

Southern Maid grants you the right to operate a shop under the name "Southern Maid Donuts" and to use the trademark "Southern Maid" and the logo illustrated in the sample equipment proposal attached as Exhibit B to the disclosure document. You may also use our other current or future trademarks to operate your shop which we designate as part of the Southern Maid System.

The trademark "SOUTHERN MAID" was originally registered in the United States Patent and Trademark Office under Trade-Mark No. 304,650 on October 5, 1943. It was registered in the Principal Register of the United States Patent and Trademark Office on April 6, 1976, under No. 1,037,598. It was renewed effective April 6, 1976, April 6, 2006, and April 6, 2016. All affidavits of use have been timely filed, and the trademark has become incontestable.

Additionally, the trademark SOUTHERN MAID is registered in the following states:

STATE	DATE	NUMBER
Louisiana	October 6, 1980, renewed October 1990	None
Texas (SvcMk)	April 24, 1975, renewed 2006, 2016	800670590

The following terms or designs have also been registered in Texas:

<u>Servicemark</u>	<u>Date Reg'd</u>	<u>Renewal Date</u>	<u>Reg. Number</u>
1. Picture of young lady carrying tray of donuts	August 28, 2006	August 28, 2016	800670577
2. Southern maid Donuts with green line between Southern Maid and Donuts	August 2, 2006	August 2, 2016	800670587

~~The trademark "SOUTHERN MAID" was registered with the Korea Intellectual Property Office in Seoul, Korea, as of December 30, 2009, Registration No. 4008102010000. The trademark "SOUTHERN MAID" was registered with the Japan Patent Office under Registration No. 5313676, "Southern Maid CREAM MIXED GLAXED DONUTS" under Registration No. 5313677, and the picture of young lady carry tray of donuts under Registration No. 5313678, all as of April 2, 2010. The trademark "SOUTHERN MAID" was registered with the State Administration for Industry and Commerce of The Peoples' Republic of China (commonly known as the "China Trade Mark Office"), Registration No. 1065727, as of June 14, 1996 and has been renewed. Application No. 17175959 for the Southern Maid design mark and Application No. 17175960 for the Southern Maid design logo were registered with the China Trade Mark Office October 28, 2016.~~

Southern Maid has common law trademark rights in the illustration of the young lady carrying a tray of donuts, shown in the sample equipment proposal attached as Exhibit B to this disclosure document, and in the mesh design printed on the donut cartons.

There are no presently effective determinations of the Patent Office, the trademark administrator of any state or of any court, nor is there any pending interference, opposition or cancellation proceeding involving such trademarks, service marks, trade names, logotypes or other commercial symbols, which is relevant to their use in the state in which the franchise business is to be located.

There is no known infringing use of the marks nor is there any pending litigation with respect to the marks.

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|---|--------------------|--------------|---|
| w | Choice of law | Section 13 5 | Texas law (This provision may not be enforceable under California law) |
| x | Liquidated Damages | Section 8 2C | Failure to use and purchase Southern Maid's flour mixes in all donut and bakery products can result in liquidated damages Under California Civil Code §1671, certain liquidated damages clauses are unenforceable |

**ITEM 18
PUBLIC FIGURES**

Southern Maid does not use any public figure to promote its franchise

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATION**

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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting A H Hargrove, 3615 Cavalier Drive, Garland, Texas 75042, (972) 272- 6425, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

Table 1
Systemwide Outlet Summary
For years 2017 to 2019

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End Of the Year	Net Change
Franchised	2017	68	71	3
	2018	71	72	1
	2019	72	72	0
Company-Owned	2017	0	0	0
	2018	0	0	0
	2019	0	0	0
Total Outlets	2017	68	71	3
	2018	71	72	1

	2019	72	72	0
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Table No 2

**Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Years 2017 to 2019**

There were no transfers of outlets from Franchisees to New Owners 2017-2019

Table No 3

**Status of Franchised Outlets
For Years 2017-2019**

State	Year	Outlets at Start of Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of Year
Arkansas	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
California	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Colorado	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	1	0
Florida	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Georgia	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Japan	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Louisiana	2017	7	1	0	0	0	0	8
	2018	8	2	0	0	0	0	10
	2019	10	2	0	0	0	2	10
New Zealand	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
North Carolina	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Oklahoma	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
South Carolina	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	1	0
Texas	2017	53	4	0	0	0	5	52
	2018	52	1	0	0	0	0	53
	2019	53	3	0	0	0	4	52
Total	2017	68	8	0	0	0	5	71

2018	71	3	0	0	0	2	72
2019	72	5	0	0	0	6	71

Table No 4

Status of Company-Owned Outlets

Southern Maid does not operate any company-owned outlets

Table No 5

Projected Openings As of End of 2019

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company Owned Outlet in the Next Fiscal Year
California	0	0	0
Arizona	0	1	0
Texas	0	3	0
Total	0	4	0

ITEM 21

FINANCIAL STATEMENTS

An audited balance sheet for the previous three fiscal years, and statements of operations, stockholders equity, and cash flows for the previous three fiscal years are attached Southern Maid's fiscal year ends September 30th

ITEM 22

CONTRACTS

The following agreements are attached to this franchise disclosure document as Exhibits

<u>EXHIBIT</u>	<u>DESCRIPTION</u>
A	Standard Franchise Agreement
B	Equipment Proposal
C	Note
D	Security Agreement
E	Satellite Franchise Agreement
F	California State Addendum
G	Franchisee Information
H	State Administrators
I	Agent for Service of Process

