

FRANCHISE DISCLOSURE DOCUMENT

ABCSP INC.
a California corporation
1406 Blue Oaks Blvd
Roseville, CA 95747
Telephone: 1-888-430-CARE
www.alwaysbestcare.com
info@abc-seniors.com

BEST CARE

We offer 2 franchises. The first is a franchise for the operation of a business that will provide the public with non-medical in-home personal care, skilled in-home nursing services and assisted living/residential care placement services using our distinctive system under the name "Always Best Care Senior Services." The second franchise is an Area Representative Franchise which authorizes Area Representatives to recruit Always Best Care Franchisees and to provide training and support to them using our policies and procedures. We pay Area Representatives a portion of the fees we collect from franchisees in their Territory. Franchisees who qualify may sign a Developer Agreement, which authorizes them to enter into 2 or more franchise agreements within a Development Area. To retain the right to acquire more franchises, a Developer must satisfy a development schedule. Developers will pay a fee of \$44,900 for the first franchise to be developed and \$30,000 for each additional franchise agreement when they sign a Developer Agreement.

The total investment necessary to begin operation of an Always Best Care Senior Services franchise is \$56,225 to \$104,100. This includes an initial franchise fee of \$44,900 that must be paid to the franchisor and/or its affiliate, as appropriate. The total investment necessary to begin operation of an Always Best Care Area Representative franchise is \$209,525 to \$1,280,650. This includes an Area Representative Fee of \$200,000 to \$1,200,000, which is based on a number of factors, including the number of active franchisees in the Territory, current revenue generated in territory, population size and other factors. This disclosure document summarizes certain provisions of your franchise agreement, Area Representative Agreement and Developer Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate along 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 Michael Newman at 1406 Blue Oaks Blvd, Roseville, California 95747 and (888) 430-CARE.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, like *"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.

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

Issuance Date: March 11, 2013

STATE COVER PAGE

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 THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

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

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL 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.

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

1. THE FRANCHISE AGREEMENT, AREA REPRESENTATIVE AGREEMENT AND DEVELOPER AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN CALIFORNIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
2. BEGINNING IN YOUR FIRST MONTH OF OPERATION, YOU MUST BEGIN PAYING US AT LEAST A SET MINIMUM MONTHLY ROYALTY EACH MONTH REGARDLESS OF WHETHER YOUR BUSINESS PRODUCES ANY REVENUE IN THE APPLICABLE MONTH.
3. CONTINUATION OF YOUR TERRITORIAL EXCLUSIVITY AND POSSIBLY YOUR FRANCHISE AGREEMENT DOES DEPEND ON YOUR ACHIEVING A CERTAIN SALES VOLUME, MARKET PENETRATION, OR OTHER CONTINGENCY.
4. THE FRANCHISE AGREEMENT DOES NOT PROVIDE YOU WITH AN EXCLUSIVE TERRITORY.
5. MANY STATES REQUIRE LICENSES TO ENGAGE IN SOME OR ALL OF THE ACTIVITIES WHICH ARE UNDERTAKEN AS PART OF OUR FRANCHISE. BECAUSE THESE LAWS CHANGE FREQUENTLY, YOU SHOULD CONSULT WITH A HEALTH CARE LAWYER IN YOUR STATE BEFORE ACQUIRING OUR FRANCHISE.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

State registration effective dates are listed on the following State Effective Date page

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

<u>State</u>	<u>Effective Date</u>
California	April 11, 2013
Hawaii	Pending
Illinois	March 12, 2013
Indiana	March 12, 2013
Maryland	See Separate FDD
Michigan	March 12, 2013
Minnesota	March 13, 2013
New York	April 10, 2013
North Dakota	April 2, 2013
Rhode Island	March 13, 2013
South Dakota	March 12, 2013
Virginia	March 18, 2013
Washington	March 12, 2013
Wisconsin	March 12, 2013

This Franchise Disclosure Document is not required to be registered in the following states, but an exemption has been filed as required by the state's business opportunity laws and the Disclosure Document is effective as of the date specified below:

Florida	March 11, 2013
Kentucky	October 6, 2006
Nebraska	September 9, 2006
Texas	September 18, 2006
Utah	March 12, 2013

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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 stoppage 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 before the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure this failure after being given written notice and a reasonable opportunity, which need not be more than thirty (30) days, to cure this 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 five (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 after the expiration of the franchise or the franchisee does not receive at least six (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) Failure of the proposed transferee 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 these 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, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, whose phone number is (517) 373-7117 and whose address is:

Department of the Attorney General, State of Michigan
Consumer Protection Division
Attn: Franchise
670 Williams Building
Lansing, Michigan 48909

THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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- C – Franchise Agreement with Exhibits
- D – Developer Agreement with Exhibits
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RECEIPTS

ITEM I
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

ABCSP Inc. ("we", "our" or "us") is a California corporation that was incorporated on March 23, 2000, and has its principal place of business at 1406 Blue Oaks Blvd, Roseville, California 95747. We do business under our corporate name and under our proprietary marks "Always Best Care" and "Always Best Care Senior Services." We will refer to the person who buys this franchise as "you" throughout this Disclosure Document. If the franchise purchaser is a business entity, "you" also includes each partner, shareholder, member or other owner of that entity.

