	2019	6	0	5	0	0	0	1
	2020	1	0	1	0	0	0	0
Mississippi	2018	13	4	0	0	0	0	17
	2019	17	0	4	0	0	0	13
	2020	13	0	0	0	0	0	13
Missouri	2018	8	0	0	0	0	0	8
	2019	8	0	0	0	0	0	8
	2020	8	0	0	0	0	0	8
Nebraska	2018	6	0	0	0	0	0	6
	2019	6	0	0	0	0	0	6
	2020	6	0	6	0	0	0	0
New Hampshire	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
New Jersey	2018	18	0	0	0	0	0	18
	2019	18	0	2	0	0	0	16
	2020	16	0	0	0	0	0	16
New Mexico	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
New York	2018	1	0	1	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
North Carolina	2018	26	0	4	0	0	0	22
	2019	22	1	6	0	0	0	17
	2020	17	0	5	0	0	-2*	10
North Dakota	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
Ohio	2018	16	0	3	0	0	0	13
	2019	13	0	13	0	0	0	0
	2020	0	1	0	0	0	0	1
Oklahoma	2018	4	0	2	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Oregon	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Pennsylvania	2018	4	0	0	0	0	0	4
	2019	4	3	0	0	0	0	7
	2020	7	0	0	0	0	0	7

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other reasons	Outlets at End of the Year
South Carolina	2018	21	0	2	0	0	0	19
	2019	19	19	0	0	0	0	0
	2020	0	2	0	0	0	+2*	4
South Dakota	2018	8	0	0	0	0	0	8
	2019	8	0	1	0	0	0	7
	2020	7	0	0	0	0	0	7
Tennessee	2018	12	0	3	0	0	0	9
	2019	9	0	0	0	0	0	9
	2020	9	0	0	0	0	0	9
Texas	2018	58	1	9	0	0	0	50
	2019	50	3	4	0	0	0	49
	2020	49	0	4	0	0	0	45
Virginia	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
Washington	2018	19	0	0	0	0	0	19
	2019	19	3	2	0	0	0	20
	2020	20	0	3	0	0	0	17
West Virginia	2018	3	0	3	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Wisconsin	2018	5	0	0	0	0	0	5
	2019	5	0	1	0	0	0	4
	2020	4	0	0	0	0	0	4
TOTAL in the U.S.	2018	434	35	53	0	0	0	416
	2019	416	18	96	0	0	0	338
	2020	338	23	42	0	0	-2*/+2*	319

**Reallocated to another state/franchisee*

Table No. 3-B Status of Franchised Outlets in Central America

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations – Other reasons	Outlets at End of the Year
Panama	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Honduras	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Mexico	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other reasons	Outlets at End of the Year
Total in Central America	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0

Table No. 3-C Totals for United States and Central America

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations – Other reasons	Outlets at End of the Year
Total in United States and Central America	2018	434	33	51	0	0	0	416
	2019	416	18	96	0	0	0	338
	2020	338	23	42	0	0	-2*/+2*	319

**Reallocated to another state/franchisee*

Item 20 Table No. 3-D
Status of Franchised Outlets in Canada

Province	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reaquired By Franchisor	Ceased Operations /Other reasons	Outlets at End of the Year
Alberta	2018	63	1	0	0	0	0	64
	2019	64	2	0	0	0	1/-2*	63
	2020	63	0	0	1	0	0	62
British Columbia	2018	44	4	0	3	0	0	45
	2019	45	3	0	0	0	0/+1*	49
	2020	49	0	0	0	0	0	49
Manitoba	2018	13	0	0	1	0	0	12
	2019	12	0	0	0	0	0	12
	2020	12	0	0	0	0	0	12
New Brunswick	2018	6	0	0	0	0	0	6
	2019	6	0	0	0	0	0	6
	2020	6	0	0	0	0	0	6
Newfoundland & Labrador	2018	6	0	0	0	0	0	6
	2019	6	0	0	0	0	0	6
	2020	6	0	0	0	0	0	6
Nova Scotia	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3

Province	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reaquired By Franchisor	Ceased Operations /Other reasons	Outlets at End of the Year
Ontario	2018	59	0	3	2	0	0/+1*	55
	2019	55	4	0	0	0	3/ +7*	63
	2020	63	3	0	6	0	-1/+1	60
PEI	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Saskatchewan	2018	6	0	0	0	0	0	6
	2019	6	0	0	0	0	0/-1*	5
	2020	5	0	0	0	0	0	5
Total	2018	203	5	3	6	0	1*	200
	2019	200	9	0	0	0	4/+4	209
	2020	209	3	0	7	0	+1/-1	205

** Area adjustment/correction in franchise unit number*

Table No. 3-E Grand Total of the United States, Central America, and Canada

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other reasons	Outlets at End of the Year
Grand Total	2018	637	38	54	6	0	1*	616
	2019	616	27	96	0	0	0	547
	2020	547	26	42	7	0	+3/-3	524

Item 20 Table No. 4
Status of Company-Owned Outlets in the United States[9]
For years 2018-2020

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Maine -	2018	8	0	0	0	0	8
	2019	8	0	0	0	5	3
	2020	3	0	0	0	0	3
Totals	2018	8	0	0	0	0	8
	2019	8	0	0	0	5	3
	2020	3	0	0	0	0	3

9 This lists the franchises owned by us as a franchisee of 2703203.

Item 20 Table No. 5
Table No. 5-A Projected Openings For the United States As Of December 31, 2020

The United States

State	Franchise Agreements Signed But Franchise Not Operating	Projected New Franchises in the Next Fiscal Year	Projected Company-owned Openings in the Next Fiscal Year
Alabama	0	3	0
Arizona	0	6	0
Florida	0	12	0
Georgia	0	3	0
Illinois	0	3	0
Indiana	0	3	0
Kansas	0	0	0
Louisiana	0	3	0
New Mexico	0	3	0
North Carolina	0	6	0
Ohio	0	6	0
Pennsylvania	0	3	0
Rhode Island	0	3	0
South Carolina	0	6	0
Tennessee	0	3	0
Texas	0	6	0
Virginia	0	3	0
Washington	0	3	0
TOTALS	0	75	0

Item 20 Table No. 5
Projected Openings For Canada only As Of December 31, 2020

Province	Franchise Agreements Signed But Franchise Not Operating	Projected New Franchises in the Next Fiscal Year	Projected Company owned Openings in the Next Fiscal Year
British Columbia	0	1	0
Canada North (Yukon, NWT, Nunavut)	0	1	0
Manitoba	0	1	0
Ontario	0	3	0
Saskatchewan	0	1	0
Total	0	7	0

Table No. 5-C Grand Total of the United States and Canada

State	Franchise Agreements Signed But Franchise Not Operating	Projected New Franchises in the Next Fiscal Year	Projected Company owned Openings in the Next Fiscal Year
GRAND TOTAL	**0**	**82**	**0**

Coffee News publishers' information is disclosed in **Exhibit D,** a listing of Coffee News publishers, which is attached to this disclosure document.

The information of former Coffee News publishers who had an outlet terminated, canceled, not Renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise agreement during the period January 1, 2020 and December 31, 2020 or who has not communicated with the us within ten weeks of the application date in disclosed in **Exhibit E,** a listing of former Coffee News publishers, which is attached to this disclosure document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. During the last three years, publishers have signed the License Agreements containing the confidentiality clauses to protect our intellectual properties. In some instances, current and former publishers sign provisions restricting their ability to speak openly about their experience with Coffee News. You may wish to speak with current and former publishers but be aware that not all of those publishers will be able to communicate with you.

ITEM 21

FINANCIAL STATEMENTS

See Exhibit C for:

1. Audited Coffee News USA, Inc. and 2703203, Manitoba, Inc. Financial Statements for FYE, 12/31/2018, 12/31/2019, and 12/31/2020.

ITEM 22

CONTRACTS

See Exhibit A for a copy of the franchise agreement.

ITEM 23

RECEIPT

THE LAST TWO PAGES OF THE DISCLOSURE DOCUMENT ARE DETACHABLE DOCUMENT ACKNOWLEDGING RECEIPTS OF THE DISCLOSURE DOCUMENT BY THE PROSPECTIVE FRANCHISEE.

EXHIBIT A

COFFEE NEWS LICENSE AGREEMENT

COFFEE NEWS FRANCHISE AGREEMENT

This COFFEE NEWS FRANCHISE AGREEMENT ("Agreement") entered into between Coffee News USA, Inc. referred to as "Franchisor", and _____ referred to as "Franchisee" on this 1st day of _____, 20__.

Whereas Franchisor holds an exclusive License for the distribution of a weekly periodical called "Coffee News" (the "Periodical"), in hard copy and/or digital format, within the United States, authorizing Franchisor to grant Licenses which provide nonexclusive rights to use the system, names and marks of the Periodical and to distribute the Periodical to restaurants and other local establishments within a specified geographic area, and seeks to enter into licensing agreements with any such qualified candidates to be Franchisor's prospective Franchisees throughout the United States; and

Whereas Franchisee recognizes the benefits to be derived from being identified with and franchised by Franchisor, and being able to utilize the system, names and marks which Franchisor makes available, and is desirous of obtaining from Franchisor a license to receive, print and distribute the Periodical and to employ Franchisor's sales methods and techniques; and

Whereas Franchisee proposes to establish a sales organization which adequately covers the region subject to this Agreement and promote the goodwill of the Periodical;

Now, therefore, in consideration of the mutual covenants herein contained, Franchisor and Franchisee hereby agree as follows:

1. GRANT OF FRANCHISE.

1.1 Grant and Acceptance. Subject to the terms and conditions contained herein, Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, the exclusive rights to receive, print and distribute the Periodical, in either hardcopy or digital version, within the municipal or geographic boundaries of _____ and /or such territories defined in the attached Schedule A of this Agreement, for use solely as indicated herein and for the period beginning on the date hereof and continuing until the Agreement shall terminate as hereinafter provided. Franchisee may not purchase more than twenty (20) such Franchises in the aggregate under this Agreement and other separate licensing agreements. Franchisor does not recognize the expansion of the municipal or geographic boundaries by voluntary annexation, annexation by statute, or involuntary annexation during the term of this agreement.

1.2 Nonexclusivity. Franchisor and Franchisee agree that this Agreement shall be nonexclusive in that Franchisor is free to license other franchisees, provided that such franchisees do not operate within the municipal or geographic boundaries of _____, the region covered by this Agreement.

2. FRANCHISE FEE PAYMENTS.

2.1 Fee Payments. In consideration of the Franchise granted by Franchisor to Franchisee and the services to be rendered hereunder, Franchisee shall pay to Franchisor as follows:

2.1.1 Deposit. A non-refundable deposit of $9,900.00 to secure exclusivity and compensate Franchisor for the provision of thirteen (13) weekly editions of the Periodical over the course of the initial three (3) months of this Agreement concluding on _____, _____, 20____ (the "Initial Period"), or, in the case of multiple licensing agreements entered into between Franchisor and Franchisee, as set forth in Schedule A attached hereto and incorporated herein. The payment of $9,900.00 must be made in the following manner:

$	500.00	is to be paid before draft of the Franchise agreement
$	9,400.00	is to be paid upon signing of the Franchise agreement
$	9,900.00	TOTAL

2.1.2 In addition to the publication of hardcopy format of Periodical, Franchisee shall have the option to publish the digital format of the Periodical ("Coffee News Online"). A onetime enrollment fee to participate publication of Coffee News Online in the amount of $100.00 shall be paid upon enrollment.

2.1.3 Postponement Fees. In the event that Franchisee wishes to postpone the start date of Franchisee's business by one month or more, Franchisee needs to pay for additional $1,000.00 to us to obtain such extension and hold Franchisee's area for such one or more months before Franchisee pays the full amount due under the Agreement.

2.1.4 Weekly Fees. For the first Franchise granted to Franchisee, weekly payments of:

2.1.4.1 for hardcopy Periodical, $80 per week beginning upon the conclusion of the Initial Period. In the case of multiple franchises granted to Franchisee under separate licensing agreements, weekly payments of $25 per week for each additional franchise purchased, to be charged for each week beginning after the first nine (9) months of Franchisee's operation in accordance with Schedule A.

2.1.4.2 for Coffee News Online Basic Service (as later identify and defined in Paragraph 4.5.1), $25.00 (USD) per week.

2.1.4.3 for Coffee News Online Premium Service (as later identified and defined in Paragraph 4.5.2), $50.00 (USD) per week.

2.1.4.4 prices for all other countries in addition to the U.S. and Canada shall be based on USD conversion to the respectful local currencies.

2.1.5 Additional Franchises. For any additional franchises granted to Franchisee under a separate licensing agreement, a non-refundable deposit of

$7,000.00 to be paid in accordance with Schedule A. However, following the end of the initial term of this Agreement, Franchisee shall pay a non-refundable deposit equal to the then prevailing rate for new franchisees to purchase an additional franchise.

2.1.6 Method of Payment. Except as provided in Schedule A, payment by Franchisees of weekly fees beginning with the fourth month term of this Agreement shall be made by credit card or check or optionally, by preauthorized automatic debit to the Franchisees demand deposit account, when available.

2.1.7 Adjustment of Weekly Fees. Commencing on March 1 of each year of the term of this Agreement, the weekly fees may be adjusted upward or downward by Franchisor, subject to a maximum increase equal to the increase in the "Consumer Price Index of Urban Wage Earners and Clerical Workers- (CPI-W, 1982-1984 - 100)" published by the Bureau of Labor Statistics U.S. Department of Labor. This percentage increase in the cost of living shall be calculated from the percentage of change in the CPI-W from the first day of the term year immediately prior to the instant term year to the first day of the instant term year.

2.1.8 There are no other initial fees or payments required for services or goods before the date of the agreement. The date of the agreement is considered Franchisee's date of opening Franchisee's franchised business. Three months after Franchisee's opening Franchisee will pay a required Weekly fee for the continued support and services from Franchisor including receipt of copy or content for Franchisee's periodical as indicated in Section 2.1 (c) above. The Weekly fee is more fully explained in Item 5 of the Franchise Disclosure Document. Initial fees and payments will be due upon Franchisor's completion of all pre-opening obligation.

2.2 Failure to Make Payment. Unless otherwise prohibited by law, failure to make payment of either the deposit for additional or weekly fees in accordance with Schedule A for a period of sixty (60) days from the due date may result in the loss of all Franchises and termination of receipt of the Periodical by Franchisee, at the option of Franchisor.

3. TERM AND RENEWAL.

3.1 Term. The term of this Agreement shall commence upon execution hereof by all parties hereto and shall expire on _____ 31, 20___, subject to earlier termination pursuant to the terms of this Agreement.

3.2 Renewal. Franchisee shall have the right to automatically renew this agreement for subsequent four (4) year periods provided that:

(a) Performance of Obligations. Franchisee has duly performed its obligations hereunder to the satisfaction of Franchisor;

(b) Agreement In Force. This Agreement is in full force at the end of the term provided for in paragraph 3.1 and Franchisee is not then in breach of any terms hereof;

(c) Renewal Terms. The Franchisee hereby agrees that upon renewal, the Franchisee shall comply with the then current Coffee News Franchise

Agreement, except that there shall be no additional deposit from the Franchisee. Franchisor shall furnish the Franchisee with a copy of Franchisor's then current Franchise Agreement (and related agreements), which Agreement the Franchisee must execute no later than 3 months prior to the expiration of this Agreement.

(d) Notice. Franchisee must give written notice to Franchisor of its exercise of its option to renew at least six (6) months prior to the end of the first term, or at least six (6) months prior to the end of the first term of any renewal thereof.

