Franchise Disclosure Document

Diet Center Worldwide, Inc.
an Ohio corporation
395 Springside Drive
Akron, Ohio 44333-2496
(800) 656-3294

You will be licensed to operate a Diet Center location, which will offer weight loss and weight control, inch loss and inch control programs, optional laser body contouring, and optional infrared body wrapping, including counseling and instruction in healthy eating habits, and you will sell related products to your clients.

The total investment necessary to begin operation of a Diet Center franchise is from $150,940 to $181,154, which includes the optional Laser Body Contouring System and optional Infra-Red Body Wrapping System. This also includes the $30,000 initial franchise fee that must be paid to the franchisor and/or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Development Department at 395 Springside Drive, Akron, OH 44333-2496.

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 License agreement carefully. Show your License agreement and this disclosure document to an advisor, like a lawyer or accountant.

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

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

Issuance Date: ~~March 31, 2016~~April 20, 2017

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STATE COVER PAGE

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

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

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

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

1. * THE FRANCHISE AGREEMENT PERMITS YOU TO SUE US ONLY IN OHIO. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE US IN OHIO THAN IN YOUR HOME STATE.

2. * THE FRANCHISE AGREEMENT STATES THAT OHIO LAW GOVERNS THE AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. * THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

* LOCAL LAW MAY SUPERSEDE THESE FRANCHISE AGREEMENT PROVISIONS. CERTAIN STATES REQUIRE THE SUPERSEDING PROVISIONS TO APPEAR IN AN ADDENDUM IN THIS DISCLOSURE DOCUMENT

Information about comparisons of franchisors is available. Call the state administrators listed in <u>Exhibit “F”</u> or your public library for sources of information.

Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this Disclosure Document. If you learn that anything in this Disclosure Document is untrue, contact the Federal Trade Commission and the Administrator listed in Exhibit “F.”

Effective Date: _______________except as to those states listed on Exhibit J for which the date set forth on that Exhibit is the Effective Date for such state.

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DIET CENTER WORLDWIDE, INC.

FRANCHISE DISCLOSURE DOCUMENT

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EXHIBITS:

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

The franchisor is Diet Center Worldwide, Inc. and is referred to in this Disclosure Document as "DCWI," "we," "us" or the "Franchisor." "You" means the person who is being granted the franchise license. . A franchise license may be granted to a corporation, partnership or individually. We do business under the trade name "Diet Center." Our home office address is 395 Springside Drive, Akron, Ohio 44333-2496. We were incorporated on April 24, 1992 under the name Wellness Group Acquisition Company, Inc. an Ohio corporation ("Wellness"). On February 8, 1995 our name was changed to Diet Center Worldwide, Inc.

We have offered franchises since December 12, 1994. We had no business operations prior to December 1994. We do not operate any Diet Centers.

Our agents for service of process is described on Exhibit "D."

Our Predecessors

We do not have any predecessors.

Our Affiliates

We are a wholly-owned subsidiary of The Health Management Group, Inc., an Ohio company having its offices at 395 Springside Drive, Akron, Ohio. Health Management Group, Inc. also owns Physicians WEIGHT LOSS Centers of America, Inc. ("**PWLCA**") and Form YOU 3 International, Inc. (**"FY3"**), both of which franchise weight loss centers offering weight loss, weight control and inch loss and inch control, body contouring, and body wrapping, services and products similar to those offered by us. Health Management Group, Inc. has other wholly-owned subsidiaries, Advanced Fat Burning 24 Hour Thermogenics, Inc. ("**24 Hour**"), HMG Internet Distribution Company, Inc. a sub-chapter "s" corporation which owns: DC Internet Company, LLC, PWLC Internet Company, LLC, FY3 Internet Company, LLC all of which are in the business of selling certain dietary programs and products through the internet.. 24 Hour began operations in 2001 and the other Limited Liability Companies were formed in 2012 under the HMG Internet Distribution Company, which was formally known as the Diet Center Home Franchise, Inc., Company formed in 1999. Health Management Group, Inc. undertook no business operations until May 16, 1997, when it acquired FY3.

The principal business of Health Management Group, Inc. is to provide administrative services to its subsidiaries DCWI, PWLCA and FY3. Health Management Group, Inc. does not offer franchises or operate any other businesses. Health Management Group, Inc. does not operate any businesses of the type being franchised through its wholly owned subsidiaries DCWI, PWLCA or FY3.

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Each of DCWI, PWLCA, and FY3 franchises offer proprietary diet programs and systems for providing weight loss and weight control, inch loss and inch control, body contouring and body wrapping, and special proprietary products under the Brand names Diet Center®, Physicians WEIGHT LOSS Centers®, and Form YOU 3 Weight Loss Centers® respectively (sometimes the "**Brands**"). Our affiliates, PWLCA, FY3, 24Hour Thermogenics, each operate from corporate offices located at 395 Springside Drive, Akron, Ohio 44333-2496.

Our affiliates, PWLCA and FY3, were organized and began offering franchises similar to the franchises offered by us, in 1979 and 1997, respectively. None of DCWI, PWLCA, FY3, and 24 Hour Thermogenics operates any weight loss centers. DCWI, PWLCA and FY3 presently offer or may offer in the future the same or similar weight loss programs, services, counseling techniques or products through their respective weight loss centers. In addition, DCWI, PWLCA, FY3 share certain common employees including many of the officers, directors, and managers listed in Item 2, who may provide advertising, marketing, training, product development and distribution, legal, and accounting assistance in connection with the respective Brands.

Neither we nor our affiliates and predecessors have offered franchises in any other line of business.

Franchise Rights

We offer qualified individuals the opportunity to be granted and establish a single franchise business (a "Center") under the trade name "Diet Center" by executing a Franchise License Agreement in the form attached as Exhibit "A." Our franchise offers (i) proprietary programs, systems and services which we have developed for weight loss and weight control, inch loss and inch control, body contouring and body wrapping, known as the Diet Center Programs and (ii) proprietary products, food products, supplements, nutritional supplements and dietary supplements for use with the Diet Center Programs.

We do not presently offer a subfranchising program. DCWI, offered a subfranchising program entitling franchisees the right to enter into subfranchise agreements with franchisees selected by the subfranchisor. These subfranchise agreements entitle the subfranchisee to operate a Diet Center upon terms and conditions negotiated between the subfranchisor and subfranchisee. DCWI's sub franchising program began in 1972 and ended in 1989. Although we do not presently offer a subfranchising program to new franchisees, we continue to honor the subfranchisor/subfranchisee relationships previously established by DCWI for the balance of the term of those agreements.

Franchisee Area Development Rights

If you qualify, you can develop and obtain a license for a number of Centers within a designated area (the "Franchisee Development Area") under our Franchisee Area Development Agreement (the "Franchisee Area Development Agreement"). If you sign a Franchisee Area Development agreement, you must develop, and obtain a license for a number of Centers according to the development schedule (the "Development Schedule"), and you must sign our then-current form of franchise agreement for each Center and pay the franchise fee for your center(s) as more fully described in the Area Development Agreement (Exhibit B). This Disclosure Document describes relevant information about the development rights offered for the Centers.

Competition

Our services are sold to individuals who desire to lose weight and/or inches. The general market for weight loss and weight control, inch loss and inch control, body contouring and body wrapping services is vast, including companies offering franchised weight management locations (i.e., PWLCA, FY3, Jenny Craig Weight Loss Centers, Weight Watchers , Medi Weight Loss Clinics, Lindora, Medifast, Quick Weight Loss and Slim4Life.), non-franchised weight management locations (such as Slimgenics, certain physicians practices and other privately owned companies, low calorie food and beverage products, books, and over-the-counter diet programs.

Social Media

You are responsible to comply with our social media policy as outlined by the Franchisor as amended from time to time at our discretion. Upon termination for any reason you are required to remove all social media.

Industry-Specific Laws and Regulations

Exhibit "E" to this Disclosure Document contains a summary of the special laws that relate to the commercial weight management industry

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer, President and Treasurer: Charles E. Sekeres

Mr. Sekeres has been our Chief Executive Officer since its acquisition in December 1994 and became our President and Treasurer in April 1995. Mr. Sekeres has been Chief Executive Officer and President of Physicians Weight Loss Centers of America, Inc. since 1979. Mr. Sekeres also formed Physicians Weight Loss Centers of Canada, Inc. in April 1987. Since its acquisition in May 1997, Mr. Sekeres has served as President and Chief Executive Officer of Form YOU 3 International, Inc. and President and Chief Executive Officer of The Health Management Group, Inc., since its inception.

Vice President of Operations: Tony Pittman

Mr. Pittman joined us as our Vice President of Operations in May 2014. Most recently, Mr. Pittman served as Executive Vice President of Proactiv International based in Las Vegas, Nevada and Director of Franchise Operations with GNC located in Pittsburgh, Pennsylvania. Mr. Pittman holds a Bachelor of Arts degree in History from The University of South Carolina and brings over 30 years of experience in the retail and franchise development industry to his current role.

Director of Administration: Mike Zsely

Mr. Zsely, a Certified Public Accountant joined us as Director of Administration in April 2000. He also holds the same position with HMG and all its subsidiaries. Mr. Zsely served as a Chief Financial Officer for Ziegler Companies, located in Canton, Ohio from April 1995 to April 2000.

Medical Director: Dr. Jerry Sutkamp

~~Dr. Sutkamp was named National Medical Director of PWLC in 1992. He attended medical school at U. of Louisville, and interned and did residency at Mercy Medical Center, Springfield Ohio in 1964,65, and 66. He currently owns and operates The Sutkamp Clinic for Bariatric Medicine in Fort Thomas, KY. He is a former President of the American Society of Bariatric Medicine.~~ Lieberman joined PWLC as National Medical Director in 2017 after serving as Attending Physician to 13 of its franchised centers for nearly a decade. He received his Medical Degree from the Autonomous University of Guadalajara and NY Medical College and also trained in Internal Medicine at Long Island College Hospital and Anesthesiology at the Mount Sinai Hospital in New York City.

Director of Nutritional Services: Kristyn Austriaco, RD LD

Ms. Austriaco has served as our Director of Nutritional Services since April 2000. She also holds the same position with HMG and all its subsidiaries. As a Registered and Licensed Dietitian in the State of Ohio and North Carolina, she served as a Department Manager and clinical dietitian for Oaks at Medina located in Medina, Ohio from October 1997 to April 2000. From September 1994 through June 1997, she was a student at the Ohio State University School of Allied Medical Professions and obtained a Bachelor of Science Degree in Medical Dietetics.

Franchise Area Director: Scott Orlando

Mr. Orlando joined us July 3, 2008 and is an area director for Diet Center. Scott brings over 16 years of health and fitness industry sales and management experience to Diet Center. Scott has personally conducted over ten thousand facility tours to potential members and has been awarded by the International Health and Racquet Sports Association for his achievements in health club membership sales. He is a graduate of Hiram College and an A.C.E Certified Personal Trainer. He has been published in numerous trade journals for his expertise in club management.

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ITEM 3

LITIGATION

A. PENDING LEGAL ACTIONS:

No litigation is required to be disclosed in this section A

B. COMPLETED LEGAL ACTIONS:

On July 29, 2009, the U.S. Equal Opportunity Commission filed a Complaint against Health Management Group, Diet Center Worldwide, Inc. and Physician's Weight Loss Centers of America, Case No. 5:09 CV 1762 in the United States District Court for the Northern District of Ohio. The Complaint alleges the violation of the Equal Pay Act and Title VII claiming that Krishna McCollins and Donna Davidson were paid less than a male employee in a similar position. Krishna McCollins later intervened as an individual defendant in the claim. Health Management Group, Diet Center Worldwide and Physician's Weight Loss Centers of America have raised defenses to the allegations raised in the Complaint.

On April 22, 2010, Krishna McCollins filed a complaint against Health Management Group, Diet Center Worldwide, Inc. and Physician's Weight Loss Centers of America in the Court of Common Pleas, Cuyahoga County, Ohio. The action was removed to Federal Court and on June 30, 2010, an Amended Complaint was filed in Case No. 1:10 CV 1193 in the United States District Court, Northern District of Ohio, alleging sexual harassment, hostile work environment, sex discrimination, retaliation, intentional infliction of emotional distress and breach of contract. Defendants Health Management Group, Diet Center Worldwide, Inc. and Physician's Weight Loss Centers of America have raised defenses to all allegations raised in the Complaint. The case settled for $260,000 without prejudice against Defendants on May 6, 2012.

The two cases were settled for a combined total of $260,000. The case filed individually by Krishna McCollins, Case Number 1:10-cv-01193 was dismissed with prejudice, meaning it could not be re-filed in any manner. The claim raised by the EEOC ended in a consent decree on April 30, 2012. The consent decree, among other things, requires Health Management Group to provide annual Equal Opportunity training to its employees and requires an annual reporting of any complaints or alleged violations of any EEO statue by any employee of Health Management Group. The terms of the consent decree are set to expire October 31, 2015.

Other than the above actions, no litigation is required to be disclosed in this Disclosure Document.

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C. INJUNCTIVE OR RESTRICTIVE ORDERS:

No litigation is required to be disclosed in this Section C.

ITEM 4

BANKRUPTCY

No persons previously identified in Items 1 or 2 of this Disclosure Document have been involved as a debtor in proceedings under the U.S. Bankruptcy code required to be disclosed in this Item.

ITEM 5

INITIAL FEES

The initial franchise fee for a Center is $30,000, payable in full upon signing the Franchise Agreement. No part of the Initial Franchise Fee is refundable under any circumstances. To ensure satisfaction of all the franchisor's material pre-opening obligations to the franchisee, deferral of initial fees will be used.

The highest and lowest initial franchise fees actually paid during our last complete fiscal year were $ 40,000 and $10,000.

In addition to the initial franchise fee, you must purchase from us, or our designee your opening inventory of products which, as shown in Item 7, we estimate to be between $7,000 and $10,000.

We may terminate the Franchise Agreement if, at any time during the initial training program, we conclude that you do not appear to possess the skills necessary to properly fulfill and discharge the demands and responsibilities required by the Diet Center Program or by the Franchise Agreement.

Multi-Units / Area Development Agreement

If you qualify and sign the Area Development Agreement you must pay at the time of signing $30,000 franchise fee for the first center and $15,000 franchise fee for subsequent centers for each assigned and/or protected Area secured under the development schedule.

Multi-Units do not have to be contiguous to your initial territory.

Fees are non-refundable at the time of signing. Other conditions are more fully described in Exhibit B.

ITEM 6
OTHER FEES

Name of Fee	**Amount**	**Due Date**	**Remarks**
License Fee [1/]	5 ½ % of gross revenues up to $100,000, 4 ½ % of gross revenue from $100,001 to $200,000 and 3 ½ % of gross revenue in excess of $200,000.	Payable weekly for each week or partial week that the Center is in operation. .	All weekly license fee payments shall be made by direct payment (FLA Section 7.3)
Internet License Fee	6%	Varies	On Internet Sales
Advertising Development, Quality Assurance and Local Website (AD/QA/LWS) Fund [1/]	Currently $249 per month.	Payable monthly on the 17th of each month	We may increase the amount annually by the CPI
Local Advertising	Minimum of $2,500 per month or 10% of gross revenue, whichever is greater.	Monthly	See FLA Section 8.1.1 Fee is spent in your local market at your discretion.
Cooperative Advertising	As agreed by Co-op members but not to exceed the greater of $600 per week or 7% of gross revenues.	Established by Co-op	Each center in Co-op entitled to 1 vote
National Advertising Fund[/5]	As agreed upon based on the national or regional advertising campaign	Varies	This charge is for broadcast media purchases or individual designated market area purchases.
Insurance Initiation Fee[1/]	$500	Payable upon participation in our professional liability insurance coverage	This fee is included with the amount you finance for your annual premium and is paid the first month.
Transfer[1/]	20% of purchase price or $5,000, whichever is greater. .	Before consummation of transfer	Payable when you sell your Center. No charge if your Center is transferred to a corporation or partnership that, you control.

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Name of Fee	**Amount**	**Due Date**	**Remarks**
Renewal Fee	$1,000	Upon expiration of the initial term	
Quality Assurance Review 1/ 2/	Cost and expenses of Review which is typically between $1,000 and $2,000	Upon payment of the Transfer Fee	
Late Fee 1/	$39	Upon our demand	Late charges are increased by $39 for each 7 days any payments due us are late.
Initial Training 3/	No fee charged	As incurred	You are responsible for transportation, lodging, meals and your employees' wages.
Ongoing Training 3/	No fee charged	As incurred	Same as Initial Training
Special Requested Training	$500 per day plus expenses	As incurred	As requested by Franchisee
Termination Fee /4	$10,000	Upon our Demand	If you improperly terminate or prematurely close your center
Handling on Product	3%	As incurred	Franchisor retains for coordination of product shipment.
Applicable Merchant Services Processing Fee	1-4%	As incurred	Percentage of sales on Internet rebate program for products and services
Shipping	Varies	As incurred	Franchisor coordination of shipping and retains earned discount

1/ You must pay these fees to us. We collect all fees and make no refunds of fees.
2/ Payable upon Transfer only. We may require advance payment of these costs.
3/ Payable to providers of transportation, lodging and meals.
3.1/ If requested by Franchisee, you will pay $500 per day in addition to all expenses.
4/ If you improperly attempt to terminate or prematurely close the franchise prior to the expiration of this Agreement, we are entitled to recover from you a termination fee of

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$10,000 plus our costs and attorney fees incurred in connection with your improper termination or closure of the franchise or our collection of the termination fee from you. Termination penalties may be unenforceable in certain states.

5/ At this time we are not collecting a National Advertising Fund, however should we elect to do a national or regional campaign, the amount due would be the cost of the campaign equally divided amongst the effected franchisees.

We relied upon our collective experience in the franchised weight loss and weight control, inch loss and inch control, body contouring and body wrapping industry and developing Centers when preparing these figures.

Your expenses may be significantly different depending on the suppliers you use and local costs. Do not rely on this estimate of expenses to project your future performance because your expenses may differ from the ranges above and you will have additional expenses to third party suppliers, to us and our affiliates, which we have not listed. See Items 7 and 8 for additional information concerning your purchases from third party suppliers.

ITEM 7

ESTIMATED INITIAL INVESTMENT

Franchise Agreement

Our current estimate of your initial investment for a Center is set forth below. The amounts in these charts are our reasonable estimate of your costs. The actual amounts you incur may be higher, however, if particular circumstances apply to the location of your Center or to your region of the country. We calculate the initial phase of business to be 1 to 3 months. We relied upon our collective experience in the franchised weight loss and weight control, inch loss and inch control, body contouring and body wrapping industry and developing Centers when preparing these figures.

Expense	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Initial Franchise Fee[1/]	$30,000	Lump Sum	Upon execution of the Franchise Agreement	Us
Equipment[2/]	$4,000 - $5,500	As incurred	When purchased or leased	Vendors
ShopKeep POS System/	$1,600 - $2,800	Lump Sum	When purchased	Vendor

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Expense	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Quickbooks/ Clover				
Furniture, Supplies and Signs[3/]	$24,545 - $28,859	As incurred	When purchased or leased	Vendors and lessors
Opening Product Inventory[4/]	$7,000 - $10,000	Lump sum	When purchased	Us
Opening Advertising	$10,000	Lump sum	From 10 days before opening to 50 days after opening	Local Advertising Media
Travel and Living Expenses While Training[5/]	$2,500 - $4,000	Lump sum	Within three months after executing Franchise Agreement	Providers of transportation, lodging and meals
Real Estate & Improvements[/]	$9,000 - $18,000	As incurred	Monthly	Landlord
Insurance	$2,300 - $4,000	As incurred	Before opening	Insurer(s)
Miscellaneous opening Costs[7/]	$2,500 - $4,000	As incurred	As incurred	Various
Additional Funds[8/]	$3,500-10,000	As incurred	As needed	Various
Laser Body Contouring System or other approved body contouring system[9/]	$44,000 *Lease Programs Available		When purchased	Vendors
Infra-Red Body Wrapping System	$9,995		When purchased	Vendor

Expense	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Total	**150,940 - 181,154**			

Notes:

1/ The franchise fee is $30,000.

2/ This estimates your cost to lease or purchase a new or used Body Composition Analyzer, scales, printer, phone, credit card processor and computer system.

3/ This includes furniture, supplies and signs necessary for you to open your Center.

4/ This includes all required consumable products necessary for you to open your Center.

5/ The initial training program consists of three (3) weeks; the first and third weeks of training will be held at our offices in Akron, Ohio, or at an alternate site designated by us and the second week of mandatory training at an operating Diet Center location.

6/ We recommend that you lease the premises for your Center. We have no requirements regarding the amount of investment that you must make in the premises of your Center. Because of the variables associated within establishing premises for your Center, (for example, size of premises, location of premises, whether remodeling or improvements are needed, and real property market conditions), this expense varies widely. You will require approximately 1,000 to 1,500 square feet for your Center. If you lease space, your monthly rent could vary greatly depending on the type of location and the geographic location you select for your Center. Lease rental depends on many factors, including the location of the center, and may vary from $7.00 to $25.00 per square foot, excluding Center build-out cost. We highly recommend rental facilities versus owned properties like office condominiums or free-standing commercial buildings. Leasehold improvement costs incurred in connection with the development of the Center include numerous improvements (i.e. painting, carpeting and construction) all of which must be completed to our satisfaction before Grand Opening. Improvement costs depend on factors like size, conditions and location of leased premises. You should try to amortize leasehold improvement costs over the first term of the Lease Agreement.

7/ This includes expenses such as security deposits to your landlord and various utilities, and licenses and permits.

8/ This estimates your initial start-up expenses for a 1 to 3 month period. These expenses include working capital for payroll costs, utility payments and other expenses. These figures are estimates and are based upon our knowledge gained from the many years in assisting franchisees in opening Centers. We cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as, but not limited to how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for our products, the prevailing wage rate, competition, sales level reached during the initial period and the sales ability of your personnel.

9/ This estimates your cost of a Laser Body Contouring System or other approved body contouring system. However, the system may be leased over a designated period at a fixed monthly amount.

NOTE: All of the above figures are ranges only. Local area conditions and other changes may vary. Unless otherwise noted, none of the expenses described in this chart are refundable.

Multi – Unit / Area Development Agreement

Upon signing the Area Development Agreement you must prepay for your franchises the non-refundable fee described in Item 5 of this Disclosure Document. This prepayment allows you to hold the assigned and/or protected Area until you complete development under the Area Development Schedule. In the event you do not meet this development schedule you may forfeit your current development assigned and/or protected Area, which may revert back to us at our sole discretion. This will not affect your other scheduled openings for the remainder of your Area Development Agreement. You will also need funds for working capital to pursue your obligations under the Development Schedule described in Exhibit B, but there are no initial investments required at this time other than the franchise fees. An initial investment will be required for each Center opened by you. Our estimate of each such investment is set forth in Item 7 less the discounted franchise fee for signing the Area Development Agreement.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must obtain all of your products from us including but not limited to supplements, required supplements, meals replacements, required meal replacements, vitamins and minerals, required vitamins and minerals, program booklets, food products, beverage products, body contouring products, required paper products and other products associated with our weight loss and inch loss programs and systems. These materials are not available for purchase from sources other than us. Even if these items were available from sources other than us, your franchise agreement forbids purchases from such other sources. We will derive revenue from the sale of these products and goods. You may review the current cost for the required proprietary products before signing the Franchise Agreement. Our distribution center is currently located in Akron, Ohio. Currently, our President, Charles Sekeres, owns an interest in Diet Center Worldwide, Inc., an approved supplier for your products. There are no other approved suppliers in which any of our officers owns an interest.

We estimate that purchases of the initial supply of required products will represent between approximately 8% and 10% of your cost to establish your Center. We estimate that purchases of required products for specific programs will represent between approximately 85% and 100% of your costs of products during the ongoing operation of your Center. We receive revenue from the sale of product, license fees, and franchise fees. Additionally we may receive revenue from the monthly management of the local internet site program, and shipping and handling. Any additional revenue received from the payment of franchisee insurance premiums may be used to defer costs for any potential insurance expense including but not limited to insurance deductibles, product liability premiums, any other insurance matters, insurance tail coverage or payment of defense costs including but not limited to any judgments or attorney's fees.

As part of your initial franchise fee, we grant you a license for Diet Center's Client Management System. However, we reserve the right in the future to assess a fee for the Client Management System. This client management system is not available from any other source.

You must purchase your body composition analyzer under specifications established by us. These specifications include standards for performance and capacity. The cost of specified equipment purchases (new or used Body Composition Analyzer, scales, printer, phone, credit card processor and computer system) represents between approximately 5% and 7% of your total purchases necessary to establish your Center excluding the Laser Body Contouring System. As stated in Item 7, leasing programs for the Laser Body Contouring Systems are available at this time. We do not presently derive revenue from the sale of the body composition analyzer, computer system or cash register.

You must purchase a Comprehensive General Liability, Automobile Insurance and Professional Liability policy naming our affiliates and us as an additional insured. This insurance must include a $1,000,000 per occurrence/$3,000,000 aggregate limit for (i) Bodily Injury or Death of one or more persons and Property Damage combined, and (ii) Product Liability and Personal Injury coverage's. Professional Liability Insurance must include a $1,000,000 per occurrence / $1,500,000 aggregate limit.

- Based on Claims Made
- Defense Costs are outside the limits of the policy
- $25,000 Deductible each loss up to a maximum deductible of $100,000
- Retroactive Date 11/19/1991 through 5/9/2010 for $500,000 per occurrence
- Retroactive Date to 5/10/2010 for $1,000,000 per occurrence
- Expenses Outside of policy limits
- Terrorism Exclusion
- Dangerous herb exclusion wording (as referenced in the Diet Center manuals)
- The description of professional services has to read "Weight Loss Counselor"
- The Professional Liability Coverage may not be an endorsement onto a General Liability Policy
- The policy may not be a combined General Liability / Professional Liability form
- Consent to Settle provision
- Incident Reporting
- Franchisor listed as Additional Insured
- Unlimited Extended Reporting Period Option / Tail provision
- Health Management Group's professional liability policy needs to be excess over franchisee's professional liability policy, making franchisee's policy primary

- Insurance carrier needs to be a minimum of an “A” rating with a Financial Size of XII or greater
- Business Interruption Clause

At our option, we may permit you to obtain professional liability coverage as an additional insured on our insurance policy in which case you will pay your reasonable share of the premium. If you decide to become an additional insured on our professional liability coverage, we may charge you, in addition to your reasonable share of the premium, a nonrefundable fee of $500 as an Insurance Defense Fund each time that you elect to become an additional insured on our professional liability coverage. This fund may also cover any additional deductible not applied from the original premium as well as legal costs or settlements.

There are no purchasing or distribution cooperatives established by our franchisees or us.

We consider a variety of factors when determining whether to extend or grant additional franchises. Among the factors we consider is compliance with the requirements described above in Item 8 in addition to our performance requirements outlined in our Manuals

During the fiscal year ended December 31, 2015, HMG’s revenues from the sale of required products, was $6,254,670 or 86% of its total revenues of $7,323,684

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 Agreement	Item in Disclosure Document
a.	Site selection and acquisition/lease	§ 3.11 of Franchise Agreement; § 5 of Area Development Agreement	Items 6 and 11
b.	Pre-opening purchases/leases	§ 3 of Franchise Agreement	Items 5, 7, and 8
c.	Site development and other pre-opening requirements	§§ 3 and 4 of Franchise Agreement; §5 of Area Development Agreement	Items 7, 8, and 11
d.	Initial and on-going training	§ 4 of Franchise Agreement;	Item 11
e.	Opening	§§ 3.12 and 4.1 of Franchise Agreement; § 6 of Area Development	Item 11

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	Obligation	Section in Agreement	Item in Disclosure Document
		Agreement	
f.	Fees	§7 of Franchise Agreement; § 3 of Area Development Agreement	Items 5 and 6
g.	Compliance with standards and policies/Operating Manual	§§ 3.3 and 3.6 of Franchise Agreement	Items 6, 11 and 14
h.	Trademarks and proprietary information	§§ 2.2, 3.9 and 14.4 of Franchise Agreement	Items 13 and 14
i.	Restrictions on products/services offered	§§ 2.1, and 3.2 of Franchise Agreement	Item 16
j.	Warranty and customer service requirements	None	Item 15
k.	Territorial development and sales quotas	None in Franchise Agreement; §§4and Exhibit A and Exhibit B of Area Development Agreement	Item 12
l.	On-going product/service purchases	§§ 3.2 and 3.3 of Franchise Agreement	Item 8
m.	Maintenance, appearance, and remodeling requirements	§§ 3.10, 4.3 and 4.4 of Franchise Agreement	Item 11
n.	Insurance	§ 11 of Franchise Agreement	Item 7
o.	Advertising	§ 8 of Franchise Agreement	Items 6 and 11
p.	Indemnification	§ 9.2 of Franchise Agreement	Item 6
q.	Owner's participation/ management/staffing	§ 4.1 of Franchise Agreement; 8.2 of Area Development Agreement	Item 15
r.	Records/reports	§ 10 of Franchise Agreement	Item 6
s.	Inspections/audits	§§ 3.7 of Franchise Agreement	Items 6 and 11
t.	Transfer	§ 13 of Franchise Agreement; § 8.2 and 18 of Area Development Agreement	Item 17
u.	Renewal	§ 2.4 of Franchise Agreement§ 10 of Area Development Agreement	Item 17

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	Obligation	Section in Agreement	Item in Disclosure Document
v.	Post-termination obligations	§§ 12.2 and 14.4 of Franchise Agreement;	Item 17
w.	Non-competition covenants	§§ 12.1, 12.2 and 12.3 of Franchise Agreement; §§ 12 of Area Development Agreement	Item 17
x.	Dispute resolution	§ 16.4 of Franchise Agreement; § 22 of Area Development Agreement	Item 17
y.	Translation of materials	§ 3.6 of Franchise Agreement	Item 11

ITEM 10

FINANCING

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

ITEM 11

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

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

A. OBLIGATIONS THAT WE WILL PERFORM BEFORE THE FRANCHISE OPENS:

i. Designate a geographic area for the location of your Center. (Franchise Agreement - Section 2.1)

ii. Accept or reject your site selection for your Center. (Franchise Agreement - Section 3.11)

iii. Provide training as set forth in this Item below. (Franchise Agreement - Section 4.1)

iv. Provide you with a variety of support materials that we deem advisable for the proper operation of a Center. (Franchise Agreement - Section 5.2)

v. Loan you, in either printed or electronic form, a copy of our various Training Manuals that contain approximately 1,006 pages of mandatory and suggested specifications, standards and procedures. Exhibit C contains the Table of Contents for the various Training Manuals. (Franchise Agreement - Sec 3.6)

B. THE OBLIGATIONS TO BE MET BY US DURING THE OPERATION OF THE FRANCHISE BUSINESS:

i. We will make available to you at our sole discretion either at our offices, by personal visit at your location or other locations determined by us, by telephone, written correspondence, or electronically by e- mail internet or fax or any other means we deem appropriate consultation and guidance in the operation of your Center and for any other ongoing support and assistance that we decide is appropriate. (Franchise Agreement - Sec 5.2)

ii. We will provide a Corporate Representative for at least 3 days and not more than 5 days to provide support in the Grand Opening of your Center based on our standard hours of operation and required attendance by you.

C. ADVERTISING.

This Franchise Agreement contains an Advertising Development, Quality Assurance and Local Website (AD/QA/LWS) Fund for the creation and development of advertising, mystery shopping programs and similar uses, and local websites. The Advertising Development part of the AD/QA/LWS Fund provides funds for the creation and development of various advertising and promotional materials, advertising and promotional programs, and the creation of certain media along with the Personal Advertising Management System (PAMS). The Quality Assurance part of the AD/QA/LWS Fund provides necessary resources to the Franchisor to monitor compliance with the DCWI system, to randomly audit franchisees, and to take whatever steps may be necessary for the implementation of guidelines adopted through the franchise manuals. The Local Website part of the AD/QA/LWS Fund is used to help defray the costs in creating the Local Website programs and to cover hosting, maintenance, development, and added improvements to the Local Websites, in addition to insuring that the sites are equipped with the latest security measures. In 2004 we began collecting funds due for the Advertising Development and Quality Assurance Fund.

We have established a National Advertising Fund for broadcast media purchases or individual designated market area purchases. We are not currently requiring payment to the National Advertising Fund, however we reserve the right to collect for this fund in the future as we deem necessary.

See Item 6 for the amount of the contributions.

i. We may, from time to time, provide you with advertising materials. If you develop advertising materials, we will either approve or disapprove the materials within 15 days after the materials have been submitted to us or specify with proper disclaimers the participation or exclusions of each center affected by the advertising. Your advertising is limited to your assigned and/or protected Area, but with our prior approval, you may advertise outside your Area.

ii. We administer the fund. We are not required to prepare a statement for the AD/QA/LWS Fund. We are not required to spend any amount on advertising in any area or territory where you are located.

iii. We have not established an advertising advisory committee but reserve the right to do so in the future.

iv. We have the right to require you and other franchisees in a designated area that we determine to form an advertising cooperative. All Centers, whether operated by franchisees or us, in the designated area must participate in the cooperative. The cooperative shall consult with us on all advertising and promotion programs for the cooperative and our prior approval of the advertising materials is required. The members of each cooperative administer each cooperative and determine the financial contributions by each member, except that the contribution may not exceed the greater of $600 per week or 7% of gross revenues without the unanimous vote of all members of the cooperative. We have sample documents for a cooperative that are available for review, but the members of the cooperative may amend the documents with a majority vote. To our knowledge, each cooperative prepares periodic accountings.

v. Franchisee is required to provide Franchisor (DCWI) with a minimum of two (2) client testimonials each quarter. The testimonials must be submitted utilizing the Testimonial Submission Kit including a signed release allowing DCWI to use the before and after images in any and all advertising media's.

C.1 LOCAL ADVERTISING

You shall be required monthly to spend a minimum on local advertising in your local assigned and/or protected Area (as defined in Item 12) of $2,500, or 10% of gross revenue, whichever is greater. You will be required to submit invoices and tear sheets verifying your Local spending to Corporate office.