We offer franchises for the operation of businesses operating under the "Always Best Care Senior Services" name that will provide the public with non-medical in-home personal care, skilled nursing services and assisted living/residential care placement services using our distinctive system (the "Business" or "Franchised Business"). We refer to franchisees who operate a Franchised Business as "Unit Franchisees" and to their franchises as "Unit Franchises." We also offer "Area Representative Franchises" in which our Area Representatives are granted a geographic Territory within which they may recruit franchisees to operate Franchised Businesses and provide ongoing services to them and receive a portion of the fees we collect from Unit Franchisees (and "Area Representative Business"). We have never offered franchises in any other line of business. We do not have any other business activities. We began selling franchises in December 2007. Our agents for service of process are listed in Exhibit A.

Our Parents, Predecessors and Affiliates

We have no parent. Our affiliate is Always Best Case Management, Inc. Its principal business address is 1406 Blue Oaks Blvd, Suite 150, Roseville, CA 95747. Always Best Case Management, Inc. is an approved supplier for staffing services provided to ABCSP franchisees. Since 2011, Always Best Case Management, Inc. has been a supplier for staffing services, including ABCSP franchisees. It does not offer or sell franchises in any line of business. As of April 1, 2013, Always Best Case Management, Inc. will no longer serve as a supplier for staffing services. Instead, we will directly offer those services to ABCSP franchisees and others as of that date.

Our predecessor is Newman Capital Investments, L.L.C, a California limited liability company headquartered at our address ("Predecessor"). In December 2007, our Predecessor merged with and into us, and we are the survivor entity. Our Predecessor offered Always Best Care Senior Services franchises from December 2006 to December 2007. During this time period, our Predecessor sold 15 franchises. Our Predecessor transferred those 15 franchise agreements to us in December 2007. Our Predecessor has never offered franchises in any other lines of business.

The System

Our system includes a method of providing the public with non-medical in-home personal care, skilled nursing services and assisted living/residential care placement services; specifications and procedures for operations; procedures for management control; training and assistance; and merchandising, advertising and promotional programs, all of which may be changed, improved and developed (the "System").

The System is identified by certain trade names, service marks, trademarks, logos and emblems, including the mark "Always Best Care Senior Services", as are now designated and may in the future be designated by us in writing for use with the System (the "Proprietary Marks").

The Franchise Offered

Unit Franchise

Under the terms and conditions of the Franchise Agreement, attached as Exhibit C to this Disclosure Document, we offer a franchise for a single Franchised Business within an Assigned Area. The Franchise Agreement gives you the right to use the Proprietary Marks and the System solely in the operation of the Franchised Business, and only from a location which we approve. With a few exceptions described in Item 12, you are limited to serving clients of the Franchised Business ("Clients") within your Assigned Area.

Each Franchised Business offers a combination of assisted living placement services and non-medical in-home care services to seniors as our core business model. If your Franchised Business generates \$1,000,000 or more in Gross Sales during its most recently concluded 12-month period, your Franchised Business must then begin offering skilled nursing services and medical in-home health services (collectively, "Skilled Nursing Services"). In order to offer Skilled Nursing Services, you must first comply with all applicable state and federal licensing requirements relating to the offer of such services ("Skilled Nursing Licensure"). You may choose, but are not required, to offer Skilled Nursing Services to Clients who will pay for those services through Medicare. If you choose to seek Medicare reimbursement in connection with Skilled Nursing Services, you must obtain and maintain all required licenses, permits and authorizations. The requirement that you begin offering Skilled Nursing Services, and your authorization to do so, will be subject to our confirmation that such activities can be lawfully conducted in the jurisdictions in which you operate consistent with the terms of the franchise. Offering Skilled Nursing Services and/or seeking Medicare reimbursement for those services will require additional licensing, consulting and startup expenses, which will vary from state to state. The prior statements are not meant as, and should not be construed as, a representation that any franchisee will achieve, or should expect to achieve, gross sales of \$1,000,000, per year or any particular level of revenue.

Developer Agreement

If you meet our net worth, operational experience and other requirements for multi-business developers, you may enter into a Developer Agreement ("Developer Agreement") for the development of Franchised Businesses in a designated geographical area, known as a "Development Area." Under the Developer Agreement, attached as Exhibit D to this Disclosure Document, you must develop an agreed upon number of Franchised Businesses in the Development Area, within a specified time period. You or your controlled affiliates must own and operate each Franchised Business you develop, and each Franchised Business will be operated under its own Franchise Agreement. If you agree to sign a Developer Agreement, then the Franchise Agreement you sign for each Franchised Business will be the form of franchise agreement we are offering at the time you sign it. You must open a Franchised Business every 6 months. You must hire a full-time marketing employee for each Franchised Business you open.

Area Representative Agreement

If you meet our net worth, operational experience and other requirements, we may award you an Area Representative franchise and permit you to enter into an Area Representative Agreement ("Area Representative Agreement"), attached as Exhibit E to this Disclosure Document, to develop and service multiple Franchised Businesses located within a designated area ("Territory"). An Area Representative will advertise for new franchisees on our behalf, develop and assist franchisees of ours who are operating within the Territory, and utilize our business systems, formats, methods, specifications, standards, operating procedures, operating assistance, and Proprietary Marks. Each new Unit Franchisee will enter into an individual Franchise Agreement with us, and not with the Area Representative. The Area

Representative is required to own and operate at least 1 Franchised Business in the Territory, unless the Area Representative is purchasing an existing Area Representative Business from an existing Area Representative, as a transfer.