4. SUPPLY OF PERIODICAL.

4.1 Form of Periodical. Franchisor shall supply to Franchisee a copy of the Periodical in a good quality photocopied state (the "Copy"). The Copy shall contain the format and information to be included under all sections of the Periodical except the "What's Happening" section. Franchisee shall provide the local information of interest to its customers in the "What's Happening" section including a schedule of events occurring in the region such as sports events, concerts and festivals.

4.2 Frequency of Supply. Franchisor shall post the Copy on the company web page for download by Franchisee in eight-week increments, with each downlead containing eight (8) weekly editions of the Copy. The Copy shall be posted online no later than five (5) business days prior to the end of the previous eight (8) week period. Franchisor may deliver the Copy to Franchisee by electronic transfer, provided that Franchisor and Franchisee mutually agree upon the method and technology to be used for such transfer.

4.3 Responsibility For Supply. Franchisee acknowledges that Franchisor is a mere franchisee of 2703203 Manitoba, Inc. The delivery of Copy to Franchisee is dependent upon the continued production by 2703203 Manitoba Inc. of such Copy according to the terms of a licensing agreement entered into between 2703203 Manitoba Inc. and Franchisor and, to the extent that 2703203 Manitoba Inc. does not deliver Copy to Franchisor, Franchisee's sole recourse shall be to 2703203 Manitoba Inc. In the event that 2703203 Manitoba Inc. does not deliver copy to Franchisor, Franchisor is authorized but is not obligated to supply archival Copy until supply by 2703203 Manitoba Inc. is resumed. If 2703203 Manitoba Inc. should for any reason be permanently unable to supply Copy, Franchisor shall have the right to produce and supply Copy to Franchisee under the terms of a separate agreement entered into between Franchisor and 2703203 Manitoba Inc.

4.4 Printing Service. Franchisee acknowledges and agrees that it will purchase the printing services from Coffee News Printing, LLC in Houlton, Maine for a minimum period of one (1) year from the date of this Agreement. Upon expiration of such one (1) year, Franchisee may continue using the printing service of Coffee News Printing, LLC, but has the option to purchase printing service from another print shop. The goods or services sold buy us or our affiliate to you may only be marked-up to the extent that they cover corresponding costs or expenses incurred in procuring or producing these goods and services. If Franchisor provides Franchisee with financing to purchase minimum of four or more franchised units, subject to the initial payment of the training fees referenced in Paragraph 10 hereof, Franchisee agrees that it shall use the printing services of Coffee News Printing, LLC during the term of the loan.

4.5 Coffee News Online Services. In addition to the hardcopy Periodical related services, we are proud to announce the release of Coffee News® Online, a new digital companion to our print publication. Coffee News® online will retain many of the same features as the hard copy format used worldwide, but with enhanced features, making Coffee News® more accessible to readers, offering greater marketing opportunities, and generating additional advertising revenue from existing advertisersas well as restaurants at a modest cost. To enroll the Coffee News® Online feature, there are currently two (2) options for enrollment:

4.5.1. Basic service:

4.5.1.1 Provides the layout of current content, submitted ads and What's Happening events dated and posted for each Monday for publishers to send to their contacts each week.

4.5.1.2. Dedicated URL for your online edition (i.e. www.coffeenewsonline.com/ME/Bangor). All online editions can be found via a dropdown menu from the main site.

4.5.1.3 Provides up to 40 single (400 x 300 pixel) ad spaces for sale from all industries including restaurants. Double ads (400 x 600 pixel) are also available to sell (and are counted as 2 ads). All ads rotate weekly.

4.5.1.4. Ads are mobile responsive and clickable, linking directly to the advertiser's web, email or phone contact information.

4.5.1.5. Provides 1 sponsorship ad for each week's online edition.

4.5.1.6. Coffee News® man is hidden in one of the ads each week and clickable to the contest entry form as part of the Coffee News® Contest.

4.5.2. Premium Service. The Premium Service is designed for publishers who do not already use an email marketing application such as MailChimp or Constant Contact. In addition to the Basic Service, Chil Consulting, the current third party contractor that provides Coffee News Online services, will provide email marketing services of your online edition and any other email marketing messages to your contacts for you each week. You would provide the email content to Chil Consulting.

4.6. Third Party Services. It is acknowledged by the parties that all services related to Coffee News Online are to be provided and performed by a third party contractor hired by the Franchisor, provided however, the Franchisee is responsible for uploading all the advertisements and What's Happening events content into the online feature system. Unless otherwise agreed in writing, any and all enrollment of Coffee News Online feature must be through the Franchisor.

5. CONTENT OF PERIODICAL.

5.1 MAINTENANCE OF CONTENT. Except as provided for herein, Franchisee shall not edit, change, add to, eliminate from, or alter in any way the contents or format of the Periodical without the prior written consent of Franchisor. For clarity, Franchisee agrees that the unalterable characteristics of the Periodical (the "Format") include, but are not limited to, the following:

(a) Size. Eleven inches by seventeen inches (11" x 17") page size format.

(b) Coloring. Light brown coloring of paper.

(c) Format. Two-sided printing with each page divided into three (3) columns, with the two (2) border columns each allowing for eight (8) advertisements arranged vertically and a center column allowing for the publication of information.

(d) Sections. On the cover page, the center column shall be divided into 5 sections entitled as the "Coffee News" heading, "Everybody's Talking", "Quoteable Quotes", "What's Happening" and "Trivia". On the reverse side, the center column shall be divided into 4 sections referred to as "Your Weekly Horoscope", "Did You Know", "On the Lighter Side" and "Answers" (to "Trivia" section on the cover page).

(e) Proportions of Advertisements. The proportions of all advertisements are of equal size, approximately two and seven-eighths inches by two inches (2 7/8" x 2"), in a rectangular rounded corner box with one open corner.

(f) Advertisement Borders. The borders of advertisements are in a series of backwards and forwards "S" shapes.

5.2 General Editorial Control. Franchisor shall exercise editorial supervision over the Periodical and may make such changes as it may deem necessary and advisable. Franchisor shall have final authority regarding the content of the Periodical.

6. NAMES, MARKS TRADE SECRETS, AND COPYRIGHTS.

6.1 Franchise of "Coffee News" Name and Format. Nothing in this Agreement shall be construed as an assignment or grant to Franchisee of any right, title or interest in or to the "Coffee News" name or Format, it being understood that all rights relating hereto are reserved by 2703203 Manitoba Inc., a corporation of the Province of Manitoba, Canada and Franchisor except for this license to use the "Coffee News" name and Format only as specifically and expressly provided in this Agreement. Furthermore, nothing in this Agreement shall be construed as an assignment, grant or license to Franchisee of any right, title or interest in any trade names, service marks, trade symbols, emblems, signs, slogans or insignia not designated by this Agreement as licensed to Franchisee, which may be developed by Franchisor for use with other franchisees. Franchisee recognizes the great value of the goodwill associated with the "Coffee News" name and Format and acknowledges that the name and rights therein and goodwill pertaining thereto belong to Franchisor and 2703203 Manitoba Inc. Franchisee hereby agrees that every use of the "Coffee News" name and Format shall inure to the benefit of Franchisor and 2703203 Manitoba Inc. and that Franchisee shall

not at any time acquire any rights in such name. Franchisee agrees that it will not, while this Agreement is in effect or thereafter, attack the title or any rights of Franchisor or 2703203 Manitoba Inc. in and to the "Coffee News" name or Format or attack the validity of this license of the use of such name or Format or do anything which would jeopardize or diminish Franchisor's rights to or the value of such name.

6.2 Use of Trade Secrets. Franchisee shall not directly or indirectly furnish to any other party any confidential information as to the "Coffee News" Format, methods of operation, advertising, promotion, ideas or any other information relating to Franchisor's business of "Coffee News" without the written consent of Franchisor. The provisions contained herein shall survive the termination, expiration, transfer, assignment, of this Agreement. Franchisee shall execute a non-disclosure or confidentiality agreement with its employees, officers, key personnel, agents, or stockholders, as the case may be, that such employees, officers, key personnel, agents, or stockholders, as the case may be, shall be bound by the contractual provisions contained in this paragraph, and will be liable for damages, reasonable attorney fees and court cost if the Franchisor has to enforce their contractual rights by legal actions.

6.3. Copyrights. All title, including without limitation copyrights, in and to the Periodical, Operations Manual, Coffee News College training materials, marketing promotion materials, our license agreements, and all content that Licensor and/or its affiliate develop, either in hardcopy or digital format, and any copies thereof are owned by Franchisor and/or its affiliate. All title and intellectual property rights in and to the Periodical content which may be accessed through use of the Periodical and related services is the property of Franchisor and shall be protected by applicable copyright and other intellectual property laws. This Agreement grants no rights to Franchisee's customer to use the content without Franchisor's written consent.

7. OBLIGATIONS OF FRANCHISOR.

In addition to the other obligations in this Agreement, Franchisor has the following obligations:

7.1 Operations Manual. Franchisor shall provide to Franchisee an operations manual describing how to arrange the distribution of the Periodical within the region covered by this Agreement, how to sell advertising, how advertising in the Periodical operates and how to design such advertisements, how to determine the suggested pricing of advertising, and how to determine coverage areas. This manual also will include sample Filler ad Advertisements, office supply samples such as sample insertion orders, sample business cards, envelopes and monthly sales envelopes for use by Franchisee in producing its own supplies of such materials (The "Operations Manual").

7.2 Trade Information. Franchisor shall disclose to Franchisee the unique marketing and sales techniques employed in the design and format of the Periodical.

7.3 Periodical Holders and Other Products. Franchisor shall disclose the design of the Periodical holder if Franchisee desires to have such holders made locally and to allow the purchase of either Periodical holder labels or Periodical holders

with labels attached from Franchisor preferred vendor, Darter Specialties, 514 Cornwall Avenue, P.O. Box 188, Cheshire, CT 06410 or other vendors to be named in the future.

7.4 Support Services. Franchisor shall provide Franchisee with support services as deemed reasonable and advisable by Franchisor. This could include but not be limited to telephone conferencing, a newsletter, business and marketing ideas, form and display rack samples, and other networking concepts as they develop in the future.

8. OBLIGATIONS OF FRANCHISEE.

In addition to the other obligations in this Agreement, Franchisee has the following obligations:

8.1 Best Efforts. Franchisee shall use its best efforts to promote the Periodical by obtaining advertisers for the Periodical in the Franchisee's region. Franchisee shall distribute the Periodical to as many restaurants, hotels, coffee shops and other outlets directed by Franchisor as possible and to otherwise distribute the Periodical in such other ways as Franchisor may deem to be in the best interest of both parties.

8.2 Payment of Debts: Adverse Action. Franchisee shall pay promptly when due all taxes, accounts, and indebtedness of any kind incurred by Franchisee in the conduct of its business unless being contested actively in good faith. Franchisee shall pay any tax assessed by any State or other taxing authority in Franchisee's designated region on fee payments to or other revenue received by Franchisor from Franchisee. Franchisee agrees to notify Franchisor in writing within five days of the commencement of any action, suit, or proceeding which, if decided adversely to Franchisee, would materially and adversely affect Franchisee's financial condition and to notify Franchisor within five days of the issuance of any order, writ, injunction, award, or decree of any court, agency or other governmental instrumentality which adversely affects Franchisee's financial condition.

8.3 Spendthrift Provision. This license will be and remain personal and exclusive to Franchisee to the fullest extent authorized or permitted by law. No part of any interest of Franchisee under the provisions of this instrument will be subject to garnishment, levy, or seizure by any creditor or any other person claiming against or in the right of Franchisee under any proceeding or writ at law or in equity. Franchisee agrees not to pledge or encumber this Agreement, without the express written consent of the Franchisor.

8.4 Laws and Licenses. Franchisee shall comply with all applicable federal, state and local laws and regulations. Franchisee and its employees shall obtain and at all times maintain any and all permits, certificates or licenses necessary for the full and proper operation under the Franchise granted herein.

8.5 Non competition During and After Term of Agreement. During the term of this Agreement and for a period of two (2) Years after the termination, expiration, transfer, or assignment of this Agreement, Franchisee, either as individuals or a business entity, their family members or the officers, directors, other key personnel, employees or stockholders, as the case may be, shall not directly or indirectly, through

corporations, partnerships, trusts, associations, joint ventures, or unincorporated businesses, perform any services for, engage in or acquire, be an employee of, have any financial, beneficial, or equitable interest in, or have any interest whatsoever in any publication of a type similar to the Periodical that operates within the region covered by this agreement . Franchisee shall execute a non-competition agreement with its employees, officers, key personnel, agents, or stockholders, as the case may be, that such employees, officers, key personnel, agents, or stockholders, as the case may be, shall be bound by the contractual provisions contained in this paragraph, and will be liable for damages caused by violation of the provision contained herein plus reasonable attorney fees and court cost if the Franchisor and/or Franchisee has to enforce their contractual rights by legal actions.

8.6 Guarantee to Advertisers. Franchisee shall guarantee to advertisers that advertisements run in the Periodical shall be "either error-free or free of charge".

8.7 Continuing Archive. Franchisee shall provide Franchisor with a continuing archive of two (2) complete copies of every issue of the Periodical printed and distributed in Franchisee's geographic area. Franchisee shall mail such copies to Franchisor on a monthly basis, with mailing to occur on the first business day of every month.

8.8 Outlet List. Franchisee shall provide to Franchisor every six (6) months an updated list of outlets distributed through and the number of copies of the Periodical distributed in Franchisee's region.

8.9 Supply to Outlets. Franchisee shall ensure that each outlet has a sufficient number of copies to cover each weekly seven (7) day period.

8.10 Periodical Holders. Franchisee shall ensure that each outlet has a Periodical holder in use and shall replace any lost, broken or stolen holder promptly.

8.11 Notification of Violations. Franchisee shall immediately notify Franchisor of any apparent infringements of or challenges to the use of the "Coffee News" name or Format or Franchisee's Franchised business in the region covered by this Agreement. Franchisee shall not communicate with any person other than Franchisor, 2703203 Manitoba Inc., and its counsel in connection with any such infringement, challenge or claim. Franchisee agrees that 2703203 Manitoba Inc. shall have sole discretion to take such action as it deems appropriate and the right to exclusively control any litigation or other administrative claim or action relating to any such infringement, challenge or claim. Any money, damages or other benefits arising out of such infringement, challenge or claim shall accrue to 2703203 Manitoba Inc. Franchisee agrees to execute any and all instruments and documents, render such assistance and perform such acts as may, in the opinion of the counsel of 2703203 Manitoba Inc., be necessary or advisable, to protect and maintain the interests of 2703203 Manitoba Inc., Franchisor and its franchisees in any litigation or administrative proceeding or to otherwise protect and maintain the interest of 2703203 Manitoba Inc. and Franchisor in the "Coffee News" name and Format or their businesses.

8.12 Independent Contractor Status and Indemnification. Franchisee is an independent contractor or licensee of the Franchisor, and is not an agent, legal representative, joint venturer, partner, employee, servant or agent of Franchisor, for any

purpose whatsoever. Franchisee is not authorized to make any contract, lease, warranty, or representation on behalf of Franchisor, or to create any obligation, express or implied, on behalf of Franchisor. Franchisee shall be responsible for, and shall promptly pay when due, all expenses of Franchisee's franchised business, including, but not limited to all taxes and levies connected with the said franchised business and any income arising therefrom. Franchisor shall not be liable for any such expenses, taxes, levies or disbursements otherwise paid or incurred in connection with the establishment and maintenance of the aforesaid business.