D. COMPUTER SYSTEM.

i. We require you to use a computer system, printer and an electronic cash register or software system with the following specification:

a. Your computer/printer system shall be any personal computer with at least a Pentium 1 or better processor with a monitor and printer. You may purchase the computer hardware from any supplier. The computer/printer will be used to run the Client Management System and print an individualized body composition analysis for each client. We reserve the right in the future to access a fee for the Client Management System. (Franchise Agreement - Section 3.1)

b. From time to time, we may require you to upgrade or update the hardware and software needed to run our programs. . There are not any other requirements to upgrade or update the hardware or software. We may download the client list kept on your computer by electronic means. There are no contractual limitations on our access to your client list (Franchise Agreement – Sections 3.1 and 10).

c. You must maintain an active e-mail address and internet service provider

d. You must use and maintain a computer based accounting system such as Quick Books, Quick Books Pro, Peach Tree or other similar program as specified in the Manuals.

e. You must use a POS System, ShopKeep POS, Quickbooks, Clover or any other approved system. Further specifications can be found in the manuals. (Franchise Agreement Section 3.2.1)

You may purchase the computer system, printer and an electronic cash register or software system (as described above (e)) from any supplier so long as it meets the requirements we described.

E. THE SITE SELECTION PROCESS FOR YOUR CENTER.

i. We will assist you to the extent of analyzing a site by reviewing one or more of the following criteria: analyzing the zip codes, populations, household incomes, drive times, certain mile radius, and/or reviewing Designated Marketing Areas, reviewing Metropolitan Statistical Area information and general demographic reports. Based upon this information, we will accept or reject a particular site selection within your Area, according to our minimum standards. We will rely on your knowledge of the local area to help determine the final site for your business. (Franchise Agreement - Section 3.11)

ii. Our acceptance is determined by several factors, including but not limited to written approval of acceptable signage on building meeting current specifications. Including sample of proposed signage on approved location, the population near the proposed location, demographics, size of premises, availability of parking and other amenities, the dimensions and general layout of the site, suitability and adaptability of the site as a Diet Center location. (Franchise Agreement - Section 3.11)

iii. You must receive written signage approval before signing the lease.

iv. We shall have 30 days after receipt of all proposed site information to accept or reject, in our sole discretion, the proposed site. (Franchise Agreement - Section 3.11) If we reject the proposed site, you may submit other sites for acceptance. If you do not submit a proposed site that we accept, we may terminate the Franchise Agreement and you will lose your franchise fee.

v. The Franchised Business shall be open and operating within 180 days following the acceptance of the Franchise Agreement by DCWI. (Franchise Agreement - Section 3.12) If you fail to open your center within 180 days following the acceptance of the Franchise Agreement by DCWI, we reserve the right to cancel the Franchise Agreement. (Franchise Agreement - Sections 3.12 and 14.1(h)).

F. TIME FOR OPENING A CENTER.

i. Franchisees typically open a franchised business within 1 to 3 months after they sign a franchise agreement. The factors that affect this time period are the ability to obtain a lease, complete training, acquire equipment, and begin marketing.

ii. The time period to open your center will vary depending upon your ability to obtain a lease, financing or building permits, zoning and local ordinances, weather conditions, shortages, or delayed installation of equipment, fixtures and signs.

G. WE PROVIDE THE FOLLOWING TRAINING.

i. As our on-line Education Program is completed you must successfully complete it prior to attending our three-week certification training class.

Within 90 days of your signing of the Franchise Agreement, we will provide our Initial Certification Training, a three week course (approximately 120 hours), of which the first and third week are typically held at our Corporate Headquarters or designated facility and the second week of training is held at an operating Diet Center location. The Initial Certification Training has been offered four times during this fiscal year.

Table of Contents of Training/Operations Manual

The Table of Contents of all our Manuals are listed in Exhibit C.

ii. The following is the Table of Contents of our Training/Operations Manual as of the date of this disclosure document:

Topic	Number of Pages
How to Use this Manual	18

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Communication Strategy	12
Telephone Skills	32
TCER Exercise and Measurements	18
Sales and Initial Consultation	56
Setting up your Center	5
Laser Body Contouring System or other body contouring system	84
Infrared Body Wrapping System	5
Forms	3
Total Pages	233

iii. The following training materials and instruction are provided to you during the Initial Certification Training:

Subject	Instructional Material	Number of Hours of Classroom Training	Location
Mission Statement	Handout	0.3	Corporate Office
Training Requirements	Handout	0.3	Corporate Office
Diet Center Products	Programs and Products Manual, Interaction	3.5	Corporate Office
Sales Aptitude Tests	Handouts	0.5	Corporate Office
Body Composition Analysis	Operations Manual, Body Composition Analysis machine and Interaction	2	Corporate Office
Exercise	Operations Manual	1	Corporate Office
Measurements	Operations Manual, Interaction	1	Corporate Office
Nutrition	Programs and Products Manual	1	Corporate Office
Label Reading	Programs and Products Manual, Handouts	1	Corporate Office
Diet Center Weight Loss Programs	Programs and Products	7	Corporate Office

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Subject	Instructional Material	Number of Hours of Classroom Training	Location
	Manual, Handouts and Interaction		
Phone Scripts/Communication Strategies	Operations Manual and Interaction	1.5	Corporate Office
Center Tour	Operations Manual	2.5	Corporate Office
Enrollment Sales Presentation	Operations Manual and Interaction	7	Corporate Office
Diet Center Exclusive Software	Business Management Manual, CD and Interaction	2	Corporate Office
Client Enrollment Forms	Operations Manual and Interaction	2	Corporate Office
Sales Continued	Interaction	3	Corporate Office
Counseling	Behavior Guidance Manual, , Handouts and Interaction	3	Corporate Office
Behavior Guidance - Lifestyle Design	Behavior Guidance Manual, Handouts and Interaction	2	Corporate Office
Business Plan	Business Management Manual and Interactive Dialogue	1	Corporate Office
Hiring	Business Management Manual	1	Corporate Office
Job Descriptions	Business Management Manual	1	Corporate Office
Goals	Business Management Manual	1	Corporate Office
Center Management	Business Management Manual	1	Corporate Office
Operating the Center/Return on Investment Strategy	Business Management Manual	2	Corporate Office
Grand Opening Advertisement	Marketing Manual	1	Corporate Office
Outside Marketing/In-Center Promotions	Marketing Manual	1.5	Corporate Office
Media Tools	PAMS	0.5	Corporate Office
Rebates	Business Management Manual	0.5	Corporate Office
License Fees	Business Management Manual and Computer	0.5	Corporate Office
Required Paperwork to submit	Business Management Manual and Computer	0.5	Corporate Office
Franchise License Agreement	Handouts	1	Corporate Office

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Subject	Instructional Material	Number of Hours of Classroom Training	Location
Review			
Floor Plans	Grand Opening Manual	0.3	Corporate Office
90-day Countdown to Grand Opening	Grand Opening Manual and Handouts	1	Corporate Office
Future Development	Handouts	0.3	Corporate Office
Distribution Procedures	Interactive Dialogue	1.5	Corporate Office
Inventory	Handouts and Interaction	1.5	Corporate Office
On-Site Training	N/A	24	Franchise Location
Laser Body Contouring System or other body contouring system	Handouts	6	Corporate Office
Infrared Body Wrapping System	Handouts	3	Corporate Office

iv. You must attend initial training at times and locations selected by us and additional training programs as we may reasonably require.

v. We do not charge for this initial training, but you must pay the travel and living expenses for you and your employees. The first and third weeks of training occur at our Akron, Ohio headquarters or at an alternative site designated by us. The second week of training occurs at an operating Diet Center location. All staff counselors may attend the first week of training. Only you or your designated manager and those other individuals pre-approved by us may attend the remainder of the training. You must attend all of our regional and local seminars and our annual convention when scheduled. You must pay all of your expenses, including registration and/or program fees, travel, food and lodging.

vi. Our instructors include some of the individuals disclosed in Item 2

Multi-Unit / Area Development Agreement

Site Selection

You must select site(s) within the Development Area within the time schedule for our acceptance. If we review the site(s), and do not accept the site(s), we will not incur any liability for rejecting the site. If we do accept the site, we are not guaranteeing sales volume or making any other kind of warranty. (Section 5 of the Area Development Agreement)

The factors we consider in accepting or rejecting a site are the same as those given above in the Franchise Agreement section. The length of time between signing the Area Development

Agreement and the opening of your Center depends upon how quickly you can locate sites; however, the typical length of time for the first Center is 90 days from lease signing as set forth for an individual franchise. You must comply with the Development Schedule. (Section 2.1 and Exhibit B of the Area Development Agreement)

Other Obligations

If you request any materials in any other language other than English, you must translate all printed materials, including advertising and marketing materials, diet booklets, food journals, labels and inserts, into such languages as local law or customs require at your expense and you must make such materials available to us and all Centers within the Development Area. All originals must be submitted for our approval, copies of which will be maintained at the corporate office and all intellectual property will be owned by the Franchisor.

Ownership of Client List

You will have the right to service and maintain all center clients in your assigned and/or protected Area including retention of the client files and their personal health information for as long as you are licensed, however we own all rights to the list of clients including but not limited to: all client names, e-mail addresses, phone numbers, addresses, etc. We will maintain a list of all clients either manually or electronically. You will be required to submit your list of all new clients to Corporate daily. You will be responsible for servicing, transitioning and protecting the client health information in accordance with Federal HIPAA laws and regulations.

ITEM 12

TERRITORY

You will receive an exclusive assigned and/or protected Area consisting of a defined geographic area ("**Area**"). We establish the Area at the time you sign your franchise agreement. The Area is generally based on a population of approximately 50,000 people. If your zip code or zip codes encompass more than 50,000 people, at our option we may require that you purchase an additional franchise. You may advertise in media that extends beyond your Area with written consent of the corporate office, but you may only sell weight loss and weight control, inch loss and inch control, body contouring or body wrapping products and services, at your specified retail franchise location, and through any approved corporate or community outreach programs. We may not locate another Diet Center within your Area, however, we may establish other businesses, including, weight loss, weight control, inch loss, inch control, body contouring and body wrapping businesses under different names, and may sell products or services under any name, including Diet Center® and Exclusively You®, Instant Shape Up®, DIETFAST® and Advanced Fat Burning 24 Hour Thermogenics®, through other avenues, <u>including the Internet</u>, in your Area. You may lose the exclusivity of your assigned and/or protected Area due to non-compliance in the event you are not in compliance with any provisions of this Agreement. As stated in the previous sentence, you will automatically relinquish the right to territory exclusivity under those conditions. In addition, we reserve the right to proceeding with termination or other remedies under this agreement. Exclusivity will not be reinstated once the infraction is cured. Our Affiliates may sell or distribute the same or similar weight loss programs, services or products in or near the Area under a different trade name.

You may relocate to another acceptable location within your Area **<u>only</u>** with our prior written consent. You do not receive the right to acquire additional franchises within your Area. Beginning 6 months after you open your Center, you must have at least (a) 75 active weight loss clients per week; and (b) Gross Revenues of not less than $26,000 per month. If you fail to maintain these levels, we may require you to meet with us and to attend educational courses. If, after meeting with us and attending educational courses, you still fail to maintain these levels, we may terminate your franchise agreement. You maintain rights to your area even though the population increases.

As of the date of this Disclosure Document, we have not formulated plans or policy to operate or franchise the operation of any business selling services or products under different trade names, service marks or trademark goods similar to or competitive with those to be offered for sale by you except for our Affiliates and our Internet sales programs. We may offer the same or similar products and services through our Internet sales program. We may credit you for Internet sales made to persons residing in your Area. The sales credit will be in accordance with policies adopted periodically by us. Currently, for internet sales in your Area, payments are being made for the amount of product sold less the cost of the product, merchant service fees, and an administrative fee of 6%. You will forfeit any and all possible rebates if you are found to be non-compliant with any of the terms of our Operating System.

Our affiliates, PWLCA and FY3, operate or franchise businesses that may offer weight loss and weight control, inch loss and inch control, body contouring and body wrapping services and associated products in your Area. PWLCA and FY3, or other weight loss companies we may acquire in the future, offer or may offer in the future the same or similar weight loss and weight control, inch loss and inch control, body contouring and body wrapping services and/or associated products from

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their respective centers. If a dispute arises between us and you or you and our Affiliates regarding territory, customers and franchise support, we will consider our contract obligations to you in reaching our decisions.

ITEM 13

TRADEMARKS

We are the owner of the marks. Under the Franchise License Agreement, we grant you the license to use our brand and operating system exclusively to operate the business under the trade name Diet Center. In addition to the trade name Diet Center we also use various trademarks to describe weight loss and weight control, inch loss and inch control, body contouring and body wrapping programs, services, and associated products sold to the general public. By trademark, we mean trade names, trademarks, service marks and logos used to identify your business and products. You may not use any other unapproved brand or unapproved operating system within the confines of this business.

The following trademarks, service marks, trade names, logotypes or other commercial symbols listed below are registered with the United States Patent and Trademark Office and the registrations are on the principal register.

PRINCIPAL
"HOW TO WIN AT THE
LOSING GAME"
Reg. No.: 237,021
Reg. Date: 11-9-79

PRINCIPAL
"DIET CENTER"
Reg. No.: 1,419,558
Reg. Date: 12-2-86

PRINCIPAL
"DIET CENTER"
Reg. No.: 1,440,999
Reg. Date: 6-2-87

PRINCIPAL
"DIET CENTER"
Reg. No.: 1,441,361
Reg. Date: 6-2-87

PRINCIPAL
"DIET CENTER"

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Reg. No.: 1,442,367
Reg. Date: 6-9-87

PRINCIPAL
"DIET CENTER"
Reg. No.: 1,442,042
Reg. Date: 6-9-87

PRINCIPAL
"THE WEIGHT-LOSS PROFESSIONALS"
Reg. No.: 1,495,570
Reg. Date: 7-5-88

PRINCIPAL
"DIET CENTER"
Reg. No.: 1,496,217
Reg. Date: 7-12-88

PRINCIPAL
"EXCLUSIVELY YOU"
Reg. No.: 1,739,246
Reg. Date: 12-8-92

PRINCIPAL
"SUCCESS TO GO!"
Reg. No.: 1,899,348
Reg. Date: 6/13/95

PRINCIPAL
"DIET CENTER ESSENTIALS"
Reg. No.: 2,539,441
Reg. Date: 2-19-02

PRINCIPAL
"INSTANT SHAPE UP"
Reg. No.: 2,901,326
Reg. Date: 11-9-04

PRINCIPAL
DIETFAST
Reg. No.: 3,773,627
Reg. Date: 4-6-10

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PRINCIPAL
DIETFAST
Reg. No.: 3,773,628
Reg. Date: 4-6-10

PRINCIPAL
"DC DELIGHTS"
Reg. No.: 3,999,557
Reg. Date: 7-9-11

PRINCIPAL
"DIETRIGHT.DIETSMART.DIETFAST"
Reg. No.: 4,140,031
Reg. Date: 5-8-12

PRINCIPAL
DIET CENTER logo
Reg. No.: 4,409,573
Reg. Date: 10-1-13

PRINCIPAL
"EXCLUSIVELY YOU ESSENTIALS"
Reg. No.: 4,747,418
Reg. Date: 6-2-15

PRINCIPAL
"INSTANT SHAPE UP ESSENTIALS"
Reg. No.: 4,747,419
Reg. Date: 6-2-15

PRINCIPAL
"DIETFAST ESSENTIALS"
Reg. No.: 4,747,422
Reg. Date: 6-2-15

PRINCIPAL
"DIET CENTER"
Reg. No.: 286,975
Reg. Date: 1-13-84

PRINCIPAL
"DIET CENTER INC. & DESIGN"
Reg. No.: 231,083
Reg. Date:12-1-78

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PRINCIPAL
"HOW TO WIN AT THE LOSING GAME"
Reg. No.: 87,260,156
Reg. Date: Pending

PRINCIPAL
"STA-B-LITE"
Reg. No.: 86,005,248
Reg. Date: 7-9-13

There are not any currently effective material determinations of the patent and trademark office, trademark trial and appeal board, the trademark administrator of any state or any court; pending infringement, opposition or cancellation; or pending material litigation involving the principal trademarks.

You must modify or discontinue the use of a trademark if we modify or discontinue it. If this happens, we will inform you of the new mark designated for your business and you will be responsible for changing your signs and other trademarked items.

You must follow our rules when you use these marks. You cannot use a name or mark as part of a corporate or other business entity name or with modifying words, designs or symbols except for those which we license to you including the names, trademarks or service marks of DCWI, including the words: DCWI, DIET, CENTER, DIET CENTER, WORLDWIDE, PHYSICIANS, WEIGHT, LOSS, WEIGHT LOSS, PWLC, WEIGHT LOSS CENTERS, FORM YOU 3, FY3. 24 HOUR, THERMOGENICS, ADVANCED FAT BURNING, FAT BURNING, LIPOGENICS, BODY CONTOURING, LASER BODY CONTOURING, INFRARED BODY WRAPPING or any other combination of these words. You may not use our registered name to sell or attempt to sell an unauthorized product or service or in a manner not authorized by us.

No agreements limit our right to use or license the use of our trademarks.

You must notify us immediately when you learn about an infringement of or challenge to your use of the trademarks. We are not obligated to take any action but will respond to this information as we think appropriate. If we determine that you have used our trademarks correctly, we are required to defend you, at our cost, against a claim against your use of the trademarks and any cost of judgment or settlement. We will then take the action deemed appropriate.

We are not aware of any infringement issues that could materially affect your use of our Trademark.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a patent or copyright, but you can use the proprietary information in our various Training Manuals. The various Training Manuals are described in Item 11. Although we have not filed an application for a copyright registration for the various Training Manuals, we claim a copyright, and the information is proprietary. Item 11 describes limitations on the use of these manuals by you and your employees. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate. If we discontinue or modify the use of any copyrighted material, you must also do so.

We also claim as a copyright any of the publications we issue to our franchise system from time to time.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We require that you personally and actively participate and engage in the franchised business, but if you have more than one location, you may have certified managers supervise and actively participate and engage in the additional locations. The on-premises manager cannot have an interest or business relationship with any of our business competitors. The manager need not have an ownership interest in a corporate or partnership franchisee. Managers, as well as all employees must execute a Non-Compete/Confidentiality Agreement and conform with the covenants not to compete described in Item 17. You must operate your Center at least 54 hours per week, minimum hours of: 9am to 7pm Monday through Friday and 9am to 1pm on Saturday, and 52 weeks per year. You, or an approved designee, must attend all of our regional and local seminars and our national convention when scheduled.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those goods and services that we have approved in writing. You must offer all goods and services that we designate as required for all franchisees. These required services include but are not limited to the offer of proprietary diet programs, and systems for providing weight loss and weight control, inch loss and inch control, body contouring and body wrapping, select private label and special proprietary products. All products and services offered and sold in the franchised business must be approved by us.

We may add additional authorized services and products or modify the authorized services and products that you are required to offer. There are no limits on our right to do so.

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You are encouraged to market your services in your Area and must receive our consent to market outside your Area.

Refer to Items 8, 9 and 12 of this Disclosure Document.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

	Provision	Section in Agreement	Summary
a.	Term of the agreement	§ 2.4 of Franchise Agreement; § 2 of Area Development Agreement	5 years for Franchise Agreement;
b.	Renewal or extension of the term	§ 2.4 of Franchise Agreement; § 10 of Area Development Agreement	You have a right to renew for two terms of 5 additional years.
c.	Requirements for you to renew or extend	§ 2.4 of Franchise Agreement; § 10 of Area Development Agreement	Receive our approval, sign new Agreement, sign a general release and renovate or modernize your Center to align with the current company standards including but not limited to carpet, paint and signage. You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of the territory will remain the same and the continuing license fee on renewal will not be greater than the continuing license fee that we then impose on similarly-situated renewing franchises.
d.	Termination by you	None	
e.	Termination by us without cause	None	

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	Provision	Section in Agreement	Summary
f.	Termination by us with cause	§ 14 of Franchise Agreement; §§ 7 of Area Development Agreement	As to the franchise agreement, we can terminate, without notice, if you sell any unapproved products, are declared bankrupt, contest the ownership or validity of any of our trademarks, make an unauthorized assignment of the franchise agreement, plead guilty of certain crimes, abandon the Center, fail to correct any government mandated item, or, with notice, if you breach any other provision of the agreement.
g.	"Cause" defined-defaults which can be cured	§ 14.2 of Franchise Agreement; 7 of Area Development Agreement.	Curable defaults: abandonment, notice, citation or summons issued by governmental or non-payment of financial obligations when due. You have 10 days to cure a default once a notice is sent. Notice period is shortened to 5 days to cure a default if you received a prior notice of default within a 24-month period, even if you cure the prior default within the time period in the original termination notice.
h.	"Cause" defined-defaults which cannot be cured	§ 14.1 of Franchise Agreement; § 7 of Area Development Agreement	Non-curable defaults: offering/selling unauthorized products and/or services, bankruptcy, unapproved assignment, contests validity of trademark, failure to cure default, closed business, conviction of felony, endangering public health, unapproved location change, repeated defaults even if cured.
i.	Your obligations on termination/non-renewal	§§ 12.2, 12.3 and 14.4 of Franchise Agreement;	Obligations include complete de-identification, including all brand identifying marks, including signage, assignment of lease if applicable, and payment of amounts due to clients and franchisor. If de-identification takes place prior to one year of operation, you will be subject to the $10,000 liquidated damage and termination fee (also see r. below).
j.	Assignment of contract by us	§ 16.6 of Franchise Agreement; § 8.1 of Area Development Agreement	No restriction on our right to assign.

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	Provision	Section in Agreement	Summary
k.	"Assignment" by you - definition	§ 13 of Franchise Agreement; § 8.2 and 18 of Area Development Agreement	In the franchise agreement assignment includes transfer of contract or assets or ownership change and a transfer of 51% or more of outstanding shares.
l.	Our approval of transfer by franchisee	§ 13.2 of Franchise Agree-ment; §8.2 (c) of Area Development Agreement	In the franchise agreement, we have the right to approve all transfers but will not unreasonably withhold approval
m.	Conditions for our approval of transfer	§ 13.5 of Franchise Agreement; none in Area Development Agreement	You must own and operate the Center for at least 12 months, are in good standing, new franchisee qualifies, transfer fee paid by you, expenses for travel-related costs of a quality assurance review paid by you, transferee approved, general release signed by you, transferee remodels, you turn over your client records and confidential materials.
n.	Our right of first refusal to acquire your business	§ 13.9 of Franchise Agreement; none in Area Development Agreement	If you die or are disabled.
o.	Our option to purchase your business	None	DCWI maintains First Right of Refusal but not an obligation to purchase.
p.	Your death or disability	§ 13.9 of Franchise Agreement; § 18 of Area Development Agreement	We have right of first refusal to purchase franchise at fair market value. Our option is effective for 60 days from the date we receive notice of your death.
q.	Non-competition covenants during the term of the franchise	§ 12.1 of Franchise Agreement; § 12 of Area Development Agreement	No involvement in competing business or diversion of business to a competitor within fifty (50) miles of the center location or its assigned and/or protected Area or of any center and it's assigned and/or protected Area operated by Franchisor or any other Franchisee of Franchisor or any affiliate or successor of Franchisor. For purposes of this restriction, assigned and/or protected Area will also include the internet. In addition to the above, Franchisee will not engage in creating, establishing, or participating in an Internet program utilizing weight loss, weight control, inch loss, inch control, and/or body contouring and body wrapping programs and/or associated products.

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	Provision	Section in Agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	§§ 12.2 and 14.4 of Franchise Agreement; § 12 of Area Development Agreement	No competing business for 2 years within a 50 mile radius of the center location or its assigned and/or protected Area or of any center and it's assigned and/or protected Area operated by Franchisor or any other franchisee of Franchisor or any affiliate or successor of Franchisor. For purposes of this restriction, assigned and/or protected Area will also include the internet. In addition to the above, Franchisee will not engage in creating, establishing, or participating in an Internet program utilizing weight loss, weight control, inch loss, inch control, or body contouring and body wrapping programs and/or associated products.
s.	Modification of the Agreement	§ 16.2 of Franchise Agreement; 13 of Area Development Agreement	No modifications generally but various Training Manuals subject to change.
t.	Integration/ merger clause	§ 16.1 of Franchise Agreement;	Only the terms of the franchise agreement are binding (subject to state law). Any other promises may not be enforceable.
u.	Dispute resolution by arbitration or mediation	§ 16.9of Franchise Agreement; § 22A of Area Development Agreement	To be conducted in Akron, Ohio.
v.	Choice of forum	§ 16.4 of Franchise Agreement; § 22A of Area Development Agreement	Litigation must be in Summit County, Ohio or in the United States District Court for the Northern District of Ohio. This provision varies depending upon the state law of your residence or the law of the state where the Center is located.
w.	Choice of law	§ 16.4 of Franchise Agreement; § 22 of Area Development Agreement	Ohio law applies. This provision varies depending upon the state law of your residence or the law of the state where the Center is located.

Note: These states have statutes which may supersede the franchise agreement i.e. your relationship with us including the areas of termination and renewal of your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133E et seq.], DELAWARE [Code, tit.], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [815 ILCS 705/19 and 705/20], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1-523H.17], MARYLAND [Business Regulation, Title 14, Sections 14-201 through 14-233], MICHIGAN [Stat. Section 19.854 (27)], MINNESOTA (Stat. Section 80C.14],

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MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557-574-13.1-574], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions which may supersede the franchise agreement in your relationship with us including the areas of termination and renewal of your franchise.

Washington Note: If any of the provisions in this Disclosure Document are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of that act will prevail over the inconsistent provisions of the franchise Disclosure Document with regard to any franchise sold in Washington.

The provisions in the franchise agreement permitting termination if you are declared bankrupt may not be enforceable under federal bankruptcy law [11 U.S.C. Section 101 et. seq.].

ITEM 18

PUBLIC FIGURES

At this time we do not use any public figure to promote our franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

Diet Center Worldwide Franchise Operations
January 1, 201~~5~~6 through December 31, 201~~5~~6
(52 Weekly Sales Periods)

New York (10 Units), California (5 Units), New Jersey (4 Units), Washington (3 Units), North Carolina (5, Units), Tennessee (4 Units), Wyoming (1 Unit), New Mexico (1 Unit), Nebraska (2 Units), Missouri (2 Units), Mississippi (3 Units), Michigan (2 Units), Connecticut (1 Unit), Arkansas (4 Units), Arizona (1 Unit), Alabama (1 Unit)

Diet Center Worldwide Inc. Opened Entire 20~~15~~6 Calendar Year 39 Units	Annual 20~~15~~6 Gross Sales	Average Weekly 20~~15~~6 Gross Sales
Highest Gross Revenue Diet Center Worldwide Inc. Location	$ ~~845,038.00~~1,026,133.00	$ ~~16,250.00~~19,733.00
Lowest Gross Revenue Diet Center Worldwide Inc. Location	$ ~~53,376.00~~60,888.00	$~~1026.00~~1,179.00
Average of all 39 Diet Center Worldwide Inc. Locations	$ ~~199,355.00~~177,833.00	$ ~~3,833.00~~3,420.00

- Gross Sales means the entire amount of revenues from the operation of the Centers net of applicable sales tax.
- We have not audited or independently verified the data submitted by the Reporting Franchisees, and no assurance can be offered that the data does not contain inaccuracies that an audit might disclose.
- We excluded the data of 10 franchisees who were not open and operating during the full Measurement Period, or who did not provide complete income data for the Measurement Period.
- We will provide you with written substantiation for the financial performance representation upon reasonable request. Importantly, the success of your franchise will depend largely upon your individual abilities and your market, and the financial results of your franchise are likely to differ, from the results summarized in this Item.
- Other than the preceding financial performance representation, we do not make any additional financial performance representations about a franchisee's future financial performance or the past financial performance of franchised centers. 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 center, however, we may provide you with the actual records of that center. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Charles Sekeres at 395 Springside Dr, Akron, OH 44333; telephone number (800) 800-656-3294, the Federal Trade Commission, and the appropriate state regulatory agencies.

Part II
Average Payroll Costs as a % to Gross Sales
January 1, 201~~5~~6 through December 31, 201~~5~~6

In calendar year 201~~5~~6, the average payroll costs, excluding the Licensee, as a percentage to gross sales for the 39 Centers was ~~18.6~~17.4%.

- Payroll Costs exclude the Licensee's draw, all payroll taxes and any payroll related benefits. The percentage is determined by dividing the Payroll Costs by Gross Sales.
- Licensee's annual draw excludes all payroll taxes and payroll related benefits.
- This analysis does not contain complete information containing the expenses you will incur operating your business.

Part III
Average Cost of Goods Sold as a % of Gross Sales
January 1, 201~~5~~6 through December 31, 201~~5~~6

In Calendar year 201~~5~~6, the average cost of goods sold (products and services) costs, as a percentage of sales for the 39 locations was 34.6%.

Cost of Goods Sold (COGS) includes the cost of all products and services, and shipping costs. The percentage is determined by dividing the COGS by Gross Sales.

This analysis does not contain complete information containing the expenses you will incur in operating your business.

Part IV
Average Ticket

In Calendar year 201~~5~~6, the average ticket for the 39 Centers was $ ~~393~~380.~~11~~78.

Notes:

1. Gross Sales less the Costs of Goods Sold and Payroll Expenses does not reflect the actual potential income of a Center and should not be relied on in calculating profitability. There are a number of fixed and variable costs associated with a Center, not all of which are reflected in the information above and that vary among individual Centers. These expenses, which are likely to be significant, include, but are not limited to, the following: the certain costs listed above, costs described in Items 5, 6 and 7 of this Franchise Disclosure Document, including the 5.5%, 4.5% or 3.5% license fee; interest or finance charges if you finance some or all of the cost of the franchise; depreciation on property and equipment; occupancy costs (including rent, maintenance, insurance and utilities); Center supplies; credit card fees; worker's compensation and general liability insurance; taxes, Advertising Development, Quality Assurance and Local Web Site fund and legal fees and general administrative expenses; any pre-opening or amortization of organization costs; costs associated with regulatory compliance; management costs; fringe benefits; and certain repairs and maintenance. We strongly encourage you to consult with your financial advisors in reviewing the tables and,

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in particular, in estimating the categories and amount of additional expenses you will incur in establishing and operating a Center.

2. You should also be aware that the financial performance of any particular Center might be affected by a number of factors that may vary due to the individual characteristics of the Center. These factors include, but are not limited to: competition from other weight loss centers; appreciation and acceptance of the products offered by your Center in the community in which your Center is located; your efforts; your experience; the quality and effectiveness or your managerial skills; and your decisions with respect to location, following established brand protocols and procedures; meeting recommended advertising commitments, personnel and cost controls; geographic and socioeconomic conditions in you locality; business cycles; the performance of the local, national and world economy.

Some Centers have achieved the sales and expense amounts described above in this Item. Your individual results may differ. There is no assurance that you will achieve the same sales and expense amounts.

Even if you achieve or exceed the highest Center revenues described in this Item, there is no guarantee that your Center will be profitable. We do not represent or guarantee that your Center will be profitable. The gross sales and expense data in the tables is a compilation of information from existing Centers and should not be considered as the actual results that will be realized by you. Gross sales and gross profit do not reflect the actual potential net income of a Center and should not be relied on in calculating profitability. There are a number of fixed and variable costs associated with a Center, not all of which are reflected in the tables and that vary among individual Centers. We do not represent that you can expect to attain any of the results reflected in the tables. Actual results will vary from Center to Center and we cannot estimate or guarantee the results of any specific Center. Actual sales and earnings of a Center are affected by many factors, some of which are noted in this Item, including your own efforts, ability and management of the Center, as well as factors that are beyond your control.