The Area Representative will (i) solicit, recruit, screen and interview prospective franchisees for us ("sales services"); (ii) help us identify and approve locations for Unit Franchises ("location services"); and (iii) provide additional operational, training and field support to Unit Franchisees both before and after they open their Franchised Businesses ("support services"). The Area Representative will share in a portion of some of the fees paid to us by such Unit Franchisees. In addition, the Area Representative may, in our discretion, share in certain expenses we incur to enforce or defend Franchise Agreements in the Area Representative's Territory.

An Area Representative must comply with all federal and state franchise laws (described below). You may not offer franchises for sale in a franchise registration state unless we are effectively registered in that state. Your right to sell franchises for locations in a Territory is non-exclusive. Therefore, we may recruit prospective franchisees and sell franchises for locations in an Area Representative's Territory. If we recruit a franchisee, then you will still earn a portion of the Initial Franchise Fee for franchises that we sell in your Territory (see Item 5). Although we are under no obligation to do so, we may turn over to you certain sales leads that we receive from prospects looking to acquire an Always Best Care Senior Services franchise for a location in your Territory so that you can pre-qualify the candidate. If we do not approve a franchisee's location until after we sign the Franchise Agreement, it is possible that you could pre-qualify a franchisee who ultimately selects a location outside of your Territory and in another Area Representative's Territory. In that event, the Area Representative in whose Territory the franchisee opens the franchise would receive a portion of the Royalty Fees paid on account of that franchisee.

We will rely on Area Representatives to solicit, screen and interview franchisee candidates and to present us with those applicants whom you pre-qualify using our criteria, we will make the final decision on whether we will sell a franchise to the candidates you present. If we approve the candidate, we and the candidate will sign a Franchise Agreement. You will not be a party to that contract. However, as our Area Representative, you will provide a variety of site services and support services to the franchisees in your Territory.

Market and Competition

Unit Franchisees' Clients typically include people who are 60 years old and older, their families and their caregivers. The Franchised Businesses will offer non-medical in-home personal care and assisted living/residential care placement services. Franchisees must apply for all applicable licenses to offer Skilled Nursing Services when Gross Sales exceed \$1,000,000 per year. These services provide quality of life and ease of living to Clients, and enable them to live independently in their homes.

The markets for home care and placement services and for skilled nursing services are both well-developed and highly competitive. You may have to compete with other businesses including franchised operations, national chains, and independently owned companies offering similar services to Clients. You will also face other normal business risks that could have an adverse effect on your Franchised Business. These may include industry developments, like pricing policies of competitors, and supply and demand.

Industry Specific Laws

You must comply with any federal, state or local licensing or regulatory requirements that may apply to your Franchised Business and you must comply with all applicable federal, state or local laws related to the Franchised Business, specifically including those pertaining to the health care industry. Generally, the applicable state healthcare departments establish licensure requirements. Some states have no licensure requirements (other than a local business license) for in-home care services and private

health care services while others have very specific guidelines, which must be met for licensure. The difficulty and cost of obtaining these licenses, and the procedures for securing them, vary greatly from area to area. A wide variety of state and local laws and regulations govern the provision of home healthcare services and in-home care.

The state licensing requirements and regulations may be modified, amended or expanded at any time by a state legislature and/or regulatory authority. Any modifications or amendments could adversely affect your Franchised Business and its operations.

If the Franchised Business offers Skilled Nursing Services then the Franchised Business may be subject to state review laws, state and federal fraud and abuse laws, state and federal and/or state ethics requirements and federal and/or state regulatory requirements applicable to the limitation and/or prohibition of physician and/or other healthcare provider ownership in healthcare businesses to which providers refer patients or provide services, the Franchised Business may also be subject to patient disclosure requirements and freedom of choice requirements applicable to healthcare provider provision of home care services. You must comply with these laws and regulations as they may be amended or expanded.

There may be other laws, rules or regulations that affect the Franchised Business. We recommend that you consult with your attorney for an understanding of them. You should consider these laws and regulations when evaluating your purchase of a franchise.

You must comply with all local, state, and federal laws that apply to your operations, including health, sanitation, insurance, no smoking, EEOC, OSHA, non-discrimination, employment, and sexual harassment laws. Some states require you to obtain a license to provide employment services. In addition, some states may require one or more of the following: a local business license; a home care license and a Certificate of Need. In some states that require a Certificate of Need, the state may not be currently extending additional Certificates of Need, which will impact your ability to provide health care services to Medicare recipients. In the event you can obtain proper state licenses and a Certificate of Need, and you provide health care services to Medicare recipients, you will also need to obtain Medicare certification from the federal government.

You will need to comply with various federal, state and local laws that govern health care and health care providers, and you will need to obtain the various licenses, permits, and certificates required to provide the services which you are authorized to provide under the Franchise Agreement prior to commencing operation of the Franchised Business. The following is a general description of the laws and licenses that may be applicable to you and your business.

Licensure

Every state imposes licensing requirements on individual physicians and pharmacists, and on certain types of health care providers and facilities. Many states require regulatory approval, including licenses to render care. Many states also require a Certificate of Need before establishing certain types of health care facilities or offering services, such as providing home health care services. To the extent they are applicable to the services which you are authorized to provide, elect to provide, under the Franchise Agreement, depending on the state(s) in which the services will be provided. (You must provide Skilled Nursing Services when the Franchised Business has achieved \$1,000,000 in gross revenues for any trailing 12-month period, however it is your choice whether to seek Medicare reimbursement for such services. If you seek Medicare reimbursement in connection with Skilled Nursing Services, you must comply with all applicable requirements.)

