FRANCHISE DISCLOSURE DOCUMENT

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Department of
Business Oversight

TeamLogic, Inc.
A California Corporation
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franchise@TeamLogicIT.com
www.TeamLogicIT.com

TeamLogicIT®
Your Technology Advisor

A TeamLogic IT® franchise is an information technology business providing outsourced IT managed services targeted to small and medium-sized businesses via qualified technicians.

The total investment necessary to begin operation of a TeamLogic IT® franchised business is $94,620 to ~~$137,250~~$142,250. This includes the ~~$40,000~~$45,000 initial fee that must be paid to the Franchisor or its affiliates.

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

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract 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, DC 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.

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 26722 Plaza, Mission Viejo, California 92691, (949) 582-6300.

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

Issuance Date: March 14, 2017, as amended December 15, 2017

King, a former employee of a franchisee, requested Declaratory Relief and sued us for defamation, after we asserted that King did not have the right to convert customers obtained under the TeamLogic proprietary system to his own use after the underlying franchise agreement with his employer expired. King dropped the defamation claim on September 29, 2016. We countersued King for violation of Texas Uniform Trade Secret Act and tortious interference with a contractual and business relationships.

Litigation Against Franchisees Commenced in Past Fiscal Year

Litigation to Protect TeamLogic IT Brand and Proprietary Systems.

TeamLogic, Inc. v. Meredith Group IT, LLC, GreenBean IT, LLC, Jon Miller, Matt Meredith and Karen Meredith in U.S. District Court, Northern District of Texas, Case No. 3:16-cv-02542-L. Filed September 2, 2016. TeamLogic filed suit against former franchisee and related parties for misappropriation of trade secrets and intellectual property, conversion, trademark infringement, and conspiracy. Meredith countersued for fraud, breach of contract and deceptive trade practices. The case is in the preliminary stages.

ITEM 4.
BANKRUPTCY

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

ITEM 5.
INITIAL FEES

You must pay an Initial Franchise Fee of ~~$40,000~~ $45,000 payable at the time you sign the Franchise Agreement. If you qualify for a Vet★Fran discount, the Initial Franchise Fee is $35,000. See Exhibit "D" for the form of Franchise Agreement you will execute. The Initial Franchise Fee covers training, the fee for training for up to 2 people, 1 hotel room, and transportation for 2 to attend training. This fee is non-refundable unless you do not satisfactorily complete the Initial Training, in which case, we will refund your Franchise Fee less our direct costs associated with this Franchise, which may range between $2,500 to $27,000.

You may purchase additional TeamLogic IT® Franchises for the Initial Franchise Fee of $30,000. You must obtain our prior written approval, and sign a new, then current Franchise Agreement for an additional TeamLogic IT® Franchise. You must change the term of any pre-existing Franchise Agreements to be co-terminus with your new Franchise Agreement for the additional TeamLogic IT® franchise. In order to purchase additional franchises, you must not be in default of your existing Franchise Agreement.

If you are converting your independent information technology business into a TeamLogic IT® franchise, your Initial Franchise Fee is ~~$40,000~~$45,000, and you must sign the Addendum in Exhibit "F."

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ITEM 7.
ESTIMATED INITIAL INVESTMENT

YOUR Estimated Initial Investment*

INVESTMENT	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
INITIAL FRANCHISE FEE (1)	$30,000 to ~~$40,000~~$45,000	Lump Sum	Upon execution of the Franchise Agreement	Us
SOFTWARE FEE(3)	$2,820 to $3,500 (subject to change)	Monthly/ Lump Sum	Prior to opening for business	Us & approved outside vendor
VEHICLE LEASE AND GRAPHICS PACKAGE (2)	$0 to $350 (lease)/ $100 to $3,950 (graphics package)	Lease Payment/ Lump sum	As agreed	Approved outside vendor
INITIAL EQUIPMENT (3)	From $3,000 to $5,000	Lump sum	Prior to opening for business	Various outside suppliers
REAL ESTATE LEASEHOLD IMPROVEMENTS (4)	Monthly rent; No office space or specific leasehold improvements required	As incurred	As agreed	Lessor
ADDITIONAL FUNDS (5) - 6 to 8 months	$58,700 to $84,800	As incurred	As agreed	Various
TOTAL ESTIMATED INITIAL INVESTMENT	$94,620 to $142,250~~$137,250~~			

*Unless otherwise stated, none of the expenses described in this chart are refundable.

Your salaries, draws, or personal living expenses are not included in the above tables. You must have additional sums available (whether in cash, credit or collateral) to cover these expenses. No part of your initial investment in your TeamLogic IT® franchise will be financed directly or indirectly by us.

Notes:

(1) Initial Franchise Fee. The Initial Franchise Fee is ~~$40,000~~ $45,000 for a new franchise; Vet★Fran Discount franchise fee is $35,000; multiple franchise fee is $30,000; and the fee for a conversion franchise is ~~$40,000~~ $45,000. The Initial Franchise Fee includes training expenses for two people, including transportation, lodging (one room, double occupancy), and some food.

(2) Vehicle. You may, but are not required to, lease a vehicle to be used in the Business. Any leased or personal vehicle used in the Business must be outfitted with, at a minimum, the approved vehicle signage or, at your option, the Graphics Package. Any vehicle used in the Business must be maintained in a neat, clean, undamaged and safe condition. All damages must be repaired in a prompt and timely manner.