8.13 Indemnity. Franchisee will indemnify Franchisor and its employees and hold them harmless from and against all losses, claims, actions, damages, liabilities and expenses, including attorneys fees, arising from loss of life, personal injury, damage to property or any other loss or injury suffered by Franchisor's agents, employees or third parties, arising directly or indirectly from, or as a result of, or in connection with Franchisee's operation of the Periodical business in the franchised area or by reason of Franchisee's use of the system, names or marks of the Periodical. Franchisee shall indemnify Franchisor and its employees and hold them harmless from and against all copyright or trademark challenges of Franchisee's right, title or interest in any trade names, service marks, trade symbols, emblems, signs, slogans or insignia used in Franchisee's franchised business. Further, Franchisee shall indemnify Franchisor and its employees and hold them harmless from and against all claims arising out of Franchisee's use of any such social media network.

8.14 The sale of Franchise by Franchisee. Franchisee agrees not to pledge or encumber this Agreement except with the express written approval of Franchisor, to be granted in the Franchisor's sole discretion, which Franchisee may request in the event that Franchisee seeks to sell the Franchise granted hereunder to a third party who desires to use said Franchise as collateral for purchase financing. Franchisor shall have the authority to extend the term of this Agreement beyond the term set forth in paragraph 3 to enable a purchaser of the Franchise to obtain financing of said purchase if Franchisor, in his sole discretion, determines such extension to be necessary. Franchisee may request approval of the use of the Franchise granted hereunder as collateral and/or the extension of the term of this Agreement by written request sent to address provided under paragraph 14.

8.15 Compliance with Coffee News Social Media Policies. Franchisee acknowledges and agrees to comply with Coffee News Social Media Policies that Coffee News adopted that may be amended from time to time. It is acknowledged that the franchisees are responsible for their own content posted or published through the social media and are responsible for complying with all laws and regulations and third-party site terms and conditions. Coffee News will not have any liability for the Franchisee's use of social-media sites. Additionally, Coffee News does not have responsibility or obligation for monitoring Franchisee's compliance with such laws, regulations, and third-party terms and conditions. Any approval by Coffee News of the use of social media sites or monitoring thereof does not constitute a representation that the franchisees are in compliance with these laws, regulations or terms and conditions. The franchisees are responsible for monitoring their own employees, representatives, agents, etc. to ensure compliance with these requirements set forth in the Policies. A copy of the Coffee News Social Media Policy is attached hereto as Schedule D to this Agreement and all content of the Policy is incorporated as part of the Agreement.

9. RESERVATION OF RIGHTS.

9.1 Reservation of Rights. All rights in the Periodical other than those specifically granted herein by Franchisor to Franchisee are reserved by Franchisor for full use by it or its assignees, transferees or licensees.

10. TRAINING

10.1 Training Program. Franchisor offers a three day Coffee News College every 8-13 weeks for all North American franchisees. All signatories to this Franchise Agreement are required to attend the next available Coffee News College. All existing franchisees may attend future initial training programs voluntarily.

10.2. Training Program. Such training consists of 3 day classroom program utilizing both veteran franchisees and corporate staff to provide a combination of lectures and hands on involvement. There is also time allowed for networking between you and veteran franchisees during this period. The training is normally offered in Bangor, Maine and at other random locations around North America on at least one (1) additional occasion, depending upon the volume of new franchisees. The topics covered in the 3 day training program include without limitation sales, advertisement design, billing, collections, distribution, marketing, and startup.

10.3. Expenses. The initial training program is at no additional cost to you. The one-time training fee of $2,900.00 is included in the $9,900.00 initial franchise fees. However, you are responsible for your own travel and hotel stay expenses. Your attendance of subsequent training program will be at your own expenses.

10.4 When Franchisee obtains finance for full funding to purchase minimum of four franchises subject to Paragraph 4.4 hereof, Franchisee shall attend the next Coffee News College at the time of purchase.

11. SUCCESSORS AND ASSIGNMENT.

11.1 Successors and Assigns of Franchisor. All rights of Franchisor in this Agreement shall inure to the benefit of Franchisor's successors and assigns.

11.2 Nontransferability of Franchisee's Interest. Franchisee agrees that its interest in this Agreement is not transferable and shall not be sold, pledged, hypothecated, assigned or transferred without the express written consent of Franchisor, provided that Franchisor's consent shall not be unreasonably withheld. When a transfer is granted by Franchisor, the transferee franchisee shall execute Coffee News' then current Franchise Agreement and related documents to govern the remaining term of this Agreement.

11.3 Ownership Changes. If Franchisee is a corporation or partnership, Franchisee agrees to notify Franchisor of any change in stock ownership or partnership interest in Franchisee while this Agreement is in effect. Any such change which, together with all prior changes, results in a change of the person or persons having control of the entity shall be a transfer subject to the provisions of this paragraph 10 and its subparagraphs.

11.4 Transfer Upon Death or Permanent Incapacity. Immediately upon the death or permanent incapacity of the Franchisee or if the Franchisee is a corporation, upon its dissolution or upon the death of any person with a substantial or controlling interest in the Franchise, the Franchisee has the following options:

a) if requested by the Franchisee's heirs, Franchisor, at its sole discretion, may allow a family member of the Franchisee or another officer of the Franchisee entity continue to temporarily operate the franchise. Such temporary operation may be converted to a full-term operation, which will be contingent upon Franchisor's approval after said family member has developed sufficient skill necessary to operate the franchised business; or

b) if the officer(s) of the Franchisee's entity decides to sell the Franchise, Franchisor, at its sole discretion, may allow a temporary operating agreement until the Franchise is sold; If the Franchisee's entity is registered as a sole proprietor, Franchisor at its sole discretion may allow a temporary operating agreement signed by a responsible and duly authorized person until such time as the Franchise is sold or transferred to a new owner with Franchisor's approval; or

c) the Franchise shall be transferred automatically back to Franchisor and by signing this Franchise Agreement, the Franchisee agrees that his/her interest in the franchised business shall not be part of probate of his/her estate.

A transfer fee in the amount of $2,900.00 may be assessed and required for transfers set forth in above Sections 11.4 (a) and (b) depending upon the skill level and knowledge of the buyer or transferee.

12. LEGAL FEES ASSOCIATED WITH FRANCHISE.

12.1 Legal Fees Associated With Franchise. Franchisee shall bear the expense of all legal fees, costs and expenses associated with the operation of the Franchise granted herein. Such fees shall include, but not be limited to, the costs associated with the determination of the legal requirements of and compliance with the statutes, ordinances and regulations regarding arrangements of this type in the State of _____. Franchisee shall supply Franchisor with a letter of opinion, drafted by an attorney qualified and licensed to practice law in the State of _____, stating that this Agreement and Franchisee's operation of its Franchised business hereunder are in full compliance with the statutes, ordinances and regulations of the State of _____.

13. BREACH, DEFAULT AND TERMINATION.

13.1 Breach by Franchisee. If Franchisee breaches or defaults under any provision of this Agreement, Franchisor shall have all rights and remedies permitted by law or equity, including, but not limited to, the right of termination. Any termination by Franchisor shall have no effect upon Franchisee's obligation to pay the non-refundable deposit due in accordance with subparagraph 2.1 (a) and/or Schedule A. The forfeiture by Franchisee of such non-refundable deposit in the case of termination shall be

liquidated damages and not a penalty. For the purposes of this paragraph, a default or breach shall include, but not be limited to, the following:

(a) Unlicensed Distribution. The printing or distribution of unlicensed or unauthorized issues of the Periodical, either hardcopies or digital versions.

(b) Similar Publication. The printing, distribution or participation in, directly or indirectly, any publication of a similar type to the Periodical.

(c) Insolvency. The insolvency, bankruptcy or placement in receivership of Franchisee.

(d) Criminal Offenses. The conviction of Franchisee or its principal shareholder with a major criminal offense which, by its nature and by the potential long-term imprisonment threatened, would result in serious damage to the reputation of the Periodical or the effective business operation of Franchisor.

(e) Attachment or Seizure. Attachment or seizure of any of Franchisee's assets, provided Franchisor is certain that such seizure or attachment is an extreme threat to the continued successful operation of the exclusive license.

(f) Nonpayment. Failure to pay when due the deposit payments, due in accordance with subparagraph 2.1 (a) and/or Schedule A, or weekly fees, due in accordance with subparagraph 2.1(b) and/or Schedule A, for sixty (60) consecutive days whether or not Franchisor has advised Franchisee in writing of such failure.

(g) Mental Incompetency. The mental incompetency of Franchisee, its operator or principal shareholder.

(h) Breach or Default. The Breach or default by Franchisee under any other contract or agreement between Franchisee and Franchisor.

(i) Lack of Communication. The Franchisee has not communicated with Franchisor within 10 weeks of Franchisor's three (3) attempts of contact via phone, email or such other reasonable methods.

(j) Others. Failure to comply with any requirements of this Agreement.

13.2 NON Waiver by Franchisor. Neither Franchisor's waiver of a breach or default by Franchisee, nor delay or failure to exercise any right upon breach or default, nor acceptance of any payment, shall be deemed a waiver nor shall the same impair rights for other breaches or defaults of the same or a different kind. The description of any breach or default in any notice shall not preclude the later assertion of other additional defaults or breaches.

13.3 Termination By Franchisee. Franchisee shall have the right to terminate this Agreement by providing Franchisor with written notice to Franchisor one hundred twenty (120) days prior to the effective date of such termination. Franchisee shall have the right to terminate this Agreement within the Initial Period covered by the non-refundable deposit, in which case the non-refundable deposit shall be forfeited to

Franchisor as liquidated damages and not as a penalty. Any termination by Franchisee shall have no effect upon Franchisee's obligation to pay the non-refundable deposit due in accordance with subparagraph 2.1(a) and/or Schedule A.

14. EFFECT OF TERMINATION.

14.1 Effect Upon Franchisee's Rights. Upon termination of this Agreement for any reason, all of Franchisee's rights hereunder shall forthwith cease and Franchisee shall not thereafter publish or use the Periodical or any part thereof or the system, names and marks associated with the Periodical in any manner whatsoever.

14.2 Continuation of Franchisor's Rights. Upon termination of this Agreement for any cause whatsoever, all rights, title and interest in and to the Periodical shall remain with Franchisor as holder of an exclusive license covering the United States.

14.3 Return of Materials. Upon termination of this Agreement for any reason, Franchisee shall return the Operations Manual, all printed and working copies of the Periodical then in existence plus all advertiser lists, present advertiser identities, telephone numbers and addresses, together with all files and records pertinent to such customers in the licensed area, monthly sales records up to the date of termination, all camera-ready artwork in connection with the Periodical, holders and all printed back issues.

15. NOTICES.

15.1 Notices. All notices, requests, payments, demands and reports to be given under this Agreement are to be in writing, delivered by hand, telegram, certified or registered mail, or courier service guaranteeing overnight delivery, except that regular 6 month reports from Franchisee and shipments of Copy by Franchisor may be sent by regular mail, to the following address (which may be changed by written notice):

FRANCHISOR:

Coffee News USA, Inc.
One Cumberland Place, Suite 102
Bangor, ME 04401

Phone: 207-941-0860

FRANCHISEE:

Email Address:
Phone:

Notice by mail shall be deemed received on the third business day after mailing or upon actual receipt, whichever is earlier.

16. INTERPRETATION.

16.1 Amendments. This Agreement constitutes the entire agreement between the parties and may not be changed except with a written document signed by both parties with the exception of the amendments. Nevertheless, nothing in this Agreement or in any related agreement is intended to disclaim the representations that Franchisor has made in the franchise disclosure document.

16.2 Choice of Law and Consent To Jurisdiction. This Agreement shall be governed by the laws of the State of Maine. Franchisor and Franchisee agree that any legal or equitable action for claims, debts or obligations arising out of, or to enforce the terms of, this Agreement may be brought by either party in the United States District Court for the District of Maine, or in any courts of the State of Maine, and that such court shall have personal jurisdiction over the parties and the venue of the action shall be appropriate in such court.

16.3 Construction of Language. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires; if more than one party or person is referred to as Franchisee, their obligations and liabilities shall be joint and several. Headings are for reference purposes only and do not control interpretation. All the terms and words used in this Agreement, regardless of the number or gender in which they are used, shall be deemed and construed to include any other number (singular or plural) or any other gender as the context or sense of this Agreement, or any section or clause hereof, may require.

16.4 Successors. References to Franchisor or Franchisee include such successors, assigns, or transferees as are permitted in accordance herewith.

16.5 Severability. If any provision of this Agreement is deemed invalid or inoperative for any reason, that part shall be deemed modified to the extent necessary to make it valid and operative, or if it cannot be so modified, then severed, and the remainder of the Agreement shall continue in full force or effect as if the Agreement had been signed with the invalid portion so modified or eliminated.

16.6 Exhibits and Schedules. All exhibits and schedules attached hereto are incorporated by reference in the appropriate paragraph and form a part of the Agreement.

16.7 Enforceability. The parties to this Agreement understand and agree that, if any portion of the restrictive covenants set forth in this Agreement is held to be unreasonable, arbitrary, or against public policy, then that portion of those covenants shall be considered divisible as to time and region. The parties to this Agreement agree that if any court or competent jurisdiction determines that the specified time period or the specified region of application of any covenant is unreasonable, arbitrary, or against public policy, then a lesser time period, geographical area or both, that is determined to be reasonable, non-arbitrary, and not against public policy, may be enforced against the parties hereto. The parties to this Agreement agree and acknowledge that they are familiar with the present and proposed operations of ”Coffee News” Franchises and believe that the restrictive covenants in this Agreement are reasonable with respect to their subject matter, duration, and geographical application. Notwithstanding that the parties agree that any court of competent jurisdiction may

modify the time period or specify geographical area of applicability in this agreement, the parties do not intend that a court be able to modify the payment terms set forth herein.

16.8 Arbitration. Except for obtaining injunctive relief by either party against actual or threatened conduct that would cause irreparable harm to that party, all controversies, disputes or claims arising under this Agreement between Franchisor and Franchisee shall be submitted for arbitration to the Office of the American Arbitration Association nearest to Franchisor on demand of either Franchisor or Franchisee. Such arbitration proceedings shall be conducted in Bangor, Maine. Except as otherwise provided in this Agreement, such claims shall be heard by one arbitrator in accordance with the then Current Commercial Arbitration Rules of the American Arbitration Association. The administrative cost of the arbitration, including the cost of the arbitrator, shall be borne equally by the parties. Each party shall be responsible for the payment of its own attorneys' fees and expenses. At Franchisor's request, the arbitrator shall require Franchisee to produce all books and records of the Franchisee's business for Franchisor's examination and use as evidence in the arbitration. The arbitrator shall have the authority to award all relief at law or equity but shall not have the authority to award exemplary or punitive damages. The award and decision of the arbitrator shall be conclusive and binding upon the parties and judgment upon the award may be entered in any court of competent jurisdiction identified in paragraph 16.2 above, including an order pursuant to an opinion of the arbitrator for specific performance of any of the requirements of this Agreement. Franchisor and Franchisee agree that any contest of such award shall be in the courts specified in Paragraph 16.2 above. The arbitrator shall not add, delete, modify or amend any of the terms of this Agreement. This Agreement to arbitrate shall continue in full force and effect subsequent to and not withstanding the expiration or termination of this Agreement. During the period of any dispute or arbitration, the terms of this Agreement will remain in full force and effect on all parties, including the payment of all fees due in accordance with Schedule A and including the use of the trademark by the Franchisee.