Corporate Practice of Medicine

The laws of many states prohibit business corporations from engaging in the practice of medicine, such as through employment arrangements with health care providers. These laws vary from state to state and are enforced by the state courts and regulatory authorities with broad discretion. If prohibited by law, you may be unable to: (i) employ providers to provide health care services; (ii) represent to the public that you offer health care services; and (iii) control in any way the provision of health care services by providers. Because the laws governing the corporate practice of medicine vary from state to state, expansion of the operations of the Franchised Business to a state, or to residents of a state, with strict corporate practice of medicine laws may require you to modify your operations.

Fee-Splitting Prohibitions

The laws of some states prohibit health care providers from splitting professional fees, i.e., sharing a portion of a professional fee earned by a health care provider for the provision of a health care service with a person, company, partnership or other entity that does not provide the same type of health services. These statutes are sometimes quite broad and as a result prohibit otherwise legitimate business arrangements. A number of states also prohibit compensation arrangements when the amount received in payment for furnishing space, facilities, equipment or personnel services is based upon a percentage of, or is dependent upon, the income or receipts of the licensed professional. Other states only prohibit fee splitting arrangements that are based on referrals. Penalties for violating these fee-splitting statutes or regulations may include revocation, suspension or probation of health care professional's license, or other disciplinary action, as well as monetary penalties. Alleged violations of the fee-splitting laws have also been used successfully by health care professionals to declare a contract.

State Anti-Kickback and Self-Referral Laws

A number of states have enacted laws which prohibit payment for referrals and other types of "kickback" arrangements. These state laws typically apply to all patients regardless of their insurance coverage.

A number of states have enacted laws which prohibit physician self-referrals regardless of the patient's source of payment. Subject to certain limited exceptions, many states prohibit referrals for health care services provided by or through licensed health care workers to an entity outside the health care worker's office or a group practice in which the health care worker (or a relative) is an investor, unless the health care worker directly provides health services within the entity and will be personally involved with the provision of care to the referred patient.

State Regulatory Insurance

Laws in all states regulate the business of insurance. Many states also regulate the establishment and operation of networks of health care providers. Many state insurance commissioners have interpreted their states' insurance statutes to prohibit entities from entering into risk-based managed care contracts unless there is an entity licensed to engage in the business of insurance in the chain of contracts. An entity not licensed to practice insurance contracting directly with a self-insured employer may be deemed to be engaged in the unlicensed business of insurance. You must obtain all required or appropriate licenses to the extent you contract to provide home health care services on a risk basis, such as based upon a capitation method.

Federal Medicare and Medicaid Related Regulation

There are a number of federal laws prohibiting certain activities and arrangements relating to services or items which are reimbursable by Medicare or Medicaid. The False Claims Act imposes civil liability on persons or corporations which make false or fraudulent claims for payment to the government.

A violation of the False Claims Act may result in liability for severe monetary penalties and exclusion from the Medicare and Medicaid programs.

In addition, certain provisions of the Social Security Act, commonly referred to as the "Anti-kickback Amendment," prohibit the offer, payment, solicitation, or receipt of any form of remuneration either in return for the referral of Medicare or state health program patients or patient care opportunities, or in return for the recommendation, arrangement, purchase, lease, or order of items or services that are covered by Medicare or state health programs. The Anti-kickback Amendment is broad in scope and has been broadly interpreted by courts in many jurisdictions. Read literally, the statute places at risk many otherwise legitimate business arrangements, potentially subjecting such arrangements to lengthy, expensive investigations and prosecutions initiated by federal and state government officials. In particular, the Office of the Inspector General of the U.S. Department of Health and Human Services has expressed concern that provider ownership in entities in a position to receive referrals of business reimbursable by Medicare or Medicaid from such health care providers may violate the Anti-kickback Amendment.

Physician and certain other health care providers who own a franchise will be subject to physician self-referral laws for services covered by Medicare and Medicaid programs by Congress in the Omnibus Budget Reconciliation Act of 1993. These prohibitions, commonly known as "Stark II," amended prior physician self-referral legislation known as "Stark I" (which applied only to clinical laboratory referrals) by dramatically enlarging the list of services and investment interests to which the referral prohibitions apply. Effective January 1, 1995, and subject to certain exemptions, Stark II prohibits a physician or a member of that physician's immediate family from referring Medicare or Medicaid patients to any entity providing "designated health services" in which the physician has an ownership or investment interest, or with which the physician has entered into a compensation arrangement, including the physician's own group practice unless the practice satisfies the "group practice" exception. The designated health services include the provision of clinical laboratory services, radiology and other diagnostic services (including ultrasound services), radiation therapy services, physical and occupational therapy services, home medical equipment, parenteral and enteral nutrients, certain equipment and supplies, prosthetics, orthotics, outpatient prescription drugs, home health services and inpatient and outpatient hospital services. The penalties for violating Stark II include a prohibition on Medicaid and Medicare reimbursement and civil penalties of as much as \$15,000 for each violative referral, and \$100,000 for participation in a "circumvention scheme."

We strongly urge you to consult with competent local counsel regarding all of the laws and regulations described above, and others that may be applicable to you and your jurisdiction.