ITEM 23

RECEIPTS

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language Read this disclosure document and all agreements carefully

If Southern Maid offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or sooner if required by applicable state law Southern Maid's registered agent authorized to receive service of process is Michael Wortham, Wortham Law Firm, 12001 N Central Expressway, Suite 650, Dallas, Texas 75243

EXHIBIT G
FRANCHISEE INFORMATION

FRANCHISEES AS OF END OF 2019

ARKANSAS

Bald Knob, 105 Pinewood Dr , 72010

Total Arkansas 1

CALIFORNIA

Corona, 1525 East Ontario Ave #105

Total California 1

FLORIDA

Pensacola, 875 E Nine Mile Rd Ste 9, 32514

Total Florida 1

GEORGIA

Bainbridge, 712 S Scott St , 39819

Total Georgia 1

JAPAN

Fukuoka City, 1 Choume 3-13-207

Nagoya City, Minamiku Daidou-chou 2 Choume 29-29

Total Japan 2

LOUISIANA

Bossier City, 3230 Barksdale Blvd , 71113

DeRidder, 623 North Pine St , 70634

Dixie Hill, Rt, 4 Box 1067

Dutchtown, 36519 Oak Plaza Ave, 70769

Minden, 515 Sibley Rd , 71055

Natchitoches, 620 South Drive Ste A 71457

Shreveport, 3505 Hearn 71109

Shreveport, 3161 North Market St, 71107

Shreveport, 1409E 70th St , Ste 116, 71105

Shreveport, 9359 Mansfield Rd , 71118

Total Louisiana 10

NEW ZEALAND

Newmarket, Unit1, Lvl 2, 27 Davis Crescent

Total New Zealand 1

NORTH CAROLINA

Elizabeth City, 101 Capital Trace, 27909

Total North Carolina 1

OKLAHOMA

Elgin, 101 Thoma Drive #A 73538

Total Oklahoma 1

TEXAS

Commerce, 1903 Live Oak, 75428

Cypress, 11041 Huffmeister, 77429

Dallas, 801 N Riverfront Blvd #300 75207

Dallas, 1152 N Buckner Blvd , 75218

Dallas, 937 West Davis St , 75028

Dallas, 655 W Illinois, 75224

Denison, 7319 Hwy 691 #101, 750

Denison, 2731 West Morton Ste 103 75020

Dickinson, 742 West FM 517, 77539

El Paso, 11175 Vista del Sol, 79935

Flower Mound, 2809 Flower Mound Rd , 75022

Garland, 565 West Oates, Suite 143, 75043
 Garland, 301 East Buckingham, 75042
 Grand Prairie, 810 W Main Street, 75050
 Houston, 9801 Beechnut 77036
 Houston, 1029 N Hwy 6 & Park Row, 77079
 Houston, 10521 Jones Rd ,Ste B, 77065
 Houston, 6449 Richmond Ave 77057
 Houston, 8703 West Belfort, 77031
 Houston, 16430 W Lake Houston Pkwy Ste 150, 77044
 Houston, 1405 Wilcrest, 77042
 Humble, 14954 Mesa Dr #113, 77042
 Humble, 12331 Will Clayton Pkwy, 77346
 Humble, 9455 Sam Houston Pkwy East, Ste 500 77396
~~Katy, 5508 S Peek Rd 77450~~
 Katy, 2750 FM 1463 # 240, 77407
 Katy, 5929 FM 1463, 77494
 Lewisville, 701 Stemmons, #160, 75067
 Lewisville, 1490 W Valley Ridge Blvd , 75077
 Lumberton, 690 S Main St , 77657
 Lumberton, 434 N LHS Dr , Ste A, 77657
 Mesquite, 3220 Gus Thomasson Rd , 75150
 Mesquite, 2411 N Galloway #106, 75150
 Mesquite, 500 N Galloway, 75149
 Odessa, 721 N Hancock, 79760
 Odessa, 2820 Andrews Highway, 79762
 Paris, 1589 Clarksville, 75460
 Plano, 2492 Avenue K, 75074
 Port Arthur, 2446 Memorial Blvd, 77640
 Porter, 21693 FM 1314 77365
~~Powderly, 978 Hwy 271 North, 75473~~
 Reno, 6620 Lamar Rd 75462
 Rowlett, 6702 Dalrock, 75088
 Sherman, 1712 Loy Lake Road, 75090
 Sherman, 1725 E Lamar, 75090 (satellite)
 Silsbee, 205 West Avenue N 77368
 Spring, 3440 Riley Fuzzel, 77368
 Stafford, 12414 Kirkwood, 77477
 Sugarland, 907 Eldridge, 77478
 Sugarland, 18721 University Blvd, 77479
 Texarkana, 98 Oak Lawn Village, 75501
 Wichita Falls, 1501 Midwestern Pkwy, 76302

Total Texas 52

Total Franchisees 2019 for all states 71

FRANCHISE CLOSINGS AS OF SEPTEMBER 30, 2019

<u>Louisiana</u>	<u>Bastrop, 2408 W Madison Ave 71220</u>
	<u>Ruston, 744 Celebrity Drive 71270</u>
<u>Texas</u>	<u>Katy, 2240 S Mason Rd Ste B 77450</u>
	<u>League City, 1355 East League City Suite 600 77573</u>
	<u>Mesquite, 3707 Gus Thomasson 75150</u>
	<u>Tyler, 1514 West Gentry Pkwy 75702</u>

Total Franchises closed 2019 for all states 6