16.9 Force Majeure: Neither party shall be held liable or responsible to the other party nor be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement to the extent, and for so long as, such failure or delay is caused by or results from causes beyond the reasonable control of the affected party including but not limited to wild fire, hurricanes, novel pandemic, quarantine, war, acts of God, provided however, in the event of a novel pandemic during the term of the Agreement, the franchisees shall exercise commercially reasonable efforts to continue the franchised business operation; and when partial payment is agreed by the parties during the novel pandemic, the resumption of full fee payment shall be at the discretion of the franchisor in a reasonable manner. For the avoidance of doubt, Force Majeure shall not include (i) financial distress or the inability of either party to make a profit or avoid a financial loss; (ii) changes in market prices or conditions; or (iii) a party's financial inability to perform its obligations hereunder.

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17. SIGNATURES.

_____IN WITNESS THEREOF the parties have signed this Agreement on the day and year first above written.

FRANCHISOR:

WITNESS:

Coffee News USA, Inc.
One Cumberland Place, Ste. 102
BANGOR, ME 04401

_____
By_____
WITNESS: William A. Buckley, Its President

FRANCHISEE:

_____ By_____
WITNESS:

_____ By_____
WITNESS:

SCHEDULE A - Option

1. REGION

_____, including seasonal Franchises:

Projected Coffee News Franchises =

It is acknowledged and understood that the Coffee News Online may be accessed by readers outside the Territory. However, the Franchisee's publication of Coffee News Online shall be restricted to his/her/its licensed Territory and no publication shall be made to serve communities beyond the Territory. Franchisor shall provide a drop down of the area served by Franchisee's online version through Franchisor's website.

2. DEPOSIT PAYMENT

Deposit: $ _,000.00 due on or about _____ 1, 20__.

3. RETURN OF FRANCHISES

After every six months, Franchisee has the option to return the remainder of Franchisee's Franchise(s) if Franchisee is unable to put such Franchises into operation. If Franchisee's Franchises/ licenses are not in operation but Franchisee desires to maintain possession of such Franchises, Franchisee may pay the next level of licensing fees.

4. WEEKLY LICENSING FEES

Feb 1/____ - and on . . . $ 80.00/wk (1 CN's)

Please note: Timing of the weekly licensing fees is over-generous on purpose- to allow Franchisee more than enough time to get the entire region in operation well before Franchisee reaches his/her maximum licensing fees.

Also, if Franchisees are able to put more Coffee News publications in operation than Franchisee's licensing fees expect, that is to Franchisee's benefit only. Franchisee's licensing fees do not increase. In the event that Franchisee decides to sell Franchisee's Franchises / licenses, the new buyer will pay to Franchisor a transfer fee of $2,900.00 and will pay licensing fees based on the number of Coffee News publications in operation at the time of the sale.

SCHEDULE B
PROMISSORY NOTE

$_____ _____, 20__

I, _____ [*name and address of the Franchisee]* doing business as _____[*trade name of his business*] **(the "Debtor")** promise to pay to the order of **Coffee News USA, Inc.** at One Cumberland Place, Bangor, Maine 04401 **(the "Holder")**, the sum of _____ Dollars ($_____) (the amount is called "principal") plus interest accruing at the Annual Percentage Rate (APR) of _____ percent (_____%) and such other finance charges, if any.

1. The payments shall be made as follows:

Principal Amount Financed:	$_____
Annual Interest:	_____%
Duration of Loan:	_____ (months)
Start Date of Loan:	_____
Monthly Payment:	$_____
Total Number of Payments:	____
Principal Amount to be paid:	$_____
Finance Charges to be paid:	$_____
Total Cost of the loan:	$_____

2. Each monthly payment shall be made on the ____ day of each calendar month beginning on _____, 20___. Debtor will make these payments every month until he/she have paid all of the principal and interest and any other charges described above that he/she may owe under this Note. In no event shall any monies continue to be owed after _____, 20___, which is called the "maturity date." Any unpaid balance may be pre-paid at any time without penalty.

3. The Debtor acknowledges and hereby agrees to grant Holder, with any and all the licensed rights to the territory that was granted to Debtor in the foregoing Coffee News Franchise Agreement, to secure the payment set forth in this Promissory Note and to secure the performance of all covenants and agreements contained herein. In the event of a failure to pay interest, principal or any other amount due on this Promissory Note in accordance with its terms, or of a breach of any other covenant, condition or agreement contained herein, remaining uncured for a period in excess of five (5) days (except that no grace period shall be permitted for a default under this Note or the foregoing Coffee News Franchise Agreement), or any breach in the covenants, conditions or agreements in any instrument given in connection with the Promissory Note and debt secured hereby, or if a proceeding in bankruptcy, receivership or insolvency shall be instituted by or against the undersigned, or if the foregoing Coffee News Franchise Agreement for which the parties have entered into this Promissory Note is terminated for any reason, then the entire debt secured hereby, together with all charges to which Holder would be entitled under the Promissory Note or by law if the Promissory Note were prepaid in full, shall be due and payable, Holder shall have the right to realize upon the security granted herein, and the payment and acceptance of any sum on account of this note shall not be considered a waiver of such right of election. The failure at any time of Holder to exercise this option shall not constitute a waiver of

the right to exercise the right at any other time. Upon realizing the security granted herein, Holder has the right and power to sell the Franchise that was granted to Debtor in the foregoing Coffee News Franchise Agreement.

4. If the Promissory Note is not paid when due and shall be placed by the Holder in the hands of any agent or attorney for collection through legal proceedings or otherwise, the undersigned shall pay to the Holder the costs and reasonable expenses of collection, including without limitation, reasonable attorney's fees.

5. This Schedule B and the Promissory Note contained herein shall be governed by and construed according to the laws of the State of Maine.

6. Nonperformance of either party shall be excused to the extent that performance is rendered impossible by strike, fire, flood, governmental acts, orders or restrictions, or any other reason where failure to perform is beyond the control and not caused by the negligence of the non-conforming party.

7. The parties agree that neither party may assign or transfer any rights and obligations under this Schedule B, directly or indirectly except upon the prior written consent of the other party. Subject to the foregoing, this Schedule B shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

8. If any provision of this Schedule B is held to be invalid by a court of competent jurisdiction, then the remaining provisions shall nevertheless remain in full force and effect.

The undersigned hereby acknowledges receipt of a filled-in copy of this Schedule B, the Promissory Note, and Exhibit A to this Promissory Note (the Guaranty of Performance), which is incorporated as party of this Schedule B by reference. The undersigned acknowledges and agrees that he/she has read and understand the entire Schedule B and that he/she has been offered an opportunity to obtain legal consultation in connection with the Schedule B and the Promissory Note contained herein before his/her signature.

IN WITNESS WHEREOF, the parties hereto have executed this Promissory Note contained herein on this ___ day of _____, 20_____.

Holder:	**Debtor:**
_____	_____
Coffee News USA, Inc	[Franchisee's name]
By: William A. Buckley	By:
Title: President	Title:
_____	_____
[witness]	[witness]

STATE OF MAINE)
) SS.
COUNTY OF PENOBSCOT)

Personally appeared before me on this_____day of _____,20___, the above named **William A. Buckley** to me known to be the person who executed the foregoing Schedule B as **President** of the above named Holder and, being duly sworn, stated upon that the Schedule B is true and correct.

_____

Notary Public

My Commission expires:_____

STATE OF _____)
) SS.
COUNTY OF _____)

Personally appeared before me on this_____day of _____,20___, the above named _____ **(the "Debtor")** to me known to be the person who executed the foregoing Schedule B as _____ of the above named Debtor and, being duly sworn, stated upon that the Schedule B is true and correct.

_____

Notary Public

My Commission expires:_____

SCHEDULE C
PROMISSORY NOTE
(An alternative option to SDHCEDULE B)

$_____ _____, 20__

I, _____ [*name and address of the Franchisee]* doing business as _____[*trade name of his business*] **(the "Debtor")** promise to pay to the order of **Coffee News USA, Inc.** at One Cumberland Place, Bangor, Maine 04401 **(the "Holder")**, the sum of _____ Dollars ($_____) (the amount is called "principal") and such other finance charges, if any.

1. The payments shall be made as follows:

Principal Amount Financed:	$_____
Duration of Loan:	_____ (months)
Start Date of Loan:	_____
Monthly Payment ($25.00/week for each franchised unit):	$_____
Total Number of Payments:	____
Principal Amount to be paid:	$_____
Finance Charges to be paid:	$_____
Total Cost of the loan:	$_____

2. Each monthly payment shall be made on the ____ day of each calendar month beginning on _____, 20___. Debtor will make these payments every month until he/she have paid all of the principal and interest and any other charges described above that he/she may owe under this Note. In no event shall any monies continue to be owed after _____, 20___, which is called the "maturity date." Any unpaid balance may be pre-paid at any time without penalty.

3. The Debtor acknowledges and hereby agrees to grant Holder, with any and all the licensed rights to the territory that was granted to Debtor in the foregoing Coffee News Franchise Agreement, to secure the payment set forth in this Promissory Note and to secure the performance of all covenants and agreements contained herein. In the event of a failure to pay interest, principal or any other amount due on this Promissory Note in accordance with its terms, or of a breach of any other covenant, condition or agreement contained herein, remaining uncured for a period in excess of five (5) days (except that no grace period shall be permitted for a default under this Note or the foregoing Coffee News Franchise Agreement), or any breach in the covenants, conditions or agreements in any instrument given in connection with the Promissory Note and debt secured hereby, or if a proceeding in bankruptcy, receivership or insolvency shall be instituted by or against the undersigned, or if the foregoing Coffee News Franchise Agreement for which the parties have entered into this Promissory Note is terminated for any reason, then the entire debt secured hereby, together with all charges to which Holder would be entitled under the Promissory Note or by law if the Promissory Note were prepaid in full, shall be due and payable, Holder shall have the

right to realize upon the security granted herein, and the payment and acceptance of any sum on account of this note shall not be considered a waiver of such right of election. The failure at any time of Holder to exercise this option shall not constitute a waiver of the right to exercise the right at any other time. Upon realizing the security granted herein, Holder has the right and power to sell the Franchise that was granted to Debtor in the foregoing Coffee News Franchise Agreement.

4. If the Promissory Note is not paid when due and shall be placed by the Holder in the hands of any agent or attorney for collection through legal proceedings or otherwise, the undersigned shall pay to the Holder the costs and reasonable expenses of collection, including without limitation, reasonable attorney's fees.

5. This Schedule C and the Promissory Note contained herein shall be governed by and construed according to the laws of the State of Maine.

6. Nonperformance of either party shall be excused to the extent that performance is rendered impossible by strike, fire, flood, governmental acts, orders or restrictions, or any other reason where failure to perform is beyond the control and not caused by the negligence of the non-conforming party.

7. The parties agree that neither party may assign or transfer any rights and obligations under this Schedule C, directly or indirectly except upon the prior written consent of the other party. Subject to the foregoing, this Schedule C shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

8. If any provision of this Schedule C is held to be invalid by a court of competent jurisdiction, then the remaining provisions shall nevertheless remain in full force and effect.

The undersigned hereby acknowledges receipt of a filled-in copy of this Schedule C, the Promissory Note, and Exhibit A to this Promissory Note (the Guaranty of Performance), which is incorporated as party of this Schedule C by reference. The undersigned acknowledges and agrees that he/she has read and understand the entire Schedule C and that he/she has been offered an opportunity to obtain legal consultation in connection with the Schedule C and the Promissory Note contained herein before his/her signature.

IN WITNESS WHEREOF, the parties hereto have executed this Promissory Note contained herein on this ___ day of _____, 20_____.

Holder:	**Debtor:**
_____	_____
Coffee News USA, Inc	[Franchisee's name]
By: William A. Buckley	By:
Title: President	Title:
_____	_____
[witness]	[witness]

STATE OF MAINE)
) SS.
COUNTY OF PENOBSCOT)

Personally appeared before me on this_____day of _____,20___, the above named **William A. Buckley** to me known to be the person who executed the foregoing Schedule C as **President** of the above named Holder and, being duly sworn, stated upon that the Schedule C is true and correct.

_____

Notary Public

My Commission expires:_____

STATE OF _____)
) SS.
COUNTY OF _____)

Personally appeared before me on this_____day of _____,20___, the above named _____ **(the "Debtor")** to me known to be the person who executed the foregoing Schedule C as _____ of the above named Debtor and, being duly sworn, stated upon that the Schedule C is true and correct.

_____

Notary Public

My Commission expires:_____

EXHIBIT A TO SCHEDULE B and/or SCHEDULE C

GUARANTY OF PERFORMANCE

(To Be Executed by Principal Stockholder(s) If Franchisee/Debtor is a Corporation, professional corporation, partnership, limited liability partnership, limited liability company)

FOR VALUE RECEIVED, and in consideration for, and as in inducement to Coffee News USA, Inc. as the Holder to make the foregoing Schedule B / C to Coffee News Franchise Agreement with _____ [*name of the Franchisee/Debtor*], as the Debtor (the "Schedule B"), the undersigned, who each own 5% or more of the Debtor, unconditionally guarantee the full performance of all the covenants, conditions and agreements therein provided to be performed and observed by the Debtor and the Debtor's successors and assigns pursuant to the Schedule B / C and the Promissory Note contained therein, and expressly agrees that the validity of this Guaranty of Performance and the obligations of the guarantor(s) hereunder shall not be terminated, affected or impaired by reason of the granting by Holder of any indulgences to Debtor or by reason of the assertion by Holder against Debtor of any of the rights or remedies reserved to Holder pursuant to the provisions of the Schedule B / C or by the relief of Debtor from any of Debtor's obligations under said Schedule B / C by operation of law or otherwise (including without implied limitation, the rejection or assignment of the Schedule B / C and/or the Promissory Note) in connection with proceedings under bankruptcy laws now or hereafter enacted), irrespective of Holder's consent or other action or inaction with respect to such relief, the undersigned hereby waiving notice, protest, demand of the acceptance of this Guaranty all suretyship defenses and all defenses in the nature thereof.

The undersigned further covenants and agrees that this Guaranty shall continue in full force and effect as to any modification or extension of the Schedule B / C, whether or not the undersigned shall have received any notice of or consented to such modification or extension. The undersigned further agrees that the undersigned's liability under this Guaranty shall be primary, and that in any right of action which shall accrue to Holder under said Schedule B / C, Holder may, at Holder's option, proceed against the undersigned and Debtor, jointly and severally, and may proceed against any or all of the undersigned without having commenced any action against or having obtained any judgment against Debtor. In addition to any other remedies Holder may have against the undersigned and the obligations of the undersigned to Holder, the undersigned shall reimburse Holder for all costs and liabilities incurred by Holder in connection with the enforcement of this Guaranty of the Schedule B / C or a default under either including, without limitation, all costs of collection and reasonable attorney's fees. No party liable under this Guaranty shall be entitled to rights of subrogation against any party or interest in the Schedule B / C before the full performance and observance of all covenants, conditions and agreements of the Schedule B / C.

It is agreed that the failure of Holder to insist in any one or more instances upon a strict performance or observance of any of the terms, provisions or covenants of the Schedule B / C or to exercise any right therein contained shall not be construed or deemed to be a waiver or relinquishment for any subsequent performance or observance of such term, provision, covenant or right, but the same shall continue and remain in full force and effect. Receipt by Holder of payment with knowledge of the breach of any provision of the Schedule B / C and the Promissory Note contained therein shall not be deemed a

waiver of such breach.

No assignment or other transfer of the Schedule B / C or any interest therein shall operate to extinguish or diminish the liability of the undersigned guarantor(s) under this Guaranty. Wherever reference is made to the liability of Debtor named in the Schedule B, such reference shall be deemed likewise to refer to the undersigned guarantor(s).

It is further agreed that all of the terms and provisions hereof shall inure to the benefit of the respective successors and assigns of Holder, and shall be binding upon the respective heirs, executors, administrators and assigns of the undersigned.