Area Representative Program

The sale of franchises is governed by rules enacted by the Federal Trade Commission ("FTC"), 16 C.F.R. §§ 436.1 et seq. (the "FTC Rule"). Area Representatives must comply with the disclosure requirements mandated by the FTC Rule. In the states of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin we are required to register the Disclosure Document before offering or selling any franchise in that particular state. Other states may require Area Representatives to register as a franchise broker or subfranchisor. We shall provide you with an electronic copy of our applicable Disclosure Document, which you will use to sell franchises for us.

ITEM 2
BUSINESS EXPERIENCE

President, Chief Executive Officer and Director – Michael Newman

Mr. Newman has been our President, CEO and Director since our inception in 2000, and was President of our Predecessor from its inception to its merger with us in December 2007. Mr. Newman started the “Always Best Care Senior Services” concept in 1996.

Chief Operating Officer – Jake Brown

Jake Brown joined Always Best Care as COO in November of 2010. Before joining Always Best Care, Mr. Brown served as Senior Vice President for Cartridge World, located in Emeryville, California, from May 2008 to December 2009. Before that, Mr. Brown served as COO for Wildwood Franchising, Inc. in Emeryville, California, the master franchisee for Cartridge World Northern California, from March 2004 to May 2008.

Vice President, Franchise Operations – David Caesar

David Caesar has been our Vice President, Franchise Operations since April 2010. He joined Always Best Care in July 2008 as a Field Sales Trainer. From October 2003 to May 2008 he owned his own “Signs and Graphics” franchised business in Folsom, California.

Vice President, Franchise Development – Steve Marcus

Steve Marcus has been our Vice President, Franchise Development since April 2010 and provides strategic leadership in the creation, operation, and performance of the franchise sales process. Before joining Always Best Care, Mr. Marcus served as a Development Director for BRIGHTSTAR Franchising, LLC, located in Gurnee, Illinois, from February 2009 to March 2010. From August 2007 to February 2009, Mr. Marcus was President of Franchise Development Inc., Superior, Colorado, an independent franchise sales consultant for Brand One Franchise Development, Minneapolis, Minnesota, representing SNAP Fitness, Chanhassen, Minnesota.

Vice President, Marketing – Barry Parrish

Barry Parrish joined Always Best Care as Vice President, Marketing, in December of 2010. Before joining Always Best Care, Mr. Parrish served as Enterprise Director & General Manager for BlueWater Resort & Casino, located in Parker, Arizona, from August 2009 to April 2010. Before that, Mr. Parrish served as Vice President, Marketing, for Turning Stone Resort & Casino, Verona, New York, from July 2006 to April 2008.

Vice President, Clinical Services – Nancy Frost

Nancy Frost joined Always Best Care as Vice President, Clinical Services, in January of 2013. Ms. Frost previously served as Director of Clinical Care Services for Star Nursing, Inc./Star Nursing Agency from September, 2001 to December 2012. She holds licenses as a Registered Nurse in California, Florida, North Carolina, Connecticut, Texas, Minnesota, and the Province of Ontario.

ITEM 3
LITIGATION

On June 16, 2012, we signed an agreement containing a consent order with the Federal Trade Commission relating to the promotion of assisted living facility placement services (Docket Number

1123166). Following an investigation of our online representations about our and our franchisees' knowledge of and relationship with long term care facilities, the FTC sent us a draft complaint and proposed Consent Order. According to the draft complaint, ABCSP had represented "expressly or by implication, that its placement recommendations for assisted living facilities and residential care homes in different geographic regions are based on the personal knowledge of its personnel or agents regarding virtually all, or a substantial majority, of such facilities in these geographic regions." The FTC alleged that those representations were untrue, and that we did not possess and rely upon a reasonable basis that substantiated the representations. The draft complaint was never filed. Instead, ABCSP agreed to a Consent Order in which we neither admitted nor denied allegations in the draft complaint, other than jurisdictional facts. We agreed not to represent that we or our franchisees have viewed, inspected or monitored any number, portion or percentage of assisted living facilities in a geographic region unless we are in possession of competent and reliable evidence which substantiates the representation, and we agreed to have competent and reliable information in our possession which will substantiate any other representations about our placement services. We further agreed to maintain records which substantiate placement services claims.

On February 28, 2012, Franchisee Senior Services of Palm Beach LLC sued us in the U.S. District Court for the Southern District of Florida. In *Senior Services of Palm Beach LLC v. ABCSP Inc.*, Case No. 12-cv-80226, the Plaintiff alleges that ABCSP misrepresented the licensing obligations, the total investment in the franchise and the worth of the franchise, which constituted violations of the Florida Franchise Act, violations of the Florida Unfair and Deceptive Trade Practices Act, breach of contract, breach of the implied covenant of good faith and fair dealing, fraudulent inducement, negligent misrepresentation and omission, and intentional infliction of emotional distress. Plaintiff is seeking monetary damages, rescission, and declaratory relief. We have denied all of Plaintiff's claims, and filed a motion to compel arbitration, as required by the franchise agreement. On June 7, 2012, the U.S. District Court for the Southern District of Florida granted our motion to compel arbitration and dismissed the case without prejudice.