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ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System wide Outlet Summary
For years 2014~~3~~ to 201~~5~~6

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	201~~3~~4	~~6~~54	51~~4~~	3~~10~~
	201~~4~~5	51~~4~~	46~~51~~	5~~3~~
	201~~5~~6	46~~51~~	04~~6~~	6~~5~~
Company Owned	201~~3~~4	0	0	0
	201~~4~~5	0	0	0
	201~~5~~6	0	0	0
Total Outlets	201~~3~~4	5~~6~~4	51~~4~~	3~~10~~
	201~~4~~5	51~~4~~	46~~51~~	5~~3~~
	201~~5~~6	46~~51~~	40~~6~~	6~~5~~

Table No. 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For years 2013 to 2015

State	Year	Number of Transfers
~~Alabama~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Alaska~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Arizona~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~

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Arkansas	201~~3~~4	1
	201~~4~~5	1
	201~~5~~6	0
~~California~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Colorado~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Connecticut~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Delaware~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Florida~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Georgia~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Hawaii~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Idaho~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Illinois~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Indiana~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Iowa~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Kansas~~	~~2013~~	~~0~~
	~~2014~~	~~0~~

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	~~2015~~	~~0~~
~~Kentucky~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Louisiana~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Maine~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Maryland~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Massachusetts~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Michigan~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Minnesota~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
Mississippi	201~~3~~4	0
	201~~4~~5	1
	201~~5~~6	0
~~Missouri~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Montana~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Nebraska~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Nevada~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~New Hampshire~~	~~2013~~	~~0~~

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	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~New Jersey~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~New Mexico~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~New York~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~North Carolina~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~North Dakota~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Ohio~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Oklahoma~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Oregon~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Pennsylvania~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Rhode Island~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~South Carolina~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~South Dakota~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~

~~Tennessee~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Texas~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Utah~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Vermont~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Virginia~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Washington~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~West Virginia~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Wisconsin~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~Wyoming~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
~~District of Columbia~~	~~2013~~	~~0~~
	~~2014~~	~~0~~
	~~2015~~	~~0~~
Totals	**201~~3~~4**	**1**
	201~~4~~5	**2**
	201~~5~~6	**0**

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Table No. 3
Status of Franchised Outlets
For years 20143 to 20156

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-renewals	Reacquired By Franchisor	Ceased Operations Other Reason	Outlets at End of the Year
Alabama	20134	1	0	0	0	0	0	1
	20154	1	0	0	0	0	0	1
	20156	1	0	0	1	0	0	0
~~Alaska~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Arizona	20134	1	0	0	0	0	0	1
	20145	1	0	0	0	0	0	1
	20156	1	0	0	0	0	0	1
Arkansas	20134	4	0	0	0	0	0	4
	20145	4	0	0	0	0	0	4
	20156	4	0	0	0	0	0	4
California	20134	5	0	0	0	0	0	5
	20145	5	0	0	0	0	0	52
	20156	5	0	0	0	0	1	4
Colorado	20134	1	0	0	0	0	1	0
	20145	0	0	0	0	0	0	0
	20156	0	0	0	0	0	0	0
Connecticut	20134	1	0	0	0	0	0	1
	20145	1	0	0	0	0	0	1
	20156	1	0	0	0	0	0	1
Delaware	20134	0	0	0	0	0	0	0
	20145	0	0	0	0	0	0	0
	20156	0	0	0	0	0	0	0
Florida	20134	1	0	0	0	0	1	0
	20145	0	0	0	0	0	0	0
	20156	0	0	0	0	0	0	0
~~Georgia~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~

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	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Hawaii~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Idaho~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Illinois~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Indiana~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Iowa~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Kansas~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Kentucky~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Louisiana	201~~3~~4	2	0	0	0	0	1	1
	201~~4~~5	1	0	0	0	0	1	0
	201~~5~~6	0	0	0	0	0	0	0
~~Maine~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Maryland~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Massachusetts~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Michigan	201~~3~~4	1	0	0	0	0	0	1
	201~~4~~5	1	1	0	0	0	0	2
	201~~5~~6	2	0	0	0	0	0	~~2~~1

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~~Minnesota~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Mississippi	201~~3~~4	3	0	0	0	0	0	3
	201~~4~~5	3	0	0	0	0	0	3
	201~~5~~6	3	0	0	0	0	0	3
Missouri	201~~3~~4	3	0	0	0	0	1	2
	201~~4~~5	2	0	0	0	0	0	2
	201~~5~~6	2	0	0	0	0	0	2
~~Montana~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Nebraska	201~~3~~4	3	0	0	0	0	1	2
	201~~4~~5	2	0	0	0	0	0	2
	201~~5~~6	2	0	0	0	0	0	2
~~Nevada~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~New Hampshire~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
New Jersey	201~~3~~4	3	1	0	0	0	0	4
	201~~4~~5	4	0	0	0	0	0	4
	201~~5~~6	4	0	0	0	0	0	~~4~~3
New Mexico	201~~3~~4	1	0	0	0	0	0	1
	201~~4~~5	1	0	0	0	0	0	1
	201~~5~~6	1	0	0	0	0	0	1
New York	201~~3~~4	14	0	0	0	0	2	12
	201~~4~~5	12	0	0	0	0	0	12
	201~~5~~6	12	0	0	1	0	2	~~9~~5
North Carolina	201~~3~~4	6	0	0	0	0	1	5
	201~~4~~5	5	0	0	0	0	0	5
	201~~5~~6	5	0	0	0	0	2	3
~~North Dakota~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~

______________ Initials

Ohio	201~~3~~4	0	0	0	0	0	0	0
	201~~4~~5	0	0	0	0	0	0	0
	201~~5~~6	0	1	0	0	0	0	1
~~Oklahoma~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Oregon~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Pennsylvania~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Rhode Island~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~South Carolina~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~South Dakota~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Tennessee	201~~3~~4	4	0	0	0	0	0	4
	201~~4~~5	4	0	0	0	0	0	4
	201~~5~~6	4	0	0	0	0	0	4
Texas	201~~3~~4	1	0	0	0	0	1	0
	201~~4~~5	0	0	0	0	0	0	0
	201~~5~~6	0	1	0	0	0	0	~~1~~0
Utah	201~~3~~4	1	0	0	0	0	1	0
	201~~4~~5	0	0	0	0	0	0	0
	201~~5~~6	0	0	0	0	0	0	0
~~Vermont~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Virginia	201~~3~~4	2	0	0	0	0	1	1
	201~~4~~5	1	0	0	0	0	1	0
	201~~5~~6	0	0	0	0	0	0	0
Washington	201~~3~~4	4	0	0	0	0	0	4

______________ Initials

	201~~4~~5	4	0	0	0	0	1	3
	201~~5~~6	3	0	0	0	0	0	~~3~~1
~~West Virginia~~	~~2013~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2014~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
Wisconsin	201~~3~~4	1	0	0	0	0	0	1
	201~~4~~5	1	0	0	0	0	1	0
	201~~5~~6	0	0	0	0	0	0	0
Wyoming	201~~3~~4	1	0	0	0	0	0	1
	201~~4~~5	1	0	0	0	0	0	1
	201~~5~~6	1	0	0	0	0	0	1
District of Columbia	201~~3~~4	0	0	0	0	0	0	0
	201~~4~~5	0	0	0	0	0	0	0
	201~~5~~6	0	0	0	0	0	0	0
Totals	201~~3~~4	64	1	0	0	0	11	54
	201~~4~~5	54	1	0	0	0	4	51
	201~~5~~6	~~51~~46	2	0	2	0	5	~~46~~40

Table No. 4
Status of Company-Owned Outlets
For years 201~~3~~4 to 201~~5~~6

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired By Franchisor	Ceased Operations Other Reason	Outlets at End of the Year
~~Alabama~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Alaska~~	~~2013~~							
	~~2014~~							
	~~2015~~							

_______________ Initials

~~Arizona~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Arkansas~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~California~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Colorado~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Connecticut~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Delaware~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Florida~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Georgia~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Hawaii~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Idaho~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Illinois~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Indiana~~	~~2013~~							
	~~2014~~							
	~~2015~~							

_____________ Initials

~~Iowa~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Kansas~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Kentucky~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Louisiana~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Maine~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Maryland~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Massachusetts~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Michigan~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Minnesota~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Mississippi~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Missouri~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Montana~~	~~2013~~							
	~~2014~~							
	~~2015~~							

_____________ Initials

~~Nebraska~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Nevada~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~New Hampshire~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~New Jersey~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~New Mexico~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~New York~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~North Carolina~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~North Dakota~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Ohio~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Oklahoma~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Oregon~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Pennsylvania~~	~~2013~~							
	~~2014~~							

_______________ Initials

	~~2015~~							
~~Rhode Island~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~South Carolina~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~South Dakota~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Tennessee~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Texas~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Utah~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Vermont~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Virginia~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Washington~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~West Virginia~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Wisconsin~~	~~2013~~							
	~~2014~~							
	~~2015~~							
~~Wyoming~~	~~2013~~							

______________ Initials

	~~2014~~							
	~~2015~~							
~~District of Columbia~~	~~2013~~							
	~~2014~~							
	~~2015~~							
Totals	**201~~3~~4**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	20~~1~~54	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2~~0~~615	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 5
Projected Openings as of December 31, 201~~5~~6

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
~~Alabama~~	~~0~~	~~0~~	~~0~~
~~Alaska~~	~~0~~	~~0~~	~~0~~
~~Arizona~~	~~0~~	~~0~~	~~0~~
Arkansas	1	1	0
California	0	1	0
~~Colorado~~	~~0~~	~~0~~	
~~Connecticut~~	~~0~~	~~0~~	~~0~~
~~Delaware~~	~~0~~	~~0~~	~~0~~

______________ Initials

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
~~Florida~~	~~0~~	~~0~~	~~0~~
Georgia	0	1	0
~~Hawaii~~	~~0~~	~~0~~	~~0~~
~~Idaho~~	~~0~~	~~0~~	~~0~~
~~Illinois~~	~~0~~	~~0~~	~~0~~
~~Indiana~~	~~0~~	~~0~~	~~0~~
~~Iowa~~	~~0~~	~~0~~	~~0~~
~~Kansas~~	~~0~~	~~0~~	~~0~~
~~Kentucky~~	~~0~~	~~0~~	~~0~~
~~Louisiana~~	~~0~~	~~0~~	~~0~~
~~Maine~~	~~0~~	~~0~~	~~0~~
~~Maryland~~	~~0~~	~~0~~	~~0~~
~~Massachusetts~~	~~0~~	~~0~~	~~0~~
Michigan	0	1	0
~~Minnesota~~	~~0~~	~~0~~	~~0~~
~~Mississippi~~	~~0~~	~~0~~	~~0~~
	~~0~~	~~0~~	~~0~~

_______________ Initials

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
~~Missouri~~			
~~Montana~~	~~0~~	~~0~~	~~0~~
Nebraska	~~0~~1	~~1~~0	0
~~Nevada~~	~~0~~	~~0~~	~~0~~
~~New Hampshire~~	~~0~~	~~0~~	~~0~~
New Jersey	0	2	0
~~New Mexico~~	~~0~~	~~0~~	~~0~~
New York	1	2	0
North Carolina	0	~~0~~2	0
North Dakota	0	0	0
Ohio	~~3~~0	~~0~~3	0
~~Oklahoma~~	~~0~~	~~0~~	~~0~~
~~Oregon~~	~~0~~	~~0~~	~~0~~
Pennsylvania	0	~~0~~2	0
~~Rhode Island~~	~~0~~	~~0~~	~~0~~
~~South Carolina~~	~~0~~	~~0~~	~~0~~
~~South Dakota~~	~~0~~	~~0~~	~~0~~

_____________ Initials

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Tennessee	0	~~2~~1	0
~~Texas~~	~~0~~	~~0~~	~~0~~
~~Utah~~	~~0~~	~~0~~	~~0~~
~~Vermont~~	~~0~~	~~0~~	~~0~~
~~Virginia~~	~~0~~	~~0~~	~~0~~
~~Washington~~	~~0~~	~~0~~	~~0~~
~~Wisconsin~~	~~0~~	~~0~~	~~0~~
~~Wyoming~~	~~0~~	~~0~~	~~0~~
~~District of Columbia~~	~~0~~		~~0~~
Totals	~~5~~1	~~14~~7	0

Exhibit G lists the names of all current franchises and the addresses and telephone numbers of their outlets as of December 31, 201~~5~~6 and current within 90 days from the date of this disclosure.

Exhibit H lists city and state, and the current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have signed confidentiality clauses with 0 current or former franchisees. Each confidentiality agreement was entered into as part of a settlement of a dispute between us and the current or former franchisee. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with DCWI. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

ITEM 21

FINANCIAL STATEMENTS

The financial statements listed below are attached in the following order as Exhibit "I" to this Disclosure Document:

1. The audited financial statements of HMG for the period ended December 31, 201~~5~~6.

ITEM 22

CONTRACTS

The following contracts are attached:

Franchise Agreement - Exhibit "A".
Area Development Agreement - Exhibit "B".

ITEM 23

RECEIPT PAGES

The Receipt Pages are located at the end of this Franchise Disclosure Document following all disclosure and offering materials.

RECEIPT
Diet Center Worldwide, Inc.
395 Springside Drive
Akron, OH 44333-2496
(800) 656-3294

THIS DISCLOSURE DOCUMENT SUMMARIZES PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF DCWI OFFERS YOU A FRANCHISE, DCWI MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU BY THE EARLIEST OF:

a. THE FIRST PERSONAL MEETING TO DISCUSS OUR FRANCHISE; OR
b. FOURTEEN CALENDAR DAYS BEFORE SIGNING OF ANY BINDING Agreement: OR
c. FOURTEEN CALENDAR DAYS BEFORE ANY PAYMENT TO DCWI.

YOU MUST ALSO RECEIVE A FRANCHISE AGREEMENT CONTAINING ALL MATERIAL TERMS AT LEAST SEVEN CALENDAR DAYS BEFORE YOU SIGN ANY FRANCHISE AGREEMENT. IF DCWI 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 TO THE APPROPRIATE STATE AGENCY AS LISTED IN EXHIBIT “F”

DCWI authorizes Franchisor’s Sales Agent: Lori Duff, Director of Franchise Development to sell franchise: 395 Springfield Drive, Akron, OH 44333-2496, 800-656-3294. Agent for Service of Process in Ohio is Charles E. Sekeres.

I have received a Franchise Disclosure Document dated ~~March 31, 2016~~ April 20, 2017 except as to those states listed on Exhibit J for which the date set forth on that Exhibit is the Effective Date for such state. This Disclosure Document included the following Appendix and Exhibits:

EXHIBIT “A”	FRANCHISE AGREEMENT (APPENDIXES A – G)
EXHIBIT “B”	AREA DEVELOPMENT AGREEMENT
EXHIBIT “B1”	LIPOGENICS AGREEMENT
EXHIBIT “B2”	INFRARED BODY WRAPPING ADDENDUM
EXHIBIT “C”	TABLE OF CONTENTS - VARIOUS TRAINING MANUALS
EXHIBIT “D”	AGENTS FOR SERVICE OF PROCESS
EXHIBIT “E”	SUMMARY OF APPLICABLE LAWS AND REGULATIONS
EXHIBIT “F”	LIST OF STATE ADMINISTRATORS
EXHIBIT “G”	LIST OF CURRENT DIET CENTER FRANCHISES
EXHIBIT “H”	LIST OF DIET CENTER FORMER FRANCHISEES
EXHIBIT “I”	FINANCIAL STATEMENTS
EXHIBIT “J”	EFFECTIVE DATE OF FRANCHISE DISCLOSURE DOCUMENT BY STATE
EXHIBIT “K”	STATE SPECIFIC ADDENDUM (IF APPLICABLE)
EXHIBIT “L”	RECEIPT

____________________________ ____________________________
Date Prospective Franchisee Signature

____
Print Name

__________ Initials

Field Cod

DIET CENTER WORLDWIDE, INC.
FRANCHISE AGREEMENT

FRANCHISE IDENTIFICATION

FRANCHISEE: ____

CENTER ADDRESS: ____

____

CENTER NUMBER: ______________

CORPORATE NAME (IF ANY): __________________________________

EFFECTIVE DATE: ___________

EXPIRATION DATE: ___________

This packet contains multiple documents and contracts. It is bound together solely for the convenience of the parties.

DIET CENTER WORLDWIDE, INC.
FRANCHISE LICENSE AGREEMENT
TABLE OF CONTENTS

_______________ Initials

______________ Initials

DIET CENTER WORLDWIDE, INC FRANCHISE LICENSE AGREEMENT

THIS AGREEMENT made and entered into effective on the date signed by the parties, or if signed on separate dates, effective on the latter date signed, as set forth on the signature page of this Agreement, at Akron, Ohio, between **DIET CENTER WORLDWIDE, INC.,** an Ohio corporation (hereinafter referred to as "DCWI"), and ______________________________ (hereinafter referred to as "Franchisee").

RECITALS

A. DCWI has expended time, money and effort to develop a unique weight loss and weight control, inch loss and inch control body contouring and body wrapping business under the name of "Diet Center." Individual centers are referred to as the "Diet Center" or the "Center." Diet Center is characterized by a unique system which includes operating methods and procedures, proprietary and nonproprietary diet system programs for providing weight loss and weight control, inch loss and inch control, body contouring and body wrapping services and products (the "System"). DCWI uses and licenses certain trademarks, service marks and trade dress, including "Diet Center" and associated logo, and may hereafter adopt, use and license additional trademarks, service marks and trade dress (collectively, the "Marks") in conjunction with the operation of the Centers.

B. Franchisee desires to enter into this Agreement regarding the operation of one Center to be operated under the System. Franchisee also desires to enter into the Agreement to offer at the Center such required program or programs and such required product or products as DCWI may from time to time designate (the "Required Program").

NOW, THEREFORE, in consideration of the foregoing premises and of the covenants herein contained, the parties hereby agree as follows:

SECTION 1
ACKNOWLEDGMENTS

1.1 Unique Business. DCWI has developed a unique system for preparing and marketing the Required Program or Programs pursuant to trade secrets, standards and specifications designed to maintain uniform high quality of product, service and national image. DCWI has also developed and owns and/or has the right to use certain trademarks and service marks, which enjoy a national reputation. Franchisee recognizes the value of the System, the Marks and continued uniformity of the Diet Center image. In order to enhance the value of the System, the Marks and the goodwill associated therewith, this Agreement places detailed and substantial obligations on Franchisee including strict adherence to DCWI's reasonable present and future requirements regarding menu items, advertising, physical facilities, Operations Manual, and marketing and advertising programs. Future improvements will be required in the Center. The rights granted to Franchisee are for a limited time. Their value derives principally from certain of the Marks and associated goodwill, designs, proprietary food products and nutritional products, programs, operating systems and processes developed at considerable expense and effort. BEFORE SIGNING THIS AGREEMENT, FRANCHISEE SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL.

1.2 Independence. FRANCHISEE ACKNOWLEDGES THAT (1) THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED HEREIN INVOLVES SUBSTANTIAL RISKS AND DEPENDS UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON AND THE FRANCHISEE'S ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BUSINESS, AND (2) NO ASSURANCE OR WARRANTY, EXPRESS OR IMPLIED, HAS BEEN GIVEN AS TO THE POTENTIAL SUCCESS OF SUCH BUSINESS VENTURE OR THE GROSS REVENUES, VOLUME OR EARNINGS LIKELY TO BE ACHIEVED, AND (3) NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH HEREIN, IS BINDING ON DCWI IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT, AND (4) FRANCHISEE ACKNOWLEDGES THAT THEY ARE RESPONSIBLE TO COMPLY WITH THE LAWS OF THEIR STATE, CITY AND MUNICIPALITY INCLUDING BUT NOT LIMITED TO ANY STATE BONDING REQUIREMENTS, LICENSING, ZONING RESTRICTIONS, SIGNAGE, ETC.

SECTION 2
GRANT AND TERM OF FRANCHISE

2.1 Grant. DCWI hereby grants to Franchisee a license to operate one (1) Center within the assigned and/or protected Area described on Exhibit A (the "Area") for a term of five (5) years with two additional (5) year renewal options. The Area defined in this Agreement relates to competition from other Diet Centers.

In addition, DCWI hereby grants to Franchisee during the term of this Agreement, a license to market the Required Programs at the Center, and through any approved corporate or community outreach programs, or only such other programs and products as DCWI may from time to time notify Franchisee in writing are to be sold by Franchisee at the Center. You may only sell DCWI approved products and services at your specified retail franchise location, and through any approved corporate or community outreach programs. Franchisee may not discontinue the sale of, or otherwise fail to offer to sell, any product in the Required Programs at the Center at any time during the term of this Agreement.

2.2 Rights to Marks. All rights in and to the Marks and any part thereof or addition thereto and the use thereof, and such other marks as DCWI may designate, shall be and remain the property of DCWI, and Franchisee shall assign, transfer, and convey to DCWI, by such instrument in writing as may be requested, all additional rights which may be acquired, if any, by reason of the use of such name by Franchisee. Any application for registration by Franchisee to use the name "Diet Center," "DCWI", or other such name derivative which may be required or needed by the statutes, laws or regulations of any governing body, shall specify that Franchisee's use of such name is limited to the Area and by the terms of this Agreement. No property right in or privilege to use such name is created which will extend beyond termination of this Agreement. Franchisee shall neither interfere with nor attempt in any manner to prohibit the use of registration of the Marks by DCWI or any other franchisee of DCWI.

Franchisee will strictly comply with the requirements and instructions of DCWI regarding the use of the Marks in connection with the Center. Franchisee acknowledges that the goodwill associated with the Marks is and will remain the exclusive property of DCWI and that Franchisee will derive no benefit from such goodwill except through profit received from the operation or possible sale of the Center during the term of this Agreement, which is subject to early termination as set forth herein. Any increase in value of the goodwill associated with the Marks will inure to the benefit of DCWI and all right to use the Marks shall revert automatically, at no cost, to DCWI. Franchisee shall not use any of the Marks or offer any products or services on the Internet except in compliance with DCWI's then current policies, which may permit or prohibit such usage as DCWI, in its sole discretion, shall determine from time to time. Franchisees use of the Internet, in any manner, shall require the written consent of DCWI.

Franchisee expressly acknowledges that the use of any other trade name, not specifically approved by DCWI, in conducting such business of this Franchise is strictly prohibited, and that Franchisee shall not include any of the names trademarks, service marks of DCWI including the words; DCWI, DIET, CENTER, DIET CENTER, WORLDWIDE, PHYSICIANS, WEIGHT, LOSS, WEIGHT LOSS, PWLC, WEIGHT LOSS CENTERS, FORM YOU 3, FY3, 24 HOUR, THERMOGENICS, ADVANCED FAT BURNING, FAT BURNING, LIPOGENICS, BODY CONTOURING, LASER BODY CONTOURING, INFRARED BODY WRAPPING or any substantially similar style or spelling thereof, to be used for any other purpose, including the formation of corporations, partnerships, business associations or any form of business organization without the express written consent of DCWI.

2.3 Acceptance. Franchisee does hereby accept the grant described above and agrees to operate the Center during the term of this Agreement in accordance with this Agreement.

2.4 Term and Renewal Option.

(a) This Agreement shall be for a term of five (5) years expiring five (5) years after the date of this Agreement, unless sooner terminated pursuant to the terms of this Agreement. Franchisee if in compliance, may renew the Agreement for two additional (5) year terms as described below.

(b) **Franchisee's Option to Acquire a Successor Franchise**. Subject to the provisions of this Section, not less than one hundred eighty (180) days nor more than two hundred seventy (270) days prior to the

expiration of this Agreement , if Franchisee has substantially complied with this Agreement during its term, subject to the conditions contained in Section 2.4(c) below, Franchisee shall have the option to acquire a successor franchise for two terms of five (5) years for each term for the Center on the terms and conditions of DCWI's then current Franchise Agreement for Centers. At that time, Franchisee shall pay a non-refundable renewal fee of $1,000.

(c) **Grant of a Successor Franchise**. Franchisee shall give DCWI written notice of its election to acquire a successor franchise and pay a non-refundable renewal fee of $1,000 not less than one hundred eighty (180) days nor more than two hundred seventy (270) days prior to the expiration of this Agreement. If Franchisee fails to notify DCWI within this time, Franchisee will be required to apply for a new franchise and be subject to the then current franchise fee and other fees charged by DCWI to new franchisees. Not more than ninety (90) days after receipt of Franchisee's notice, DCWI will give Franchisee written notice of DCWI's decisions to grant or not to grant a successor franchise (based on the criteria specified in Section 2.4(b) above) to Franchisee and/or its willingness to grant a successor franchise on condition that deficiencies of the Center, the premises, or the operation of the Center are corrected. Such notice shall state the actions Franchisee must take to correct such deficiencies and the time period in which to do so. Franchisee's right to acquire a successor franchise shall be subject to Franchisee's compliance with all the terms of this Agreement up to the date of expiration and may be granted conditionally, at the Franchisors discretion, subject to updating, remodeling and/or expanding the Center, replacement of equipment, fixtures, furnishings and signs, and decorating or other obligations with respect to the Center or the premises to be completed before commencement of the term of successor franchise.

DCWI shall give Franchisee written notice of a decision not to grant a successor franchise based upon Franchisee's failure to cure deficiencies not less than thirty (30) days prior to the expiration of this Agreement; provided, however, that DCWI shall not be required to give such notice to Franchisee if DCWI decides not to grant a successor franchise due to Franchisee's violation of this Agreement during the thirty (30)-day period prior to its expiration (or ten (10) day period if the violation is for non-payment of fees or the cost of products purchased). In the event DCWI fails to give Franchisee: (a) notice of deficiencies of the Center or the premises, or in Franchisee's operation of the Center within ninety (90) days after the receipt of Franchisee's timely election to acquire a successor franchise; or (b) notice of DCWI's decision not to grant a successor franchise (subject to the provisions above) at least thirty (30) days prior to the expiration of this Agreement, DCWI may extend the term of this Agreement for such period of time as is necessary in order to provide Franchisee reasonable time to correct deficiencies or the thirty (30) days' notice (or ten (10) days' notice, as the case may be) of DCWI's refusal to grant a successor franchise required hereunder.

(d) **Agreements/Releases**. If DCWI grants a successor franchise to Franchisee, DCWI and Franchisee (its shareholders, members, partners and guarantors, if applicable) shall execute the form of Franchise Agreement and any ancillary agreement DCWI then customarily uses in granting franchises for the operation of Centers. Franchisee and Franchisee's shareholders, members or partners (if Franchisee is a corporation, limited liability company or partnership) shall execute general releases, in forms satisfactory to DCWI, of any and all claims against DCWI and its affiliates and their officers, directors, employees, agents, successors and assigns. Failure by Franchisee (and its shareholders, members or partners) to sign such agreements and releases within sixty (60) days after delivery thereof to Franchisee shall be deemed an election by Franchisee not to acquire a successor franchise.

2.5 Rights Reserved. Except as otherwise provided, DCWI retains the right, in its sole discretion, to:

(a) establish and operate, and license others to establish and operate, a Center outside the Area using the System and the Marks;

(b) establish and operate, and license others to establish and operate, businesses under other proprietary marks or other systems, whether such businesses are the same, similar, or different from the System, and whether within or outside the Area;

(c) sell (itself or through designees) or distribute products utilizing the Marks through outlets other than the Center, whether located within or outside of the Area;

(d) utilize certain employees, officers and directors of DCWI, in the service or employ of DCWI's affiliates or for those companies who may become Affiliates subsequent to the date of your execution of this Agreement;

(e) sell or distribute the same or similar weight loss programs, services or products through the Internet, whether within or outside the Area; and

(f) establish other channels of distribution selling the same or similar products or services, whether within

or outside the Area.

2.6 Loss of Exclusivity. So long as Franchisee is in compliance with the terms and conditions of this Agreement, including but not limited to, timely payment of License Fees, offering of the Required Program or Programs and related product or products, meeting the minimum quotas for spending on local advertising, monthly gross revenues and weekly active client traffic, and all required reporting systems, DCWI will not grant rights to open any other Center within the Area during the term of this Agreement, without the written consent of Franchisee.

SECTION 3
DEVELOPMENT OF CENTER AND OPERATING STANDARDS

3.1 Construction and Equipment. Franchisee agrees that the Center shall in all respects be constructed, established, equipped and prepared to conduct business in strict compliance with all plans, specifications and requirements prescribed by DCWI and that any material deviations from DCWI standard plans, specifications and requirements shall be approved in writing by DCWI. DCWI will provide you with a Style Guide for specific merchandising requirements which may be updated from time to time in our sole discretion. The Center will be equipped with all of the equipment necessary to offer the System and Required Program(s), including, but not limited to, a PC computer with such specifications as DCWI may require, a monitor, printer, body composition analyzer system, scale, cash register, approved Laser Body Contouring machine, and approved Infra-Red Body Wrapping machine if you chose to participate in that program. Each item of equipment shall meet the specifications of DCWI or be purchased from DCWI's approved suppliers. Franchisee will promptly correct any unapproved deviations, at its sole cost and expense.

3.2 Products and Services. Franchisee will have available for sale in the Center all required, and or authorized products and services. Franchisee shall also have available for sale those optional products and services as DCWI shall have specifically approved. Franchisee shall purchase the required and optional products or services only from DCWI and will sell only those approved products and services that have been purchased from DCWI. Franchisee shall purchase or lease the required and optional equipment only from DCWI or its approved vendors. DCWI may, from time to time, amend the list of approved products, services and equipment.

3.2.1 POS System. Franchisee will be required to have a POS System as follows; ShopKeep POS, Clover, Quickbooks, or any other approved system. Further specifications can be found in the manuals.

3.3 Operations. Franchisee shall diligently develop the business of the Center and use its best efforts to market and promote only the Required Programs with their required products and such additional programs with their required products as DCWI shall designate from time to time. Franchisee will strictly comply with all standards, specifications, processes, procedures, requirements, and instructions of DCWI regarding the operation of the Center, which now exist or may be established from time to time. Franchisee will pay all debts and taxes in connection with the Center and its business when due including debts payable to DCWI and its affiliates.

3.3.1 Minimum Quotas. Beginning 6 months after you open your Center, you must have at least (a) 75 active weight loss clients per week; and (b) Gross Revenues of not less than $26,000 per month. If you fail to maintain these levels, we may require you to meet with us and to attend educational courses. If, after meeting with us and attending educational courses, you still fail to maintain these levels, we may terminate your franchise agreement.

3.3.2 Population. Should the population in your exclusive assigned and/or protected Area increase, you maintain rights to your area.

3.3.3 Client Testimonials and Ownership of Client List. Franchisee is required to provide Franchisor (DCWI) with a minimum of two (2) client testimonials each quarter. The testimonials must be submitted utilizing the Testimonial Submission Kit including a signed release allowing DCWI to use the before and after images in any and all advertising media's.

Franchisee will have the right to service and maintain all center clients in their assigned and/or protected Area including retention of the client files and their personal health information, so long as they are compliant with their franchise license agreement, however DCWI owns all rights to the list of clients including but not limited to: all client names, e-mail addresses, phone numbers, addresses, etc. DCWI will maintain a list of all clients either manually or electronically. Franchisee will be required to submit their list of all new clients to DCWI daily. You will also be responsible for servicing, transitioning and protecting the client health information in accordance with Federal HIPAA laws and regulations.

3.4 Compliance with Laws. Franchisee, the Center and its business will comply with applicable laws, ordinances and governmental rules, regulations and other requirements, including health and sanitation requirements, and shall promptly advise DCWI if such compliance conflicts with any other requirement of this Agreement. Franchisee will comply with, work with DCWI and execute any necessary documents with regard to any FTC order, decrees or settlement involving the weight loss industry. Franchisee shall take all necessary and appropriate measures to avoid an unsatisfactory or equivalent safety, sanitation, or health rating at any time from any governmental agency or authority, and that conditions or practices disapproved by any such agency or authority are promptly corrected except that, after consultation and written agreement with DCWI by Franchisee, Franchisee may contest the action by such agency or authority as being arbitrary, capricious, unfair and unwise. Franchisee shall comply with all Federal HIPAA regulations, state and local laws and regulations pertaining to the operation of the Center.

3.5 Franchisee to Set Prices. DCWI shall take no part in determining the prices charged by the Franchisee for products or services of any kind and shall not have control over the day-to-day managerial operations of the Center; provided that, if DCWI has imposed a maximum price on a particular product or service, Franchisee may charge any price for such product or service up to and including the maximum price that DCWI has set. Corporate internet sales will be priced in accordance with corporate guidelines. DCWI reserves the sole right to set prices on its Corporate Internet Website sales. However, franchisees have the right to set their own prices for products on their approved Local Websites. DCWI reserves the right to set maximum pricing on internet sales for products and services.

3.6 Confidential Operations Manual. DCWI will loan to Franchisee a Confidential Operations Manual. The Operations Manual contains specifications, standards and operating procedures prescribed from time to time by DCWI for Centers and information relating to Franchisee’s obligations under this Agreement. Franchisee agrees to comply fully with such obligations and mandatory specifications. The Operations Manual may be modified from time to time to reflect changes in the image, specifications, standards, procedures, approved products and supplies of a Center; provided that no such addition or modification shall alter Franchisee’s fundamental status and rights under this Agreement. Franchisee shall keep its copy of the Operations Manual current. If a dispute relating to the contents of the Operations Manual develops, the master copy maintained by DCWI at its principal office shall control. The Operations Manual remains the property of DCWI. At DCWI’s option, the Confidential Operations Manual may be provided in electronic format either over the internet, by DCWI supplying an appropriate disc or on a tablet. If you require any of the Manuals or program materials to be translated into another language, you must first obtain approval from the Corporate office and cover the entire expense to translate any materials. We will have the right to inspect all materials and ownership interest in translated materials will remain solely with DCWI.

Franchisee agrees that the information contained in the Manual constitute a unilateral addendum to the Agreement. Franchisee will treat the Confidential Operations Manual and trade secrets and know-how of DCWI as confidential, and will not disclose any such information to anyone except employees of Franchisee as necessary for the proper operation of the Center and except other persons authorized by DCWI to receive such information. Franchisee will take reasonable precautions to cause its employees to keep such information confidential by entering into appropriate agreements, in such form as approved by DCWI, with those employees who have access to such information. The Confidential Operations Manual and other information furnished by DCWI in connection with the business of DCWI or the Center will be and remain the property of DCWI and, if in tangible form, will be returned to DCWI at the end of the term of this Agreement. Franchisee shall not copy, duplicate, record or otherwise reproduce all or any part of the Confidential Operations Manual or any other material containing the trade secrets or confidential information concerning DCWI or its trademarks or processes, and shall take all reasonable precautions to prevent its employees from doing so.

3.7 Inspections. To determine whether Franchisee and the Center are complying with this Agreement and with all specifications, quality standards and operating procedures prescribed by the DCWI for the operation of the Center, DCWI or its designated agents shall have the right at any reasonable time and without prior notice to Franchisee to: (i) inspect the Center; (ii) observe the operations of the Center; (iii) remove samples of any products or material for testing and analysis; (iv) interview personnel of the Center; and (v) interview customers of the Center. Franchisee shall present to its customers such evaluation forms as are periodically prescribed by DCWI and shall participate in any surveys performed by and/or on behalf of DCWI. Franchisee will cooperate with DCWI in its exercise of rights under this subsection.

3.8 Non-exclusive Rights. The franchise granted herein to use the name Diet Center and such other marks as DCWI may designate is non-exclusive, and the privileges herein granted are applicable only to the Area and not elsewhere. Franchisee shall display the aforementioned trade name for all purposes, including but not limited to, office signs, stationery, business cards and advertising materials which reflect the current image of DCWI and strict compliance with the requirements set forth in DCWI's Manuals.

3.9 Names. All business cards and stationary of the Franchisee shall carry Franchisee's corporate or individual trade name in addition to the business trade name "Diet Center" and indicate that Franchisee is a licensee of DCWI. Franchise may not use the name Diet Center or any derivative there of or any form for their individual corporate name.

3.10 Personal Appearance. Franchisee acknowledges that the nature of the Diet Center business requires the Franchisee and its employees to maintain their own weight and good personal appearance. Franchisee shall maintain his/her own weight within the limits established by DCWI and shall require all of its employees at the Center to maintain their weight within such limits. All employees shall be clean and neat in appearance.

3.11 Location of Center. Franchisee shall submit to DCWI within forty-five (45) calendar days after the execution of this Agreement and in the form specified by DCWI, a description of a proposed site for the Center within the Area and such other information or materials as DCWI may reasonably require, together with a letter of intent or other evidence satisfactory to DCWI which confirms Franchisee's favorable prospects for obtaining the site. DCWI shall have thirty (30) calendar days after receipt of all such information to accept or reject, in its sole discretion, the proposed site. DCWI's site evaluation shall be based upon such factors as DCWI deems relevant including, without limitation, the written approval of signage on the building meeting current specifications, population, the specific location, demographics, the size of the premises, the availability of parking and other amenities, the dimensions and general layout of the site, the suitability and adaptability of the site as a location for the Center, and such on-site evaluation as DCWI may deem advisable in its sole discretion. DCWI's site acceptance shall not constitute a warranty or representation of any kind as to the success or profitability of the Center at the accepted site. Once DCWI shall have accepted Franchisee's site, Franchisee shall not relocate the Center without DCWI's prior written approval.

3.12 Opening of Business. Recognizing that time is of the essence, the Center shall be open and operating within one hundred eighty (180) calendar days following the acceptance of this Agreement by DCWI and, during the term of this Agreement, must remain open and be operated in accordance with the terms of this Agreement and the confidential Operations Manual. The Center shall be open for business a minimum of fifty-four (54) hours per week and a minimum of*:* 9am to 7pm Monday through Friday and a minimum of: 9am to 1pm on Saturday fifty-two (52) weeks a year, unless otherwise authorized or directed by DCWI.