If any provision of the Schedule B / C and/or Exhibit A to Schedule B / C is held to be invalid by a court of competent jurisdiction, then the remaining provisions shall nevertheless remain in full force and effect.

WITNESS THE EXECUTION UNDER SEAL, WHEREOF, this ____ day of _____, 20__.

Guarantor(s):

By: _____

Date: _____

By: _____

Date: _____

By: _____

Date: _____

SCHEDULE D

Coffee News Social Media Policy
For Coffee News Franchisees

As the Franchisor of the Coffee News franchises, Coffee News USA, Inc. ("Coffee News" or "We") acknowledge that various technology and social media platforms such as Facebook, YouTube, Twitter, blogs, message boards, wikis, social networking services, video and photo sharing websites, etc., are changing the way people interact. The use of the social media to promote businesses is getting more popular than ever. We respect and support Coffee News Franchisees' (or "your") rights to interact with others through social media in a responsible and knowledgeable manner.

In the meantime, Coffee News, as it has always been, is committed to protect its interest including without limitation its Intellectual property rights, the goodwill associated with the Coffee News brand, contractual rights under the Coffee News Franchise Agreement, and the rights not to be harmed by conduct of others whose activities that Coffee News is not legally responsible. Coffee News Social Media Policy (the "Policy") will help the Coffee News franchisees make respectful and appropriate decisions about their interactions with others concerning Coffee News on the Internet. It is acknowledged that both Coffee News Agreement and Coffee News Franchise Disclosure Document contain the governing provisions relating to advertising which cover the use of social media. This Policy provides you with certain guidelines under the advertising provisions.

It is acknowledged that the Franchisees are responsible for their own content posted or published through the social media and are responsible for complying with all laws and regulations and third-party site terms and conditions. Coffee News will not have any liability for the Franchisee's use of social-media sites. Additionally, Coffee News does not have responsibility or obligation for monitoring Franchisee's compliance with such laws, regulations, and third-party terms and conditions. Any approval by Coffee News of the use of social media sites or monitoring thereof does not constitute a representation that the Franchisees are in compliance with these laws, regulations or terms and conditions. The Franchisees are responsible for monitoring their own employees, representatives, agents, etc. to ensure compliance with these requirements set forth in the Policies. Given the constant change and development of the technology, this Policy is subject to change and modification at any time.

WHEREFORE, Coffee News adopts the following Social Media Policies that all Coffee News Franchisees shall follow:

1. General Guidelines:

Coffee News suggests that all Franchisees, comply with the following general guidelines:

a. Be professional and remember that you are part of the Coffee News brand. Wherever possible or appropriate, disclose your franchisee relationship with Coffee News.
b. Keep your post and comments about your business.
c. Be responsible and honest at all times.
d. Be credible, accurate, fair and thorough.

e. Post meaningful, respectful comments. No spam and no language that is offensive to others. When disagreeing with other's opinions, be objective and respectful.
f. Keep in mind that your online post and comments are permanent.
g. Whenever you post Coffee News trademark and/or logo online, make sure that you use the trademark and logo correctly in consistent with the Coffee News brand. We take great care to protect the brand and our web efforts and so should you.
h. Do not post or link to any materials that are defamatory, harassing or indecent.
i. Do not give a personal opinion that can be construed as judgmental. Do not talk about politics or religion. Stay away from causes.
j. If you are unsure of whether you should post something or not, do not post it.
k. Be aware of praise and criticisms posted by other people, competitors, customers, vendors about Coffee News and share those posts with Coffee News.

2. Username format

Due to the importance of brand consistency and the risk of customer confusion, Coffee News suggests that a franchisee use a username including the wording "Coffee News," a space, and then end with the city in which the Franchisee is located. (e.g. "Coffee News_ Maine.")

3. Compliance with laws, regulations and third-party terms

The Franchisees are obligated to comply with all laws and regulations that are applicable to the use of social media. The Franchisees are prohibited from actions including without limitation defaming or disparaging competitors, customers, employees, suppliers, subcontractors, or Coffee News; harassing employees, customers, or any other individuals or entities; using copyrighted materials, trademarks or other proprietary materials in an infringing manner; discriminating against employment applicants, violating privacy laws and policies or otherwise misusing the proprietary information of others; or violating laws or other ethical standards, such as fraud or misrepresentation. All posts by the Franchisees on the site must be truthful and not misleading. The Franchisees are not encouraged to mention their competitors on the site, but if they do, the Franchisees must follow the guidelines contained in this Policy.

4. **Confidential information**

The Franchisees may not use or post the confidential and/or proprietary information of Coffee News pursuant to the Coffee News Franchise Agreement, or breach any other restrictions on confidentiality or disclosure. Additionally, the Franchisees may not comment on legal matters, or private matters internal to the Coffee News franchise system. Further, the Franchisees need to carefully review the content of the site before publishing or posting and may not disclose proprietary information of their clients, customers or suppliers, or use the names of clients, customers or suppliers without permission.

5. Endorsements and testimonials

The Franchisees shall comply with all rules and regulations concerning the endorsement of products pursuant to the 2012 FTC Endorsement Guidelines, as it may be amended from time to time. If the Franchisee is in any way compensated

relating to promote and post about a product, then any post by the Franchisee on that topic must disclose such relationship.

6. **Ownership of domain names, accounts and content**
   In consistent with the Coffee News Franchise Agreement, any goodwill generated from Coffee News Franchisees' social media account belongs to Coffee News. Coffee News reserves the right of ownership to its Franchisees' social-media accounts, the content therein, and the domain names associated with these accounts.

7. **Franchisor-generated content**
   From time to time, to keep the brand image consistent, the Franchisees may be required to post or use content provided by Coffee News.

8. **Exclusion of incendiary topics and the right to remove content**
   To protect its brand, Coffee News reserves the right to monitor the use of social media and social networking by the Franchisees. Subject to Coffee News' sole discretion, Coffee News has the right to remove, or require a Franchisee to remove, any content posted by the Franchisee that violates this Social Media Policy, violates any laws or regulations, or that Coffee News feels is not consistent with an appropriate use of its trademarks and/or logo.

9. **Disclaimers**
   Franchisees shall post or publish Disclaimers stating that the views and content of the site are those of the Franchisees, and do not necessarily reflect the position of Coffee News.

The Issuance date: _____, 20____

[signature payment on next page]

IN WITNESS THEREOF the parties have signed this Confidentiality Addendum on the day and year first above written.

FRANCHISOR:

WITNESS:

Coffee News USA, Inc.
One Cumberland Place, Ste. 102
BANGOR, ME 04401

_____
By_____
WITNESS:

William A. Buckley, Its President

FRANCHISEE:

_____ By_____
WITNESS:

_____ By_____
WITNESS:

EXHIBIT B

COFFEE NEWS Newsletter Sample

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Vol. 1 No. 47E - Feb. 8, 2008
www.CoffeeNewsJackson.com

Everybody's Talking

Who will come? It's a subject most people don't talk about openly, but everyone probably spends some time thinking about who would attend their funeral and what might be said about them. Amir Vehabovic, of Gradiska, Bosnia, decided to take his musings farther by faking his death to see who would come to mourn him. He ordered a false death certificate and he bribed undertakers to provide an empty coffin, then sent invitations to 45 people to attend his funeral. Spying from the nearby bushes, he was dismayed that only his elderly mother showed up. "I really thought more of you would turn up," he wrote in an angry letter to his friends.

Long time to wait: Alan Brogan and Irene Kinnair met and fell in love when they were youngsters in an orphanage together. At the ripe age of 9, Alan told Irene he was going to marry her someday. It finally happened - 50 years later. Soon after his declaration of love, Alan was moved to another orphanage and the friends lost touch with one another. Forty years later, they met again, but Alan was in a relationship. But a decade after that, fate reunited them in Sunderland, England. They were both single, and the romantic attraction was still there. Four months later, they married. "Fifty years was a long time to wait," says Alan.

Cool lady: Sandy Gimpel may be 67 years old, but she's still flying high, jumping and falling, and risking life and limb. Gimpel is a stunt woman in Hollywood. She's done some high-flying, been trampled, and had a heyday doubling for such actresses as Cloris Leachman, Jodie Foster, Sally Field and Sarah Jessica Parker. "I don't want to ever quit," Gimpel says of her career choice. The five-foot wonder woman stays in shape by working out every day, and she has even produced her own workout video. "I want people who are getting older to beat the aging process," says Gimpe

Quite an inheritance: An American rock star, Isaac Slade, the lead singer of The Fray, and Baronet Sir Benjamin Slade, a British aristocrat with a $15-million historic estate, have discovered they have something in common - family blood ties. And for Isaac, 29, that means he's in line to inherit Benjamin's 13th century English estate in Somerset. Slade senior had no heirs, so he set about to search for some, and found Isaac, believed to be his only living relative. Slade junior is thrilled at the prospect of taking over the estate. Sir Ben is happy, too. "I am just over the moon to have found him," he says.

Quoteable Quotes

Where beams of imagination play, the memory's soft figures melt away. *Alexander Pope*

The highest purpose of intellectual culture is to give a man perfect knowledge and mastery of his own inner self. *Novalis*

What's Happening

Wild Pursuit: The Leukemia & Lymphoma Society's Annual Gala, Wild Pursuit...For The Cure will be held Sat., Feb. 16 at The Country Club of Jackson, 7pm til midnight. The evening will include wild game cuisine, cash bar, live & silent auctions, and entertainment by Aquanet. For ticket or further info call (601)956-7447.

Victorian Valentines: Children ages 5 to 12 are invited to create a Victorian Valentine craft at the Manship House Museum, 420 E. Fortification St., Jackson, on Tuesday, Feb. 12, 3:30-4:30pm. Free; reservations required. Info: call (601) 961-4724.

To include your community event in What's Happening, fax (601) 898-9857 or email to: coffeenewslady@bellsouth.net.

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Coffee News Contest • 107 Rockwood Dr. • Madison, MS 39110

Name:_____ Phone:_____ Age:____
Address:_____
_____
Where do you pick up Coffee News?_____
Two $25.00 winners drawn each month. Winners will be announced in future issues of Coffee News. One entry per household weekly. Thank you! B

Trivia

1. The world's largest spider is named after which biblical character?
2. How many karats is pure gold?
3. The practice of decorating a Christmas tree originated in which European country?
4. Which Alexander discovered the first antibiotic?
5. Back, Blanket, and Buttonhole are all types of what?

(Flip bottom of page for answers)

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(Over)

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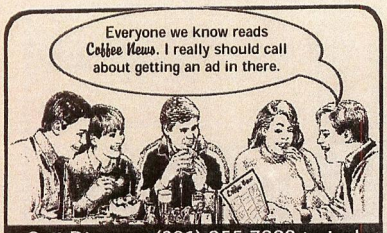

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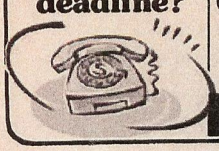

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Your Weekly Horoscope

ARIES
(March 21 - April 20)

You may decide to change the decor of your home, or you may attend a musical or artistic event that exposes you to new styles that are different. Lucky numbers: 4, 8, 13, 14, 32, 42.

TAURUS
(April 21 - May 21)

Your perception of people gets rather hazy; you tend to see them through rose-colored glasses. It is best not to make firm commitments at this time. Lucky numbers: 2, 4, 29, 30, 31, 45.

GEMINI
(May 22 - June 21)

If you have creative or artistic inclinations, your work will blossom. You can come up with some really lovely, inspiring images. Lucky numbers: 6, 8,10, 12, 47, 48.

CANCER
(June 22 - July 23)

It's a good time to get a new perspective on your lifestyle, but don't force yourself to make important decisions while you are not comfortable with any alternatives. Lucky numbers: 4, 14, 19, 32, 45, 46.

LEO
(July 24 - Aug. 23)

Physical thrills and excitement have a strong appeal for you now, and you want to do something new and out of the ordinary. Try a new sport. Lucky numbers: 8, 10, 13, 42, 43, 49.

VIRGO
(Aug. 24 - Sept. 23)

Your needs for love, companionship, friendship, and sharing are very strong now, and you won't want to be alone or go off to do solitary work. Lucky numbers: 14, 18, 29, 33, 34, 38.

LIBRA
(Sept. 24 - Oct. 23)

Practical concerns dominate. It is a good time to learn practical skills, do your taxes, organize your files, and take care of business. Lucky numbers: 5, 12, 15, 21, 40, 48.

SCORPIO
(Oct. 24 - Nov. 22)

A significant development in a close relationship or strong feelings of attraction to someone you encounter are very likely at this time. Lucky numbers: 3, 13, 24, 26, 36, 47.

SAGITTARIUS
(Nov. 23 - Dec. 21)

A trip, or a lot of activity, is very likely. A significant conversation, learning from another and getting ideas and perceptions across to others is also likely. Lucky numbers: 11, 12, 15, 28, 44, 45.

CAPRICORN
(Dec. 22 - Jan. 20)

You may hear from someone who has important information for you or feel a pressing need to write or call someone else in order to bring some matter in the open. Lucky numbers: 2, 6, 11, 25, 29, 37, 41.

AQUARIUS
(Jan. 21 - Feb. 19)

Your desire for love and affection, as well as beauty and pleasure, is strong now and you act on feelings and creative impulses more readily than usual. Lucky numbers: 3, 15, 19, 24, 25, 31.

PISCES
(Feb. 20 - March 20)

You have a very realistic and no-nonsense attitude at this time and are rather critical, skeptical, or cautious about new ideas. Deep, quiet study and solitary reflection is favored. Lucky numbers: 4, 8, 26, 28, 29, 33.

Lucky numbers this week: This week's odds favor Aries, Cancer and Pisces winners with the luckiest numbers being 4 and 32.

Did You Know...

Quirky: In the 1960s, physicist Murray Gell-Mann needed a word for subatomic particles. He chose "quark," a word he first read in the book Finnegans Wake, which was written by James Joyce.

Hissy fit: The deadly king cobra, the huge, hooded snake of southeast Asia, will try to avoid contact with humans if possible. However, if startled, it will stick its head up, spread its hood and hiss. As well, it sways from side to side. These are the cues that tell the human visitor to back away.

First toothpaste: Getting your teeth clean about 4,000 years ago involved using a paste devised by Egyptian physicians who mixed pumice stone and strong wine vinegar together. It was brushed on using a chew stick.

Clean face: Ancient Egyptian males were proud of a nice, hairless face. A clean-shaven mug was a status symbol, and members of the royal family were buried with their collection of bronze shaving razors.

On the Lighter Side

Did you ever notice when you blow in a dog's face he gets mad at you? But when you take him in a car he sticks his head out the window?

Children are natural mimics. They act like their parents in spite of every attempt to teach them good manners.

Heat causes things to expand. Thus, in summer the days are longer.

Mathematics is 10% inspiration... and 99% perspiration.

When people run around and around in circles we say they are crazy. When planets do it we say they are orbiting.

You can't tell which way the train went by looking at the track.

There is absolutely no substitute for a genuine lack of preparation.

Someone who thinks logically is a nice contrast to the real world.

Answers

Trivia answers: 1. Goliath. 2. 24kt. 3. Germany. 4. Fleming. 5. Stitches.

(Over)

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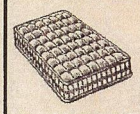

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Next winner announced in Feb. 22nd edition!

Congrats to our Feb. 8th $25.00 Winner...
Corrie Hollingsworth of Jackson
She gets her Coffee News at Cabot Lodge Millsaps!

Pick up a new issue of Coffee News each week at any of the following Byram area locations...