On November 15, 2011, we and Michael Newman were sued by Area Representative Anthony Nieves and 2 companies which he controls in the Superior Court of California for the County of Los Angeles Central. In *Convergence Investments, LLC, Five Star Home Health, Inc. and Anthony Nieves v. ABCSP, Inc. and Michael Newman and DOES 1 through 25*, Case No. BC473545, the Plaintiffs allege that we and Mr. Newman failed to disclose our intention of offering skilled nursing care as part of the Always Best Care franchise, which Plaintiffs allege constituted fraud, violations of the California Franchise Investment Law, breach of contract, and breach of the implied covenant of good faith and fair dealing and unfair business practices. Nieves and Convergence Investments further claimed that the area representative agreement had been constructively and unlawfully terminated. The Plaintiffs further seek declaratory relief. We have denied misrepresenting our plans for the ABCSP franchise and all other claims. We filed a motion to compel arbitration, as required by the area representative agreement. On March 9, 2012, the Los Angeles Superior Court granted our motion to compel arbitration. On January 12, 2012, we filed a demand for arbitration against Nieves, Convergence Investments LLC, and Five Star Home Health, Inc. for claims of fraud and misrepresentation; breach of an amendment to Nieves' area representative agreement, which required Nieves to convert the home health care company he purchased into an Always Best Care franchise; breach of contract; and intentional interference with contract. (*ABCSP Inc. v. Convergence Investments LLC, Five Star Home Health, Inc., and Anthony Nieves*, AAA Case No.: 74 114 Y 00020 12, American Arbitration Association, Sacramento). We seek an award of monetary damages and declaratory relief. Arbitration is scheduled to begin in March 2013.

On November 29, 2010, we agreed to the issuance of a Consent Order (the "Order") by the Maryland Securities Commissioner (the "Commissioner") (Maryland Securities Commissioner case No. 2010-0354, entitled *In the Matter of ABCSP Inc., dba Always Best Care Senior Services*). The Order, dated November 29, 2010, was the result of the sale of franchises in the State of Maryland in which we inadvertently sold Always Best Care franchises before completing renewal of our franchise registration or

otherwise inadvertently failed to provide a properly registered disclosure document in compliance with the registration/disclosure requirements under the Maryland Franchise Registration and Disclosure Law, MD, Bus. Reg. Code Ann. Section 14-201 et seq. (2010 Repl. Vol.) (the "Maryland Act"). Upon learning of the inadvertent failures, we fully cooperated with the Commissioner to resolve the matter and consented to the issuance of the Order, which required us to comply with the provisions of the Maryland Act, diligently revise and complete our registration of the Always Best Care franchise offering before offering any additional franchises in the State of Maryland, offer to rescind the franchise agreements for the affected Maryland franchisees, and pay the Commissioner an administrative assessment of \$35,000. We have met each of these requirements.

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4 **BANKRUPTCY**

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

ITEM 5 **INITIAL FEES**

Franchise Agreement

For a single Franchised Business, our Initial "Franchise Fee" is \$44,900 and is payable in a lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is fully earned when paid, is uniform for all franchisees, except as described below, and is not refundable under any circumstances.

The Initial Franchise Fee includes your initial supply of brochures, stationery, business cards, forms, checklists, contracts and coupons. It also includes 2 polo-style shirts and the preparation of multiple web pages within the national website that will be created for you according to our specifications. If you sign an Area Developer Agreement, this initial supply pertains only to the first Franchised Business. In no event will there be more than 1 initial supply provided. In the event of a resale of a Franchised Business, there will be no initial supply provided to the purchasing Franchisee. The purchasing Franchisee must buy the initial supply at the then current cost of the initial supply.

Through the Veteran Transition Franchise Program, we will reduce the Initial Franchise Fee for qualified United States veterans by 5%. The Veteran Transition Franchise Program was implemented by the International Franchise Association (www.franchise.org) and the Department of Veterans Affairs, along with the Small Business Administration (www.sba.gov).

Through the MinorityFran program, we will reduce the Initial Franchise Fee for qualified franchisees by 5%. The MinorityFran program was implemented by the International Franchise Association to increase the number and success of minorities in franchising and includes: Native American, African/American, Hispanic/American, Asian American or Hawaiian/Pacific Islander.

There are no other purchases from or payments to us or any affiliate that you must make before your Franchised Business opens.

Developer Agreement

If you qualify to develop multiple Franchised Businesses, we may permit you to sign our Developer Agreement. Under the Developer Agreement, you pay a nonrefundable, lump sum Development Fee equal to 100% of the Initial Franchise Fee for the first Franchised Business (\$44,900)

plus \$30,000 for each additional Franchised Business you will open. You will sign the Franchise Agreement for your first Franchised Business at the same time you sign the Developer Agreement.

For example, if you sign a Developer Agreement to develop 4 Businesses, your Development Fee will total \$134,900, as follows: $\$44,900 + (3 \times \$30,000 - \$90,000) = \$134,900$.

The Developer Agreement will contain a minimum "Development Schedule" which will specify when each of the Franchised Businesses must be developed and opened. You must open a Franchised Business every 6 months. You must open your first Franchised Business within 90 days after you sign the first Franchise Agreement. You must open your 2nd Franchised Business within 270 days after you sign the Developer Agreement. The Development Fee is non-refundable and is uniform for all Developers acquiring Developer Agreements under this Disclosure Document.