(3) Initial Equipment. You must purchase, lease or otherwise have certain hardware and software, and telephone equipment. We estimate this hardware and software package will range in cost from $3,000 to $5,000, subject

SECTION III.
PAYMENTS BY FRANCHISEE

3.1 Initial Franchise Fee. Concurrently with the execution of this Agreement, Franchisee shall pay to Franchisor a non-refundable Initial Franchise Fee in the amount of ~~$40,000~~ $45,000. If Franchisee qualifies for a Vet★Fran discount, the Initial Franchise Fee is $35,000. For multiple franchise purchases, the Initial Franchise Fee is $30,000. For a conversion franchise, the Initial Franchise Fee is ~~$40,000~~$45,000.

3.2 Software License Fees. The annual software licenses fees are between $2,820 and $3,500 (subject to change), depending on the particular software, and a portion of the fees is payable to Franchisor and billed to franchisee on a monthly basis. The Professional Services Automation software fees are payable to Franchisor.

3.3 Minimum and Continuing Franchise Fees. Franchisee shall pay to Franchisor or its designees a Continuing Franchise Fee equal to seven percent (7%) of Franchisee's monthly Gross Sales (as defined in Section 1), subject to the monthly minimums stated below. Continuing Franchise Fees are collected electronically on a monthly basis via automatic withdrawal from a pre-authorized account, without deduction for failure to collect from Franchisee's clients. No offset is permitted against Continuing Franchise Fees for amounts due or allegedly due Franchisor by Franchisee.

3.4 Minimum and Continuing Advertising Fee. Franchisee shall pay to Franchisor or its designees a monthly Advertising Fee equal to the greater of (a) 1.2% of the Business's monthly Gross Sales, or (b) $200 per month. The Advertising Fee is collected electronically on a monthly basis via electronic withdrawal from a pre-authorized account. The minimum monthly fee of two hundred dollars ($200) is waived for the first six (6) months of operation, (beginning the first day after the first full month following completion of training or sooner, or the month the Franchisee takes over the business ownership). These amounts will be deposited in an Advertising Fund and used by the Franchisor to conduct advertising, public relations, and promotional programs designed to develop brand awareness and build sales volumes of all TeamLogic IT® Businesses on a Network-wide basis and not in any specific geographic area. Methods and media employed, contents of advertising, and terms and conditions of advertising campaigns and promotional programs shall be within the sole discretion of Franchisor. Franchisee shall not offset any advertising fees based upon Franchisee's dislike or non-use of the marketing and advertising programs and materials created from the Network-wide Advertising Fund. No offset is permitted against advertising fees for amounts due or allegedly due Franchisor by Franchisee. Franchisor does not guarantee that the Network-wide advertising will appear in Franchisee's geographic area in proportion to Franchisee's specific contributions in any given year. The purpose of the Advertising Fund is to promote the brand on a national basis. Franchisor reserves the right to allocate no more than 15% of the Advertising Fund revenue for its general administrative expenses, including, without limitation, collection agency fees and expenses incurred in collecting the Funds from past and present franchisees.

3.5 SystemWatch IT® Managed Services Fees. Franchisee shall pay to Franchisor a fee on all SystemWatch IT® Managed Services Remote Monitoring and Management Software (RMM) agents used directly or indirectly by the franchisee. As of 2017, fees paid to Franchisor range from six dollars ($6) down to three dollars ($3.00) per RMM agent per month depending on volume, and may change from time to time. In order to maintain consistency and integrity of Franchisor's managed services solution, all core remote monitoring and management software agents must be purchased from and are payable to Franchisor. Upon prior approval, software agents may be purchased from an approved supplier Franchisor designates.

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CONVERSION ADDENDUM

TeamLogic IT® Business # _____

This Addendum is entered into on the Effective Date by and between TeamLogic, Inc. ("Franchisor") and _____, ("Franchisee"), with respect to the following recitals.

RECITALS

WHEREAS, Franchisee currently owns and operates an independent (non-franchised) computer repair/consultation business located at _____ the "Existing Business") and desires to convert the Existing Business into a TeamLogic IT® Business; and

WHEREAS, Franchisor and Franchisee have entered into, or are about to enter into a Franchise Agreement ("the Franchise Agreement") for Franchisee to own and operate a TeamLogic IT® Business to be operated by converting the Existing Business to the TeamLogic IT® Business; and

WHEREAS, Franchisor desires to consummate such a conversion, on the terms and conditions provided for herein, which terms and conditions shall supersede any conflicting provision in the Franchise Agreement.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

1. Section I Definitions, Section 3.5 SystemWatch IT® Managed Services Fees, Section 6.9 SystemWatch IT® Managed Services: The following language is added to these sections: Franchisee must convert/migrate any existing managed services clients to SystemWatch IT® within 90 days of the Effective Date.

2. Section 3.1 of the Franchise Agreement Initial Franchise Fee: The first sentence is replaced by and shall read: Concurrently with the execution of this Agreement, Franchisee shall pay to Franchisor a non-refundable Initial Franchise Fee in the amount of ~~$40,000~~$45,000.

3. Section 3.3 Minimum and Continuing Fees: The Continuing Franchise Fee outlined in Sections 3.3 of the Franchise Agreement shall be modified as follows: For the first 12 months from the Effective Date of the Franchise Agreement, Continuing Franchise Fees shall be payable on only those Gross Sales that exceed an amount equal to: *the average annual gross sales of Franchisee's independent business, as calculated from the prior 36 months* ("the Excluded Amount"). If Franchisee has been in business less than 36 months then the Excluded Amount shall be the average of all the months Franchisee has been in business for a monthly average multiplied by twelve. Franchisee shall pay the Continuing Franchise Fees as indicated