SECTION 4
TRAINING, MAINTENANCE AND UPGRADING OF CENTER

4.1 Initial Training.

(a) Within ninety (90) calendar days after the execution of this Agreement, and prior to Franchisee's opening the Center, once implemented Franchisee and manager shall first successfully complete DCWI online Education Program, once established, and then the initial training program, both may be modified from time to time by DCWI. DCWI shall provide Franchisee (at times and locations selected by DCWI) with DCWI's training program for new franchisees. Franchisee and manger must first successfully complete the online education program once implemented and

the initial training program, following which Franchisee and manager, if other than the franchisee, shall become certified by DCWI as a trained Diet Center manager. For subsequent locations, Franchisee may send a designated representative responsible for the Center as approved by the Franchisor to be certified by DCWI. DCWI shall provide applicable training materials, and Franchisee shall be responsible for all other expenses of training including without limitation, any travel, food and lodging expenses. If Franchisee is a partnership, a corporation, or a limited liability company, one general partner or a designated shareholder or member shall successfully complete the training program. The Center must have at least two full-time educated counselors certified by DCWI working in the center at all times. One of the full time counselors can be the franchisee.

(b) DCWI shall have the right to terminate this Agreement if, at any time during the initial training program, DCWI, in its sole judgment, concludes that Franchisee does not appear to possess the skills necessary to properly fulfill and discharge the demands and responsibilities required by the System or by this Agreement. Franchisee shall return to DCWI all proprietary training materials, and all copies thereof, received from DCWI by Franchisee.

(c) Upon reasonable request by Franchisee, its employees may participate in DCWI's initial training program after successfully completing the online education program once implemented. DCWI will furnish instructors and training materials without charge, and Franchisee shall be responsible for all other expenses of attending such training including, without limitation, the costs of travel, food, and lodging. Scheduling for such additional training shall be determined by DCWI in its sole discretion.

(d) DCWI shall send one Corporate Representative to Franchisee's Center for not less than three (3) business days and not more than five (5) business days to provide support to a new Franchisee in the Grand Opening of Franchisee's Center based on our standard hours of operation and required attendance by the Franchisee.

(e) Franchisee, Franchisee's designee, or any employee of Franchisee in attendance at the training program shall maintain his or her personal weight within the weight-goal range as established by DCWI.

4.2 Ongoing Training.

(a) Franchisee and each of Franchisee's counselors shall attend (at times and locations selected by DCWI) and satisfactorily complete such training programs as DCWI may reasonably require from time to time. DCWI shall provide applicable training materials and Franchisee shall be responsible for all other expenses of training including, without limitation, the costs of travel, food and lodging.

(b) Franchisee is required to attend DCWI's approved regional and local seminars and annual convention (the "Convention") when scheduled. Franchisee shall be responsible for all expenses of attending the Convention including, without limitation, attendance fees, travel, food and lodging.

4.3 Compliance with Standards. Franchisee shall at all times comply, and cause the Center to comply with all standards, specifications, processes, procedures, requirements and instructions of DCWI regarding the Center's physical facilities, including the layout of furnishings and fixtures, signage and facilities at which Franchisee is permitted by DCWI to store, handle, prepare or transport products used in conjunction with the Required Program or any additional programs.

4.4 Maintenance and Required Remodeling. The Center and everything utilized in the Center shall be maintained in first-class condition and repair and shall be kept clean, neat and sanitary. The Center shall be adequately lighted and operated in a clean, wholesome and sanitary manner consistent with DCWI's requirements. All maintenance, repairs and replacements required by DCWI or needed in connection with the Center shall be promptly made. Notwithstanding any other provision in this Agreement to the contrary, during the term of this Agreement, Franchisee shall be required to remodel and upgrade the Center to the extent and in the image required by DCWI.

4.5 Cost of Improvements. For all changes in or additions of equipment or changes in or additions to the Center required by DCWI, Franchisee will bear the entire cost thereof. Similarly, Franchisee will bear the entire cost of adding equipment and altering the Center for additional Programs, which DCWI may from time to time require. Franchisee acknowledges that additional investment may be required pursuant to this Section.

SECTION 5
SERVICES OF DCWI

5.1 Payment. Franchisee acknowledges and agrees that the initial franchise fee and the monthly license fee hereunder are paid or payable for this license and not for services of DCWI, and any failure by DCWI to provide services shall not excuse Franchisee from paying the initial franchise fee or the license fee. DCWI reserves the right to

pull all funds electronically. Franchisee shall maintain sufficient funds in their account at all times.

5.2 Ongoing Services. DCWI shall offer to Franchisee such initial and continuing services as DCWI deems necessary or advisable in connection with furthering the business of Franchisee and in connection with protecting the Marks and the goodwill of DCWI. Among such continuing services shall be the furnishing of operating advice and training through its representatives, undertaking further refinement of products and equipment, recommending such accounting and business procedures which DCWI believes may be of value, and scheduling and holding from time to time, local, regional and national meetings and seminars for the advancement and dissemination of its methods in processing and marketing the Required Program and the Additional Programs. Although no charge is presently made for services offered to franchisees generally, DCWI may charge for the services, which are presently offered without charge.

5.3 Local Website Program. Franchisees will participate in the establishment of a Local Website in their licensed area which we will provide. Franchisee agrees not to create or establish any other completing DCWI website. Details of this program including Rules and Regulations can be found in the Manuals.

SECTION 6
MODIFICATIONS BY DCWI

6.1 Allowed Modifications. DCWI reserves the right to modify or change the System, Marks, name, the various education programs offered to franchisees and their employees, and the Manuals at any time, and from time to time by the addition, deletion, or other modification to the provisions thereof, and such modification shall be made in the sole judgment of DCWI to protect the Marks and goodwill or to comply with any applicable law, statutes or judicial or administrative decision, or to improve the quality of services, education or products offered.

SECTION 7
FEES

7.1 Initial Franchise Fee. Franchisee shall pay a non-refundable initial franchise fee to DCWI of Thirty Thousand Dollars ($30,000). The initial franchise fee shall be paid in full upon execution of this Agreement.

All references to Dollars in this Agreement refers to United States Dollars.

7.2 Weekly License Fee. Franchisee shall pay DCWI a nonrefundable weekly license fee for each week that the Center is in operation, in the amount set forth below:

Percentage	Annual Gross Revenues
5 ½ %	$0-$100,000
4 ½ %	$100,001-$200,000
3 ½ %	In excess of $200,000

In the event any electronic funds transfer is not honored by your bank for any reason, you agree that you shall be responsible for that payment plus a service charge applied by us and the bank, if any. You further agree that you shall, at all times throughout the term of this Agreement, maintain sufficient funds in your bank account against which such electronic funds transfer shall be drawn for the Diet Center operated under this Agreement.

7.2.1 Internet License Fee. Franchisee shall pay a 6% administration fee on Internet sales. In addition Franchisee will be subject to a merchant service fee ranging from 1% - 4% of sales from products and services. Franchisor will place a local website and URL in your assigned and/or protected Area. Refer to the Manuals for rules and regulations and any rebates you may be entitled to.

7.2.2 Local Website. Franchisee will be granted a website address consistent with the location of their center as based upon their franchise agreement with which to market to registered zip codes within their licensed assigned and/or protected Area designated as dietcenter.com/community (i.e., dietcenter.com/Akron) or any version thereof designated by the Franchisor. In the event Franchisee contractually has more than one zip code, Franchisor will use the center's location as the primary zip code address for this designation. This Local Internet Site will be hosted and maintained exclusively by the Franchisor or its designated third party. The Franchisee will only be permitted to use the assigned internet domain name for the exclusive purpose of marketing the approved products and services of the Diet Center brand. Franchisee will not be permitted to link their Local Internet Site or Franchisor's website to or from any other domain or business, including those that may feature competitive programs and products now or in the future, without express written approval from the Franchisor

7.2.3 Shipping and Handling. Franchisee shall pay a 3% handling charge on all product. Shipping costs will vary based upon Franchisee's location, weight, and quantity of product shipped.

7.3 Method of Payment. All weekly license fee payments, AD/QA/LWS Fund payments, and promissory note payments, if any, made by Franchisee to DCWI under this Agreement shall be made by direct payment. Personal and/or company checks are not acceptable. All direct payments for payments owed to DCWI by Franchisee shall be initiated by DCWI. Franchisee, upon signing this Agreement, shall provide DCWI with a bank account from which Franchisee and DCWI are legally authorized to withdraw funds ("Franchisee's Bank Account"). Such legal authorization to Franchisee's Bank Account shall be provided to DCWI in writing by Franchisee; however, such authorization to DCWI shall be deemed given and effective by Franchisee's signature on this Agreement and DCWI can act on such authorization to initiate a direct payment from Franchisee's Bank Account for any and all payments due under this Agreement. Franchisee further agrees that it will not terminate such authorization as long as this Agreement is in effect. Franchisee agrees not to close Franchisee's Bank Account without prior notice to DCWI and the establishment of a substitute bank account authorizing electronic funds transfers initiated by DCWI. Failure of the Franchisee to provide DCWI with a bank account from which Franchisee and DCWI are legally authorized to withdraw funds and written authorization to DCWI for transferring funds electronically from Franchisee's Bank Account shall be a material intentional default of this Agreement. A return of a direct payment unpaid for any reason for any payment due under this Agreement by Franchisee to DCWI or failure of Franchisee to timely make each payment due under this Agreement by Franchisee to DCWI as set out herein shall be a material default of this Agreement and result in the termination of this Agreement and forfeiture of all monies paid by Franchisee to DCWI. Additionally, Franchisee shall complete and submit to DCWI the Direct Payment Draft Authorization Form set forth on Exhibit G.

7.4 Definition. For purposes of this agreement, Gross Revenues include the total of all monies and receipts derived from programs and products sold and services performed at the Center, at special events and from all sales and orders made, solicited or received at the Center, including but not limited to, weight loss or weight control, inch loss or inch control, body contouring or body wrapping and the amounts received from the sale of protein powders and bars, meal replacement powders and bars, diet kits, diet entrees, cd's, vitamin and mineral supplements, food products, and all other items associated with the Center, whether such revenues are evidenced by cash, credit, checks, gift certificates, script, food stamps, coupons, services, property or other means of exchange and whether such sales are of food, beverages, vending machine items, services, merchandise or products of any nature whatsoever.

7.5 Exclusions. Gross Revenues shall not include: (a) sales or merchants' or other taxes measured on the basis of the gross revenues of the business imposed by governmental authorities directly on sales and collected from customers, provided the taxes are added to the selling price and are in fact paid by Franchisee to the appropriate governmental authorities, or (b) promotional or discount coupons to the extent that Franchisee realizes no revenue through issuance, redemption or otherwise, or (c) credit card fees. Cash refunded and credit given to customers, and receivables uncollectible from customers, shall be deducted in computing Gross Revenues to the extent that such cash, credit or receivables represent amounts previously included in Gross Revenues on which a weekly license fee was paid.

7.6 Revenue Recognition. Gross Revenues shall be deemed received by Franchisee at the time the products, merchandise or services from which they derive are delivered or rendered or at the time the relevant sale takes place, whichever occurs first. Gross Revenues consisting of products or services shall be valued at the prices applicable, at the time such Gross Revenues are received, to the products or services exchanged for such gross revenues.

7.7 **Minimum Gross Revenues**. Commencing six (6) months after grand opening of the Center, and continuing thereafter during the term of this Agreement, Franchisee agrees to achieve and maintain: (a) seventy-five (75) active weight loss clients per week; and (b) Gross Revenues of not less than Twenty Six Thousand Dollars ($26,000) per month. If Gross Revenues, in any three consecutive months per year, fall below the minimum requirement specified above, DCWI may, in its sole discretion, require that:

(a) Franchisee attend a conference at DCWI's headquarters for the purpose of analyzing the operations of the Franchised Business;
(b) Franchisee and/or Franchisee's manager attend and complete an education/training course as designated and conducted by DCWI at its headquarters, for the purpose of improving the work techniques and performance of Franchisee and manager;
(c) All traveling costs and living expenses incurred by Franchisee and Franchisee's manager in attending the above-mentioned conference or education/training course shall be paid by Franchisee;
(d) If Franchisee shall either fail to attend the conference and/or education/training course, or fail to meet the minimum Gross Revenue requirements and minimum of 75 individual active weight loss clients attending the center each week as set forth above for any six (6) month period in any given calendar year after franchisee and/or the Franchisee's manager have completed the education/training refresher course, DCWI shall have the right to terminate this Agreement as set forth herein;
(e) Enter into such Agreements with DCWI as may be reasonably required to affect the purposes of this paragraph.

7.8 **Daily Reports.**

Your information will be uploaded at the end of each work day but no later than midnight through the DMS and will provide DCWI with the following:

(a) Revenue reports setting forth a complete accounting of Franchisee's gross sales revenues to include but not limited to programs sales and product sales, advertising expenditures and such other information as may be required by DCWI;
(b) Such marketing reports as may be required by DCWI;
(c) A list of new clients, together with their names, addresses, telephone numbers, and email addresses; and
(d) Such other reports as may be reasonably required from time to time by DCWI

In the event the Diet Center Client Management System, Data Management System, or required reporting system is in operable, Franchisee shall if requested by DCWI, submit the reports and information required in this subsection by electronic transmission such as through a facsimile machine, email or such other electronic transmission as DCWI shall reasonably request; and Franchisee shall have such device installed and operable at the Center.

7.9 **Annual Report**. Franchisee shall submit to DCWI an annual financial statement by April 1 of each year for the preceding calendar year.

7.10 **Late Payments.**

(a) To cover the additional expense incurred by DCWI in handling NSF ACH payments, Franchisee agrees to a NSF service charge of thirty-nine dollars ($39) to accompany each and every declined ACH payment.
(b) At any time that Franchisee is s in arrears in the payment of a license fee, an invoice for materials and/or products purchased from DCWI, and/or the filing of reports due DCWI hereunder or any amount owing to the Franchisor, DCWI, at its sole discretion, without thereby canceling or terminating this Agreement and without thereby prejudicing DCWI's other rights and remedies including the right to terminate this Agreement for the same cause or for anyone or more causes, may cease providing Franchisee with products and/or services and to deny such services during that period shall not be deemed a breach of this Agreement.

(c) DCWI reserves the right to demand all late payments be paid by cash, check, certified check, cashier's check, money order, wire transfer, MasterCard, Visa, or other terms acceptable to DCWI.

7.11 Payment for Products. Payment for products, supplies and forms purchased by Franchisee from DCWI shall be prepaid in cash, certified check, cashier's check, money order, wire transfer, MasterCard or Visa or other means acceptable to DCWI. Receipt of any check, draft, or other commercial paper shall not constitute payment until DCWI shall have received payment in the full amount thereof. Franchisee shall pay all collection charges.

7.12 Audit. From the date hereof until three (3) years elapse following the end of the term of this Agreement, DCWI or its authorized agent shall have the right to request, receive, inspect and audit, at all reasonable times, any or all of the records referred to above wherever they may be located or at any other mutually agreeable location. If any such inspection or audit discloses a deficiency in the payment of any weekly license fee, advertising or other amount required to be paid under this Agreement, Former Franchisee shall immediately pay the deficiency in weekly license fee to DCWI provided the deficiency exceeds fifty dollars ($50). In addition, if the deficiency for any audit period equals or exceeds three percent (3%) of the correct amount of license fees due, Franchisee shall also immediately pay to DCWI the entire cost of such inspection or audit (including but not limited to reasonable travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel). For the purposes of the preceding sentence, an audit period shall be each fiscal year of Franchisee and the current fiscal year of Franchisee even if less than a year. If the audit discloses an overpayment of royalties, DCWI will promptly pay the amount of such overpayment to Franchisee, provided that the amount exceeds fifty dollars ($50).

SECTION 8
ADVERTISING

8.1 Advertising Development, Quality Assurance, and Local Website (AD/QA/LWS) Fund. Recognizing the value of advertising to the goodwill and public image of Diet Center, DCWI, in its sole discretion, has established and will maintain and administer an AD/QA/LWS Fund for the creation and development of such advertising, mystery shopping programs and related programs, local websites, and associated materials as DCWI may deem appropriate in its sole discretion. The Advertising Development part of the AD/QA/LWS Fund provides funds for the creation and development of various advertising and promotional materials, advertising and promotional programs, and the creation of certain media along with the Personal Advertising Management System (PAMS). The Quality Assurance part of the AD/QA/LWS Fund provides necessary resources to the franchisor to monitor compliance with the DCWI system, to randomly audit franchisees, and to take whatever steps may be necessary for the implementation of guidelines adopted through the franchise manuals. The Local Website part of the AD/QA/LWS Fund is used to help defray the costs in creating the Local Website programs and to cover hosting, maintenance, development, and added improvements to the Local Websites, in addition to insuring that the sites are equipped with the latest security measures. The AD/QA/LWS Fund contribution is Two Hundred and Forty-Nine Dollars ($249) per month.. The AD/QA/LWS Fund contribution is payable by direct payment (ACH) monthly on the seventeenth (17th) day of each month beginning your second month of operation. Centers owned by DCWI shall contribute to the AD/QA/LWS Fund on the same basis as Franchisee.

After the first twelve (12) months of this Agreement and throughout the remaining term of this Agreement and any extension thereto, and at the discretion of DCWI, the maximum amount of the monthly AD/QA/LWS Fund contribution shall be determined by multiplying $249 by a fraction, the numerator of which is the Consumer Price Index for all items, all urban consumers, U.S. City Average, published by the Bureau of Labor Statistics for the United States Department of Labor ("CPI"), or its successors, for the month prior to the each succeeding anniversary date of this Agreement, and any extension thereto, and the denominator of which is the CPI for the first full calendar month of the first year of this Agreement. The CPI is currently available at the following web address: http://www.bls.gov/cpi/home.htm. DCWI does not in any manner warrant the accuracy or continued availability of the CPI information at this site.

DCWI shall assist in developing all advertising materials, and Franchisee must have written approval from DCWI of all materials developed or altered by Franchisee prior to the use of same. All AD/QA/LWS Fund contributions, interest, dividends and other amounts earned thereon, less direct administrative expenses, will be used for (a) market research expenditures directly related to the development and evaluation of the effectiveness of advertising and sales promotions, (b) creative, production and other costs incurred in connection with the development of advertising,

including, but not limited to, the development of the Personal Advertising Management System (PAMS), sales promotions and public relations, (c) to help defray the costs in creating the Local Website programs and to cover hosting, maintenance, development, and added improvements to the Local Websites, in addition to insuring that the sites are equipped with the latest security measures and (d) implementation of a mystery shopping program and any other means to ensure uniformity of operations for a consistent quality experience to Diet Centers' clients.

At the sole discretion of DCWI and if funds are available, the AD/QA/LWS Fund may be used for media or other marketing techniques or programs designed to communicate the services of the Centers to the public, as well as for any creation and production costs incurred by DCWI and for any reasonable accounting, administrative and legal expenses associated with the AD/QA/LWS Fund and for other purposes deemed appropriate by DCWI to enhance and promote the general recognition of the Centers and the Marks. The allocation of the AD/QA/LWS Fund expenditures shall be made by DCWI in its sole business judgment. DCWI shall not be liable for any act or omission with respect to the AD/QA/LWS Fund which is consistent with this Agreement or done in good faith.

8.1.1 Local Advertising. You shall be required monthly to spend a minimum of $2,500 or 10% of gross revenues, whichever is greater on local advertising in your local market. You will be required to submit invoices or tear sheets verifying your Local spending to Corporate office upon request.

8.2 Cooperatives. DCWI shall have the right to designate any geographic area in which two (2) or more Centers are located as a region for purposes of establishing an advertising cooperative ("Cooperative"). The members of the Cooperative for any area shall consist of all Centers within such area. Each Cooperative shall be organized and governed in a form and manner, and shall commence operation on a date, determined in advance by the Cooperative in its sole discretion. Each Cooperative shall be organized for the exclusive purposes of administering advertising programs and developing, subject to DCWI's approval pursuant to Section 8.3, promotional materials for use by its members. All Centers, whether operated by franchisees or us, in the designated area must participate in the cooperative. The cooperative shall consult with us on all advertising and promotion programs for the cooperative and our prior approval of the advertising materials is required.

The members of each cooperative administer each cooperative and determine the financial contributions by each member, except that the contribution may not exceed the greater of $600 per week or 7% of gross revenues without the unanimous vote of all members of the cooperative. We have sample documents for the cooperative that are available for review. All Cooperative agreements need approval by DCWI, however this approval is not an inference of endorsement. Whichever cooperative document you use, may be amended by the members of the cooperative with a majority vote. To our knowledge each cooperative prepares periodic accountings.

Such Cooperative will decide as to the usage of funds available to it for media time, production of media materials, whether for radio, television, newspapers or store level materials such as flyers, or posters, or for any other type of advertising or marketing use, and then such Cooperative shall, in writing, request approval from DCWI
to use said funds in said manner. DCWI shall not withhold approval unreasonably, but no placement of advertising or commitment of advertising funds on behalf of the Cooperative will be made without DCWI's prior written approval.

Franchisee shall participate in the Cooperative as follows:

(1) Franchisee shall contribute to the Cooperative such amounts required by the documents governing the Cooperative; provided that Franchisee's required Cooperative contribution shall not exceed the greater of Six Hundred Dollars ($600) per week or seven percent (7%) of gross revenues. Notwithstanding the preceding sentence, however, and subject to DCWI's approval and the unanimous approval of all members of the Cooperative, the members of the Cooperative may agree to the payment of a larger Cooperative contribution.

(2) Franchisee shall submit to the Cooperative and to DCWI such statements and reports as may be required by DCWI or by the Cooperative. All contributions to the Cooperative shall be maintained and administered in accordance with the documents governing the Cooperative. The Cooperative shall be operated solely as a conduit for the collection and expenditure of the Cooperative fees for the purposes above.

(3) No advertising or promotional plans or materials may be used by the Cooperative or furnished to its members without the prior approval of DCWI. All such plans and materials shall be submitted to DCWI in accordance with the procedure set forth in Section 8.3.

8.2.1 National Advertising Fund. We have established a National Advertising Fund for broadcast media purchases or individual designated market area purchases. We are not currently requiring payment to the National Advertising Fund, however we reserve the right to collect for this fund in the future as we deem necessary.

8.3 Advertising Review.

(a) Franchisee shall submit all advertising material, except material received from DCWI, to DCWI fifteen (15) business days prior to use and DCWI shall approve or disapprove the use of such materials. DCWI shall have no participation in establishing prices charged by Franchisee for products or services as may be included in any approved advertising; provided that, if DCWI has imposed a maximum price on a particular product or service, Franchisee may charge any price for such product or service up to and including the maximum price that DCWI has set.

(b) Franchisee shall use testimonials of its clients as part of its advertising. Franchisee is required to provide Franchisor (DCWI) with a minimum of two (2) client testimonials each quarter. The testimonials must be submitted utilizing the Testimonial Submission Kit including a signed release allowing DCWI to use the before and after images in any and all advertising media's.

8.4 Restrictions on Placement of Advertising. Franchisee may use the approved advertising in such manner in its Area as Franchisee deems appropriate. Prior to using any advertising or promotion that may extend beyond the Area, Franchisee must obtain the consent to such advertising from DCWI which may approve, disapprove or modify the advertisement or specify with proper disclaimers the participation or exclusion of each Center affected by the advertising.

<u>SECTION 9</u>
<u>INDEPENDENT CONTRACTORS/INDEMNIFICATION</u>

9.1 No Agency.

(a) Franchisee shall neither have nor exercise any authority, express, implied or apparent, to act on behalf of or as an agent of DCWI, or any of its affiliates or subsidiaries for any purpose, and shall take no action which might tend to create an apparent employer-employee or agency relationship between DCWI and Franchisee. No fiduciary relationship exists between DCWI and Franchisee. Franchisee is, and shall remain, an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the Center and for all claims and demands based on damages or destruction of property or based on injury, illness or death of any person or persons, directly or indirectly arising from or in connection with the operation of the Center, and Franchisee shall indemnify and hold DCWI and its affiliates harmless from any such claims, demands, costs, judgments, obligations, losses, damages and liabilities, including reasonable attorneys' fees.

(b) DCWI shall neither have nor exercise the right to control the day-to-day managerial operations of the Center or to manage the business of the Center or to hire, fire or discipline persons employed by Franchisee or at the Center.

(c) Franchisee is solely responsible for its employees and employment related decisions, including those concerning wages, insurance, workers compensation, benefits, hours of work, hiring, firing, discipline, supervision, record keeping, and other terms and conditions of employment. Decisions made by Franchisee with respect to the foregoing as well as other matters involving the operation of its business, are made solely on behalf of Franchisee and not for, on behalf or at the direction of DCWI.

(d) In all public records and in its relationship with other persons, on letterheads and business forms, Franchisee shall indicate it is licensed to operate the Center under the Marks pursuant to the terms and conditions of this Agreement.

9.2 Indemnification. Franchisee shall exonerate and indemnify DCWI from and against:

(a) Any and all claims, suits, demands or other causes of action made against DCWI based upon, arising out of, or in any way related to the operation or condition of the Center, the conduct of business threat, the ownership or possession of real or personal property, any negligent act, misfeasance or nonfeasance by Franchisee or any of its agents, contractors, servants, employees or licenses, or the transfer of the Center or any rights under this Agreement, and including without limitation, all obligations of Franchisee incurred pursuant to any provisions of this Agreement; and

(b) Any and all fees (including reasonable attorney's fees), costs and other expenses reasonably incurred by or on behalf of DCWI in the investigation of, or defense against, any such claim.

SECTION 10
REPORTS AND RECORDS

10.1 Reports. Franchisee shall submit to DCWI the following reports at the times set forth below:

(a) Daily all new clients, together with their addresses, telephone numbers and email addresses and such other information concerning such clients as DCWI reasonably requests;

(b) Beginning the second fiscal quarter after the center grand opening franchisee is required to submit two (2) client testimonials who have successfully completed one of the DCWI weight loss programs. The testimonials must be submitted utilizing the Testimonial Submission Kit found on the PAMS System. The testimonials must be received no later than the last business day of each fiscal quarter as evidenced by the following dates March 31st, June 30th, September 30th and December 31st.

(c) within fifteen (15) calendar days after the end of each calendar month, a monthly profit and loss statement; and within ninety (90) calendar days after the end of the calendar year, a year-end balance sheet and income statement and statement of changes in financial position of the Center for such year. Each report and financial statement shall be signed and verified by Franchisee in the manner prescribed by the Company.

10.2 Diet Center Client Management System (CMS) and Data Management System (DMS) or any other program required by DCWI. You will be required to utilize the DCWI Client Management System and Data Management System or any other program required by DCWI for retrieving daily center information as more fully described in Section 7.8. You will provide electronic access to DCWI and/or its designee's computer for the purpose of providing to us a list of Franchisee's clients, together with their addresses, telephone numbers and email addresses, and such other information and other reporting requirements as DCWI shall reasonably request.

10.3 Point of Sale System (POS). You will be required to utilize the DCWI POS System for reporting all sales, inventory, payroll and advertising data. DCWI is currently using ShopKeep POS, Clover, Quickbooks or

any other approved system, specifications of which are more fully described in the manuals. DCWI may at its sole discretion suspend, replace or modify the POS System as it deems necessary.

SECTION 11
INSURANCE

11.1 Required Insurance. At all times during the term of this Agreement, Franchisee shall maintain in effect such insurance as may be required by the terms of any lease or mortgage covering the Center at Franchisee's expense, and in any event shall maintain:

(a) Fire, extended coverage and vandalism and malicious mischief at 80% of actual cash value of building (or leasehold), contents, and improvements;

(b) Employer's liability and workmen's compensation insurance as prescribed by applicable law; and

(c) Professional liability, comprehensive general liability and automobile insurance on an occurrence basis naming DCWI and its affiliates as additional insureds and underwritten by any reputable insurance carrier approved by DCWI covering the following risks in no less than the following amounts, subject to reasonable increase by DCWI based on inflation or future experience with claims asserted against Centers:

Type of Risk	Limit of Liability
Professional Liability	$1,000,000 per occurrence $1,500,000 aggregate
General Liability	
Bodily injury to or death of one or more persons & Property Damage (combined)	$1,000,000 per occurrence
Product Liability and Personal Injury Coverage	$1,000,000 per occurrence $2,000,000 aggregate

- Based on Claims Made
- Defense costs are outside the limits of the policy
- $25,000 Deductible each loss up to a maximum deductible of $100,000
- Retroactive date to 11-19-1991 through 05/09/2010 for $500,000 per occurrence
- Retroactive date to 05/10/2010 for $1,000,000 per occurrence
- Expenses outside of policy limits
- Terrorism exclusion
- Dangerous herbs exclusion wording (as referenced in the Diet Center manuals)
- The description of professional services has to read “Weight Loss Counselor”
- The Professional Liability Coverage may not be an endorsement onto a General Liability Policy
- The policy may not be a combined General Liability / Professional Liability form
- Consent to Settle provision
- Incident Reporting

- Franchisor listed as Additional Insured
- Unlimited Extended Reporting Period Option / Tail provision
- Health Management Group’s professional liability policy needs to be excess over franchisee’s professional liability policy, making franchisee’s policy primary
- Insurance carrier needs to be a minimum of an “A” rating with a Financial Size of XII or greater
- Business Interruption Clause

The above listed minimum limits of liability and the kind of insurance may be changed from time to time by DCWI as it shall determine to be necessary because of the effects of inflation, change in business, or for other appropriate reasons, which changes shall be either set forth in the Operations Manual or otherwise communicated to Franchisee in an appropriate manner.

At DCWI's option, DCWI may permit Franchisee to obtain professional liability coverage as an additional insured on DCWI's insurance policy in which case Franchisee shall pay its reasonable share of the premium. If Franchisee decides to become an additional insured on DCWI's professional liability coverage, DCWI may charge Franchisee, in addition to Franchisee's reasonable share of the premium, a nonrefundable fee of Five Hundred Dollars ($500) as an Insurance Defense Fund each time that Franchisee elects to become an additional insured on DCWI's professional liability coverage. This fund may also cover any additional deductible not applied from the original premium as well as legal costs or settlements.

11.2 Insurance Certificates. Simultaneously herewith, annually hereafter and each time a change is made in such insurance or insurance carrier, Franchisee shall furnish DCWI with certifications by the insurance carrier evidencing the term and coverage of the insurance in force and the persons insured. Such certificates shall provide that the insurance coverage will not be canceled, altered, or permitted to lapse or expire without 30 calendar days' advance written notice to DCWI. DCWI, or its insurer, shall have the right to participate in discussions with Franchisee's insurance company or any claimant (in conjunction with Franchisee's insurance company) regarding any product liability or other insurance claim and Franchisee agrees to adopt DCWI's reasonable recommendations to its insurance carrier regarding the settlement of any such claims. These policies shall name DCWI as an additional insured and are not cancelable except as provided hereunder.

11.3 DCWI's Right to Insure. If, for any reason, Franchisee fails to obtain or maintain insurance coverage, DCWI shall have the right (but not the obligation) to obtain such insurance and charge the Franchisee for the cost of the insurance plus a reasonable fee for DCWI's expenses, which shall be immediately payable to DCWI by Franchisee.

SECTION 12
RESTRICTIONS ON CERTAIN ACTIVITIES

12.1 No Similar Businesses. During the term of this Agreement, Franchisee shall not (without the prior written consent of DCWI) directly or indirectly, through corporations, or through partnerships, trusts, associations, joint ventures, or other business forms, perform any service for, engage in or acquire, be an employee of, have any financial, beneficial or equity interest in, or have any interest based on the profits or revenues of (a) any business similar to the Center, except for other Centers franchised from DCWI, (b) any other weight loss or weight control or inch loss or inch control, or body contouring or body wrapping business or any health business which does sell weight loss or weight control or inch loss or inch control or body contouring or body wrapping products and services, either at a physical location or through the use of the internet, or (c) providing, selling, manufacturing or distributing products similar to those sold, used or distributed by DCWI either at a physical location or through the use of the internet. A "business similar to the Center" is a business, which is in some manner involved in the weight loss or weight control or inch loss or inch control or body contouring or body wrapping business or any operating system in which know-how acquired by Franchisee could be used to the disadvantage of DCWI or its other franchisees. Nothing in this paragraph shall prevent Franchisee and his/her family, collectively, from owning not more than a total of 2% of the stock of a company, the stock of which is publicly traded at the time of such ownership.

Franchisee agrees that, during the term of this Agreement, it shall not be associated, directly or indirectly, as employee, proprietor, stockholder, partner, agent, consultant, or officer with the operation of any business competitive with DCWI. The provisions of this paragraph shall include the operation of any type of business offering diet, weight loss or weight control, inch loss or inch control and body contouring or body wrapping programs or weight loss or weight control, inch loss or inch control and body contouring or body wrapping products including, without limitation, health spas or fitness centers offering or providing any of the foregoing programs or products, or sells, manufacturers or distributes products similar to those sold, used or distributed by DCWI either at a physical location or through the use of the internet.

12.2 Post Termination. For a period of two (2) years after the termination, or the transfer or other disposition of this Franchise Agreement, and within fifty (50) mile radius of any center or current or previously assigned and/or protected Area operated by Franchisor or any other franchisee of Franchisor or any affiliate or successors of Franchisor, Franchisee agrees not to:

(a) open or operate a business similar to the Center and its business at the previous location;
(b) open or operate a business similar to the Center and its business;

(c) be involved in any way by diverting business to a competitor;

(d) engage in creating, establishing, or participating in an Internet program utilizing weight loss and weight control, inch loss and inch control, or body contouring and body wrapping programs and/or products.

If Franchisee does compete (whether by reason of the unenforceability of such covenant not to so compete or otherwise), Franchisee agrees to and agrees to pay for DCWI to audit such aforementioned entity. In addition, Franchisee shall pay DCWI the monthly license fee set forth elsewhere in this Agreement for such infringement. Such payments shall continue for the greater of: (i) two (2) years or (ii) for the balance of the then existing term (whether initial or extended) of this Agreement or pay the early termination fee. The parties expressly acknowledge and agree that such payments shall not affect any rights or remedies DCWI may have, at law or in equity (including the right to seek injunctive relief), against Franchisee by reason of such competition by Franchisee.