Area Representative Agreement

Under the Area Representative Agreement, you must develop and support an agreed upon number of Franchised Businesses within a specified Territory. You are required to own and operate your own Franchised Business of at least 1 territory unless you are purchasing an existing Area Representative Business from one of our existing Area Representatives, in which case this requirement is waived. There will be no Initial Franchise Fee for the first Franchised Business that you develop, although you must sign our then-current form of Franchise Agreement. When the Area Representative Agreement is signed, you will pay an Area Representative Fee of \$200,000 to \$1,200,000. In determining the size and boundaries of your Area Representative Territory and the amount of the Area Representative fee, we will generally consider factors such as: demographics of the proposed territory, local competition, economic trends, your financial qualifications and business experience, your capacity to recruit and provide services in a large area and the number of Franchised Businesses we believe the area can support. The population of your Territory will be a minimum of 2,500,000 people. The Area Representative Fee is payable in a lump sum when you sign the Area Representative Agreement, is non-refundable and is uniform for all Area Representatives acquiring Area Representative rights under this Disclosure Document.

If you are required to operate a Franchised Business in the Territory, you must sign our Franchise Agreement and pay the Initial Franchise Fee, which is non-refundable. The Initial Franchise Fee is payable in a lump sum when the Franchise Agreement is signed. You will also pay our standard ongoing fees, as described in Item 6, for each Franchised Business that you own.

During the operation of your Area Representative Business, we will:

1. Pay you a portion of the Initial Franchise Fee paid by each Unit Franchisee that purchases a franchise from us in the Territory calculated as follows:
 - (a) 50% of the Initial Franchise Fee if the franchise candidate was first identified by you through your own marketing efforts;
 - (b) 30% of the Initial Franchise Fee if the franchise candidate was first identified by us; or
 - (c) \$3,000 if the franchise candidate was first identified by a franchise broker;
 - (d) if advertising provided by the AR Fund (described in Item 11) generates leads which result in franchise sales in your Territory, you will be paid a net amount of the Initial Franchise Fee based upon the expenses of the transaction. Such expenses may include broker commissions, salesperson commissions, or other fees necessary for lead generation or development.

- (e) if you request our salesperson's assistance in closing a sale to an existing franchisee more than 90 days after he or she has purchased his or her first franchise, we will deduct 100% of the sales commission paid to the salesperson from your share of that Initial Franchise Fee.

Our agreement to pay you a portion of the Initial Franchise Fee is subject to the following conditions: (i) you collect preliminary financial and background information, pre-qualify the franchisee using our criteria, and present us with the applicant; (ii) both we and the franchisee sign the Franchise Agreement and the franchisee pays us the entire Initial Franchise Fee; (iii) the sale is for a new Always Best Care Senior Services Unit Franchise, and is not a resale of an existing franchise by another franchisee; (iv) you use our contact management system to input, track and maintain a detailed history of the communications and status of the candidate's progress, and you guide the candidate through our required sales process, which includes your autonomous management of the lead from receipt of the contact information through all of our then current sales process steps culminating in your collaboration with us to secure a signed franchise agreement and payment of the applicable Initial Franchise Fees; (v) there are no outstanding sale contingencies, like the Initial Franchise Fee being paid into an escrow account; and (vi) you are in compliance with your Area Representative Agreement.

2. Pay you 50% of all royalties received from any Franchised Business located in your Territory for services rendered by you to those Franchised Businesses. For each Franchised Business owned by you, we will collect the full royalty fee, and remit back to you your share. If you transfer a Franchised Business owned by you, you must pay us the full transfer fee as required under the applicable Franchise Agreement, and you will not receive a remittance of any portion of the transfer fee. For clarification, no remittance shall be payable by us to you in respect of any transfer fees paid to us by unit franchisees or by you along with any Franchised Business located in the Territory.

If you fail to perform support services for any franchisee in your Territory, we may terminate your Area Representative Agreement.

ITEM 6 OTHER FEES

Name of Fee (1)	Amount	Due Date	Remarks
Royalty	6% of Gross Sales with an initial minimum of \$500 per month for the first 12 months of operation begins accruing in first full or partial month of operation. You must begin operating immediately upon completion of corporate training. Beginning in your 13 th month of operation you are required to achieve a minimum level of Gross Sales and pay the greater of 6% of your Gross Sales or a minimum royalty as follows: <ul style="list-style-type: none"> - Months 13 to 24 \$15,000 per month with minimum 	The 5 th day of each month by electronic funds transfer (or the next business day, if the 5 th of any month is not a business day)	"Gross Sales" means the total of all receipts derived from services performed by your Business, whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, coupons, services, property, or other means of exchange regardless of whether or when the amounts are actually collected for services. Gross Sales excludes only sales tax receipts that you must by law collect from customers and that you actually pay to the government, promotional or discount coupons to the extent that you realize no revenue, and