A Tanning Spa
Backyard Burger
Baptist Medical Center
Bo Don's
Bop's Frozen Custard
Byram Family Doctors
Byram Farmer's Market
Car Trust
Chimneyville Smokehouse
China Super Buffet
Conoco
Courthouse Raquet & Fitness
Curves
Davis Tire & Auto
Day's Inn
Deuce McAllister Nissan
Donut Factory
Dragon Garden Restaurant
Elton Rd. Chevron
El Sombrero
Exxon Super Store
Exxon-The Filling Station
Fernando's
Friend's & Co. Hair Studio
Heart & Soul Message Therapy Clinic
Jarros Mexican Grill
Kroger Deli
Magnolia Mini Storage
McDonald's
MEA Medical Clinic
Pig Shak BBQ
Pizza Hut
Polk's Drug Store
Portabella's
Reed Pierce's
Stamp's Fishouse
Stamp's Superburger
Swinging Bridge Fish House
Wynndale Steakhouse
Wynndale Road Conoco

TERRY:
Mac's Gas
Scoops
Terry Coin Laundry

...and many more in Clinton, North Jackson, Rankin County, Madison & Ridgeland.

EXHIBIT C

COFFEE NEWS
Financial Statements

COFFEE NEWS USA, INC.

FINANCIAL STATEMENTS

December 31, 2020, 2019 and 2018

With Independent Auditor's Report

COFFEE NEWS USA, INC.

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Edwards, Faust & Smith
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Boards of Directors
Coffee News USA, Inc.

Opinion

We have audited the accompanying financial statements of Coffee News USA, Inc. (a Maine corporation), which comprise the balance sheets as of December 31, 2020, 2019 and 2018, and the related statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coffee News USA, Inc. as of December 31, 2020, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Coffee News USA, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Coffee News USA, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

March 2, 2021

COFFEE NEWS USA, INC.

Balance Sheets

December 31, 2020, 2019 and 2018

	2020	2019	2018
ASSETS			
Current assets			
Cash	$ 330,054	$ 421,847	$ 394,275
Accounts receivable, net of allowance for doubtful acconts of $180,000 in 2020 and $90,000 in 2019 and 2018	26,580	141,548	183,712
Total current assets	356,634	563,395	577,987
Other assets			
Furniture and equipment, net	70,759	86,767	110,285
Repurchased licenses	17,500	17,500	17,500
Total other assets	88,259	104,267	127,785
Total assets	$ 444,893	$ 667,662	$ 705,772
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable	$ 8,749	$ 4,840	$ 6,914
SEP-IRA payable	-	12,687	30,754
Current portion of deferred franchise sales	110,560	133,310	138,123
Current portion of long-term debt	8,700	8,700	8,700
Total current liabilities	128,009	159,537	184,491
Deferred franchise sales revenue	108,598	173,659	173,883
Long-term debt, less current portion	9,411	18,104	26,798
Total liabilities	246,018	351,300	385,172
Stockholders' equity			
Common stock, no par and no stated value	4,053	4,053	4,053
Retained earnings	194,822	312,309	316,547
Total stockholders' equity	198,875	316,362	320,600
Total liabilities and stockholders' equity	$ 444,893	$ 667,662	$ 705,772

See accompanying notes to financial statements

COFFEE NEWS USA, INC.

Statements of Income and Retained Earnings

December 31, 2020, 2019 and 2018

	2020	2019	2018
Revenues	$ 448,471	$ 882,140	$ 1,117,578
Direct operating expenses	159,539	239,087	377,737
Gross profit	288,932	643,053	739,841
General and administrative expenses			
Salaries	234,899	253,737	310,486
Payroll taxes	19,550	20,111	25,001
Fringe benefits	13,693	25,552	44,530
Professional fees	75,740	94,980	92,911
Rent	26,975	33,350	38,575
Repairs and maintenence	51,080	58,213	82,943
Property Tax	185	204	207
Insurance	-	348	-
Depreciation and amortization	16,009	17,519	17,379
	438,131	504,014	612,032
Other income (expense)			
Interest	2,380	6,247	4,939
Maine economic recovery grant	100,000	-	-
Forgiveness of PPP loan	49,596	-	-
Bad debts expense	(112,839)	(42,519)	-
	39,137	(36,272)	4,939
Net income	(110,062)	102,767	132,748
Retained earnings, beginning	312,309	316,547	461,008
Distributions to stockholders	(7,425)	(107,005)	(277,209)
Retained earnings, end of year	$ 194,822	$ 312,309	$ 316,547

See accompanying notes to financial statements

COFFEE NEWS USA, INC.

Statements of Cash Flows

December 31, 2020, 2019 and 2018

	2020	2019	2018
Cash flows from operating activities			
Net income	$ (110,062)	$ 102,767	$ 132,748
Adjustments to reconcile net income to net cash provided by operating activities			
PPP loan forgiveness	(49,596)		
Depreciation and amortization	16,009	17,519	17,379
Decrease (increase) in			
Accounts receivable	114,968	42,164	(25,480)
Inventory	-	-	9,085
Increase (decrease) in			
Accounts payable	3,908	(2,081)	(4,032)
Accrued payroll	-	-	(11,421)
SEP-IRA payable	(12,687)	(18,067)	(1,374)
Deferred franchise sales	(87,811)	(5,037)	(31,723)
Net cash from operating activities	(125,271)	137,265	85,182
Cash flows from financing activities			
Proceeds from long-term debt PPP loan	49,596	-	-
Payments on long-term debt	(8,693)	(8,693)	(13,261)
Distributions to stockholders	(7,425)	(101,000)	(277,212)
Net cash from financing activities	33,478	(109,693)	(290,473)
Net change in cash	(91,793)	27,572	(205,291)
Cash, beginning of year	421,847	394,275	599,566
Cash, end of year	$ 330,054	$ 421,847	$ 394,275

See accompanying notes to financial statements

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements include the activities of Coffee News USA, Inc..

Nature of businesses

Coffee News USA, Inc. (the Company) owns the franchise rights for Coffee News, a weekly restaurant publication, for the United States, Mexico, Central America and the Caribbean. Revenues are generated from the sale of franchises, promotional material, the collection of weekly royalty fees and transfer fees, and the operation of a training school for all new publishers in North America, including Canada. Receivables arise from the sale of franchises and collection of franchise fees.

Cash

For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Accounts receivable

Accounts receivable consist of amounts due for the sale of franchises, monthly royalty fees and, through October 2019, advertising from a local edition operated by the Company. The sale of franchises and the collection of royalties are due and payable in advance. The franchisee agreement provides for a 60 day grace period for franchise fees before the rights are lost. Franchises are either returned to the franchisor, sold or transferred by the franchisee, and any outstanding accounts receivable subsequently paid.

Accounts receivable over 90 days old totaled $180,127 in 2020, $158,218 in 2019 and $133,432 in 2018.

Receivables with respect to franchise sales contracts totaled $16,733 in 2020, $26,654 in 2019, and $80,751 in 2018.

Management believes the system of work outs and collection minimizes losses due to bad debts. Bad debts are accounted for using the reserve method. Management believes the reserve is adequate to cover any uncollectible accounts at year end.

Management Estimates

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

Repurchased Licenses

The Company occasionally repurchases franchise rights from sub-franchisors who have not made significant progress in developing the areas or who choose to focus on other countries. Repurchased franchise rights are recorded at cost when repurchased and are expensed as licenses when sold.

Furniture and Equipment

Furniture and equipment are depreciated by straight-line and accelerated methods over the asset's estimated useful lives. The Company capitalizes equipment with an estimated useful life greater than one year.

1. Summary of Significant Accounting Policies

Revenue Recognition

Revenue from the collection of royalty payments, training fees, and product promotional sales are recognized monthly since they are earned at a point in time. Revenues from the sale of franchises are recognized over the term of the initial franchise agreement, generally four years. The Company provides franchisees with the weekly content and other support in accordance with the franchise agreement.

Advertising Costs

Advertising costs of $74,123, $44,564 and $56,822 for years ended 2020, 2019 and 2018 are charged to expense as they are incurred.

Income Taxes

Coffee News USA, Inc. is an S corporation under provisions of the United States Internal Revenue Code. As such, its income for federal income tax purposes is taxed at the shareholder level, and no income taxes are provided for the Company. Federal and state returns for 2020, 2019, and 2018 are subject to examination by the IRS, generally for three years after they were filed.

2. Revenue and Deferred Franchise Revenues

Disaggregation of revenue from contracts with customers

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	2020	2019	2018
Performance obligations satisfied at a point in time	$ 308,662	$ 725,005	$ 933,356
Performance obligations satisfied over time	139,809	157,135	184,222
Total revenues	$ 448,471	$ 882,140	$ 1,117,578

Revenue from performance obligations satisfied at a point in time consist of monthly royalty fees, local advertising sales, promotional product sales, and seminar fees.

Revenue from performance obligations satisfied over time consist of initial franchise sale contracts, all of which have four year terms.

Performance obligations

For performance obligations related to monthly royalty fees, local advertising sales, promotional product sales, and seminar fees, control transfers to the franchisee at a point in time. Accordingly, these revenues are recognized monthly.

For performance obligations satisfied over time, control transfers to the franchisee over the term of the franchise agreement, generally four years. As a result, franchise sales revenue is recognized on the straight line basis over the term of the contracts. The Company's franchise sales agreements do not contain variable consideration and contract modifications are generally minimal.

2. Revenue and Deferred Franchise Revenues

Sales of franchise income are as follows:

Contract year	2020	2019	2018
2014	$ -	$ -	$ 36,664
2015		28,498	56,996
2016	14,339	28,679	28,679
2017	42,821	42,821	42,821
2018	38,125	38,125	19,062
2019	38,024	19,012	-
2020	6,500		
	$ 139,809	$ 157,135	$ 184,222
Franchise sales income as a percent of total revenue	31.2%	17.8%	16.5%
New franchises sold	22	20	35

Deferred franchise sales are as follows:

Contract year	2020	2019	2018
2015	$ -	$ -	$ 28,498
2016	-	14,339	43,018
2017	21,411	64,232	107,053
2018	57,187	95,312	133,437
2019	95,060	133,086	-
2020	45,500		-
	$ 219,158	$ 306,969	$ 312,006

3. Borrowing and Leasing

Long-term debt consists of:	2020	2019	2018
Ford Motor Credit 0% note due in monthly installments of $724 through January 2023; collateralized by a vehicle.	$ 18,111	$ 26,804	$ 35,498
Less current portion	8,700	8,700	8,700
Long-term debt, excluding current portion	$ 9,411	$ 18,104	$ 26,798

Maturities on long-term debt for the next five year are as follows:

2021	$ 8,700
2022	711
2023-2025	-

Coffee News USA, Inc. has a $15,000 unsecured line of credit of which $0 was outstanding at year end.

3. Borrowing and Leasing

In 2017-2019 certain office space was provided by two stockholders under month to month lease arrangements calling for rent of $9,000 per year. Rent for one of the stockholders was not paid during 2017 and was subsequently paid in 2018. In addition, the Company has a six year office lease with an unrelated party for $2,050 per month, increasing to $2,125 in 2020. Total lease expense for the offices was $26,975 in 2020, $33,350 in 2019, and $38,575 in 2018. During 2020 lease payments to the two stockholders were temporarily halted due to the Covid-19 pandemic.

Scheduled payments on operating lease obligations for the next five years are as follows:

2021	$	25,500
2022		14,875
2023-2025		-

4. Retirement Plan

Coffee News USA, Inc. maintains SEP-IRA retirement accounts for employees. Contributions are discretionary and totaled approximately $0 for 2020, $12,700 for 2019, and $30,800 in 2018. The Company elected not to make a SEP IRA contribution in 2020 due to the economic impact of Covid-19.

5. Risk and Uncertainties

The Company sells franchises for the publication of the Coffee News publication worldwide. Future revenue growth will result from maintaining and expanding franchise sales and will be determined by the success of the franchise development staff and continued positive economic conditions worldwide. See footnote 11 for additional discussion about Covid-19 uncertainties

Coffee News USA maintains substantially all its operating cash balances in two financial institutions that, at times, may exceed federally insured limits. It has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk with respect to these accounts. Accounts are insured by the Federal Deposit Insurance Corporation up to $250,000.

6. Repurchased Licenses

Repurchased licenses consist of the following:		**2020**		**2019**		**2018**
Deerfield, Illinois USA	$	17,500	$	17,500	$	17,500

During 2013, Coffee News repurchased the rights to 4 franchises in Deerfield, Illinois, USA for $17,500 and is currently marketing them.

7. Furniture and equipment

Furniture and equipment consists of the following:		**2020**		**2019**		**2018**
Furniture and equipment	$	151,124	$	151,124	$	194,562
Less accumulated depreciation		(80,365)		(64,357)		(84,277)
	$	70,759	$	86,767	$	110,285

8. Capital Stock

Coffee News USA has authorized 60,000 shares and 2,000 issued no par shares.

9. Related Party Transactions

The Company provides corporate vehicles to shareholders. Operating personnel are salaried employees. See Note 3 for information on leasing from related parties. In addition, Coffee News USA purchased printing services from Coffee News Printing, a business with one owner in common. Printing services totaled $4,442 in 2020, $36,107 in 2019 and $36,982 in 2018.

There are no intercompany transactions or balances.

10 PPP Loan Funds and Maine Economic Recovery Grant

In June 2020, the Company received loan proceeds in the amount of $49,596 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after 24 months as long as the borrower uses the loan proceeds for eligible purposes, including payroll, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four month period.

The Company met the PPP eligibility criteria and concludes that the PPP loan represents a grant and accounts for the PPP loan in accordance with FASB ASC 958-605 as other income on the statements of Income and retained earnings. In December 2020 the Company received notice from the SBA that the loan was fully forgiven.

In October 2020 the Company received a Maine Economic Recovery Grant totaling $100,000 under the CARES Act. The grant was recorded under other income on the statements of income and retained earnings.

11. Effects of COVID-19

The Company's operations were affected by the recent and ongoing outbreak of the coronavirus disease (COVID-19) which was declared a pandemic by the World Health Company in March 2020. The final impact caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Company's financial position, operations and cash flows. In March 2020 publishing of nearly all weekly editions was temporarily halted in response to government mandates. Publishing resumed slowly in selected locations as mandates were terminated. As of December 2020, Coffee News monthly revenue was up to approximately 35% of pre-pandemic levels. In January 2021 the Company applied for and received additional PPP funds which will provide an additional two months of liquidity. Management is carefully monitoring this situation and considering all options at this time. No adjustments have been made to these financial statements as a result of this uncertainty.

12. New Pronouncements

Leases:
On February 25, 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). Under the new standard, lessees will be required to recognize lease assets and liabilities for most leases on their statements of financial position. The new standard will be effective for fiscal years ending June 30, 2021. Early adoption is permitted.

13. Subsequent Events

Subsequent events have been evaluated through March 2, 2021 which is the date the financial statements were available to be issued, and no additional matters were determined to require adjustment or disclosure.