12.3 Confidential Information. Franchisee further covenants that it will never divulge to or use for the benefit of any person, association or corporation outside of the Center, any information or knowledge concerning clients, methods, promotion, advertising or any other systems or methods of operation of DCWI's business or that of DCWI franchisees which Franchisee may have acquired by virtue of its operations under this Agreement, nor will Franchisee do any deliberate act prejudicial or injurious to the goodwill or name of DCWI. Information furnished to employees shall be reasonably limited to that which directly relates to such employees' duties and assists in the proper performance of such duties. This Agreement is entered into between the parties hereto with the full knowledge of its nature and extent, Franchisee hereby acknowledges that the qualification for a franchise by DCWI are special, unique and extraordinary, and that this Agreement would not be entered into by DCWI except upon the condition that such restrictive covenants be embodied herein and that, as such, they be enforceable, in the event of a breach by Franchisee, by injunctive relief. The above-mentioned provisions shall be applicable to and binding upon all corporate officers, shareholders, spouses, or partners of Franchisee as the case may be.

12.4 Contents of Manuals. Franchisee acknowledges that information contained in the loaned Manuals constitute trade secrets, and confidential information of DCWI and agrees that it will not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person(s), partnership, association or corporation any confidential information contained in the Manuals. Franchisee shall divulge such confidential information only to its employees on a need-to-know basis who must have access to the information in order to operate the Center and store and keep Manuals in a secured and locked location within the Center or if stored electronically, with such passwords or other means as may be appropriate to insure the security and confidentiality of the Manuals. Franchisee shall require its Manager and any other personnel having access to the Manuals to execute covenants that they will not compete with DCWI and will maintain the confidentiality of the information contained in the Manuals and other confidential information acquired during the term of their employment with Franchisee. Such covenants shall be in a form satisfactory to DCWI, including without limitation, specific identification of DCWI as a third party beneficiary of such covenants with the independent right to enforce them.

12.5 Court Modifications. If any court or other tribunal having jurisdiction to determine the validity or enforceability of the preceding subsection determines that, strictly applied, it would be invalid or unenforceable then, in such event, the scope, time and geographical provisions of the preceding subsection shall be deemed modified to the extent necessary (but only to that extent) so that the restriction in the subsection, as modified, will be valid and enforceable.

SECTION 13
ASSIGNMENT/TRANSFER

13.1 General. Franchisee acknowledges that all of its rights under this Agreement are personal in nature and may not be the subject of any pledge, lien, levy, attachment, or security interest or arrangement, or acquired through execution, foreclosure, or like action or event. Without DCWI's prior written consent and Franchisee's compliance in all other respects with the terms in this Section, none of Franchisee's rights or obligations under this Agreement are assignable or transferable. Any purported transaction, interest or action contrary to this Section will be a breach of this Agreement and will be void.

Upon and after each valid assignment of this Agreement pursuant to this Section, the assignee or assignees shall be deemed to be a Franchisee hereunder and shall be bound by and liable for all existing and future obligations of Franchisee. No stockholder in any corporation, which becomes a Franchisee, shall have any rights in or under this Agreement by reason of his/her stock ownership, and the name of such corporations shall not include any of the names, trademarks or service marks of DCWI including the words; DCWI, DIET, CENTER, DIET CENTER, WORLDWIDE, PHYSICIANS, WEIGHT, LOSS, WEIGHT LOSS, PWLC, WEIGHT LOSS CENTERS, FORM YOU 3, FY3, 24 HOUR, THERMOGENICS, ADVANCED FAT BURNING, FAT BURNING, LIPOGENICS, BODY CONTOURING, LASER BODY CONTOURING, INFRARED BODY WRAPPING or any combination of these words.

13.2 Assignment by Franchisee. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that DCWI has granted this franchise in reliance on Franchisee's (or, if Franchisee is a corporation or partnership, its principals') business skill, financial capacity and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, corporation, or other legal entity which directly or indirectly owns any interest in Franchisee shall sell, assign, transfer, convey, pledge, encumber, merge or give away (collectively, "Transfer") any direct or indirect interest in this Agreement, in Franchisee, or in the assets of the Center without the prior written consent of DCWI. In the event that Franchisee is a corporation, no direct or indirect interest in such corporation shall be transferred without the prior written consent of DCWI and shall not include any of the names, trademarks or service marks of DCWI including the words; DCWI, DIET, CENTER, DIET CENTER, WORLDWIDE, PHYSICIANS, WEIGHT, LOSS, WEIGHT LOSS, PWLC, WEIGHT LOSS CENTERS, FORM YOU 3, FY3, 24 HOUR, THERMOGENICS, ADVANCED FAT BURNING, FAT BURNING, LIPOGENICS, BODY CONTOURING, LASER BODY CONTOURING, INFRARED BODY WRAPPING or any combination of these words.

13.3 Assignment to Corporation. Franchisee may assign its rights under this Agreement to a corporation without being relieved of any personal liability hereunder, provided:

(a) The corporation is newly organized and its activities are confined exclusively to operating the Center; and

(b) Franchisee is, and at all times remains, the owner of at least fifty-one percent (51%) of the outstanding shares of the corporation; and

(c) The corporation agrees in writing to assume all of Franchisee's obligations hereunder; and

(d) All stockholders of the corporation personally guarantee prompt payment and performance by the corporation of all its obligations to DCWI under this Agreement, in a form acceptable to DCWI; and

(e) Franchisee delivers notice to DCWI no fewer than five (5) business days in advance of the assignment of rights to the corporation and receives the written consent of DCWI.

13.4 Definition of Control Person. As used in this Agreement, the term "**Control Person**" means the individual who has the authority to, and does in fact, actively direct the business affairs of a corporation with respect to the Center. Such authority may arise by reason of the ability to vote a majority of the voting stock of the

corporation, by contract, or as otherwise may be determined by DCWI.

13.5 Conditions to Assignments and Transfers. DCWI will not unreasonably withhold its consent to a proposed transfer if all of the following conditions are satisfied:

(a) Franchisee has owned and operated the Center for more than twelve (12) months.

(b) Franchisee is in full compliance with this Agreement and there are not uncured defaults by Franchisee, and all of Franchisee's debts and financial obligations to DCWI and its affiliates under this Agreement or otherwise are current.

(c) Franchisee pays to DCWI, at the time of written request for transfer, a non-refundable transfer fee in the amount of 20% of the purchase price, or $5,000, whichever is greater.

(d) As required by DCWI, Franchisee shall pass a quality assurance review not less than sixty (60) calendar days prior to DCWI's final approval of the transfer. The expenses associated with the quality assurance review (travel-related expenses of DCWI employees) shall be the responsibility of the Franchisee and shall be payable to DCWI in the same time and manner as the non-refundable transfer fee.

(e) Franchisee must execute a general release on a form prescribed by DCWI for the purpose of releasing all claims against DCWI, arising out of or related to this Agreement and the franchise relationship, together with such other documents as DCWI may reasonably require relating to the termination of this Agreement.

(f) Franchisee must provide such other documentation as DCWI may reasonably request and execute such other documents as may be reasonably required and necessary to effectuate such transfer.

(g) A proposed Control Person or a proposed individual assignee or transferee must demonstrate to DCWI's satisfaction that it meets all of the requirements for DCWI's new franchisees applicable on the date DCWI receives notice of the proposed transfer, including, but not limited to, good reputation and character, business experience, and financial strength and liquidity. Franchisee or Control Person must provide DCWI with such information about the proposed individual as DCWI may reasonably require.

(h) A proposed assignee or transferee must agree in writing satisfactory to DCWI to assume all of the obligations of Franchisee under this Agreement. In addition the proposed assignee or transferee (or its Control Person, if the proposed assignee or transferee is a corporation) must meet the requirements of a Control Person.

(i) In the approval process, DCWI may, at its sole discretion, require proposed assignee or transferee to be interviewed by DCWI representatives at a location selected by DCWI.

(j) Upon approval by DCWI, the proposed assignee or transferee shall attend and satisfactorily complete DCWI's first available training program and or other designed training. All expenses incurred by the proposed assignee or transferee to attend the training program shall be paid by the proposed assignee.

(k) A proposed assignee or transferee shall make such improvements as may be required by DCWI, in its sole discretion, to modernize, renovate, equip and decorate the Center in accordance with the image and standards of DCWI at that time.

(l) Upon acceptance by DCWI, the proposed assignee or transferee must execute DCWI's then current form of Franchise Agreement, which may differ as to license fees, length of term or extended term, advertising contributions, area and other material terms and conditions.

13.6 No Changes in Control. Anything herein to the contrary notwithstanding, no assignment or transfer of the franchise, a majority of the capital stock of a corporate franchisee, or any part of the capital stock of a corporate franchisee which has the effect of transferring the majority or controlling interest in the franchise shall be made for value to any person other than the Franchisee's relatives by blood or marriage unless and until (a) the parties to the proposed transaction have entered a binding agreement with respect thereto, subject only to the rights of DCWI hereunder, (b) DCWI has been furnished a copy of the said binding agreement, and (c) DCWI has been offered in writing 30 calendar days in which to acquire the said franchise or capital stock upon the same or equivalent terms and conditions specified in the said agreement.

13.7 Notification. Franchisee will provide each prospective assignee or transferee with a complete copy of this Agreement.

13.8 Public Stock. Notwithstanding anything to the contrary herein, no transfer or assignment of this Agreement or any rights hereunder to any company, the stock of which is publicly traded, shall be made or approved. Franchisee further agrees that neither Franchisee nor any related or affiliated person or company shall make a public offering of any securities or other interest in Franchisee or such other company.

13.9 Death or Disability. Upon the death or permanent disability of Franchisee, DCWI shall have a right of first refusal to purchase any interest held by Franchisee at the fair market value of such interest. In the event that DCWI fails to exercise its right within sixty (60) calendar days following notice of the death or permanent disability of Franchisee, the heirs or legatees who are members of his/her immediate family or his/her legal representative or guardian shall take the interest of Franchisee subject to the assignment requirements set forth in this Agreement.

SECTION 14
TERMINATION OF LICENSE

14.1 Termination by DCWI Without Notice. This Agreement will immediately terminate (effective on a date determined by DCWI) without notice or right to cure (or in the event notice is required by applicable law, immediately upon the giving of such notice or at the earliest time thereafter permitted by applicable law) in the event that:

(a) Franchisee offers for sale or sells any products or services or use any unauthorized equipment or machinery for the purpose of weight loss and weight control, inch loss and inch control, body contouring, or body wrapping from the Center or from any other location, which have not received the prior written approval of DCWI; or

(b) Franchisee is adjudicated bankrupt, or files any petition or pleading under any state or federal bankruptcy or insolvency laws, or an involuntary petition is filed with respect to Franchisee under any such laws and is not dismissed within 30 calendar days after it is filed, or a permanent or temporary receiver or trustee for the Center or all or substantially all of Franchisee's property is appointed by any court, or any such appointment is acquiesced in, consented to, or not opposed through legal action, by Franchisee; or

(c) Franchisee makes a general assignment for the benefit of its creditors or makes a written statement to the effect that it is unable to pay its debts as they become due, or a levy of execution is made upon the franchise, or an attachment or lien remains on the Center for 30 calendar days unless the attachment or lien is being duly contested in good faith by Franchisee and DCWI is so advised; or

(d) Franchisee contests in any court or proceeding the validity of, or DCWI's ownership of any of the Marks, or other rights licensed hereunder; or

(e) Franchisee makes an unauthorized assignment or transfer of this Agreement, the Center, or the business of the Center; or

(f) If Franchisee is a corporation, Franchisee takes any action which purports to merge, consolidate, dissolve or liquidate Franchisee without DCWI's prior written consent; or

(g) Franchisee (or any partner, officer or director of Franchisee) is convicted of or pleads guilty or no contest to any felony, any crime involving moral turpitude, any crime which in DCWI's judgment subjects DCWI or Franchisee to ridicule, scorn, contempt or derision, or engages in any act which is likely in DCWI's reasonable judgment to adversely affect or reflect upon DCWI, in the Marks, goodwill, or reputation in the community; or

(h) Franchisee fails to open, abandons, ceases to operate or otherwise fails to conduct business at the Center for a period of three or more consecutive business days, except for any reason or justification expressly permitted by the terms of this Agreement; or

(i) Except as expressly provided otherwise in this Agreement, Franchisee fails to fully correct or remedy any notice, citation or summons issued by any governmental authority or agency regarding any matter involving or pertaining in any way to safety, sanitation, or health within the time set forth in such notice, citation or summons and, if no such time is set forth, within 30 calendar days of the issuance thereof; or

(j) Franchisee fails to timely cure any default for which notice has been given according to Section 14.2 below.

14.2 Termination with Notice from DCWI. As to all other breaches by Franchisee, this Agreement will terminate on the termination date specified in any notice by DCWI to Franchisee (without any further notice of termination unless required by law), provided that (i) the notice is hand-delivered or mailed at least 10 calendar days (or such longer period as may be required by law) in advance of the termination date, (ii) the notice reasonably identified one or more defaults in Franchisee's obligations or performance hereunder, (iii) the notice specifies the manner in which the default(s) may be remedied, and (iv) Franchisee fails to deliver written notification to DCWI that the default(s) are fully remedied before, and as of, the termination date. The period given to remedy defaults shall, if permitted by law, be 5 calendar days instead of 10 calendar days if Franchisee shall have engaged in two or more defaults of this Agreement within the then preceding 24 months for which Franchisee shall have received notices of default, but termination failed to take effect because the defaults were remedied. Notwithstanding anything to the contrary herein, upon the next or any subsequent default by Franchisee, DCWI may immediately terminate this Agreement by giving written notice thereof to Franchisee (or if a minimum amount of notice of termination must be given under any applicable law, then upon giving such minimum notice).

14.3 Nonwaiver. The treatment by DCWI of any particular default by Franchisee shall not affect, impair or constitute a waiver of DCWI's rights in respect to any subsequent default of the same or a different kind, nor shall any delay or omission of DCWI to exercise any right arising from any default affect or impair DCWI's rights as to the same or any future default.

14.4 Obligations After Termination and/or Non-Renewal. Upon the termination and/or non-renewal of this Agreement or for any reason, Franchisee shall cease to be an authorized Franchisee and shall:

(a) immediately discontinue the use all of the Marks and all advertising using the Marks;

(a)1. Franchisee shall execute a Signage Addendum (see Appendix H) allowing DCWI the right but not

obligation to remove any and all signage bearing the marks at franchisees cost.

(b) immediately pay DCWI all sums then owing from the operation of the Center and/or arising under the terms of this Agreement, including but not limited to, all License Fees and AD/QA/LWS Fund contributions and such other payments as required through the term of the Franchise License Agreement;

(c) immediately return all Manuals, confidential DCWI materials, forms, client files, customer lists, records and contracts to DCWI and any company assigned DCWI devices, for example tablets;

(d) immediately discontinue all advertising and remove all social media as a Franchisee. Any internet rebates accrued or owed will be subject to the guidelines set forth in the manual

(e) at DCWI's option, DCWI may repurchase from Franchisee all supplies, non-perishable foods and any other materials bearing the Marks; provide that, such items are in unaltered original cases. DCWI shall pay the lesser of the fair market value or wholesale cost less retrieval and shipping costs.

(f) complete all client programs prior to closing the Center or refund any balance due to said clients. Any refund will be made in accordance with Franchisee's stated refund policy and in accordance with DCWI's then existing policies;

(g) assign to DCWI, without compensation, or its designee all of Franchisee's rights, title and interest in and to Franchisee's telephone numbers, email addresses, customer lists, all client charts since the inception of their franchise, telephone directory listings and advertisements, signage used for the operation of the Center, provided, however, that DCWI shall have the right to reject any or all of such assignments and Franchisee shall remain liable thereon;

(h) refrain from doing anything which would indicate that Franchisee is or ever was an authorized Franchisee;

(i) take such actions as may be reasonably required by DCWI to de-image the Center so that it is no longer confusingly similar to those used by DCWI and no longer bears any of the Marks or designations or marks similar thereto. If Franchisee fails to immediately remove the signs and make such changes, DCWI may do so by entering the premises of the Center and Franchisee shall pay to DCWI the costs it so incurs.

14.5 Cross Defaults. The termination of this Agreement under this section operates as a material cross-default of any other DCWI Franchise Agreement or other agreement to which the Franchisee is a party.

14.6 Termination Fee. In the event that Franchisee attempts to terminate this Agreement by prematurely closing the center or operating under breach causing the termination of the center, Franchisor shall be entitled to a termination fee in the amount of $10,000 from Franchisees in those states in which such termination fees are enforceable.

The sale or transfer of Franchisee's interest in the Franchised Business prior to the expiration of the term of this Agreement, without the continuation of the Franchised Business by the new licensee and/or transfer of the Franchised Business to the new licensee without the prior written consent of Franchisor, shall be considered a termination of this Agreement in contravention of the provisions stated herein entitling Franchisor to collect the termination fee from Franchisee.

The termination fee shall cover the settlement of any unpaid future license fees owed by Franchisee at the time of termination. Taking into consideration anticipated license fees, the Franchisee agrees that this amount is considered a liquidated damage and is deemed fair and equitable. Franchisee may still be liable for any damages payable to Franchisor resulting from Franchisee's improper or wrongful termination of this Agreement. Franchisor shall be entitled to recover all costs, including attorneys' fees, incurred in connection with the improper termination and collection of the termination fee. Except as provided in this Paragraph and as applicable state or federal law may otherwise provide, Franchisee shall have no right to terminate this Agreement or to reduce the term of this Agreement.

SECTION 15
INJUNCTIVE RELIEF

15.1 Remedies Inadequate. Franchisee acknowledges that if Franchisee breaches this Agreement and/or continues to utilize the System or Marks at such times when Franchisee is not legally entitled to use them, DCWI may not

have an adequate remedy at law. Therefore, Franchisee expressly consents and agrees that DCWI may, in addition to any other available remedies, obtain an injunction and/or temporary restraining order to terminate or prevent the continuation of any existing default or violation that will cause it irreparable loss or damages, under customary equity rules, and to prevent the occurrence of any threatened default or violation, by Franchisee of this Agreement. Franchisee agrees that DCWI may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of Franchisee in the event of the entry of such injunction shall be the dissolution of such injunction, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby).

SECTION 16
MISCELLANEOUS GENERAL PROVISIONS

16.1 Entire Agreement. This Agreement and any Exhibits which are referred to herein are hereby made a part of this Agreement and constitute all agreements between Franchisee and DCWI and cover their entire relationship concerning the Center and license granted herein. All prior or contemporaneous promises, representation, understandings or agreements, verbal or otherwise, are hereby expressly merged and superseded.

16.1.1 Non Compliance With Corporate Policy.

In the event franchisee is not in compliance with any provisions of this Agreement, in lieu of termination, Franchisor will have the right but not the obligation to institute the following penalties:

1. Franchisee will automatically relinquish the right to territory exclusivity in lieu of proceeding with termination or other remedies under this Agreement. Exclusivity will not be reinstated once the infraction is cured. And/or,
2. Franchisee will be placed on product hold in lieu of termination or other remedies under this Agreement. Product hold will be released when the infraction is cured. Product hold will still subject Franchisee to the restrictions set forth in Section 3.2 of this agreement.
3. In the event you lose your territory exclusivity you agree to relinquish any and all rights to an encroachment or business interference claim against us based upon this action.

16.2 Amendment. Any modification or change in this Agreement must be in writing, executed by the President of DCWI and by Franchisee. No agent or employee of DCWI is authorized to make any modification, addition, or amendment to, or waiver of this Agreement unless in writing, and executed by the President of DCWI.

16.3 Approvals. Except as is otherwise provided, DCWI may withhold any consent or approval provided for herein at its sole discretion. Furthermore, except as specifically noted otherwise, any consent or approval Franchisee is required to obtain from DCWI shall be deemed withheld unless given in writing.

16.4 Construction. This Agreement shall be construed according to the laws of the State of Ohio. Captions, sections, or paragraph headings included herein are for reference purposes only, and shall not in any way modify or limit the statements contained in any paragraph or provision of this Agreement. All words in this Agreement shall be deemed to include any number or gender as the context or sense of this Agreement requires. In the event of any conflict between this Agreement and the Manuals or any other document, this Agreement shall control.

16.5 Severability. In case any one or more of the provisions of this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein, and any other application thereof, shall not in any way be affected or impaired thereby. In the event that any provision herein contravenes the law of any state or jurisdiction, such provision shall be deemed not to be a part of this Agreement in that jurisdiction.

16.6 Binding on Successors. This Agreement is binding upon and shall inure to the benefit of the parties hereto, their heirs, successors and assigns, except as may be otherwise restricted pursuant to other paragraphs contained herein. DCWI reserves the right to assign pledge, hypothecate or transfer this Agreement. DCWI reserves the right to sell, assign or otherwise transfer the system to another person or entity without the approval of Franchisee and also expressly reserves the right to go public in its sole discretion.

16.7 Liability of Multiple Franchisees. If Franchisee consists of more than one natural person, their liability under this Agreement shall be deemed to be joint and several.

16.8 No Conflict With Other Agreements. Franchisee represents that he/she is not a party to or subject to agreements, which might conflict with the terms of this Agreement and agrees not to enter into any such agreement during the term of this Agreement.

16.9 Resolution of Disputes.

(a) Non-binding Mediation. Franchisee will attempt to resolve any dispute between Franchisee and DCWI that arises out of this Agreement through mediation, except for any dispute relating to Section 14 herein. The mediation procedure to be followed by the parties shall be set forth in DCWI's then current procedures for resolving disputes (the "Procedures") which shall be made available to Franchisee upon written request to DCWI. All non-binding mediation shall occur at the DCWI offices in Akron, Ohio. All parties shall pay their respective costs and expenses of mediation.

(b) Franchisee shall not institute any legal, administrative or arbitration proceedings for claims arising out of a dispute pursuant to this Agreement without first attempting to resolve the dispute through negotiation and non-binding mediation. If the dispute has not been resolved through negotiation or mediation pursuant to the Procedures, either party may institute proceedings as set forth herein in Akron, Ohio.

(c) Arbitration. All controversies, disputes or claims arising between DCWI, and its officers, directors, agents, employees and attorneys (in their representative capacity), and Franchisee (its shareholders, members, partners and guarantors, if applicable), shall be submitted for arbitration to the Akron, Ohio office of the American Arbitration Association on demand of either party. Such arbitration proceedings shall be conducted in Akron, Ohio and, shall be conducted by one (1) arbitrator in accordance with the then current commercial arbitration rules of the American Arbitration Association. The arbitrator shall have the right to award or include in its award any relief which the arbitrator deems proper in the circumstances including, without limitation, money damages (with interest on unpaid amounts from the due date), specific performance, injunctive relief and attorneys' fees and costs in accordance with this section. The award and decision of the arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction. Each party hereto agrees to contest any such award only in the district in which the arbitration award was entered. The parties further agree in connection with any such arbitration proceeding to be bound by the provisions of Rule 13 of the Federal Rules of Civil Procedure with respect to compulsory counterclaims (as the same may be amended from time to time), provided any such counterclaim shall be filed within thirty (30) days of the filing of the original claim. Without limiting the foregoing, the parties shall be entitled in any such arbitration proceeding to the entry of an order by a court of competent jurisdiction pursuant to an opinion of the arbitrator for specific performance of any of
the requirements of this Agreement. This Agreement to arbitrate shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Franchisee and DCWI agree that arbitration shall be conducted on an individual, not a class-wide basis.

(d) Consent to Jurisdiction. The parties agree that any action brought by either party against the other party in connection with any rights or obligations arising out of this Agreement shall be instituted properly in a Federal or State court of competent jurisdiction with venue only in either (i) the County of Summit, State of Ohio, or in the Federal District Court for the Northern District of Ohio, or (ii) the Federal or State Court having jurisdiction over the County in which the DCWI's then Corporate Office is located. Either party to this Agreement named as a defendant in an action brought in connection with this Agreement in any other court outside of the above-designated county or district shall have the right to have the venue of said action changed to the above-designated county or district, or, if necessary, have the case dismissed, requiring the other party to refile said action in an appropriate court in the above-designated county or district. If either party is not a resident of, or does not maintain a presence in, the above-designated State in which the designated county of venue is situated, then such party hereby agrees to submit personally to the jurisdiction of a court of competent subject matter jurisdiction located in the above-designated State and County or Federal District. The parties acknowledge that this Agreement is executed in, and that a material portion of Franchisee's and DCWI's obligations under this Agreement are to be performed in, the above-designated State and County and Federal District.

(e) Cost of Enforcement. If DCWI institutes and prevails entirely in any action at law or in equity against

Franchisee based entirely or in part on the terms of this Agreement, DCWI shall be entitled to recover, in addition to any judgment entered in its favor, reasonable attorneys' fees, court costs and all of DCWI's expenses in connection with the litigation. If the Franchisee prevails entirely, each will bear its own costs.

16.10 Non-Waiver. No failure, forbearance, neglect or delay of any kind or extent on the part of DCWI in connection with the enforcement or exercise of any rights under this Agreement shall affect or diminish DCWI's right to strictly enforce and take full benefit of each provision of this Agreement at any time, whether at law for damages, in equity for injunctive relief or specified performance, or otherwise. No custom, usage, concession or practice with regard to this Agreement, Franchisee or DCWI's other franchisees shall preclude at any time the strict enforcement of this Agreement (upon due notice) in accordance with its literal terms. No waiver by DCWI of performance of any provision of this Agreement shall constitute or be implied as a waiver of DCWI's right to enforce such provision at any future time.

16.11 Scope of Agreement, Changes, Consents, Etc. This Agreement constitutes the entire understanding and agreement of the parties concerning the Center and supersedes all prior understandings and agreements of the parties, whether oral or written, pertaining to the Center. No interpretation, change, termination or waiver of any provision hereof, and no consent or approval hereunder, shall be binding upon the other party or effective unless in writing signed by the Franchisee and DCWI's President, except that a waiver need be signed only by the party waiving.

16.12 Force Majeure. DCWI shall be excused for its failure to comply with any of its obligations to Franchisee if war, riot, civil commotion, catastrophe, act of God and/or dispute prevents its performance.

16.13 Mark Infringement. Franchisee shall immediately notify DCWI of any suspected unauthorized use of any of the Marks, any challenge to the validity of, or any challenge to DCWI's ownership of, DCWI's right to use and to license others to use, or Franchisee's right to use, the Marks. Franchisee acknowledges that DCWI has the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement thereof. DCWI has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. DCWI shall defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Marks. If DCWI, in its sole discretion, determines that Franchisee has used the Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by DCWI. If DCWI, in its sole discretion, determines that Franchisee has not used the Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisee. In the event of any litigation relating to Franchisee's use of the Marks, Franchisee shall execute any and all documents and do such acts and may, in the opinion of DCWI, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action.
Except to the extent that such litigation is the result of Franchisee's use of the Marks in a manner inconsistent with the terms of this Agreement, DCWI agrees to reimburse Franchisee for its reasonable out-of-pocket costs in doing such acts.

16.14 Notices. All notices and other communications provided for herein must be in writing and shall be sufficiently given if delivered in person or mailed by certified or other receipted mail or by fax, provided that a copy is sent by first-class mail, if to the Franchisee at the notice address set forth on the signature page of this Agreement, or, if to DCWI at 395 Springside Drive, Akron, OH 44333-2496, Attention: Franchise Development Department, fax: (330) 666-2197; provided however, that DCWI may send a notice to all franchisees by publication in a periodic newsletter or by separate non-certified letter. Either party, by such notice, may change the address in which notices shall be sent. Notices delivered in person shall be deemed given when delivered and mailed notices shall be deemed given when mailed. If a corporation or more than one individual is the Franchisee, then the Franchisee will authorize one natural person as correspondent with authority to bind Franchisee.

16.15 Certain References. References to weeks and months mean calendar weeks and calendar months. References to persons mean legal entities as well as natural persons. Whenever the pronoun "it," "he," "she," "his" or "her" are used herein, it is understood that such usage is the common gender and refers to masculine, feminine and neuter genders and also singular and plural. References to subsidiaries and/or affiliates of DCWI means all entities controlled by or under common control with DCWI or any of DCWI's parent corporations and includes but is not limited to (a) each of DCWI's parent corporations, and (b) all entities in which DCWI or any of DCWI's parent corporation own or control 5% or more of the capital stock hereof.

SECTION 17
CERTAIN REPRESENTATIONS BY THE FRANCHISEE

17.1 14-Day Review. Franchisee received a copy of the form of this Agreement at least 14 calendar days before signing it and has had ample opportunity to consult with its attorney with respect thereto.

17.2 No Representations by DCWI. No representation has been made by DCWI as to the anticipated profitability of the Center. Franchisee has no knowledge of any representations by DCWI, or its officers, directors, shareholders, employees, agents, consultants, or servants about the business contemplated by this Agreement, that are contrary to the terms of this Agreement or the documents incorporated herein, and further represents to DCWI, as in inducement to its entry into this Agreement, that he/she has made no misrepresentations in obtaining this Agreement.

17.3 Investigation. Before signing this Agreement, Franchisee either had experience working in a Diet Center business or investigated the business franchised by DCWI and had ample opportunity to contact existing Diet Center franchisees. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognizes that it involves business risks making the success of the venture largely dependent upon the business abilities of Franchisee. DCWI expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits, earnings or success of the business venture contemplated by this Agreement.

17.4 Consultation with Advisors. Franchisee has received, read and understood this Agreement, and the attachments hereto, including a copy of DCWI's Franchise Disclosure Document for the State in which the Area is located. DCWI has fully and adequately explained the provisions of this Agreement to Franchisee's satisfaction, and DCWI has afforded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement.

17.5 Investigation of Marketing Area. Franchisee has investigated the potential of the Marketing Area within which it is to establish and operate the Center, the laws and regulations applicable to establishing and operating a weight loss and weight control, inch loss and inch control, body contouring or body wrapping business, and it agrees that the Area is a reasonable area and the initial fee hereinbefore recited represents a fair consideration for the opportunity to establish and operate a weight loss and weight control, inch loss and inch control business therein.

17.6 Other Franchisees of DCWI. Franchisee is aware of the fact that some present franchisees of DCWI may operate under different forms of agreement and, consequently that DCWI's obligations and rights in respect to its various franchisees may differ materially in certain circumstances.

17.7 Affiliates of DCWI. Franchisee acknowledges that Physicians Weight Loss Centers of America, Inc. ("PWLCA"), Form You 3 International, Inc. ("FY3"), and Advanced Fat Burning 24 Hour Thermogenics, Inc.("24 Hour") are affiliates of DCWI and may from time to time, offer the same or similar weight loss and weight control, inch loss and inch control, body contouring and body wrapping programs, services or products as are offered by DCWI. HMG Internet Distribution Company, Inc. a sub-chapter "s" corporation which owns: DC Internet Company, LLC, PWLC Internet Company, LLC, FY3 Internet Company, LLC all of which are in the business of selling to us and our affiliates and through the internet certain dietary programs and products. Franchisee further acknowledges that PWLCA, FY3, Advanced Fat Burning 24 Hour Thermogenics and DCWI are located in the same office building and share certain common officers, directors, administrative and other personnel who perform a wide range of duties for the Affiliates, including but not limited to, accounting, advertising and marketing, legal, franchise development, and education and training.

SECTION 18
EXECUTION

18.1 Counterparts. This Agreement is executed in multiple originals, any one of which may be introduced into evidence as conclusive proof of the context thereof.

IN WITNESS WHEREOF, the parties hereto duly executed this Agreement as of the date indicated below.

	DIET CENTER WORLDWIDE, INC.
______________________	___________________________
Franchisee Signature	DCWI Signature
______________________	___________________________
Print Name	Print Name
______________________	
______________________	
Address	
______________________	___________________________
Date	Date

NOTARY

State of ________________
County of ______________

The foregoing instrument was acknowledged before me on this ___ day of ___________, 20__, by ____________ [who [check one of the following] (___) is personally known to me or (___) has produced________________ [describe identification used] as identification, acknowledged before me that he executed the foregoing instrument.

Witness my hand and official seal this _____ day of ________________, 20__.

NotarySignature: _________________________
Print Name of Notary:______________________
Print Address: ___________________________
____
Telephone Number: _______________________
Email Address: ___________________________
NOTARY PUBLIC, State of ________________
My Commission Expires:___________________

APPENDIX A

CENTER AREA

The Area for the Center will be as follows:

The center Area will be defined and outlined by zip codes: ____________________________ with a total population of ____________.

DIET CENTER WORLDWIDE, INC., an Ohio corporation

______________________________	______________________________
Franchisee Signature	DCWI Signature
______________________________	______________________________
Print Name	Print Name

APPENDIX B

NON-COMPETITION AND CONFIDENTIALITY AGREEMENT

NON-COMPETITION/CONFIDENTIALITY AGREEMENT

15

THIS AGREEMENT is entered into this ____day of ____________, 20__ by and between **DIET CENTER WORLDWIDE, INC.**, (hereinafter called "Franchisor") and _________________________ (hereinafter called "Franchisee").

RECITALS

A. Franchisee, as the licensee of a **DIET CENTER®** franchise ("Center"), acknowledges that certain confidential information owned by Franchisor shall be disclosed to Franchisee in connection with such license.

B. Franchisee acknowledges that the signing of this Agreement is a condition for the license and the Franchisee recognizes the importance hereof.

NOW, THEREFORE, in consideration of the mutual promises of the parties, the parties hereby agree as follows:

1. Trade Secrets. The parties hereby acknowledge and agree that the entire system of weight loss and weight control and inch loss and inch control and body contouring and body wrapping utilized at the Center licensed and operated by the Franchisee is confidential trade secret information belonging to Franchisor. Such Trade Secrets may include, but are not limited to, all operation methods and know how, the art of weight loss and weight control, inch loss and inch control, body contouring and body wrapping, marketing techniques and concepts, business plans, trade names and trademarks in process, food products and dietary programs in concept or development, product formulas and specifications, suppliers, price lists, training manuals, policy manuals, sales promotion materials, customer lists, discoveries, recipes, diets, and any other material or information related to the operation or offering of weight loss and weight control, and inch loss and inch control services, and body contouring and body wrapping, either internal or used in connection with the general public, the list of any clients or potential customers of the Center, or any other technique used by the Franchisee in connection with the operation of the Center whether

provided at a physical location or through the use of the internet.

2. Non-Disclosure. The Franchisee agrees that during the course of the license or at any time thereafter, the Franchisee will not disclose, directly or indirectly, to any person, without the prior written consent by Franchisor, any information or confidential matters of Franchisor. The Franchisee agrees that upon termination of the license, he will not remove from the premises any written material, customer lists or other material, acquired during the course of his license or acquired otherwise, and further shall return to the Franchisor any of such information obtained by the Franchisee.

3. Non-Competition. The Franchisee agrees that during the course of the license and continuing for a period of two (2) years from the date of termination of the franchise agreement or otherwise, Franchisee will not directly or indirectly own, manage, operate, control, be employed by, or participate in ownership, management, operation, control, or be connected in any manner with any business which owns, manages, operates, or controls a weight loss, weight control or inch loss, inch control or body contouring, body wrapping center of any type that carries similar, nutritional weight loss or weight control, inch loss or inch control, body contouring or body wrapping products and/or programs and/or services as Franchisor included but not limited to corresponding equipment that offers those services, or fitness center of any type that carries similar nutritional weight loss or weight control, inch loss or inch control, or body contouring or body wrapping products, services or programs, within a fifty (50) mile radius of the center location or its assigned and/or protected Area or of any center and its assigned and/or protected Area operated by Franchisor or any other franchisee of Franchisor or any affiliate or successors of Franchisor. In addition to the above, Franchisee will not engage in creating, establishing, or participating in an Internet program utilizing weight loss or weight control, inch loss or inch control, or body contouring or body wrapping programs and/or products, nor participate in diverting clients to a competitor of the Franchisor whether operating a center or providing products and services on the Internet.

4. Enforcement. The parties agree that in the event the Franchisee should violate the provisions of this Agreement, the determination of actual damages would be difficult and inconvenient because of the uncertainty thereof; and therefore, the Franchisee agrees that Franchisor would suffer liquidated damages of Five Thousand Dollars ($5,000.00) per month for each month in which the violation should occur or continue.

The Franchisee acknowledges that Franchisor may also seek actual damages in lieu of the amount of liquidated damages. The Franchisee acknowledges that irreparable injury will result to Franchisor , in the event of any violation of this Agreement and that in the event of any violation hereof, that Franchisor shall be entitled, in addition to any other remedy and damages available, to an immediate injunction by any Court of competent jurisdiction to restrain the violation by the Franchisee.

5. Application to Franchisor. The parties recognize and agree that the Franchisee is not an agent of Franchisor but is solely a franchisee of Franchisor. The parties acknowledge that Franchisor has a legal interest in the application and enforcement of this Agreement and that Franchisor shall have the right, in its sole discretion, to enforce the provisions hereof.

6. Miscellaneous. Any waiver, alteration or modification of any of the provisions of this Agreement or the termination or replacement of this Agreement shall not be valid unless in writing and signed by all parties. The provisions of this Agreement shall inure to the benefit of and shall be binding upon the heirs, personal representatives, successors, and assigns of the parties. This Agreement shall be governed and construed in accordance with the laws of the state of Ohio.

7. Acknowledgment. The Franchisee acknowledges that she/he has carefully read this entire Agreement, understands the provisions contained herein and represents that she/he has had the opportunity to ask questions pertaining to this Agreement.

IN WITNESS WHEREOF, the parties have hereunto signed this document as of the date first above written.

WITNESS:	FRANCHISEE:
______________________________	______________________________
Signature	Franchisee Signature
______________________________	______________________________
Print Name	Print Name
______________________________	______________________________
Date	Date

DIET CENTER WORLDWIDE, INC.

____
DCWI Signature

____
Print Name

____
Date

NOTARY

State of _________________
County of _______________

The foregoing instrument was acknowledged before me on this ___ day of ___________, 20__, by ____________ [who [check one of the following] (___) is personally known to me or (___) has produced________________ [describe identification used] as identification, acknowledged before me that he executed the foregoing instrument.

Witness my hand and official seal this _____ day of _________________, 20__.

NotarySignature: __________________________
Print Name of Notary:_______________________
Print Address: _____________________________
____
Telephone Number: ________________________
Email Address: ____________________________
NOTARY PUBLIC, State of _________________
My Commission Expires:____________________

APPENDIX C

SPOUSAL CONFIDENTIALITY AGREEMENT

This Agreement is made and entered into this _____ day of __________________, 20__, by and between Diet Center Worldwide, Inc., having a principal place of business at 395 Springside Drive, Akron, Ohio, 44333-2496, (hereinafter referred to as "DCWI") and ____________________________ (hereinafter referred to as "Spouse"), having a principal address at ________________________________.

RECITALS:

A. DCWI and __________________________ have entered into a certain Franchise License Agreement dated ______________, 20__ for the Center located in _____________ (City), ________ (State) and in connection therewith it is anticipated that Spouse will become familiar with the operating system and trade secrets of DCWI.

B. Spouse acknowledges and agrees that the Confidential Information and trade secrets set forth below that may be provided to him/her in connection with his/her relationship with DCWI's Franchisee referenced above are considered confidential and proprietary to and a valuable asset of DCWI and that any disclosure or unauthorized use thereof will cause irreparable harm and loss to DCWI.

NOW, THEREFORE, in consideration of the foregoing, the undersigned agrees to treat information in confidence and to undertake the following additional obligations:

1. **Trade Secrets and Confidential Information**. In connection with the relationship with DCWI Franchisee referenced above, Spouse will have access to and become familiar with various trade secrets and/or confidential information which may include, but not be limited to, all operation methods and know how, the art of weight loss and weight control, inch loss, inch control, body contouring and body wrapping, marketing techniques and concepts, business plans, trade names and trademarks in process, food products, nutritional and dietary products and dietary programs in concept or development, product formulas and specifications, suppliers, price lists, training manuals, policy manuals, sales promotion materials, customer lists, discoveries, recipes, diets, and any other material or information related to the operation or offering of weight control services, inch control services, body contouring, body wrapping, either internal or used in connection with the general public, the list of any clients or potential customers of the Center, or any other technique used by the Franchisee in connection with the operation of the Center whether provided at a physical location or through the use of the internet.

Spouse shall not at any time during the Spouse's course of dealing with DCWI or thereafter disclose any of the above mentioned trade secrets and/or confidential materials, directly or

indirectly, or use them in any way, at any time, except as required.

2. **Non Disclosure.** Spouse shall not disclose the Confidential Information outside of the undersigned or its affiliate corporations (if any) who are directly involved and/or engaged in the preparation of said materials or to who it shall be essential to disclose the same and keep it from third parties.

3. **Return of Confidential Information.** Immediately upon the request of DCWI or upon termination of the Franchise License Agreement referenced hereunder for any reason whatsoever, Spouse shall return the Confidential Information to DCWI, together with all notes and copies thereof or copies of any parts thereof, as shall then be in their possession and not thereafter to at any time exploit or use the Confidential Information in whole or in part or disclose the same to any third party (except such part of the Confidential Information as shall then be in the public domain or shall subsequently become so through no fault of Spouse).

4. **Covenant Against Unfair Competition.** Spouse agrees that, on termination of Franchise License Agreement hereunder for any reason whatsoever, the Spouse shall not own, manage, operate, control, or participate in the ownership, management, operation, or control of, or be employed or engaged by or otherwise affiliated or associated as an officer, agent, consultant, independent contractor, or otherwise with any other corporation, partnership, proprietorship, firm, association or other business entity which competes with or sells, manufactures or distributes products, programs or services similar to those sold, used or distributed by DCWI or otherwise engage in any business which is engaged in any manner in, or otherwise competes with the business of DCWI for a period of two (2) years after the date of termination of the Franchise License Agreement referenced hereunder for any reason whatsoever.

The covenants set forth in this Section 4 shall be operative and in effect for a period of two (2) years from the date of termination of this Agreement or from the earlier termination of the Franchise License Agreement referenced hereunder for any reason whatsoever under the terms of this Agreement and within the geographical limits of a fifty (50) mile radius of that center location or its assigned and/or protected Area or of any center and its assigned and/or protected area operated by Franchisor or any other franchisee of Franchisor or any affiliate or successors of Franchisor. In addition to the above, Franchisee will not engage in creating, establishing, or participating in an Internet program utilizing weight loss or weight control, inch loss or inch control, or body contouring or body wrapping programs and/or products, nor participate in diverting clients to a competitor of the Franchisor whether operating a center or providing products and services on the Internet.

5. **Breach of Agreement**. In the event of any breach of the foregoing provisions, DCWI will be entitled to injunctive relief and/or such other relied as may be appropriate in the circumstances, it being understood that any breach of the foregoing will result in irreparable harm and continuing damage for which DCWI will have no adequate remedy at law.

Spouse further agrees that if he/she violates the foregoing provisions, the determination of the actual damages would be difficult and inconvenient because of the uncertainty thereof; and therefore, Spouse now agrees to pay to DCWI a total sum of Five Thousand Dollars ($5,000) for each breach of this Agreement regarding Confidential Information. Such sums are to be liquidated damages and not be considered as penalty for any reason. Nothing herein shall be construed as prohibiting DCWI from pursuing any other remedies available to DCWI for any breach or threatened breach of this Agreement, including the recovery of actual damages from the parties in lieu of the amount of liquidated damages.

In the event of any breach in this Agreement, if DCWI should employ attorneys or incur other expenses for the enforcement of any obligations or agreement of Spouse herein, then Spouse agrees that, on demand therefore and to the extent permitted by law, Spouse shall reimburse the reasonable fees of such attorneys and such other expenses so incurred.

6. **Benefit**. This Agreement shall inure to the benefit of DCWI's successors and assigns.

7. **Governing Law**. This Agreement shall be construed and enforced in accordance with the laws of the State of Ohio.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

DIET CENTER WORLDWIDE, INC.	SPOUSE
DCWI Signature: ______________________	Spouse Signature:______________________
Print Name:___________________________	Print Name: __________________________
Date: ________________________________	Date:_______________________________

NOTARY

State of _________________
County of _______________

The foregoing instrument was acknowledged before me on this ___ day of ___________, 20__, by ____________ [who [check one of the following] (___) is personally known to me or (___) has produced________________ [describe identification used] as identification, acknowledged before me that he executed the foregoing instrument.

Witness my hand and official seal this _____ day of _________________, 20__.

NotarySignature: ___________________________
Print Name of Notary:________________________
Print Address: ______________________________
____
Telephone Number: _________________________

Email Address: _____________________________

NOTARY PUBLIC, State of ___________________
My Commission Expires:______________________

APPENDIX D
GENERAL RELEASE

As used herein, "**Franchisee**" shall mean the individual or individuals which have been granted the Franchise under this and/or prior Franchise Agreements and their business organizations including but not limited to any affiliated entity as well as any advertising cooperative formed by the franchisee AND shall also include heirs and assigns of individuals, successors and assigns of corporations or other business organizations, and shall further include the personal representative(s) and Estate(s) of the individual(s) named in the Franchise Agreement.

As used herein, "**Franchisor**" shall mean Diet Center Worldwide, Inc., and any affiliates, (Physicians Weight Loss Centers of America, Inc., Form You 3 International, Inc., Advanced Fat Burning 24 Hour Thermogenics Inc., Health Management Group, Inc., HMG Internet Distribution Company, Inc. a sub-chapter "s" corporation which owns: DC Internet Company, LLC, PWLC Internet Company, LLC, FY3 Internet Company, LLC along with any affiliated entity and any advertising cooperative and/or similar organization (whether separately organized or acting as either an unorganized entity or under the Franchise Agreement), along with the Directors, Officers, Employees, and Shareholders of each of these entities.

Franchisee for and in consideration of the receipt of valuable consideration received from Franchisor, the receipt and sufficiency of which is hereby specifically, formally and expressly acknowledged as adequate, and which is acknowledged by Franchisee to be substantial and real, and that said consideration is not merely a recital, HEREBY remises, releases, acquits, and forever **completely and forever discharges Franchisor** from any and all actions, causes of action, suits, debts (whether liquidated or un-liquidated, acknowledged or contested), dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, controversies, agreements, promises, variances, trespasses, judgments, executions, claims and demands of any kind or description whatsoever, in law or in equity, known or unknown, including, without limiting the foregoing, any claims for attorney fees, damages of any nature or any other economic or non-economic losses arising from contract and/or tort, including pending litigation, contemplated litigation, or completed litigation (including any judgments or right to judgment regardless of its nature or status), and specifically including any claims and demands whatsoever in law or in equity, which the Franchisee ever had, now has, or which it believes it will have based on actions or activities prior to the date of this General Release for or by reason of any matter, cause or thing whatsoever.

IN WITNESS WHEREOF, and having carefully read and having understood and considered the foregoing, and with the intent of being bound by the terms hereof, this GENERAL RELEASE has been executed this _____________ day of ____________, 20__.

____
signature of individual

____
signature of individual

STATE OF OHIO
COUNTY OF SUMMIT ss

Before me, the undersigned Notary Public, personally appeared ____________________, known to me, or who has presented me with appropriate and specific evidence of identity, whose name is subscribed to the above document, and who has acknowledged, in my presence, that s/he executed the same for the purposes expressed therein, and intending to be bound by all of the conditions in said document. I attest that s/he has specifically confirmed that s/he has read and understood this GENERAL RELEASE and further that s/he appears to be of sound mind and not under or subject to duress, fraud, or undue influence.

____
Notary Public
Commission does not expire

STATE OF OHIO
COUNTY OF SUMMIT ss

Before me, the undersigned Notary Public, personally appeared ____________________, known to me, or who has presented me with appropriate and specific evidence of identity, whose name is subscribed to the above document, and who has acknowledged, in my presence, that s/he executed the same for the purposes expressed therein, and intending to be bound by all of the conditions in said document. I attest that s/he has specifically confirmed that s/he has read and understood this GENERAL RELEASE and further that s/he appears to be of sound mind and not under or subject to duress, fraud, or undue influence.

____
Notary Public
Commission does not expire

APPENDIX E
PERSONAL GUARANTY

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (hereinafter the "Agreement") dated ______________by and between DIET CENTER WORLDWIDE, INC., an Ohio corporation, whose principal office is located at 395 Springside Drive, Akron, OH 44333-2496 (hereinafter "Franchisor") and ______________________________(hereinafter "Franchisee"), each of the undersigned Guarantors agree as follows:

1. The Guarantors do hereby jointly and severally unconditionally guaranty the full, prompt and complete performance of the Franchisee under the terms, covenants and conditions of the Agreement, including without limitation the complete and prompt payment of all indebtedness to Franchisor under the Agreement and any revisions, modifications and amendments thereto (hereinafter collectively referred to as the "Agreement"). The word "indebtedness" is used herein in its most comprehensive sense and includes without limitation any and all advances, debts, obligations, and liabilities of the Franchisee, now or hereafter incurred, either voluntarily or involuntarily, and whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, or whether recovery thereof may be now or hereafter barred by any statute of limitation or is otherwise unenforceable.

2. The obligations of the Guarantors are independent of the obligations of Franchisee and a separate action or actions may be brought and prosecuted against any or all of the Guarantors, whether or not actions are brought against the Franchisee or whether the Franchisee is joined in any such action.

3. If the Franchisee is a corporation, Franchisor shall not be obligated to inquire into the power or authority of the Franchisee or the officers, directors, or agents acting or purporting to act on the Franchisee's behalf and any obligation or indebtedness made or created in reliance upon the exercise of such power and authority shall be guaranteed hereunder. Where the Guarantors are corporations or partnerships it shall be conclusively presumed the Guarantors and the partners, agents, officers and directors acting on their behalf have the express authority to bind such corporations or partnerships and that such corporations or partnerships have the express power to act as the Guarantors pursuant to this Guaranty and that such action directly promotes the business and is in the interest of such corporations or partnerships.

4. Franchisor, its successors and assigns, may from time to time, without notice to the undersigned: (a) resort to the undersigned for payment of any of the liabilities, whether or not it or its successors have resorted to any property securing any of the liabilities or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the liabilities; (b) release or compromise any liability of any of the undersigned hereunder or any liability of any party or parties primarily or secondarily liable on any of the liabilities; and (c) extend, renew or credit any of the liabilities for any period (whether or not longer than the original period); alter, amend or

exchange any of the liabilities; or give any other form of indulgence, whether under the Agreement or otherwise.

5. The undersigned further waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the foregoing Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Franchisee and Franchisor resulting from such Agreement or otherwise, and the settlement, compromise or adjustment thereof.

6. In the event any dispute between the Franchisor and the Guarantors cannot be settled amicably, the parties agree said dispute shall be settled in accordance with the Commercial Rules of the American Arbitration Association. The Arbitration shall be held at the Franchisor's headquarters in Akron, Ohio or the then current corporate headquarters of the Franchisor. The undersigned agree to pay all expenses paid or incurred by Franchisor in attempting to enforce the foregoing Agreement and this Guaranty against Franchisee and against the undersigned and in attempting to collect any amounts due thereunder and hereunder, including reasonable attorneys' fees if such enforcement or collection is by or through an attorney. Any waiver, extension of time or other indulgence granted from time to time by Franchisor or its agents, successors or assigns, with respect to the foregoing Agreement, shall in no way modify or amend this Guaranty, which shall be continuing, absolute, unconditional and irrevocable.

7. This Guaranty shall be enforceable by and against the respective administrators, executors; successors and assigns of the Guarantors and the death of any Guarantor shall not terminate the liability of such Guarantor or limit the liability of the other Guarantors hereunder.

8. If more than one person has executed this Guaranty, the term "the undersigned," as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty under seal effective as of the ____ day of ________________, 20__.

______________________________	______________________________
Signature	Signature
______________________________	______________________________
(Home Address)	(Home Address)

APPENDIX F

SIGNAGE ADDENDUM

Landlord agrees to allow Diet Center Worldwide, Inc. (DCWI) to remove or cover the signage in the event of termination or early closure by the Franchisee/Tenant and to preserve the brand integrity in the market. The sign will be removed or covered at the expense of Franchisee/Tenant.

Dated:___________________ By:_________________________________

Landlord

By:_________________________________

Franchisee/Tenant

Facility Location:___________________________

APPENDIX G

BANK ACCOUNTING FORM

WHAT IS EASY PAY?

Easy-Pay is a method of automatically withdrawing funds from an individual bank account. Now you can authorize your bill to be paid automatically, no more writing checks!

HOW DOES EASY-PAY WORK?

You simply complete and sign this authorization form allowing your payment to be paid directly from your individual bank account by the due date. This service is available to you at NO ADDITIONAL COST.

WHAT RECORD WILL I HAVE OF MY PAYMENT?

Your monthly bank statement is proof of your payment. Your bank statement becomes your record for tax purposes, and your way of checking and reconciling Easy-Pay transactions with your bank account balance. Your bill will indicate that your account will be charged.

HOW DO I CHANGE AN AUTHORIZED EASY-PAY PAYMENT?

You may change an authorized payment by the submission of a new, EZ Pay form sent to the business office at least thirty days before the payment is due. For example, you may want the payment made from a different account. In this case, be sure to give all new information to the Corporate Office. This authorization is effective immediately.

DIET CENTER WORLDWIDE, INC.®

EASY-PAY BANK DRAFT AUTHORIZATION FORM

I (we) hereby authorize Diet Center Worldwide, Inc.®, herein called DCWI, to initiate debit entries to my (our) _____Checking Account _____ Savings Account, (**select one**) indicated below at financial institution named below, hereafter called DEPOSITORY, and to debit the same to such account. I (we) acknowledge that the organization of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Corporation Name: ______________________________

Contact Person: ______________ Title: ______________________

Business Phone: ______________________ Center Number: __________________

Center Address: ______________________________

City: ____________________ State: _________ Zip Code: ____________

Financial Institution: ______________________________

Bank Account #: ______________________________

Bank Routing #: ______________________________

$ Due weekly 5 ½ % of gross revenue up to $100,000 and 4 ½ % of gross revenue from $100,001 to $200,000 and 3 ½ % in excess of $200,000 .

$ **249.00** AD/QA/LWS Fund - Due by the 17th of each month.

PLEASE INCLUDE A CURRENT VOIDED CHECK (***DEPOSIT SLIPS ARE NOT ACCEPTABLE***)

This authority is to remain in full force and effective until the DCWI has received written notification from me (or either or us) of its termination in such time and in such manner as to afford DCWI and DEPOSITORY a reasonable opportunity to act on it. Any arrearages can be charges any time without notification.

__________ ____________________ ____________________

Date Name *(Please Print)* Signature

FDD No. _______

EXHIBIT B-1

LipoGenics Laser Body Contouring System Franchise Addendum

THIS ADDENDUM made and entered into effective on the date signed by the parties, or if signed on separate dates, effective on the latter date signed, as set forth on the signature page of this Agreement , at Akron, Ohio, between **Diet Center Worldwide, INC.**, an Ohio corporation (hereinafter referred to as "DCWI") and _______________________________________ and (hereinafter referred to as "Franchisee") and which hereby amends the **Diet Center Worldwide, INC., FRANCHISE LICENSE AGREEMENT** entered into on _____________________.

RECITALS

A. DCWI has expended time, money and effort to develop a unique business test program utilizing a type of LipoGenics Laser Body Contouring System and protocol which can be incorporated with your existing DCWI programs. This program will be a unique opportunity offered to DCWI franchisees. ("LipoGenics program").

B. The franchisee ("Franchisee") as defined in the DCWI Franchise License Agreement hereby desires to participate in the Diet Centers LipoGenics Laser Body Contouring System program as evidenced by this Addendum.

NOW, THEREFORE, in consideration of the foregoing premises and of the covenants herein contained, the parties agree to amend **Diet Center Worldwide, INC., FRANCHISE LICENSE AGREEMENT** as follows:

1. Section 2.1 and 2.4 (a) is hereby amended as follows;

DCWI hereby grants to Franchisee a license to operate a Diet Center with the addition of the LipoGenics Laser Body Contouring System and protocol within the business currently located at ___________________________
or at any other approved location and within the exclusive territory described on Exhibit A (the "Area") for the duration of and consistent with the term of their current **Diet Center Worldwide, INC., FRANCHISE LICENSE AGREEMENT** entered into on ___________________________.

In addition, DCWI hereby grants to Franchisee during the term of this Agreement, a license to market the LipoGenics Laser Body Contouring System and protocol within their protected territory.

2. Section 4.3 is hereby amended as follows;

DCWI and Franchisee hereby acknowledge that the LipoGenics Laser Body Contouring System and protocol will be operated within the Franchisee's center, will need to comply with DCWI's physical facility compliance standards, maintenance, and required operation for the procedure as more fully described in the Manuals. Franchisee acknowledges that the LipoGenics Body Contouring System and protocol may be modified at any time and may be suspended at any time at the sole discretion of the Franchisor or in the event the protocol is determined to be a threat to public health and safety.

3. Section 7.2 is hereby amended as follows;

Franchisee hereby acknowledges and agrees that the LipoGenics Body

Contouring System program sales will be subject to a 6% nonrefundable monthly license fee for each month that the program is in effect. This fee will be in addition to the flat fee license amounts for those franchisees on a flat fee contract.*

4. Section 11.1 is hereby amended as follows;

DCWI will require Franchisee to maintain professional liability coverage and name DCWI as an additional insured on Franchisee's liability coverage in addition to adding the LipoGenics insurance premium to the franchisee's existing professional liability policy.

5. Sections 12.1 and 12.2 are hereby amended as follows;

Franchisee and DCWI hereby acknowledge that the restrictive covenant existing during the term of this agreement and continuing thereafter will be modified to include the LipoGenics Laser Body Contouring System, Laser Body Contouring and Sculpting, inch loss and inch reduction.

6. Section 14.1 (a) is hereby amended as follows;

DCWI acknowledges that Franchisee may sell the LipoGenics Laser Body Contouring System program and protocol as an approved program with existing Diet Center programs until further notice.

*Franchisee on an existing percentage License Agreement will pay the % on the LipoGenics sales as stated in their current License Agreement.

All remaining terms of the **Diet Center Worldwide, INC., FRANCHISE LICENSE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.**

IN WITNESS WHEREOF, the parties hereto duly executed this addendum as of the date indicated below.

Diet Center Worldwide, Inc.

By: ______________________________
DCWI Signature

Date ____________________

Its: ______________________________
Title

FRANCHISEE:

____
Franchisee Signature

Date _____________________

Print Name: ______________________
Address: ______________________
____

FDD No. _______

EXHIBIT B-2

Infrared Body Wrapping System Franchise Addendum

THIS ADDENDUM made and entered into effective on the date signed by the parties, or if signed on separate dates, effective on the latter date signed, as set forth on the signature page of this Agreement , at Akron, Ohio, between **Diet Center Worldwide, INC.**, an Ohio corporation (hereinafter referred to as "DCWI") and ____ and (hereinafter referred to as "Franchisee") and which hereby amends the **Diet Center Worldwide, INC., FRANCHISE LICENSE AGREEMENT** entered into on _____________________.

RECITALS

C. DCWI has expended time, money and effort to develop a unique business test program utilizing a type of Infrared Body Wrapping System and protocol which can be incorporated with your existing DCWI programs. This program will be a unique opportunity offered to DCWI franchisees. ("body wrapping program").

D. The franchisee ("Franchisee") as defined in the DCWI Franchise License Agreement hereby desires to participate in the Diet Centers Infrared Body Wrapping System program as evidenced by this Addendum.

NOW, THEREFORE, in consideration of the foregoing premises and of the covenants herein contained, the parties agree to amend **Diet Center Worldwide, INC., FRANCHISE LICENSE AGREEMENT** as follows:

7. Section 2.1 and 2.4 (a) is hereby amended as follows;

DCWI hereby grants to Franchisee a license to operate a Diet Center with the addition of the Infrared Body Wrapping System and protocol within the business currently located at

____

or at any other approved location and within the exclusive territory described on Exhibit A (the "Area") for the duration of and consistent with the term of their current **Diet Center Worldwide, INC., FRANCHISE LICENSE AGREEMENT** entered into on

__________________________.

In addition, DCWI hereby grants to Franchisee during the term of this Agreement, a license to market the Infrared Body Contouring System and protocol within their protected territory.

8. Section 4.3 is hereby amended as follows;

DCWI and Franchisee hereby acknowledge that the Infrared Body Wrapping System and protocol will be operated within the Franchisee's center, will need to comply with DCWI's physical facility compliance standards, maintenance, and required operation for the procedure as more fully described in the Manuals. Franchisee acknowledges that the Infrared Body Wrapping System and protocol may be modified at any time and may be suspended at any time at the sole discretion of the Franchisor or in the event the protocol is determined to be a threat to public health and safety.

9. Section 11.1 is hereby amended as follows;

DCWI will require Franchisee to maintain professional liability coverage and name DCWI as an additional insured on Franchisee's liability coverage in addition to adding the Infrared Body Wrapping insurance premium to the franchisee's existing professional liability policy.

10. Sections 12.1 and 12.2 are hereby amended as follows;

Franchisee and DCWI hereby acknowledge that the restrictive covenant existing during the term of this agreement and continuing thereafter will be modified to include the Infrared Body Wrapping System.

11. Section 14.1 (a) is hereby amended as follows;

DCWI acknowledges that Franchisee may sell the Infrared Body Wrapping System program and protocol as an approved program with existing Diet Center programs until further notice.

*Franchisee on an existing percentage License Agreement will pay the % on the LipoGenics sales as stated in their current License Agreement.

All remaining terms of the **Diet Center Worldwide, INC., FRANCHISE LICENSE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.**

IN WITNESS WHEREOF, the parties hereto duly executed this addendum as of the date indicated below.

Diet Center Worldwide, Inc.

By: ___________________________
DCWI Signature

Date _____________________

Its: _______________________________
Title

FRANCHISEE:

____
Franchisee Signature

Date ______________________

Print Name: ________________________

Address: ___________________________

____

PROGRAMS & PRODUCTS MANUAL

FDD No. _______

FDD No. _______

BEHAVIOR GUIDANCE/ EXCLUSIVELY ME MANUAL

FDD No. _______

FDD No. _______

FDD No. _______

FDD No. _______

CENTER OPERATIONS MANUAL

FDD No. _______

FDD No. _______

FDD No. _______

FDD No. _______

YOLO CURVE TRAINING MANUAL

THE TELEPHONE SCRIPTS

PRE-CLOSE

SALES AND INITIAL CONSULTATION

EXHIBIT C
AGENT FOR SERVICE OF PROCESS

Our registered agent in Ohio is:

Charles E. Sekeres
395 Springside Dr
Akron, OH 44333-2434

CALIFORNIA

California Department of Business Oversight
Department of Corporations
3700 Wilshire Blvd., 6th Floor
Los Angeles, CA 90010
(213) 736-2741

HAWAII

Director of Hawaii Department of Commerce and
Consumer Affairs
335 Merchant St RM 205
Honolulu, HI 96813
(808) 586-2744

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA

Deputy Commissioner
Indiana Secretary of State
302 W. Washington Street, Room E-111
Indianapolis, IN 46204
(317) 232-6681

MARYLAND

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

MICHIGAN

Michigan Department of Commerce
Consumer Protection Division
PO Box 30213
Lansing, MI 48913
(517) 373-7117

MINNESOTA

Minnesota Department of Commerce
Market Assurance Division
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
(651) 296-6328

NEW YORK

Assistant Attorney General
120 Broadway, 23rd Floor
New York, NY 10271-0332
(212) 416-8200

NORTH DAKOTA

North Dakota Securities Commissioner
Office of Securities Commissioner
Fifth Floor, State Capitol
600 East Blvd.
Bismarck, ND 58505-0510
(701) 328-4712

RHODE ISLAND

Chief Securities Examiner
Division of Securities
1511 Pontiac Ave.
Cranston, RH 02920
401-462-9567
SOUTH DAKOTA

Franchise Administrator, Div. of Securities
124 S. Euclid Ave. Ste 104
Pierre, SD   57501-3185
(605) 773-4823

VIRGINIA

Clerk of the State Corporation Commission
1300 East Main Street
1st Floor
Richmond, VA 23219
(804) 371-9733

WASHINGTON

Administrator
Washington Depart. of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033
(360) 902-8760

WISCONSIN

Franchise Administrator
Securities and Franchise Registration
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701
(608) 266-8559

EXHIBIT D
SUMMARY OF APPLICABLE LAWS AND REGULATIONS

Your franchised business would be affected by a variety of federal, state and local laws and regulations. Some laws and regulations specifically regulate commercial weight loss businesses; others affect small businesses generally. Before signing a Franchise Agreement, you should consult a local attorney who is familiar with local laws to determine how these laws will affect your business.

Some of the applicable laws and regulations fall into the following categories:

1. Dietician laws and regulations. These affect the provision of the services of a dietician. Weight loss programs designed by registered dieticians are sometimes exempt from one or more of these regulations.

2. Fitness club laws and regulations. These affect fitness clubs, which accept advance payments. The definition of fitness club can include weight loss businesses.

3. General laws and regulations. These affect all service businesses and/or businesses which sell food products. These can include health and safety, scales, food storage and refrigeration, business and sales taxes, business permits, employment relationships, worker's compensation and zoning.

YOU ARE STRONGLY ENCOURAGED TO CONSULT A LOCAL BUSINESS ATTORNEY TO DETERMINE THE SPECIFIC LAWS AND REGULATIONS, WHICH WOULD APPLY TO YOUR BUSINESS.