EXHIBIT D

COFFEE NEWS
Publishers List

EXHIBIT D
COFFEE NEWS PUBLISHERS LIST (as of 12/31/2020)

International Coffee News Franchises

AUSTRALIA

NAME OF FRANCHISEE	ADDRESS / TELEPHONE	# OF FRANCHISES
Denise Maloney	Arundel QLD 4214 0488 797 901	2
Total		**2**

CANADA

NAME OF FRANCHISEE	ADDRESS/TELEPHONE	# OF FRANCHISES
Alberta – 62		
Kerry Crapo	23 Fairview Close Brooks, AB T1R 0N7 403-793-0507	1
Lori & Cody Cunningham	39159 Range Rd. 10 Red Deer County T4S 2E3 403-314-0870	1
Bryon Farguson	RR 2, Site 15, Box 8 Red Deer, AB T4N 5E2 403-346-4141	4
Walter Heuvingh Capital Marketing	Suite 331, 9768 170th Street Edmonton, AB T5T 5L4 780-220-6390	48
Veronica Peterson	37 Forest Drive Sylvan Lake, AB T4S 1H4 403-864-4459	1
Amy Roseler	143 Moraine Rd. Canmore, AB T1W 1J6 403-431-0027	4
Duane & Carma Thomson	78 South 1st Street South McGrath, AB T0K 1J0 403-759-1002	3
British Columbia - 49		
Malcolm Campbell	1920 Old Okanagan Rd. Westbank, V4T 3K6 604-997-5926	4
Jaret & Kim Dutour	#121 – 10215 St. Surrey, BC V3R 4A8 604-861-3337	4

NAME OF FRANCHISEE	ADDRESS/TELEPHONE	# OF FRANCHISES
Brian Kaardal Bite Me Marketing	101 – 901 Island Way Campbell River, BC V9W 2C2 250-287-2510	2
Marco Oscarson	6122 Brickyard Road Nanaimo, BC V7L 3J4 250-751-7611	10
Leander Sauer	304-1561 Vidal St. White Rock, BC V4B 5A7 604-306 – 5766	22
Dennis Tarr	180 52A Street Delta, BC V4M 3P6 604-839-0921	6
Andrew Zurrin	Box 355 Cranbrook, BC V1C 4H8 250-489-6112	1
Manitoba – 12		
Leslie Daum	367 McMeans Avenue East Winnipeg, Manitoba R2C OW9 204-510-1540	2
Alastair Gillespie	182 Baltimore Road Winnipeg, Manitoba R2C 0W9 204-793-1418	10
New Brunswick – 6		
Sherry Arsenault	90 Vincent Road Quispamis, NB E2E 1T5 506-849-1446	3
Paul & Anne Babineau	49 Winter Ave. Moncton, NB E1C 5x2 506-855-3776	2
Jack Dow	527 Beaverbrook Court Frederiction, NB E3B 1X6 506-453-9802	1
Newfoundland – 6		
Tom Williamson	42 Ocean View Rd. Conception Bay South, NL A1X 0E7 709-682-8028	6
Nova Scotia – 3		
Glenn & Barbara Ash	74 Lynne Dr. Sydney, NS B1P 2Z8 902-539-8290	1

NAME OF FRANCHISEE	ADDRESS/TELEPHONE	# OF FRANCHISES
Jeff Dunham	7 D'Aubin Lane Kentville, NS B4N 2X6 902-365-4123	2
Ontario – 60		
Tony Brooks	372 Larry Street Port Stanley, ON N5L 1H5 519-672-6397	10
Bonnie Craig	2020 Dog Lake Rd. Gorham, ON 807-767-2179	2
Derek Cross	2733 Los Palmas Crt. Mississauga, ON L5N 2G6	14
Kathy Eller	320 Robinson St. Woodstock, ON N4S 3B9 519-532-0762	2
Craig Gilles	3 Landsend Street Sudbury, ON P3C 1B9 705-525-7073	2
Karen Guse & Terry Gibbs	81 Strathcona Ave., Brantford, On. N3S 1T7 519-820-8665	3
Gayle & Chris Hanlon	43 Chaplin Ave. St. Catharines, ON L2R 2E4 519-878-9781	3
Karen Halstead & Greg Davies	29 White Water Dr. Port Dover, ON N0A 1N9 519-583-2994	4
John Janisse	1613 Greenwood Cres. SS6 Belle River, ON N0R 1A0	3
Kelly Knill	10 Alfrin Court Hamilton, ON L9B 2K2 365-323-4827	3
Karen Newton	25 Alfred Street West Thornbury, ON 509-599-7099	4
Betty van Riel	3642 Charlotte Ave. Long Sault, ON K0C 1P0 613-938-6967	1
Bonnie Wiatr	19 South Parkwood Blvd. Elmira, ON N3B 3L1	9
Prince Edward Island – 2		
Brad Curran	15 old Bedford Rd. Mount Stewart, PE 902-388-6777	2

Saskatchewan - 5		
Sheri Wotypka	Box 1174 Swift Current, SK S9H 3X3 306-741-2408	1
Walter Heuvingh Capital Marketing (Regina & Lloydminster)	Suite 331, 9768 170th Street Edmonton, AB T5T 5L4 780-220-6390	4
Total		**205**

NEW ZEALAND

FRANCHISEE	**ADDRESS & PHONE**	**# OF FRANCHISES**
Helen Fisher	P O Box 394 Pukekohe NZ 2120 021 644 427	1
Hazely Windelborn	92 Okahu Road Kaitaia NZ 0481 021 955 716	1
Trent Brooke	25 Davington Way Burswood, Auckland NZ 2013 021 0817 9021	1
Gail Henry	17 George Town Drive Beachlands, Auckland NZ 2018 027 570 5055	3
Rudy Kokx	197 Morningside Road Whangarei, Northland, NZ 0110 021 421 346	1
Hayley Newton	111 Pah Road Auckland NZ1023 021 197 7600	3
John Hart	6 Logan Ave Napier NZ 4110 021 708 015	1
Greg Hall	19 Fisher-Point Driv e Westgate NZ 0814 027 478 0192	3
NAME OF FRANCHISEE	**ADDRESS/TELEPHONE**	**# OF FRANCHISES**

Lucas Yeung	1/40 Brockworth Place Christchurch, NZ 8011 021 708 015	3
Ashkon Ashraf	46 Baldwin Street Dunedin NZ 9010 022 615 6115	1
Shane Atkinson	167 Easterbrook Road RD1 Kaiapoi NZ 7691 021 125 2557	1
Stewart McIachlan	45 Cory Road Kaukapakapa NZ 0873 021 525 360	3
Deane McIntyre	22A Waihi Rd Tauranga, Northland NZ 3110 022 108 3007	1
Tania Donovan	20 Kaiaua Road Kaiaua NZ 247 027 265 1250	2
TOTAL FRANCHISES		**25**

PAPUA NEW GUINEA

NAME OF FRANCHISEE	**ADDRESS / TELEPHONE**	**# OF FRANCHISES**
AV Arua & Associates Ltd. Arupa Vai'l Arua	Section 506, Allotment 88, Rainbow Estate P.O. Box 1482 Boroko, National Capital District Papua New Guinea	**3**
TOTAL		**3**

SOUTH AFRICA

NAME OF FRANCHISEE	ADDRESS / TELEPHONE	# OF FRANCHISES
Rona Anto & Lesley Barnes	12 Newquay St New Redruth Alberton 1724 +27 71 607 0418	3
Des Reynolds	15 Ashford View Cnr Octave/ Opera Str Radiokop 1724 +27 71 607 0418	1
Tanya Lever	118 Kessel St Fairlands Johannesburg 2195 +27 64 513 9532	3
Asrah Sujeebun & Mitchell	Morcellement Rogers Forest-Side Mauritius +230 5 810 7186	1
TOTAL		**8**

SPAIN

NAME OF FRANCHISEE	ADDRESS / TELEPHONE	# OF FRANCHISES
Maria Torres	Calle Andorra, 23, 3º2, Madrid Madrid, Spain, 28943	3
Alvaro Filgueiras Basanta	Calle Rua de Xenebro, 14-3 D 27003 Lugo, Galicia	4
TOTAL		**7**

UNITED STATES

NAME OF FRANCHISEE	ADDRESS / TELEPHONE	# OF FRANCHISES
ARIZONA – 21		
Mark Blum	1126 E Charlestown Av Phoenix, AZ 85022 602-558-8616	6
Stephen Gillingham Mary Mason Tri Cities Enterprises, LLC	9056 W. Sierra Pinta Drive Glendale, AZ 85308 623-326-1702	1
Leeann Herriman James N. Herriman	4088 W. Rocky Spring Dr. Tucson, AZ 86745 520-661-1688	1
Barbara and Dale Hulvey	231 W Giaconda Way, Ste 133 Tucson, AZ 85704 520-207-9100	6
Sam Matyas	PO BOX 2764 Snowflake, AZ 85937 928-243-2765	1
Paul Nelson	7718 W Cheryl Dr. Peoria, AZ 85345 602-550-7732	6
CALIFORNIA – 9		
Joy A. Collier	32227 Success Valley Drive Porterville, CA. 93257 559-788-2340	1
Cristi Kimura	10831 Valverde Drive, Bakersfield California, USA, 93311 661-333-9308	5
Daven Sharma	5525 Avellina Dr. Dublin, CA 94568 510-278-0915	3
FLORIDA – 42		
Richard & Peggy Miller	2061 Big Pass Lane Punta Gorda, FL 33955 239-560-0381	4

Nicolle Fernandez-Shute	533 Leeward Lane New Port Richey, FL 34652 201-600-6738	8
Ed Baldridge	40 E Wolf Street, Avon Park Florida, USA, 33825 863- 443-0617	3
Sandy Harrison Tim Race	328 SW Greenridge Ln Lake City, FL 32025 386-965-5055	4
Eugene J. Hudon Donna R. Hudon	254 Fortuna Drive Palm Beach Gdns, FL 33410 561-252-7778	3
Cynthia Marshall Ross Vickers	2306 N Archer Rd Avon Park, FL 33823 863-443-0438	3
Andy Blackburn	52 Pecan Drive Ocala, FL 34472 352-589-6118	5
Vanessa Cole	1102 Ridgelegh Circle Dalton, GA 30720 (706) 463-1117	2
Chris Flener	13319 Marquette Blvd Fort Myers, FL 33905 239-209-9047	7
GEORGIA – 8		
Randy Cole Vanessa K. Cole	1102 Ridgeleigh Circle Dalton, GA 30720 706-463-1117	2
Carl Mulder	4651 Webster Way NW, Acworth, Georgia, 30101 (615) 414-8882	3
Scott / Tricia Williams	5367 Golf Drive Lake Park, GA 31636 936-494-9754	3
ILLINOIS – 2		

Syed H. Jaffery Zakia Fatima	890 Foxworth Blvd, 116 Lombard, IL 60148 630-827-9230	2
INDIANA – 15		
Scott Nguyen	7408 Holden Dr Fort Wayne, IN 46706 260-450-2829	1
David Onion Amy Hill	4055 Greendale Dr. Fort Wayne, IN 46815 260-336-2492	4
Lisa Lillemoen Shaw	P.O. Box 4932 Elkhart, IN 46514 574-202-6397	7
Josh Stubblefield Coffee News on the Sunnyside, LLC	248 Spring St Jeffersonville, IN 47130 812-786-2224	2
Robert Ford	1211 Hatteras Way Madison, IN 47250 812-701-4336	1
IOWA -6		
Gil Semprini CDCMarketing, LLC	2622 53 St. Des Moines, IA 50310 515-975-0054	6
KANSAS – 7		
Deborah M. Jackson	112 S Scott Ave Belton, MO 64012 816-331-2848	7
KENTUCKY – 12		
David L. Hermsen	2401 Sir Johns Ct. Louisville, KY 40220 502-479-8038	5
Lawrence R. Rother	2106 Boulevard Napoleon; Louisville, KY 40205-1834 502-235-2707	4

Donna Wood	318 Plantation Ave, Somerset, Georgia, 42501 606-875-3107	3
LOUISIANA – 5		
Patrick Carter	2113 Saint Mary St., Suite 77 Thibodaux, Louisiana, 70301 985- 228-1780	2
Tim Polk	425 Diana St. New Orleans, LA 70114 504-247-3726	3
MAINE – 15		
Coffee News USA, Inc.	One Cumberland Place Bangor, ME 04401 207-941-0860	3
Brian and Cheryl Oliver	155 Canaan Rd, Hampden, Maine 04444 207-299-8700	5
John H. Dyer	99 Oak St., Apt A, Ellsworth, ME 04605 207-812-1900	2
Chris & Bonnie Popper	131 Grant St. Bangor, ME 04401 207-947-2116	1
Michele Lancaster	1068 Dover Rd. Garland, ME 04939 207-270-1135	1
Reid Stanley	HCR 65 BOX 111 Benedicta, Maine 04733 207-365-7165	3
MARYLAND – 5		
Thomas L. Balsamo Angela R. Balsamo TAB Publishing dba Coffee News Bowie	8048 Mayer Avenue, Pasadena, MD 21122 443-790-1360	5
MASSACHUSETTS – 5		

Thomas A. Clarke Holli M. Clarke	192 Pleasant St #1 Leominster, MA 01453 978-549-8948	2
Trish Paduano	204 Partridge Rd Pittsfield, MA 01201 413-329-9279	3
MICHIGAN –10		
Christopher Girard Do-All, Inc.	1400 S. Lincoln Street Bay City, MI 48708 989-894-2851	3
Lora L. Wilson	687 NE 5th Street Chrystal River, FL 34429 352-637-1960	5
Robert Maitland Kathy Maitland	6092 Higgins Ave. Sterling Heights, MI 48314 586-739-4766	2
MISSISSIPPI – 13		
Jac Lynn Sharp	125 Shirley Dr Pelachatchie, MS 39145 601-209-6420	4
Bethanne Dufour Coffee News of Pine Belt, LLC	10 Professsional Parkway Hattiesburg, MS 39402 601-606-2266	2
Diane R. Lisenbe Timothy D. Lisenbe	107 Rockwood Drive Madison, MS 39110 601-607-7988	3
Brian K. Parton	205 Morris Noble Rd. Ocean Springs, MS 39564 800-359-1410	4
MISSOURI – 8		
Deborah M. Jackson	112 S Scott Ave Belton, MO 64012 816-331-2848	8
NEW HAMPSHIRE - 4		

Gene Vallee	81 Four Rod Rd, Rochester, New Hampshire 03867 603-312-5732	1
Roy C. Fairbanks Jr.	459 Berry River Rd Barrington NH 03825 603- 332-6311	3
NEW JERSEY – 16		
John F. Arizzi Joanne M. Arizzi JAD Publications LLC.	22 Bunker Drive, Leht, NJ 08087 609-294-0940	2
David Dailey Donald F. Devingo Gravitas Marketing, LLC	141 Willow Drive Jackson, NJ 08527 732-300-8314	10
Michael C. Trainor	117 French St. Haddon Twnshp, NJ 08108 609-313-4910	4
NEW MEXICO - 1		
Joshua Lindsey	3909 Billy The Kid Ct Carlsbad, NM 88220	1
NORTH CAROLINA – 10		
Joyce A. Blankenship WNC Marketing Concepts, LLC.	5 Brooks Cove Rd. Candler, NC 28715 828-665-1546 or 828-231-4481	2
Tamara Johnson	1040 Dooley, Charlotte, North Carolina 28227 980-406-9596	1
Al Ebron	PO Box 602 Morehead City, NC 28557 252-558-1294	3
Morris L. Fer Kim D. Roberts-Fer	11 Dazzling Brook Lane Waynesville, NC 28786 828-456-3855	1

Scott Kaiser	108 Branchside Lane Holly Springs, NC 27540 919-740-3635	3
NORTH DAKOTA - 4		
Steven M. Herman SELS, LLC North Dakota	4401 River Oaks Circle Sioux Falls, SD 57105-7042 605-332-2602	4
OHIO - 1		
Adel Ismail	2550 West Village Dr Toledo, OH 43614 567-377-9038	1
OKLAHOMA – 2		
Randall L. Woods Janice K. Woods	2824 Suroya St. Muskogee, OK 74403 918-687-1135	1
Keith Hutson	220 North R St Muskogee, OK 74403 918-438-8817	1
OREGON – 2		
Andrea Jablonski	128 S. Keene Way Dr. Medford, OR 97505 541-973-6587	2
PENNSYLVANIA – 7		
Jen Kline Clark	5920 Grant Ave Bensalem, PA 19020 215-962-3933	4
Phillip Tompkins	110 Olinda Street, Freeport, Pennsylvania 16229 724-900-2302	3
SOUTH CAROLINA - 4		