EXHIBIT E
STATE FRANCHISE ADMINISTRATORS

CALIFORNIA

California Department of Business Oversight
320 West 4th Street
Suite #750
Los Angeles, CA 90013
(213) 576-7500

HAWAII

Director of Hawaii Department of Commerce and Consumer Affairs
335 Merchant St RM 205
Honolulu, HI 96813
(808) 586-2744

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA

Deputy Commissioner
Indiana Secretary of State
302 West Washington Street, Room E111
Indianapolis, IN 46204
(317) 232-6681

MARYLAND

Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

MICHIGAN

Michigan Department of Commerce
Consumer Protection Division
PO Box 30213
Lansing, MI 48913
(517) 373-7117

MINNESOTA

Minnesota Department of Commerce
Market Assurance Division
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
(651) 296-6328

NEW YORK

Assistant Attorney General
120 Broadway
New York, NY 10271-0332
(212) 416-8211

NORTH DAKOTA

North Dakota Securities Commissioner
Office of Securities Commissioner
Fifth Floor, State Capitol
600 East Blvd.
Bismarck, ND 58505-0510
(701) 328-4712

RHODE ISLAND

Chief Securities Examiner
Division of Securities
1511 Pontiac Ave
Cranston, RI 02920
(401) 462-9567

SOUTH DAKOTA

Franchise Administrator, Div. of Securities
124 S. Euclid Ave. Ste 104
Pierre, SD 57501-3185
(605) 773-4823

VIRGINIA

State Corporation Commission
1300 East Main Street
1st Floor
Richmond, VA 23219
(804) 371-9733

WASHINGTON

Administrator
Washington Dept. of Financial Institutions
Securities Division
150 Israel Rd SW
Tumwater, WA 98501
(360) 902-8760

WISCONSIN

Franchise Administrator
Securities and Franchise Registration
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701
(608) 266-8559

FDD No. ________

CURRENT FRANCHISEES

EXHIBIT G

First	Last	Add1	Add2	City	State	Zip	Phone.
Victoria & Robert	Lee	4055 Seraph Drive	Suite 5	Conway	AR	72034	501-327-7546
Jason	Foley	701 Windover Rd.	Suite 300	Jonesboro	AR	72401	870-932-8746
Courtney	Dugger	4910 Kavanaugh Blvd	Suite D	Little Rock	AR	72207	(501) 663-9482
Courtney	Dugger	25 Rahling Circle	Suite F	Little Rock	AR	72223	501-821-5673
Norma & Eunice	Mesick	1848 Hope Ave.	Suite #1	Kingman	AZ	86401	(928) 753-5066
Karen	Magnum	70 Church Street		Hamilton, BDA	BM	HM12	(441) 292-7007
Margaret	Dunbar-McKinnon	636 Watt Ave.		Sacramento	CA	95864	(916) 978-9533
Vicki	Leitner	1308 W. Robinhood Drive	Suite 4C	Stockton	CA	95207	(209)951-9130
Denise	Morford	801 S. Fairmont Ave	Suite # 9	Lodi	CA	95240	(209) 367-4460
Amie	Gonzalez	73-241 Hwy 111	Suite 3D	Palm Desert	CA	92260	760-341-5588
Rosalie	Schiappacasse	158 Danbury Road		Ridgefield	CT	06877	(203) 431-3438
Mary	Cooper	2614 Niles Avenue		St. Joseph	MI	49085	(269) 983-4660
Jeffrey & Marla	Kaminsky	6736A Orchard Lake Road		West Bloomfield	MI	48322	248-932-3438
Earl & Sue	Childress	309 Kyler		Monett	MO	65708	(417) 235-7175
Candice	Martin	1430 Thompson Blvd.	suite 4	Sedalia	MO	65301	(660) 827-5010
Jean	Waid	610 Friars Point Road		Clarksdale	MS	38614	(662) 627-9140
Casandra	Holiman	1554 Hwy. 1 South		Greenville	MS	38701	(662) 335-5249
Ty	Bushart	1330 Goodman Rd	Suite 4	Southaven	MS	38671	662-349-7743
Merrillyn	Helton	511 Shepherd St	Suite 102	Winston-Salem	NC	27103	(336) 760-0433
Brian & Julie	Crissey	200 Academy Street	Suite 220	Cary	NC	27511	(919) 467-6261
Margaret	Teel	1700 E. Ash Street #101	Ashwood Park	Goldsboro	NC	27530	(919) 583-0000
Karen	Johnson	511 North Eddy		Grand Island	NE	68801	(308) 384-3404
Gerri	McIntyre	1607 Platte Avenue		York	NE	68467	(402) 362-2780
Linda	Drukker	24 Godwin Avenue		Midland Park	NJ	07432	(201) 652-4447
Carol	Komondy	1492 Morris Avenue		Union	NJ	07083	(908) 688-3438
Stephaine	Aboyoun	246 N. Franklin Tpke	Suite 2	Ramsey	NJ	7446	201-818-5673
Grace	Trujillo	1225 S. St. Francis Drive		Santa Fe	NM	87501	(505) 982-5422
Jocelyn	Lyss	30 E. 40th Street	Suite 307	New York	NY	10016	(212) 683-0594
Rebeccac	Wilborn	120 East 56th Street	Room 1030	New York	NY	10022	(212) 759-8118
Yaffa	Klein	177 Turner Street	B1	Brooklyn	NY	11211	718/599-3200
Judith	Finch	135 Purchase Street		Rye	NY	10580	(914) 967-9462
Jehan	Al Humadi	2613 W. State Street		Olean	NY	14760	(716) 373-4577
Desiree & Domenick	Gerardi	863 Willis Avenue		Albertson	NY	11507	(516) 747-4260
Desiree	Gerardi	939 Sunrise Highway		Lynbrook	NY	11563	(516) 569-9130
Rhonda	Ockun	1825 Merrick Road		Merrick	NY	11566	516-442-7546
Claudia & Carol	Peterson & Ball	7745 Cox Lane		West Chester	OH	45069	513-779-6500
Lynne & Karen	Dyment	26 Towbridge Street West	#6	Meaford	ON	N4L1A5	226-662-0324
Ty	Bushart	540 S. Mendenhall	Suite 4	Memphis	TN	38117	901-683-1920
Ty	Bushart	1942 Exeter Road		Germantown	TN	38138	901-754-4900
Ty and Jason	Bushart and	33 Murray Guard		Jackson	TN	38305	731-664-8746

	Foley						
Ty and Jason	Bushart and Foley	9160 Highway 64	Suite 115	Lakeland	TN	38002	901-382-7187
Timothy	Burns	5425 South Padre Island Drive	Suite 104	Corpus Christi	TX	78411	361-903-2571
Jeannine	Wagner	713 SE Everett Mall Way	Suite E	Everett	WA	98208	(425) 355-8388
Andrea	Takahashi	8115 Greenwood Ave. N		Seattle	WA	98103	206-784-5008
Mary	Van de Graaf	508Yakima Valley Hwy		Sunnyside	WA	98944	(509) 837-3274
Ronda	Diemoz	1877 Dewar Drive		Rock Springs	WY	82901	(307) 382-4492
Jeannine	Wagner	713 SE Everett Mall Way	Suite E	Everett	WA	98208	(425) 355-8388
Andrea	Takahashi	8115 Greenwood Ave. N		Seattle	WA	98103	206-784-5008
Mary	Van de Graaf	508Yakima Valley Hwy		Sunnyside	WA	98944	(509) 837-3274
Ronda	Diemoz	1877 Dewar Drive		Rock Springs	WY	82901	(307) 382-4492

FDD No. ________

FORMER FRANCHISEES EXHIBIT H

First	Last	Add1	Add2	City	State	Zip	Phone.
Carolyn	Ishee	116-B Lily Flag Road		Huntsville	AL	35802	(256) 882-6890
Lisa	LaPuma	4770 Sunrise Highway	Suite 106	Massapequa Park	NY	11762	516-809-6979
Beth	Aman	1250 Hobbton Hwy.		Clinton	NC	28328	910-592-0266
Gina	Forgione	2365 Boston Post Rd.	Suite 200	Larchmont	NY	10538	914-358-9170
Desiree	Gerardi	180 Broadway		Hicksville	NY	11801	(516) 942-8446
Sylvia	Watkins	1045-A South Kerr Ave.		Wilmington	NC	28403	910-791-5673
Sandra	Costa	121 N. Maple Avenue		Manteca	CA	95336	(209) 239-3438
Nancy	Geiger	700 N. Third Street	Suite 103	Lacrosse	WI	54601	(608) 784-7588
Mary	Van de Graaf	4001 Summit View Ave.	Suite 7	Yakima	WA	98908	(509) 453-5737
Virginia	Fiden	6000 W. Club Lane	Suite A	Richmond	VA	23226	(804) 288-8446
Tommy	Dixon	405 Stella Street	Suite C	West Monroe	LA	71291	318-855-6125
Margaret	Maggiotta	42 East Main St.		East Islip	NY	11730	631-650-7864
Ashley & Vanessa	Kaplan & Pendyck	3004 Wake Forest Road	Suite 102	Raleigh	NC	27609	919-870-1992
Lynne	Manzer	255 N. Jefferson		Monument	CO	80132	419-488-3564
Beth	Tyrrell	2132 S. Orchard Drive		Bountiful	UT	84010	(801) 292-5057
Stephanie	Buker	1103 Southwest Blvd.	Suite D	Jefferson City	MO	65109	(573) 634-3438
Ann	Hering	7552 Navarre Pkwy	Suite 5	Navarre	FL	32566	850-684-1045
Karl Thomas	Diego Estrada	6719 Hillcrest Ave.		Dallas	TX	75205	(214) 363-8222
Della	Neitz	807 Stubbs Avenue	Suite #2	Monroe	LA	71201	(318) 323-3438
Cherie	Luke	425 Bay Road		Queensbury	NY	12804	(518) 793-5331
Kay	Bradford	370 Maple Avenue West	Suite 1	Vienna	VA	22180	(703) 281-7700
Barbara	Johnson	5540 South Street	Suite #105	Lincoln	NE	68506	(402) 488-5310

FDD No. ________

EXHIBIT I
FINANCIAL STATEMENTS

Schulte & Company
Certified Public Accountants
600 S. Cleveland-Massillon Road
Fairlawn, Ohio 44333-3022

CONSENT OF INDEPENDENT AUDITOR

We agree to the inclusion in this franchise offering circular filed with those state authorities requiring registration of the offer of franchises of our report dated April 13, 2016, with respect to the consolidated financial statements of Diet Center Worldwide, Inc. for the year ended December 31, 2015.

Schulte & Company CPA's Inc.

Fairlawn, Ohio
April 13, 2016

Tax Solutions • Accounting Services • Financial Consulting • Office: 330-670-0600 • Fax: 330-665-1192 • Web Site: www.schultecpa.com

DIET CENTER WORLDWIDE, INC.
(A Wholly-Owned Subsidiary of
The Health Management Group, Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

DIET CENTER WORLDWIDE, INC.
(A Wholly-Owned Subsidiary of The Health Management Group, Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2015

TABLE OF CONTENTS

Schulte & Company
Certified Public Accountants
600 S. Cleveland-Massillon Road
Fairlawn, Ohio 44333-3022

INDEPENDENT AUDITOR'S REPORT

To the Stockholder
Diet Center Worldwide, Inc.:

We have audited the accompanying consolidated financial statements of Diet Center Worldwide, Inc. (an Ohio S corporation), which comprise the consolidated balance sheet as of December 31, 2015, and the related consolidated statements of operations, changes in stockholder's equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Diet Center Worldwide, Inc. and subsidiaries as of December 31, 2015, and the consolidated results of their operations, changes in stockholder's equity and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Schulte & Company CPA's Inc.

Fairlawn, Ohio
April 13, 2016

Diet Center Worldwide, Inc.
(A Wholly-Owned Subsidiary of The Health Management Group, Inc.)

CONSOLIDATED BALANCE SHEET
December 31, 2015

ASSETS

Current Assets:		
Cash	$	5,651
Accounts receivable		11,079
Merchandise inventories		272,243
Total Current Assets		288,973
Property and Equipment:		
Office equipment and furniture		152,655
Building improvements		246,463
		399,118
Less: Accumulated depreciation		(206,532)
Total Property and Equipment		192,586
Other Assets:		
Amounts due from affiliates		1,852,375
Intangible assets, net of $415,860 accumulated amortization		114,409
Deposits		5,270
Total Other Assets		1,972,054
Total Assets	$	2,453,613

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities:		
Accounts payable	$	434,230
Accrued expenses		46,977
Line of credit		250,000
Total Current Liabilities		731,207
Total Liabilities		731,207
Stockholder's Equity:		
Common stock, $1,000 stated value, 750 shares authorized, 10 shares issued and outstanding		10,000
Additional paid-in capital		318,038
Retained earnings		1,394,368
Total Stockholder's Equity		1,722,406
Total Liabilities and Stockholder's Equity	$	2,453,613

The accompanying notes are an integral part of these financial statements.

- 2 -

Diet Center Worldwide, Inc.
(A Wholly-Owned Subsidiary of The Health Management

CONSOLIDATED STATEMENT OF OPERATIONS
Year ended December 31, 2015

Revenues:		
Sales of products and supplies	$	2,596,366
License fees		338,347
Franchise fees		89,000
Total Revenues		3,023,713
Cost of sales		1,311,324
Gross Profit		1,712,390
Selling and Administrative Expenses		1,242,826
Income from Operations		469,564
Other Income (Expense):		
Depreciation (expense)		(46,456)
Amortization (expense)		-
Loss on write off of intangibles		(7,500)
Miscellaneous income (expense)		(25,016)
Net interest (expense)		(9,258)
Provision for state and local income taxes		(8,462)
Total Other Income (Expense)		(96,692)
Net Income (Loss)	$	372,872

The accompanying notes are an integral part of these financial statements.

- 3 -

Diet Center Worldwide, Inc.
(A Wholly-Owned Subsidiary of The Health Management Group, Inc.)

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
Year ended December 31, 2015

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings (Deficit)	Total
BALANCE -- December 31, 2014	10	$ 10,000	$ 318,038	$ 1,355,925	$ 1,683,963
Net income	-	-	-	372,872	372,872
Shareholder contributions	-	-	-	-	-
Shareholder distributions	-	-	-	(334,429)	(334,429)
BALANCE -- December 31, 2015	-	$ 10,000	$ 318,038	$ 1,394,368	$ 1,722,406

The accompanying notes are an integral part of these financial statements.

Diet Center Worldwide, Inc.
(A Wholly-Owned Subsidiary of The Health Management Group, Inc.)

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended December 31, 2015

Cash Flows From Operating Activities:		
Net income	$	372,872
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization		46,456
Write off of intangible asset		7,500
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable		4,816
(Increase) decrease in inventories		(82,592)
Increase (decrease) in cash overdraft		(16,515)
Increase (decrease) in accounts payable		87,474
Increase (decrease) in other accrued liabilities		(17,760)
Net cash provided by (used in) operating activities		402,251
Cash Flows From Investing Activities:		
Payments for website development		(18,525)
Purchases of fixed assets		-
Net repayments to affiliates		(59,206)
Net cash provided by (used in) investing activities		(77,731)
Cash Flows From Financing Activities:		
Net increase in line-of-credit		15,560
Shareholder distributions		(334,429)
Net cash provided by (used In) financing activities		(318,869)
Net Increase (Decrease) in Cash		5,651
Cash - Beginning of Year		-
Cash - End of Year	$	5,651
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	$	9,258
Cash paid during the year for taxes	$	10,949

The accompanying notes are an integral part of these financial statements.

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DIET CENTER WORLDWIDE, INC.
(A Wholly-Owned Subsidiary of The Health Management Group, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE A – BACKGROUND

Nature of the Business – The Company, a wholly-owned subsidiary of The Health Management Group, Inc., (see income taxes below) is a franchisor of independently owned weight loss centers, which are located throughout the United States, Canada, and Bermuda. The Company's franchisees sell comprehensive weight reduction programs, including counseling and dietary foods and supplements to retail customers. The Company sells the franchisees the products that are used in the weight loss programs, and provides technical, operational, managerial, and marketing support. The Company also sells products and some services to the general public through its internet website and other direct means. These sales accounted for approximately 19% of total revenues.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation and Consolidation of Financial Statements – The Company's consolidated financial statements include the accounts of United States and Canadian operations and an affiliated internet company. All significant inter-company accounts and transactions have been eliminated.

Cash and Cash Equivalents – The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents for the purpose of determining cash flow. At December 31, 2015, cash and cash equivalents included cash on hand and cash in financial institutions, which was available for immediate withdrawal.

Concentration of Credit Risk – Financial instruments that could potentially subject the Company to concentration of credit risk include cash and accounts receivable. The Company maintains cash and cash equivalents in accounts which, at times, may exceed United States FDIC insured limits. The Company does not believe it is exposed to any significant credit risk on its cash and cash equivalents.

The Company generally requires clients to pay invoices for product sales at the time of shipment and, as such, does not require collateral. Because the Company's losses due to bad debts have historically been insignificant, the Company expenses bad debt as incurred and does not record an allowance for doubtful accounts.

Inventories – Inventories consist of products held in the Company's warehouses for resale, including packaged dietary food, dietary supplements, and printed forms, which are used by franchisees in administering weight loss programs. Inventories are valued at the lower of cost or market, with cost being determined on a first-in, first-out (FIFO) basis.

Property and Equipment – Office equipment and furniture are stated at cost. Depreciation is provided using accelerated methods over the estimated useful lives of the related assets, which lives are generally five to thirty-nine years. Equipment under capital lease is depreciated on accelerated methods over the lesser of the estimated useful life of the asset or the related lease term. Expenditures for maintenance and repairs are charged to expense as incurred, while major renewals and improvements are capitalized.

Intangible Assets – Intangible assets include trademark and franchise costs, as well as website development costs. When the Company was purchased in 1994, the excess of the consideration paid over the fair value of net assets acquired (essentially goodwill) was assigned to existing

DIET CENTER WORLDWIDE, INC.
(A Wholly-Owned Subsidiary of The Health Management Group, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

trademarks and franchise agreements. Consistent with the FASB ASC 350 (formerly SFAS No. 142, *Goodwill and Other Intangible Assets*), effective January 1, 2004, the Company no longer amortizes these assets, but evaluates these assets for impairment periodically (see valuation of long-lived assets below).

Website development costs are being amortized on a straight-line basis over the estimated useful lives of the assets, which lives are generally three years.

Valuation of Long-Lived Assets – In accordance with FASB ASC 360-10 (formerly SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*), management continually evaluates whether events or circumstances have occurred that indicate that the remaining useful lives of the Company's long-lived assets, primarily property, equipment, and intangible assets, should be revised or that the remaining balance of such assets may not be recoverable using objective methodologies. Such methodologies include evaluations based on the undiscounted cash flows generated by the underlying assets or other determinations of fair value.

Revenue Recognition – Revenue from the sale of product and supplies is recognized when these items are shipped to the end-consumer or to the franchisee distributors. Under certain grandfathered franchise agreements, the Company charges franchisees a continuing license fee based on and with each product purchase. Under other grandfathered contracts, the Company charges franchisees a monthly license fee calculated as a percentage of the franchisee's gross sales. Under newer contracts, the Company charges franchisees a flat monthly license fee. Revenue derived from license fees is recognized as the franchisees' sales are earned for the percentage franchisees or monthly for the flat rate franchisees. Franchise fees are charged for all new franchises and for renewals, transfers and expansions of existing franchises. Income from franchise fees is recognized when a new franchise commences operation or upon the renewal or transfer of an existing franchise. Franchise fee income charged on an expansion is recognized when the expansion franchise commences operations.

Revenues related to product and supply sales include amounts billed for shipping and handling, and are presented net of returns and free food products provided to consumers. Revenues from shipping and handling charges were approximately $168,305 in 2015.

Selling, General and Administrative Expenses – Selling, general and administrative expenses include advertising, marketing and promotional expenses, payroll, rent, insurance, shipping, and other general costs. The Company charges to expense these costs as incurred. For the year ended December 31, 2015, advertising expense totaled $34,352; and shipping costs totaled $198,749.

Income Taxes and Uncertain Tax Positions – The shareholder of the Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay any corporate, federal income tax on its taxable income. Instead, the income of the Company is passed through to, and reported on the tax return of, its shareholder. Therefore, no provision for federal income tax is included in the financial statements. The Company is subject to certain state and local income taxes and has recognized a provision for state and local income taxes of $8,500 in the financial statements.

The Company's Canadian franchisees withhold and remit non-resident taxes (NRT tax) on royalty payments to the Company. The non-resident tax expense for 2015 was approximately $0 (US dollars).

DIET CENTER WORLDWIDE, INC.
(A Wholly-Owned Subsidiary of The Health Management Group, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

Effective, January 1, 1998, the Company's sole shareholder, in a tax-free transaction, exchanged his stock in the company for 100% of the stock of The Health Management Group, Inc. (HMG, an Ohio S corporation). As a result, the Company became a wholly owned subsidiary of HMG. HMG also owns 100% of the stock of Physicians Weight Loss Centers of America, Inc. (PWLCA) and Form You 3 International, Inc. (FY3), both of which are franchisors of similar independently owned weight loss centers. PWLCA, FY3 and the Company are all S corporations for federal income tax purposes and have elected to be treated as qualified subchapter S subsidiaries of HMG. Accordingly, the taxable income of each of the companies is included in the consolidated federal income tax return of HMG.

The Company adopted the new accounting for uncertainty in income taxes guidance (FASB ASC 740-10 (formerly FASB Interpretation No. (FIN) 48, *Accounting for Uncertainty in Income Taxes*)) on January 1, 2009. There was no material impact resulting from the adoption of FASB ASC 740-10 (formerly FIN 48) on the Company's consolidated financial statements. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings.

The Company's federal and local tax returns are open to examination for years 2012 through 2014. U.S. state jurisdictions have statutes of limitations that generally range from three to five years. The Company believes that it is more likely than not that all income tax positions and deductions will be sustained on audit. Accordingly, no reserves for uncertain income tax positions have been recorded in the financial statements. There are no unrecognized tax benefits as of December 31, 2015, no change in the balance during the year for new positions, tax positions from prior years, settlements or lapse of statute of limitations, nor does the Company anticipate any change in its unrecognized tax benefits during the next twelve months.

The Company recognizes accrued interest and penalty associated with uncertain tax positions in income tax expense; there was approximately $0 accrued for interest and penalties at December 31, 2015.

Foreign Currency Translation – The Company's Canadian operations (less than 1% of total revenues and less than 1% of total net assets) were conducted through Calgary, Alberta until February 28, 2007, when the Company closed its Calgary distribution center. Now, the Company ships directly to Canadian customers from its Akron distribution center, conducting all business in US dollars.

Fair Value of Financial Instruments – The carrying values of the Company's financial instruments, including cash, cash equivalents, trade receivables and accounts payable, approximate their fair values due to the short-term nature of these instruments.

Use of 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 the disclosure 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.

DIET CENTER WORLDWIDE, INC.
(A Wholly-Owned Subsidiary of The Health Management Group, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE C - INTANGIBLE ASSETS

Intangible assets are as follows at December 31, 2015:

Franchise agreements	$ 45,000
Trademarks	90,640
Website development costs	394,628
	530,268
Less: Accumulated amortization	(415,860)
Intangible assets, net	$ 114,408

Amortization of website costs was $35,907 in 2015. Costs assigned to franchise agreements and trademarks represent an allocation of goodwill that arose in connection with the purchase of the Company in 1994. Prior to 2004, amortization of franchise costs was generally computed using the straight-line method over fifteen years, but was accelerated when a franchisee, to which costs were assigned, closed or otherwise terminated its franchisee agreement prior to the expiration date that was in effect when the Company was purchased. Amortization of trademarks was computed using the straight-line method over fifteen years. Consistent with the FASB ASC 350 (formerly SFAS No. 142, *Goodwill and Other Intangible Assets*), effective January 1, 2004, the Company no longer amortizes franchise and trademark costs, but evaluates these assets for impairment periodically (see valuation of long-lived assets above). At December 31, 2015, the Company wrote off franchise costs associated with the 1994 purchase of $7,500. No trademarks purchased in 1994 lapsed during the year ending December 31, 2015; accordingly, no trademark costs related to that purchase were written off at December 31, 2015.

Website development costs are amortized using the straight-line method over three years and include only those costs related to software development and infrastructure build out. Costs to store data, to develop content and to maintain the websites are expensed as incurred.

NOTE D – LINE OF CREDIT

At December 31, 2015, the Company, through its parent, The Health Management Group, had a credit line with a balance of $250,000 and total maximum limit of $250,000. The line bears interest at prime plus .5% (4.00% at December 31, 2015) and is collateralized by all assets of the parent company and the subsidiaries.

NOTE E – LEASES AND OTHER COMMITMENTS

The Company leases its corporate office space in Akron, Ohio as a tenant-at-will from Sekeres Management, Inc. This facility is shared with PWLCA and FY3. The Company's share of rent expense for this office facility was $60,000 in 2015. The Company is committed under a lease for a warehouse facility located in Akron, Ohio through April, 2015. The Akron facility, from which all outgoing sales originate, houses the Company's entire inventory. The Akron warehouse is shared with PWLCA and FY3. The Company's share of this expense was approximately $33,500 in 2015. The Company in conjunction with PWLCA and FY3 leases various office equipment with varying terms. The Company's share of this expense was approximately $6,500 in 2015.

DIET CENTER WORLDWIDE, INC.
(A Wholly-Owned Subsidiary of The Health Management Group, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

The minimum required future lease payments are:

2016	$ 67,290
2017	59,028
2018	56,274
2019	14,069
2020	-
	$ 196,661

NOTE F – RELATED PARTY TRANSACTIONS

The Company shares its corporate office headquarters with HMG, PWLCA and FY3. As a result, the Company incurs certain operating expenses, which are allocated to PWLCA, FY3 and HMG. During 2015, the Company incurred and charged back to these affiliated companies approximately $267,400. The affiliated companies incurred and charged back to the Company approximately $104,900 in operating expenses (excluding payroll costs, see below). The Company made direct cash advances to these affiliates in the amount of approximately $1,466,100 and received direct cash advances from the affiliates in the amount of approximately $519,300.

The majority of the Company's employees are shared with PWLCA and FY3, as the functions they perform are the same for each of the three companies. Concurrent with the January 1, 1998, tax reorganization (see NOTE A, Income Taxes), these shared employees became employees of HMG. HMG assumes all payroll costs, including payroll taxes, for these employees and then charges them back to the Company, PWLCA and FY3. In 2015, the total amount of payroll costs, including taxes, which were incurred by HMG and charged back to the Company, was approximately $463,521.

In 2015, costs related to product sales were allocated monthly in proportion to product sales, resulting in approximately 50% being allocated to the Company; and other operating costs were allocated monthly in proportion to the relative number of operating franchise units, resulting in approximately 49% being allocated to the Company.

During the year ended December 31, 2012, a limited liability company was formed to hold the Company's affiliated internet activities. This limited liability company sells weight loss products and some services to the general public through internet websites and other direct means and through a holding corporation is fully owned by the Company's shareholder. The limited liability company relies on the Company for shared market and reduced product and overhead costs.

Consolidation Rules: The Company is required to consolidate certain "variable interest entities" under accounting principles generally accepted in the United States of America. The internet limited liability company has been identified as a variable interest entity that is required to be consolidated with the Company under these rules and it has been consolidated in these financial statements. At December 31, 2015, the internet limited liability company had total assets of $15,680; an intercompany receivable balance of ($1,067); and total equity of $2,890. For 2015, the internet limited liability company's total revenue was $587,710; and net income was $206,340.

DIET CENTER WORLDWIDE, INC.
(A Wholly-Owned Subsidiary of The Health Management Group, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE G – CONCENTRATIONS

In 2015, the product purchased from two vendors totaled approximately 57% of the Company's total product purchases. At December 31, 2015 the amount payable to these vendors was approximately $297,400 or 68% of total accounts payable.

NOTE H – LITIGATION, CONTINGENCIES AND OTHER

As mentioned above, the Company reports income to the United States government as a qualified subchapter S corporation on a consolidated basis with HMG, the foreign tax credits related to the Company's payment of Canadian non-resident taxes, if any, will flow through to the owner of the Company and be claimed on his personal tax return.

NOTE I – SUBSEQUENT EVENTS

The Company has evaluated all subsequent events through April 13, 2016, the date financial statements were available to be issued.

HMG
UNAUDITED CONSOLIDATED BALANCE SHEETS
12/31/16

	2016	
CURRENT ASSETS		
CASH	187,819	
RECEIVABLES	9,953	
INVENTORY	388,667	
PREPAID EXPENSE	90,650	
TOTAL CURRENT ASSETS	677,088	
PROPERTY/EQUIPMENT		
FIXED ASSETS	2,232,916	
ACCUMULATED DEPRECIATION	1,663,690	
NET PROPERTY/EQUIPMENT	569,226	
OTHER ASSETS		
CASH SURRENDER VALUE	0	
DEPOSITS	6,054	
NOTES RECEIVABLE	32,745	
INTANGIBLE ASSETS, NET OF AMORT	0	
INVESTMENT IN SUBSIDARY	0	
TOTAL OTHER ASSETS	38,799	
TOTAL ASSETS		1,285,113
CURRENT LIABILITIES		
ACCOUNT PAYABLE	727,541	
ACCRUED TAXES	78,910	
ACCRUED SALARIES	16,043	
ACCRUED INTEREST	0	
ACCRUED OTHER	0	
DEFERRED FEDERAL TAX	0	
ACCRUED FEDERAL TAX	0	
NOTES PAYABLE	206,624	
TOTAL CURRENT LIABILITIES	1,029,117	
LONG TERM DEBT	0	
SHAREHOLDERS EQUITY:		
COMMON STOCK	12,750	
PREFERRED STOCK	0	
FOREIGN CURRENCY TRANS	0	
PAID IN CAPITAL	13,392	
RETAINED EARNINGS	229,854	
TOTAL SHAREHOLDER EQUITY	255,996	
TOTAL LIABILITY & EQUITY		1,285,113

HMG
UNAUDITED CONSOLIDATED STATEMENT OF INCOME
12 MONTHS ENDED DECEMBER 31, 2016

		2016
NET SALES		6,184,342
COST OF SALES		3,242,607
GROSS PROFIT		2,941,735
SELLING, GENERAL AND ADMINISTRATION		2,310,275
OTHER INCOME		0
OTHER EXPENSE		0
INCOME BEFORE TAX		631,460
PROVISION FOR TAX		0
INCOME AFTER TAX		631,460
		0
NET INCOME FOR PERIOD		631,460
RETAINED EARNINGS- (begin)	12/31/15	0
CASH DIVIDENDS PAID		(401,607)
RETAINED EARNINGS- (ending)	12/31/16	229,853

EXHIBIT J

FDD No. _______

EFFECTIVE DATE OF FEDERAL DISCLOSURE DOCUMENT BY STATE

CALIFORNIA

~~May 29, 2015~~April 20, 2016

FLORIDA

February 19, 2016

HAWAII

Not yet effective

ILLINOIS

Not yet effective

INDIANA

July 30, 201~~5~~6

MARYLAND

Not yet effective

MICHIGAN

June 18, 201~~5~~6

MINNESOTA

Not yet effective

NEW YORK

July 22, 2016~~5~~

NORTH DAKOTA

Not yet effective

FDD No. ________

OREGON

Not yet effective

RHODE ISLAND

Not yet effective

SOUTH DAKOTA

Not yet effective

TEXAS

~~April 19, 2013~~Effective

VIRGINIA

Not yet effective

WASHINGTON

November 19, 2016~~5~~

WISCONSIN

Not yet effective

EXHIBIT J
STATE-SPECIFIC ADDENDA AND AGREEMENT AMENDMENTS

EXHIBIT J

STATE-SPECIFIC ADDENDA AND AGREEMENT AMENDMENTS

Each provision of these Addenda to the Disclosure Document and Amendments to the Franchise and Development Agreements is effective only to the extent (with respect to each provision) that that state franchise law would apply to your franchise or development rights, without reference to the Addenda or Amendments and to the extent that they are then valid requirements of the applicable statute.

We reserve the right to challenge the applicability of any law that declares provisions in the Franchise Agreement, Development Agreement or any other agreement void or unenforceable.

ARKANSAS DISCLOSURE ADDENDUM

In recognition of the Arkansas Procedural Fairness for Center Franchisees Act, Arkansas Code Annotated §§ 4-72-601-603 (the "Act"), the Franchise Disclosure Document for PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. for use in the State of Arkansas is amended to include the following:

1. Item 17 of the Disclosure Document is supplemented by adding the following statement:

The Arkansas Procedural Fairness for Center Franchisees Act ("the Act") may supersede certain aspects of the choice of law and choice of venue provisions of the Franchise Agreement. If the terms of the Franchise Agreement are deemed to be inconsistent with any enforceable provision in the Act, the Act will control.

2. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

FDD No. _______

ARKANSAS FRANCHISE AGREEMENT AMENDMENT

In recognition of the Arkansas Procedural Fairness for Center Franchisees Act, Arkansas Code Annotated §§ 4-72-601-603 (the "Act"), the undersigned acknowledge and agree that the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. FRANCHISE AGREEMENT (the "Agreement") is supplemented with the following:

1. Section 19D of the Agreement is supplemented by adding the following statement:

> The Arkansas Procedural Fairness for Center Franchisees Act ("the Act") may supersede certain aspects of the choice of law and choice of venue provisions of the Agreement. If the terms of the Agreement are deemed to be inconsistent with any enforceable provision in the Act, the Act will control.

2. To the extent this Amendment is deemed to be inconsistent with any iterms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, each of the undersigned acknowledges having read this Amendment and understands and consents to be bound by all of its terms.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	FRANCHISEE
By:______________________________	By:______________________________
By:______________________________	By:______________________________
Date_____________________________	Date_____________________________

FDD No. _______

ARKANSAS DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the Arkansas Procedural Fairness for Center Franchisees Act, Arkansas Code Annotated §§ 4-72-601-603 (the "Act"), the undersigned acknowledge and agree that the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DEVELOPMENT AGREEMENT (the "Agreement") is supplemented with the following:

1. Section 22 of the Agreement is supplemented by adding the following statement:

> The Arkansas Procedural Fairness for Center Franchisees Act ("the Act") may supersede certain aspects of the choice of law and choice of venue provisions of the Agreement. If the terms of the Agreement are deemed to be inconsistent with any enforceable provision in the Act, the Act will control.

2. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, each of the undersigned acknowledges having read this Amendment and understands and consents to be bound by all of its terms.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	DEVELOPER
By:_______________________________	By:_______________________________
By:_______________________________	By:_______________________________
Date:_____________________________	Date:

____

FDD No. _______

CALIFORNIA DISCLOSURE ADDENDUM

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the DIET CENTER WORLDWIDE, INC. DISCLOSURE DOCUMENT for use in the State of California is amended to include the following:

1. OUR WEBSITE, HTTP://WWW.PWLC.COM/TEMPS/INDEX.CFM, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW.DBO.CA.GOV.

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

3. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER OF BUSINESS OVERSIGHT MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

4. YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE § 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§ 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE § 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§ 20000 THROUGH 20043).

5. In Item 3, “Litigation,” is amended by adding the following paragraphs: Pursuant to California law, this Item does not include any information regarding the arrest of any person(s) that did not result in a conviction or plea of nolo contendere.

Neither we, nor any person identified in Item 2 above, is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities and Exchange Act of 1934, 15 U.S.C. § 78a, et seq.) suspending or expelling such person from membership in such association or exchange.

6. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” is amended by adding the following paragraph(s) to the end of the Item:

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

The Franchise Agreement and Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 101, et seq.).

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

7. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

8. The Franchisor and its affiliates reserve the right to establish alternative channels of distribution in the franchisee's Exclusive Territory without compensation.

HAWAII DISCLOSURE ADDENDUM

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DISCLOSURE DOCUMENT for use in the State of Hawaii is amended to include the following:

1. The following paragraphs are added to the State Cover Page:

THESE FRANCHISES WILL BE OR HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, AND THIS ADDENDUM, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS ADDENDUM AND THE DISCLOSURE DOCUMENT CONTAIN A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

The name and address of the Franchisor’s agent in this state authorized to receive service of process is: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

2. Item 20 "List of Centers," is amended by adding the following paragraph:

> This proposed registration is effective/exempt from registration or will shortly be on file in California, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Texas, Virginia, Washington, and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

3. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

FDD No. _______

HAWAII FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the parties to the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. FRANCHISE AGREEMENT (the “Agreement”) agree as follows:

1. The following sentence is added to the end of Section 13E, under the heading “Assignment of the Franchise”:

> The general release requirement in subsection (iv) above excludes only such claims as Franchisee may have under the Hawaii Franchise Investment Law.

2. The following sentence is added to the end of Section 15E, under the heading “Right of First Refusal”:

> The general release requirement in this subsection excludes only such claims as Franchisee may have under the Hawaii Franchise Investment Law.

3. The following new Section 17J is added, under the heading “Termination”:

> J. Notwithstanding anything to the contrary in this Section 17, Company shall comply with Hawaii law which currently requires that Company compensate Franchisee upon termination or refusal to renew the franchise for the fair market value, at the time of the termination or expiration of the franchise, of any inventory, supplies, equipment and furnishings which were purchased from Company or a supplier designated by Company. Personalized materials which have no value to Company need not be compensated for. If Company refuses to renew a franchise for the purpose of converting Franchisee’s business to one owned and operated by Company, Company, in addition, must compensate Franchisee for the loss of goodwill. Company may deduct reasonable costs incurred in removing, transporting and disposing of Franchisee’s inventory, supplies, equipment and furnishings pursuant to these requirements, and may offset any moneys due Company.

4. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	FRANCHISEE
By:______________________________	By: ______________________________
By: ______________________________	By: ______________________________
Date:____________________________	Date: ____________________________

FDD No. _______

HAWAII DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the parties to the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DEVELOPMENT AGREEMENT (the “Agreement”) agree as follows:

1. The following sentence is added to the end of Section 8D, under the heading “Non-Assignability”:

> The general release requirement in subsection (iii) above excludes only such claims as DEVELOPER may have under the Hawaii Franchise Investment Law.