Jason Farrey	1087 Baldwin Dr Lancaster, SC 29720 803-493-4435	4
SOUTH DAKOTA - 7		
Lori Paulsen Sauser Paul Sauser	909 Columbus St. Rapid City, SD 57701 605-391-5674	3
Steven M. Herman SELS, LLC	4401 River Oaks Circle Sioux Falls, SD 57105-7042 605-332-2602	4
TENNESSEE – 9		
Evelyn Chadwick	PO Box 4102 Dalton TN 30719 706-218-0456	2
Patrick McCarver	6715 Hwy 41 Ringgold, GA 770-597-4093	4
Shameka Britton	1673 Cumberland Station Blvd Madison, TN 37115 615-772-7546	3
TEXAS – 45		
Timothy P. Evans Janet L. Evans JTA Enterprises LLC DBA Coffee News of N.E. Tarrant County	5057 Comstock Cir., Keller, TX 76248 817-379-5270	12
Adam Jochelson	6060 North Central Expressway, Ste 500 Dallas, TX 75206 214-789-2326	12
Bertrand McHenry	2109 Castle Beach Court League City, TX 77573 281-300-8228	3
Patricia A. Prein Phillip D. Prein Prein Industries	3053 Landrum Village Lane Montgomery, TX 77316 832-622-4136	11

Thomas K. Tennon	4308 Douglas Ave Midland, TX 79703 432-238-9020	4
Matthew Brown	1712 East Riverside Dr. #227 Austin, Texas 78741 512- 831-2865	3
	VIRGINIA – 3	
Debra Kemelek	1490-5A Quarterpath Rd. #195 Williamsburg VA 23185 757-784-0016	3
	WASHINGTON – 17	
Bill Paquin Terri A. Pequin	472 Spencer Rd Sequim, WA 98382 207-479-1616	1
Brenda L. Plantz	3525 SW 339th PL Federal Way, WA 98023 253-670-3648	6
P. Michael Zetty, Jr Susan E. Zetty	8746 Coralie PI NW Bremerton, WA 98311 360-692-4328	7
Laurie Mitchell	10359 SE 187th Place Renton, Washington 98055 206-310-2782	3
	WISCONSIN – 4	
Beverly A. Van Lieshout Geraldine V. Trepanier	2424 Hampton Ave Green Bay, WI 54311 920-660-7397	4
TOTAL	**UNITED STATES**	**319**

GRAND TOTAL		**569**

EXHIBIT E

COFFEE NEWS
Former Publishers List

EXHIBIT E

FORMER COFFEE NEWS PUBLISHERS LIST (as of 12/31/2020)

CANADA

NAME OF FRANCHISEE	ADDRESS / TELEPHONE	# OF FRANCHISES
Mike & Melynda Crampton	1333 25 Street, Box 2773 Didsbury, AB T0M 0W0 403-518-1281	1 – Transfer 1 – Closed
Dorothy Quaife	128 Westview Drive Sylvan Lake, AB T4S 1H5 403-887-3950	1 - Transfer
Andrew Scott	2312 Wakefield Dr. Langley, BC V2Y 1B4 604-783-4192	4 - Transfer
Mike Bell	99 Badgley Rd. RR1 Carrying Place, ON K0K 1L0 613-438-5953	6 - Closed
Total		**6 – Transfer** **7 – Closed**

NEW ZEALAND

Name of Franchisee	ADDRESS & PHONE	# OF FRANCHISES
Quinn Nguyen	9 Regent Street Hamilton NZ 3216 022 016 2668	1 - Closed
Abhijeet Chaves and Megha Koli	2/1214 New North Rd Mt Albert NZ1025 020 433 0088	2 - Closed
Danielle Hinchliffe	19 Black Street Stoke, Nelson NZ 7011 021 0262 1402	1 - Closed
Hayley Newton	111 Pah Road Auckland NZ1023 021 197 7600	1 - Closed
Rahul Jain	31 Poppy Watts Grove Stokes Valley NZ 5019 022 430 3962	2 - Closed

NAME OF FRANCHISEE	ADDRESS / TELEPHONE	# OF FRANCHISES
Deane McIntyre	22A Waihi Road Tauranga NZ3110 022 108 3007	1 - Closed
Tania Collins	137 Wade River Road Whangaparaoa NZ 0932 027 539 4674	1 - Transferred
Deziree Taylor	68B Norris Rd, Whatatiri RD9 Whangarei NZ 0179 021 439 387	1 – Transferred
Georgina Walker	28 Panapa Road RD2 Hastings NZ 4172 06 878 4510	1 – Transferred
Shane Atkinson	167 Easterbrook Road RD1 Kaiapoi NZ 7691 021 125 2557	3 – Transferred
TOTAL TRANSFERS		**8 – Closed** **6 - Transfers**

SOUTH AFRICA

NAME	Address/Telephone	# of Franchises
Donovan Maistry	2 Amaani Villas Raslouw Gardens Raslouw Centruion +27 83 383 8674	1 - Closed
Patricia Hardy	9 The Links 81 Ashley Drive Gillitts 3610 +27 82 740 8444	4 - Closed
TOTAL		**5 – Closed**

UNITED STATES

NAME OF FRANCHISEE	ADDRESS / TELEPHONE	# OF FRANCHISES
	ARIZONA	
Robert Kastelic	10752 North Chapin Court Oro Valley, AZ 85737 520-334-7436	1 - TRANSFER
Eugene Lee Baron	2614 Country Club Dr. Bullhead City, AZ 86442 928-763-6721	2 - CLOSED
	FLORIDA	
Gerald Langford	2224 Eagles Hammock Blvd Middleburg, FL 32086 904-235-7900	1 - CLOSED
Ron Vellucci	532 Fox Hollow Lane St. Augustine, FL 32086 904-797-3591	2 - TRANSFER
Chris Knorenschild	309 Hammock Grove Ct Jacksonville, FL 32259 904-230-0187	1 - CLOSED
John & Linda Bando	160 Lisa Lane Oldsmar, FL 34677 727-789-6677	6 - CLOSED
	INDIANA	
Dave Charrlin	17197 Timberstream Dr. Noblesville, IN 46062 317-520-2310	3 - CLOSED
	KENTUCKY	
Larry Rother		2 – TRANSFER
Ken & Jill Miller	344 Boiling Springs Dr Lexington, KY 40511 859-699-3813	4 - CLOSED

NAME OF FRANCHISEE	ADDRESS / TELEPHONE	# OF FRANCHISES
	MARYLAND	
Jody H. Youll Madaco Marketing, LLC	1901 Stockton Road Joppa, MD 21085 410-877-1962	4 - CLOSED
	MICHIGAN	
Alma Blackburn	7756 Pioneer Ypsilanti, MI 48197 734-545-4780	3 - CLOSED
	MINNESOTA	
Charlene M. Sennewald	4099 32nd St. SW Pine River, MN 56474 218-831-0898	1 - CLOSED
	MISSISSIPPI	
Martha L. Douglass Loyd E. Douglass Campbell Creek Publishing, LLC dba Pearl River Coffee News	187 Conerly Rd., Braxton MS 39044 601-824-5932	4 - TRANSFER
	NEBRASKA	
Hobbes Logan	1233 S. 119th Street Omaha, NE 68144 402-709-0149	6 - CLOSED
	NORTH CAROLINA	
Samuel M. Post Alicia H. Post	317 Lantz Ave., Salisbury, NC 28144 704-232-0923	4 - CLOSED
Theresa Vollmer	2221 Mica Mine Lane Wake Forest, NC 27587 919-562-8510	1 - CLOSED

NAME OF FRANCHISEE	ADDRESS / TELEPHONE	# OF FRANCHISES
OKLAHOMA		
Randall L. Woods Janice K. Woods	2824 Suroya St. Muskogee, OK 74403 918-687-1135	1 - TRANSFER
SOUTH CAROLINA		
Kevin S. Lanier Cream and Sugar Ventures, LLC	104 Gage Court, Fort Mill, SC 29715 803-548-0637	2 - TRANSFER
TENNESSEE		
Lisa Lillemoen Shaw	P.O. Box 4932 Elkhart, IN 46514 574-202-6397	3 – TRANSFER
Randy Cole Vanessa K. Cole (Tennessee)	1102 Ridgeleigh Circle Dalton, GA 30720 706-463-1117	4 - TRANSFER
TEXAS		
Mark/Kelly Willicut	154 Tarpon St Bayou Vista, TX 77563 409-539-2311	1 - CLOSED
Mike & Kendra Thomason	1307 West Maine Street Gun Barrel City, TX 75156 903-288-9876	3 - CLOSED
WASHINGTON		
V-Team LLP William Vollmer Robert Vollmer Debra Vollmer	164 Valley Meadows Dr Chehalis, WA 98532 360-740-4726	1 - CLOSED
Daniel I. Stusser Pareto-Curve Marketing, Inc.	P.O. Box 4008, Olympia, WA 98501-0008 360-357-1000	2 - CLOSED
TOTAL		**Closed 42** **Transferred 20**

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT F

State Regulatory Authorities

EXHIBIT F

STATE REGULATORY AGENCIES

CALIFORNIA Commissioner of the Department of Business Oversight 320 West 4TH Street, Suite 750 Los Angeles, CA 90013-2344 Phone: 1-866-275-2677	NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236
HAWAII Director of the Department of Commerce and Consumer Affairs 335 Merchant St., Rm 203 Honolulu, HI 96813	NORTH DAKOTA Securities Commissioner State of North Dakota Capitol Building Bismarck, ND 58505
ILLINOIS Illinois Attorney General 500 South Second St. Springfield, IL 62706	RHODE ISLAND Director, Dept. of Business Regulation 233 Richmond ST., Suite 232 Providence, RI 029034232
INDIANA Indiana Secretary of State 302 West Washington , Room E111 Indianapolis, IN 46204	SOUTH DAKOTA Division of Insurance Securities Regulation 124 South Euclid, Ste. 104 Pierre, SD 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020	VIRGINIA State Corporation Commission Division of Securities/Retail Franchising 1300 East Main ST., 9th Floor Richmond, VA 23219
MICHIGAN Michigan Department of Commerce Corporations and Securities Bureau 670 Law Building Lansing, MI 48913	WASHINGTON Dept. of Financial Institutions Securities Division PO Box 9033 Olympia, WA 98501
MINNESOTA Minnesota Dept. of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St. Paul, MN 55101-2198	WISCONSIN Commissioner of Securities Fourth Floor 101 East Wilson St. Madison, Wisconsin 53702

EXHIBIT G

Agents for Service of Process

EXHIBIT G

AGENTS FOR SERVICE OF PROCESS

ILLINOIS Office of the Attorney General 500 South Second St. Springfield, IL 62706	RHODE ISLAND Chief Securities Examiner Division of Securities 233 Richmond St., Suite 232 Providence, RI 029034232
INDIANA Indiana Securities Division Secretary of State 302 West Washington, Room e111 Indianapolis, IN 46204	SOUTH DAKOTA Division of Insurance Securities Regulation 124 South Euclid, Ste. 104 Pierre, SD 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore MD 21202-2020	TEXAS Statutory Document Section Secretary of State P.O. Box 12887 Austin, TX 78711
NEW YORK New York Department of State One Commerce Plaza 99 Washington Ave., 6th Fl. Albany, NY 12231 -0001 (518) 473-2492	VIRGINIA Clerk of the Commission State Corporation Commission 1300 East Main St., 1st Floor Richmond, VA 23219
NORTH DAKOTA Franchise Examiner Office of Securities Commissioner 600 East Blvd., Fifth Floor Bismarck, ND 58505	WASHINGTON Director of Dept. of Financial Institutions Securities Division 150 Israel Rd. SW Tumwater, WA 98501 (360) 902-8760
CALIFORNIA Commissioner of the Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344	HAWAII Commissioner of Securities King Kalakaua Building 335 Merchant Street, Rm. 203 Honolulu, Hawaii 96813
OREGON Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310	WISCONSIN Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission P.O. Box 1768 Madison, WI 53701

EXHIBIT H

State Addendum

EXHIBIT H

CALIFORNIA ADDENDUM

a. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.

b. The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

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

d. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. sec. 101 et seq.).

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

f. The Franchise Agreement contains a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

g. The Franchise Agreement requires binding arbitration. The arbitration will occur in Bangor, Maine with the costs being borne equally by both parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professional Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

i. Section 31125 of California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed materials modification of an exiting franchise.

j. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

EXHIBIT I

State Effective Dates

EXHIBIT I
STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Dates
California	_____
Hawaii:	April 30, 2020
Illinois:	April 29, 2020
Indiana:	November 16, 2020
Maryland:	February 3, 2021
Minnesota:	July 24, 2020
New York:	January 4, 2021
North Dakota:	May 4, 2020
Rhode Island:	May 4, 2020
South Dakota:	May 18, 2020
Virginia:	August 3, 2020
Washington:	Pending
Wisconsin:	April 28, 2020

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

ITEM 23

RECEIPT

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

If Coffee News USA offers you a franchise, Coffee News USA must provide this Disclosure Document to you 14 calendar- days before you sign a binding agreement with, or make a payment to coffee News, or an affiliate in connection with the proposed franchise sale.

If Coffee News USA does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C., 20580 and the Office of Commissioner of the Department of Business Oversight at 320 West 4TH Street, Suite 750, Los Angeles, CA 90013-2344.

You may contact the following franchise seller offering the franchise:

Mr. William A. Buckley
One Cumberland Place, Suite 102
Bangor, Main 04401
Tel: (207) 941-0860

Coffee News USA INC. authorizes the Commissioner of the Department of Business Oversight, 320 West 4TH Street, Suite 750, Los Angeles, CA 90013-2344 to receive service of process for us.

Issuance Date: March 22, 2021

I have received a disclosure document dated .

This disclosure document included the following Attachments and Exhibits:

A. Franchise Agreement
B. Sample Coffee News
C. Financial Statements
D. Coffee News Publishers List
E. Former Coffee News Publishers List
F. State Regulatory Authorities
G. Agents for Service of Process
H. State Addendum
I. State Effective Dates

Date: Publisher

_____

ITEM 23

RECEIPT

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

If Coffee News USA offers you a franchise, Coffee News USA must provide this Disclosure Document to you 14 calendar- days before you sign a binding agreement with, or make a payment to coffee News, or an affiliate in connection with the proposed franchise sale.

If Coffee News USA does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C., 20580 and the Office of Commissioner of Department of Business Oversight at 320 West 4TH Street, Suite 750, Los Angeles, CA 90013-2344.

You may contact the following franchise seller offering the franchise:

Mr. William A. Buckley
One Cumberland Place, Suite 102
Bangor, Main 04401
Tel: (207) 941-0860

Coffee News USA INC. authorizes the Commissioner of the Department of Business Oversight, 320 West 4TH Street, Suite 750, Los Angeles, CA 90013-2344 to receive service of process for us.

Issuance Date: March 22, 2021
I have received a disclosure document dated .

This disclosure document included the following Attachments and Exhibits:

A. Franchise Agreement
B. Sample Coffee News
C. Financial Statements
D. Coffee News Publishers List
E. Former Coffee News Publishers List
F. State Regulatory Authorities
G. Agents for Service of Process
H. State Addendum
I. State Effective Dates

Date: Publisher

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