2. The following new Section 13D is added, under the heading “Termination”:

> D. Notwithstanding anything to the contrary in this Section 13, Company shall comply with Hawaii law which currently requires that Company compensate DEVELOPER upon termination or refusal to renew the development rights for the fair market value, at the time of the termination or expiration of the development rights, of any inventory, supplies, equipment and furnishings which were purchased from Company or a supplier designated by Company. Personalized materials which have no value to Company need not be compensated for. If Company refuses to renew development rights for the purpose of converting DEVELOPER’S business to one owned and operated by Company, Company, in addition, must compensate DEVELOPER for the loss of goodwill. Company may deduct reasonable costs incurred in removing, transporting and disposing of DEVELOPER’S inventory, supplies, equipment and furnishings pursuant to these requirements, and may offset any moneys due Company.

3. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	DEVELOPER
By:______________________________	By: ______________________________
By: ______________________________	By: ______________________________
Date: ____________________________	Date: ____________________________

FDD No. _______

ILLINOIS DISCLOSURE ADDENDUM

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, Illinois Complied Statutes sections 705/4 and 705/41 (“the Act”), the PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DISCLOSURE DOCUMENT for use in the State of Illinois is amended to include the following:

1. If there is any conflict between any part of the Act and any part of the Franchise or Development Agreements, the provisions of the Act will control.

2. Item 17 of the Disclosure Document is amended by adding the following language to the beginning of the Item:

> “Notice Required By Law
> THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE TERMINATED AND YOUR RIGHTS UPON NON RENEWAL MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS 705/19 - 705/20.”

3. The “Summary” section of Item 17 (v) (“Choice of forum”) for the Franchise Agreement is amended by adding the following language:

> However, any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void under Section 4 of the current Illinois Franchise Disclosure Act, although the Franchise Agreement may provide for arbitration in a forum outside of the State of Illinois.

4. The “Summary” section of Item 17 (v) (“Choice of forum”) for the Development Agreement is amended by adding the following language:

> However, any provision in the Development Agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void under Section 4 of the current Illinois Franchise Disclosure Act, although the Development Agreement may provide for arbitration in a forum outside of the State of Illinois.

5. The “Summary” section of Item 17 (w) (“Choice of law”) for the Franchise Agreement is amended by adding the following language:

> However, except for federal law, Illinois law applies if the jurisdiction requirements of the Illinois Franchise Disclosure Act of 1987 (as amended) are met.

6. The “Summary” section of Item 17 (w) (“Choice of law”) for the Development Agreement is amended by adding the following language:

However, except for federal law, Illinois law applies if the jurisdiction requirements of the Illinois Franchise Disclosure Act of 1987 (as amended) are met.

7. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

FDD No. _______

ILLINOIS FRANCHISE AGREEMENT AMENDMENT

To comply with the requirements of the Illinois Franchise Disclosure Act (Ill. Comp. Stat. §§ 705/1 to 705/44, (the "Act"), the parties to the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. The following new Section 17J is added, under the heading "Termination":

> J. If any of the provisions of this Section 17 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act, then Illinois law will apply.

2. The following new Section 19D(7) is added, under the heading "Governing Law, Jurisdiction and Venue":

> 7. Notwithstanding any other provisions of this Section 19D, claims arising under the Illinois Franchise Disclosure Act (which provides that "any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void") may be brought in Illinois and will be governed by Illinois law (without regard to, and without giving effect to, the application of Illinois conflict-of-laws rules). Franchisee and Company agree that the preceding venue limitations of this Section 19D will not apply with respect to claims arising under the Illinois Franchise Disclosure Act, which provides that "any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void." However, this Agreement may provide for arbitration in a forum outside of the state of Illinois.

3. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	FRANCHISEE
By:______________________________	By:______________________________
Date:____________________________	Date:____________________________
By:______________________________	By:______________________________
Date:____________________________	Date:____________________________

FDD No. _______

ILLINOIS DEVELOPMENT AGREEMENT AMENDMENT

To comply with the requirements of the Illinois Franchise Disclosure Act (Ill. Comp. Stat. §§ 705/1 to 705/44, (the “Act”), the parties to the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DEVELOPMENT AGREEMENT (the “Agreement”) agree as follows:

1. The following new Section 13D is added, under the heading “Termination”:

> D. If any of the provisions of this Section 13 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act, then Illinois law will apply.

2. The following new Section 22D is added, under the heading “Miscellaneous”:

> D. Notwithstanding any other provisions of this Section 22, claims arising under the Illinois Franchise Disclosure Act (which provides that “any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void”) may be brought in Illinois and will be governed by Illinois law (without regard to, and without giving effect to, the application of Illinois conflict-of-laws rules). DEVELOPER and Company agree that the preceding venue limitations of this Section 22 will not apply with respect to claims arising under the Illinois Franchise Disclosure Act, which provides that “any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void.” However, this Agreement may provide for arbitration in a forum outside of the state of Illinois.

3. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC	DEVELOPER
By:______________________________	By:______________________________
Date:____________________________	Date:____________________________
By:______________________________	By:______________________________
Date:____________________________	Date:____________________________

INDIANA DISCLOSURE DOCUMENT ADDENDUM

In recognition of the requirements of the Indiana Code, the undersigned acknowledge and agree that the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DISCLOSURE DOCUMENT for use in the State of Indiana is amended to include the following:

1. The following statement is added to the State Cover Page: SECTION 23-2-2.7-1(10) OF THE INDIANA CODE STATES THAT IT IS UNLAWFUL TO LIMIT LITIGATION IN ANY MANNER WHATSOEVER; THEREFORE, A PROVISION IN A FRANCHISE AGREEMENT RESTRICTING JURISDICTION OR VENUE TO A FORUM OUTSIDE OF THIS STATE OR REQUIRING THE APPLICATION OF THE LAWS OF ANOTHER STATE IS VOID.

2. Item 9 and Item 17 of the Disclosure Document are supplemented by the following:

Section 23-2-2.7-1(10) of the Indiana Code states that it is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any provision limiting litigation brought for breach of the agreement in any manner whatsoever.

3. Item 1, Item 12, Item 17, Exhibit N, "General Release of all Claims," and Exhibit J, "Rewrite Policy" of the Disclosure Document are supplemented by the following:

Section 23-2-2.7-1(5) of the Indiana Code states that is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any provision requiring the franchisee to prospectively assent to a release, assignment, novation, wavier, or estoppel which purports to relieve any person from liability to be imposed by this chapter.

4. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

FDD No. _______

INDIANA FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the Indiana Code, the undersigned acknowledge and agree that the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. FRANCHISE AGREEMENT (the "Agreement") is supplemented as follows:

1. Section 13E of the Agreement, under the heading "Assignment of the Franchise," is supplemented by the following:

> Section 23-2-2.7-1(5) of the Indiana Code states that is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any provision requiring the franchisee to prospectively assent to a release, assignment, novation, wavier, or estoppel which purports to relieve any person from liability to be imposed by this chapter.

2. Section 19D of the Agreement, under the heading "Governing Law, Jurisdiction and Venue," is supplemented by the following:

> Section 23-2-2.7-1(10) of the Indiana Code states that it is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any provision limiting litigation brought for breach of the agreement in any manner whatsoever.

3. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	FRANCHISEE
By:______________________________	By:______________________________
Date: ____________________________	Date:____________________________
By:______________________________	By:______________________________
Date:_____________________________	Date:____________________________

FDD No. _______

INDIANA DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of the Indiana Code, the undersigned acknowledge and agree that the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DEVELOPMENT AGREEMENT (the “Agreement”) is supplemented as follows:

1. Section 8D of the Agreement, under the heading “Non-Assignability,” is supplemented by the following:

> Section 23-2-2.7-1(5) of the Indiana Code states that is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any provision requiring the franchisee to prospectively assent to a release, assignment, novation, wavier, or estoppel which purports to relieve any person from liability to be imposed by this chapter.

2. The following new Section 22D, under the heading “Miscellaneous,” is added to the Agreement:

> D. Section 23-2-2.7-1(10) of the Indiana Code states that it is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any provision limiting litigation brought for breach of the agreement in any manner whatsoever.

3. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	DEVELOPER
By:______________________________	By: ____________________________
Date: ____________________________	Date: __________________________
By: ______________________________	By: ____________________________
Date: ____________________________	Date: ___________________________

FDD No. _______

MARYLAND DISCLOSURE DOCUMENT ADDENDUM

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg., §§ 14-201 through 14-233, the undersigned acknowledge and agree that the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DISCLOSURE DOCUMENT for use in the State of Maryland is amended to include the following:

1. Item 9 of the Disclosure Document, "Franchisee's Obligations" is supplemented by the following:

> The Maryland Franchise Registration and Disclosure Law allows a franchisee to bring a civil lawsuit in Maryland for claims arising under this Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

2. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is amended by adding the following language:

> The general releases required for renewal or transfer will not apply with respect to any claim you may have which arises under the Maryland Franchise Registration and Disclosure Law. See Exhibit MD-1 below for additional information regarding the release.
>
> Except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law, the Franchise Agreement permits you to sue only in California.
>
> Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise or development rights.
>
> You may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The Item 17, "Renewal, Termination, Transfer and Dispute Resolution," chart for the Franchise Agreement is amended by adding the following language to the summary of provision "h":

> Termination upon bankruptcy may not be enforceable under federal bankruptcy law, 11 U.S.C. Section 101 et seq.

4. The Item 17, "Renewal, Termination, Transfer and Dispute Resolution," chart for the Development Agreement is amended by adding the following language to the summary of provision "h":

> Termination upon bankruptcy may not be enforceable under federal bankruptcy law, 11 U.S.C. Section 101 et seq.

5. The Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” chart for the Franchise Agreement is amended by adding the following language to the summary of provisions “v” and “w”:

, except for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” chart for the Development Agreement is amended by adding the following language to the summary of provisions “v” and “w”:

, except for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. The Disclosure Document is amended by adding the following new Exhibit MD-1, “General Release”:

EXHIBIT MD-1
GENERAL RELEASE

The following is our current general release language that we expect to include in
a release that a franchisee, developer, and/or transferor may sign as part of a renewal or an approved transfer. We may, in our sole discretion, periodically modify the release.

General Release

THIS GENERAL RELEASE (the “Release”) is made and entered into on this _________ day of _____________________________, 20___ (the “Effective Date”), by and between:

______________________, a ______________ corporation whose principal place of business is _____________________________ (“Franchisor”); and ____ a [resident of] [corporation organized in] [limited liability Company organized in] _________________ and having offices at ____ [(“Franchisee” or “you”)] [(“Developer” or “you”)] [(“Transferor” or “you”).]

BACKGROUND:

A. Franchisor and [Franchisee] [Developer][Transferor] are party to a [Franchise Agreement] [Development Agreement] dated ____________, 20____ (the “Agreement”);

B. Franchisor and [Franchisee][Developer][Transferor] have agreed, pursuant to the Agreement, [to renew or extend [Franchisee’s][Developer’s] rights under the Agreement (the “Renewal Transaction”)] [to permit a transfer or assignment of ______________ pursuant to the Agreement (the "Transfer Transaction")], and in connection with the [Renewal Transaction] [Transfer Transaction], Franchisor and [Franchisee] [Developer] [Transferor] have agreed to execute this Release, along with such other documents related to the approved [Renewal Transaction] [Transfer Transaction].

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. Release. [Franchisee] [Developer] [Transferor], its officers and directors, its owners, and their respective agents, heirs, administrators, successors, and assigns (the"Indemnifying Group"), hereby forever release and discharge, and forever hold harmless[FRANCHISOR], its current and former affiliates and predecessors, and their respectivecurrent and former shareholders, partners, members, directors, officers, agents,representatives, heirs, administrators, successors, and assigns (the "Franchisor Group"), from any and all claims, demands, debts, liabilities, actions or causes of action,costs, agreements, promises, and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which the Indemnifying Group and/or its owners had, have, or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Agreement, the relationship created by the Agreement, or the development, ownership, or operation of the [BUSINESS]. The Indemnifying Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense, or damages (actual or consequential) including, without limitation, reasonable attorneys', accountants', and expert witness fees, costs of investigation and proof of facts, court costs, and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor, or other third party now has, ever had, or hereafter would or could have, as a result of, arising from, or under the Agreement or the [BUSINESS]. The Indemnifying Group and its owners represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements, or promises described herein.

2. General Terms.

2.1. This Release shall be binding upon, and inure to the benefit of, each party's respective heirs, representatives, successors, and assigns.

2.2. This Release shall take effect upon its acceptance and execution by each of the parties hereto.

2.3. This Release may be executed in counterparts, and signatures exchanged by fax, and each such counterpart, when taken together with all other identical copies of this Release also signed in counterpart, shall be considered as one Release.

2.4. The captions in this Release are for the sake of convenience only, and shall neither amend nor modify the terms hereof.

2.5. This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied upon anything other than the words of this Release in deciding whether to enter into this Release.

2.6. No amendment, change, or variance from this Release shall be binding on either party unless in writing and agreed to by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

________________________________	________________________________
[FRANCHISOR]	
By:______________________________	By:______________________________
Name: ___________________________	Name: ___________________________
Title: ____________________________	Title: ____________________________
Date:_____________________________	Date: _____________________________

8. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

FDD No. _______

MARYLAND FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg., §§ 14-201 through 14-233, the parties to the PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. The following sentence is added to the end of Section 13E, under the heading "Assignment of the Franchise":

> The general release requirement in subsection (iv) above excludes only such claims as Franchisee may have under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233).

2. The following sentence is added to the end of Section 15E, under the heading "Right of First Refusal":

> The general release requirement in this subsection excludes only such claims as Franchisee may have under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233).

3. The following new Section 19D(7) is added, under the heading "Governing Law, Jurisdiction and Venue":

> 7. The Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233) allows a franchisee to bring a civil lawsuit in Maryland for claims arising under this Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

4. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	FRANCHISEE
By:______________________________	By: ______________________________
Date: ____________________________	Date:_____________________________
By: ______________________________	By: ______________________________
Date: ____________________________	Date: _____________________________

FDD No. _______

MARYLAND DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg., §§ 14-201 through 14-233, the parties to the PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DEVELOPMENT AGREEMENT (the “Agreement”) agree as follows:

1. The following sentence is added to the end of Section 8D, under the heading “Non-Assignability”:

> The general release requirement in subsection (iii) above excludes only such claims as DEVELOPER may have under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233).

2. The following new Section 22D is added, under the heading “Miscellaneous”:

> The Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233) allows a franchisee to bring a civil lawsuit in Maryland for claims arising under this Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

3. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	DEVELOPER
By: ______________________________	By: ______________________________
Date: ______________________________	Date: ______________________________
By: ______________________________	By: ______________________________
Date: ______________________________	Date: ______________________________

MICHIGAN DISCLOSURE

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

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE’S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR’S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

* * * *

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

* * * *

IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN $100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.

* * * *

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN DEPARTMENT OF COMMERCE, CORPORATION AND SECURITIES BUREAU, 6546 MERCANTILE WAY, P.O. BOX 30222, LANSING, MICHIGAN 48910.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE
CONSUMER PROTECTION DIVISION
ATTN: FRANCHISE
670 G. MENNEN WILLIAMS BUILDING
LANSING, MICHIGAN 48913

MINNESOTA DISCLOSURE ADDENDUM

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the undersigned acknowledge and agree that the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DISCLOSURE DOCUMENT for use in the State of Minnesota is amended to include the following:

1. The following statements are added to the State Cover Page:

THESE FRANCHISES WILL BE OR HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE LAWS OF MINNESOTA MAKE IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THOSE STATES WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

2. Item 9 of the Disclosure Document, “Franchisee’s Obligations,” is supplemented by the following:

Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit a franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.

Any claim made pursuant to Minn. Stat. § 80C.17, may be brought within three (3) years after the cause of action accrues. (Minn. Stat. § 80C.17, Subd. 5.)

> Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

3. Item 13 of the Disclosure Document, “Trademarks,” is supplemented by the following sentence:

> The franchisor will protect the franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

4. Item 14 of the Disclosure Document, “Patents, Copyrights, and Proprietary Information,” is supplemented by the following sentence:

> The franchisor will protect the franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

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

> With respect to franchisees and developers governed by Minnesota law, Company will comply with Minn. Stat. Sec. 80C.14, Subds. 3,4, and 5 which require, except in certain specified cases, that a franchisee or developer be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Franchise or Development Agreement, and that consent to the transfer of the franchise or development rights not be unreasonably withheld.

> Pursuant to Minn. Rule 2860.4400D, any general release of claims that Franchisee, Developer, or a transferor may have against Company or its shareholders, directors, employees and agents, including without limitation claims arising under federal, state, and local laws and regulations shall exclude claims Franchisee, Developer, or a transferor may have under the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Commissioner of Commerce.

> Minn. Stat. § 80C.21 and Minn. Rule 2860.4400(J) prohibit Company from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring a Franchisee or Developer to consent to liquidated damages, termination Disclosure Document or agreement(s) can abrogate or reduce any of a Franchisee or Developer’s rights as provided for in Minnesota

> Statutes, Chapter 80C, or a Franchisee or Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

6. Item 21 of the Disclosure Document, "Financial Statements," is supplemented by the following sentence:

> Pursuant to Minn. Stat. § 80C.05, a franchisor may be required to escrow, post a bond, or defer fees as a condition of registration, based on a review of the franchisor's audited financial statements.

7. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

FDD No. _______

MINNESOTA FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. Section 10 of the Agreement, "Ownership of Intellectual Property," is supplemented by the following sentence:

> The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

2. Section 13D of the Agreement, under the heading "Assignment of the Franchise," is supplemented by the following:

> The general release required as a condition of assignment or transfer shall not apply to any claims that arise under Minnesota Law regulating franchises. (Minn. Rule Part 260.4400D.)

3. Section 17 of the Agreement, "Termination," is supplemented by the following sentence:

> With respect to franchises governed by Minnesota Law, the franchisor will comply with Minn. Stat. § 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90-day notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.

4. Section 19D of the Agreement, "Governing Law, Jurisdiction and Venue," is supplemented by the following:

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

Any claim made pursuant to Minn. Stat. § 80C.17, may be brought within three (3) years after the cause of action accrues. (Minn. Stat. § 80C.17, Subd. 5.)

Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

5. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. FRANCHISEE

By:______________________________ By: ______________________________

Date:_____________________________ Date: ______________________________

By: ______________________________ By: ______________________________

Date: _____________________________ Date______________________________

MINNESOTA DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DEVELOPMENT AGREEMENT (the “Agreement”) agree as follows:

1. Section 8 of the Agreement, under the heading “Non-Assignability,” is supplemented by the following:

> The general release required as a condition of assignment or transfer shall not apply to any claims that arise under Minnesota Law regulating franchises. (Minn. Rule Part 260.4400D.)

2. Section 13 of the Agreement, “Termination,” is supplemented by the following sentence:

> With respect to development rights governed by Minnesota Law, Company will comply with Minn. Stat. § 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a developer be given 90-day notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the agreement.

3. Section 22 of the Agreement, “Miscellaneous,” is supplemented by the following:

> Minn. Stat. § 80C.21 and Minn. Rule 2860.4400(J) prohibit Company from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring a DEVELOPER to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of DEVELOPER’S rights as provided for in Minnesota Statutes, Chapter 80C, or DEVELOPER’S rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
>
> Any claim made pursuant to Minn. Stat. § 80C.17, may be brought within three (3) years after the cause of action accrues. (Minn. Stat. § 80C.17, Subd. 5.)
>
> Minn. Rule Part 2860.4400J prohibits a DEVELOPER from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

4. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	DEVELOPER
By:_____________________________	By: _____________________________
Date: ___________________________	Date: ___________________________
By: _____________________________	By: _____________________________
Date: ___________________________	Date: ___________________________

FDD No. _______

NEW YORK DISCLOSURE ADDENDUM

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs. tit. 13, §§ 200.1 through 201.16), the PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DISCLOSURE DOCUMENT for use in the State of New York is amended as follows:

1. The following additional risk factors are added to the State Cover Page:

ADDITIONAL RISK FACTORS:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT B OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

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

2. The first paragraph of Item 3, “Litigation,” is deleted and replaced with the following paragraphs:

Except as described below, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

Except as described below, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been

CONVICTED OF A FELONY OR PLEADED NOLO CONTENDERE TO A FELONY CHARGE or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

Except as described below, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Accordingly, other than the five actions described below, no litigation is required to be disclosed in this Item.

3. The existing Item 4, “Bankruptcy,” language is deleted and replaced with the following paragraph:

Neither we, nor our predecessor or affiliate, nor any of our or their officers or general partners, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a Company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the Company or partnership.

The Item 17 ("Renewal, Termination, Transfer and Dispute Resolution") chart for the Franchise Agreement is amended by deleting "d", "j", "w" and substituting the following new "d", "j", "w":

Provision	Section in Franchise Agreement	Summary
d. Termination by you	None	Pursuant to New York General Business Law, the franchisee may terminate the Agreement upon any grounds available by law.
j. Assignment of contract by the Company	§ 13.F	There are no limits on our assignment rights. No assignment will be made except to an assignee who, in Company's judgment, is willing and able to assume Company's obligation under the Franchise Agreement.
w. Choice of law	§ 19.D	Ohio. You and the Company must bring any action against each other within two (2) years of the occurrence of the facts on which the action is based, or within a shorter term if required by law. The foregoing choice of law should not be considered as a waiver of any right conferred upon the franchisor or the franchisee by the General Business Law of the State of New York, Article 33.

5. The Item 17 ("Renewal, Termination, Transfer and Dispute Resolution") chart for the Development Agreement is amended by deleting "d", "j", "w" and substituting the following new "d", "j", "w":

Provision	Section in	Summary

	Development Agreement	
d. Termination by you	None	Pursuant to New York General Business Law, the franchisee may terminate the Agreement upon any grounds available by law.
j. Assignment of contract by the Company	§ 8.E	There are no limits on our assignment rights. No assignment will be made except to an assignee who, in Company's judgment, is willing and able to assume Company's obligation under the Development Agreement.
w. Choice of law	§ 22.A	Ohio; but if such law would not enforce an Agreement provision, then the law where Developer is located, if that state's law would enforce the provision. The foregoing choice of law should not be considered as a waiver of any right conferred upon the franchisor or the franchisee by the General Business Law of the State of New York, Article 33.

6. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if the franchisee is domiciled in or the franchise will be opened in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

STATEMENT OF DISCLOSURE DOCUMENT ACCURACY THE FRANCHISOR REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

NEW YORK FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the New York General Business Law, Article
33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. Section 9G of the Agreement, "Confidential Information," is deleted and replaced by the following paragraph:

> G. Franchisee understands and acknowledges that any failure to comply with the requirements of this Section 9 will result in substantial injury and damage to Company for which there is no adequate remedy at law. For these reasons, if Franchisee violates or threatens to violate any term of this provision, Company will be entitled, in addition to any other remedies and damages available, to seek injunctive or other equitable relief to restrain the violation of this provision by Franchisee and its agents or employees. Franchisee agrees to pay all court costs and reasonable attorney's fees incurred by Company in seeking specific performance of, or an injunction against violation of, the requirements of this Section 9 in addition to any other claims to which Company may be entitled.

2. Section 13D of the Agreement, "Assignment of the Franchise," is supplemented by the following:

> Article 33, Section 687.5, of the New York General Business Law states that it is unlawful to require a franchisee to assent to a release, assignment, novation, waiver or estoppel which would relieve a person from any duty or liability imposed by this article.

3. Section 19D of the Agreement, "Governing Law, Jurisdiction and Venue," is supplemented by adding the following language:

> Nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by New York General Business Law, Sections 680-695.

4. There are circumstances in which an offering made by PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if Franchisee is domiciled in or the franchise will be opening in New York. PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

5. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	FRANCHISEE
By:_______________________________	By: _______________________________
Date: ____________________________	Date: _____________________________
By: _______________________________	By: _______________________________
Date: _____________________________	Date: _____________________________

NEW YORK DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of the New York General Business Law, Article
33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DEVELOPMENT AGREEMENT (the "Agreement") agree as follows:

1. Section 8D of the Agreement, "Assignment of the Franchise," is supplemented by the following:

> Article 33, Section 687.5, of the New York General Business Law states that it is unlawful to require a franchisee to assent to a release, assignment, novation, waiver or estoppel which would relieve a person from any duty or liability imposed by this article.

2. Section 22 of the Agreement, under the heading "Miscellaneous," is supplemented by adding the following language:

> Nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by New York General Business Law, Sections 680-695.

3. There are circumstances in which an offering made by PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if Developer is domiciled in or the franchise will be opening in New York. PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. is required to furnish a New York prospectus to every prospective developer who is protected under the New York General Business Law, Article 33.

4. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	DEVELOPER
By:______________________________	By: ______________________________
Date: ___________________________	Date: ____________________________
By: ______________________________	By: ______________________________
Date: ___________________________	Date: ____________________________

NORTH DAKOTA DISCLOSURE ADDENDUM

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51 19 01 through 51 19 17, and the policies of the office of the State of North Dakota Securities Commission, the undersigned acknowledge and agree that the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DISCLOSURE DOCUMENT for use in the State of North Dakota is amended as follows:

1. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

A. Restrictive Covenants: Franchise Disclosure Documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise Agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

2. To the extent this Addendum is deemed to be inconsistent with the

Disclosure Document, the terms of this Addendum shall govern.

NORTH DAKOTA FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51 19 01 through 51 19 17, and the policies of the office of the State of North Dakota Securities Commission, the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DISCLOSURE DOCUMENT FRANCHISE AGREEMENT (the "Agreement") is supplemented as follows:

1. The Agreement is amended by adding the following Section 19L:
L. The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees(Section 51-19-09, N.D.C.C.):

    1. Restrictive Covenants: Any provision which discloses the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

    2. Situs of Arbitration Proceedings: Any provision requiring that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

    3. Restriction on Forum: Any provision requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

    4. Liquidated Damages and Termination Penalties: Any provision requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

    5. Applicable Laws: Any provision which specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

    6. Waiver of Trial by Jury: Any provision requiring North Dakota franchisees to consent to the waiver of a trial by jury.

    7. Waiver of Exemplary and Punitive Damages: Any provision requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

    8. General Release: Any provision requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

2. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	FRANCHISEE
By:______________________________	By: ______________________________
Date:_____________________________	Date:_____________________________
By: ______________________________	By: ______________________________
Date:_____________________________	Date: _____________________________

NORTH DAKOTA DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51 19 01 through 51 19 17, and the policies of the office of the State of North Dakota Securities Commission, the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DISCLOSURE DOCUMENT DEVELOPMENT AGREEMENT (the “Agreement”) is supplemented as follows:

1. The Agreement is amended by adding the following Section 22D:

D. The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees(Section 51-19-09, N.D.C.C.):

1. Restrictive Covenants: Any provision which discloses the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

2. Situs of Arbitration Proceedings: Any provision requiring that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee’s business.

3. Restriction on Forum: Any provision requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

4. Liquidated Damages and Termination Penalties: Any provision requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

5. Applicable Laws: Any provision which specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Any provision requiring North Dakota franchisees to consent to the waiver of a trial by jury.

7. Waiver of Exemplary and Punitive Damages: Any provision requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

8. General Release: Any provision requiring North Dakota franchisees to execute a general release of claims

as a condition of renewal or transfer of a franchise.

2. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	DEVELOPER
By:______________________________	By:________________________
Date:____________________________	Date:______________________
By:______________________________	By:________________________
Date:____________________________	Date:______________________

RHODE ISLAND DISCLOSURE ADDENDUM

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19 28.1-1 through 19-28.1-34 the PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DISCLOSURE DOCUMENT for use in the State of Rhode Island is amended to include the following:

1. The following language is added to Item 17, “Renewal, Termination, Transfer and Dispute Resolution”:

> § 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

2. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

RHODE ISLAND FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19 28.1-1 through 19-28.1-34, the parties to the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. Section 19D of the Agreement, under the heading "Governing Law, Jurisdiction and Venue," is supplemented by adding the following:

> 7. § 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	FRANCHISEE
By:______________________________	By: ________________________
Date:____	Date:
By: ______________________________	By: ________________________
Date:____	Date:

RHODE ISLAND DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19 28.1-1 through 19-28.1-34, the parties to the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DEVELOPMENT AGREEMENT (the "Agreement") agree as follows:

1. Section 22 of the Agreement, under the heading "Miscellaneous," is supplemented by adding the following:

> D. § 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DEVELOPER

By:______________________________	By: ________________________
Date:____________________________ ______________________	Date:
By:______________________________	By: ________________________
Date:____________________________ _______________________	Date:

VIRGINIA DISCLOSURE ADDENDUM

In recognition of the Virginia Retail Franchising Act, Virginia Code sections 13,1-557 et seq, ("Franchise Act"), the PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DISCLOSURE DOCUMENT for use in the State of Virginia is amended to include the following:

1. Item 17 of the Disclosure Document, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented by adding the following statement:

> Section 13.1-571 of the Franchise Act provides that any condition, stipulation or provision binding any person to waive compliance with any provision of the Franchise Act or of any rule or order under the Franchise Act is void.

2. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

WASHINGTON DISCLOSURE ADDENDUM

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.180, the PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DISCLOSURE DOCUMENT for use in the State of Washington is amended as follows:

1. The following paragraphs are added to the end of Item 17, "Renewal, Termination, Transfer and Dispute Resolution":

> The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise and Development Agreements in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise and Development Agreements in your relationship with the franchisor including the areas of termination and renewal of your franchise.
>
> In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.
>
> In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
>
> A release or waiver of rights executed by a franchisee or developer shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.
>
> Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

2. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

FDD No. _______

WASHINGTON FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the parties to the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. The State of Washington has a Statute, RCW 19.100.180 which may supersede the Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

2. I n any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

4. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

6. The undersigned does hereby acknowledge receipt of the Physicians Weight Loss Centers Of America, Inc. franchise disclosure document, including the Washington Addendum and Amendment(s) and all of the other exhibits itemized in Item 23, at least 48 hours prior to signing this receipt and completing the sale.

7. To the extent this Amendment shall be deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	FRANCHISEE
By:______________________________	By: ______________________________
Date: ____________________________	Date: ____________________________
By: ______________________________	By: ______________________________
Date:_____________________________	Date: ____________________________

FDD No. _______

WASHINGTON DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the parties to the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DEVELOPMENT AGREEMENT (the “Agreement”) agree as follows:

1. The State of Washington has a Statute, RCW 19.100.180 which may supersede the Agreement in your relationship with the franchisor including the areas of termination and renewal of your development rights. There may also be court decisions which may supersede the Agreement in your relationship with the franchisor including the areas of termination and renewal of your development rights.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

4. A release or waiver of rights executed by a developer shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

5. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

6. The undersigned does hereby acknowledge receipt of the Physicians Weight Loss Centers Of America, Inc. franchise disclosure document, including the Washington Addendum and Amendment(s) and all of the other exhibits itemized in Item 23, at least 48 hours prior to signing this receipt and completing the sale.

7. To the extent this Amendment shall be deemed to be inconsistent with any
terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC.	DEVELOPER
By:______________________________	By: ________________________
Date: ____________________________	Date:________________________
By: ______________________________	By: ________________________
Date: ____________________________	Date:________________________

WISCONSIN DISCLOSURE ADDENDUM

In recognition of the requirements of the Wisconsin Fair Dealership Law, the undersigned acknowledges and agrees that the attached PHYSICIANS WEIGHT LOSS CENTERS OF AMERICA, INC. DISCLOSURE DOCUMENT is supplemented as follows:

1. Item 17 of the Disclosure Document, “Renewal, Termination, Transfer, and Dispute Resolution,” is supplemented by adding the following statement:

> The Wisconsin Fair Dealership Law, Chapter 135, Stats., supersedes any provisions of the Franchise Agreement inconsistent with that law.

2. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

FDD No. _______

EXHIBIT L
RECEIPT
Diet Center Worldwide, Inc.
395 Springside Drive
Akron, OH 44333-2496
(800) 656-3294

THIS DISCLOSURE DOCUMENT SUMMARIZES PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF DCWI OFFERS YOU A FRANCHISE, DCWI MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU BY THE EARLIEST OF:

a. THE FIRST PERSONAL MEETING TO DISCUSS OUR FRANCHISE; OR
b. FOURTEEN CALENDAR DAYS BEFORE SIGNING OF ANY BINDING Agreement: OR
c. FOURTEEN CALENDAR DAYS BEFORE ANY PAYMENT TO DCWI.

YOU MUST ALSO RECEIVE A FRANCHISE AGREEMENT CONTAINING ALL MATERIAL TERMS AT LEAST SEVEN CALENDAR DAYS BEFORE YOU SIGN ANY FRANCHISE AGREEMENT. IF DCWI 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 TO THE APPROPRIATE STATE AGENCY AS LISTED IN EXHIBIT "F"

DCWI authorizes Franchisor's Sales Agent: Lori Duff, Director of Franchise Development to sell franchise: 395 Springfield Drive, Akron, OH 44333-2496, 800-656-3294. Agent for Service of Process in Ohio is Charles E. Sekeres.

I have received a Franchise Disclosure Document dated ~~March 31, 2016~~April 20, 2017 except as to those states listed on Exhibit J for which the date set forth on that Exhibit is the Effective Date for such state. This Disclosure Document included the following Appendix and Exhibits:

EXHIBIT "A" FRANCHISE AGREEMENT (APPENDIXES A – G)
EXHIBIT "B" AREA DEVELOPMENT AGREEMENT
EXHIBIT "B1" LIPOGENICS AGREEMENT
EXHIBIT "B2" INFRARED BODY WRAPPING ADDENDUM
EXHIBIT "C" TABLE OF CONTENTS - VARIOUS TRAINING MANUALS
EXHIBIT "D" AGENTS FOR SERVICE OF PROCESS
EXHIBIT "E" SUMMARY OF APPLICABLE LAWS AND REGULATIONS
EXHIBIT "F" LIST OF STATE ADMINISTRATORS
EXHIBIT "G" LIST OF CURRENT DIET CENTER FRANCHISES
EXHIBIT "H" LIST OF DIET CENTER FORMER FRANCHISEES
EXHIBIT "I" FINANCIAL STATEMENTS
EXHIBIT "J" EFFECTIVE DATE OF FRANCHISE DISCLOSURE DOCUMENT BY STATE
EXHIBIT "K" STATE SPECIFIC ADDENDUM (IF APPLICABLE)
EXHIBIT "L" RECEIPT

______________________________ ______________________________
Date Prospective Franchisee Signature

____
Print Name

FDD No. _______

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Diet Center Worldwide, Inc.
395 Springside Drive
Akron, OH 44333-2496
(800) 656-3294

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EXHIBIT "L" RECEIPT

______________________________ ______________________________
Date Prospective Franchisee Signature

____
Print Name