Name of Fee (1)	Amount	Due Date	Remarks
	royalty of \$900 - Months 25 to 37 - \$25,000 per month with minimum royalty of \$1,500 - Months 38 to 50 - \$35,000 per month with minimum royalty of \$2,100 - Months 51 to 63 - \$45,000 per month with minimum royalty of \$2,700 - Months 64 to 120 - \$55,000 per month with minimum royalty of \$3,300		employee receipt of services, if free, or any portion not paid for by an employee. For purposes of calculating the Royalty Fee, Gross Sales does not include the Gross Sales that you collect in connection with the Skilled Care Royalty described below. If you have not begun operating (actively seeking Clients) on or before the 90 th day following the date of your Franchise Agreement, we may, at our option, either terminate the Franchise Agreement or begin charging you the minimum monthly royalty amount.
Skilled Care Royalty	6% of Collected Gross Sales for Skilled Nursing Services of any payer source.	The 5 th day of each month by electronic funds transfer (or the next business day, if the 5 th of any month is not a business day)	Collected Gross Sales are only that portion of Gross Sales which is actually received by the Franchisee or its assignee, in connection with Skilled Nursing Services.
Franchisee Advertising Fund Contribution	The greater of: (i) 2% of your Gross Sales (not including Gross Sales on Skilled Nursing Services) or (ii) \$300 per month (\$100 per month for 2nd and each additional franchise agreement if you are a Developer or multiple franchise owner)	The 5 th day of each month by electronic funds transfer (or the next business day, if the 5 th of any month is not a business day)	We have established an Advertising Fund in which you must participate if you become a franchisee. We may discontinue the Advertising Fund at any time at our option. See Item 11 of this Disclosure Document for more details.
Local Advertising Expenditure	\$800	Monthly, proof of Franchisee's expenditures must be submitted to us upon demand.	You must spend the amount promoting your Franchised Business as we approve. At any time we may require proof of advertising expenditure. If you are a Developer you are only responsible for expending \$800 in Local Advertising Expenditures per month. There is no additional Local Advertising Expenditure if you have more than 1 Franchised Business.
Initial Training Program – Additional and New Employees	\$1,000, plus expenses	15 days before training begins	We will train the first 2 people at no additional charge. If you request that we provide our initial training program to additional people, whether before your

Name of Fee (1)	Amount	Due Date	Remarks
			Business opens or while it is operating, you must pay our then-current training fee. You must also pay for the expenses of all of your trainees, including travel, lodging, meals and wages
Additional On-Site Assistance	Our then-current per diem rate per trainer, plus expenses. The current per diem fee is \$150	15 days after billing	If you request that we provide additional training or assistance on-site at your Business, you must pay our then-current fee for each trainer we send. There is a minimum of 2 days of assistance. You must also reimburse our trainer's expenses, including travel, lodging and meals
Franchise Agreement Transfer Fee	\$25,000	With request for our approval of the transfer	We do not charge a transfer fee for a one time transfer of your franchise to a Business entity formed for convenience of franchise ownership. You must pay a Transfer Fee of \$25,000 if you transfer controlling interest in the Business or its assets to another franchisee. In all other cases, you must pay an Assignment Fee of \$500.
Franchise Assignment Fee	\$500	With request for our approval of a transfer	
Franchise Agreement Renewal Fee	\$10,000	At time of renewal	The renewal fee is paid to us in lieu of paying an Initial Franchise Fee when you renew your Franchise Agreement.
Technology Cost	\$275	Monthly	Payable to us. If you are a Developer, you are responsible to pay \$25 per month for each additional territory as each opens.
Interest on Overdue Amounts	Lower of 18% APR or highest rate permitted by law	On demand	Interest accrues from the original due date until payment is received in full
Audit	The amount of any deficiency, plus interest	On demand	If any audit shows an understatement of any amount payable to us of 2% or more, or if the audit is conducted because you have not provided required reports to us, then the cost of inspection must also be paid by you. We may also terminate your franchise

Name of Fee (1)	Amount	Due Date	Remarks
Supplier's Review Fee	Reasonable cost of inspection and actual cost of test, not to exceed \$1,000 per application	Time of inspection	Applies to new suppliers or supplies you wish to purchase that we have not approved
Insurance Procurement	150% of amount of unpaid premiums	As invoiced	You must use one of our designated insurance providers, and you must have the policies within 60 days after signing the Franchise Agreement. If you fail to maintain required insurance coverage and we elect to obtain coverage for you, you must reimburse us for 150% of the premiums paid on your behalf.
Cost of Enforcement	All costs including attorneys' fees	As invoiced	You will reimburse us for all costs in enforcing obligations if we prevail.
Indemnification	All costs including attorneys' fees	As invoiced	You defend suits at your cost and hold us harmless against suits involving damages resulting from your operation of the Franchised Business.
Refresher Training Fee	\$150 per day to a maximum of 5 days per instance	When billed	
NSF Fee	\$50	On demand	Applies for each check returned for insufficient funds or failed transfer attempt.
Late Fees	\$50 for each payment, report or corrective action that is late as described in the Manuals	On demand	
Convention Fees	\$300 to \$950	Upon invoice	
Holdover Fees	150% of the fees which would have been due to the Franchisor if the Franchise Agreement had neither terminated nor expired	By the Due Date specified for payment of each fee in the Franchise Agreement	You must pay these fees if you continue to operate the Business without authorization after the Franchise Agreement terminates or expires.
Business Non-Compliance Fee	150% of the Franchisor's cost of providing services to Clients which a Franchise Agreement or Client Services Agreement requires the Franchisee to provide	Upon demand	You must pay these fees to us if you fail to meet your obligations to Client and we do so, on your behalf in order to protect the brand.
Management System (Delinquency Charge)	\$100 per instance the Franchisee fails to submit reports in the manner required in the Manual	Upon demand	
Termination Damages	If we terminate your Franchise Agreement for cause, you must pay	15 days after the effective date of	Franchisee's obligations shall be waived unless one or both of the

Name of Fee (1)	Amount	Due Date	Remarks
	us liquidated damages equal to the average monthly Royalty Fees and Collected Royalty Fees you paid to us during your last 12 months of operation preceding the Termination Date multiplied by (a) 24 (being the number of months in 2 full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher.	Termination Date.	following events happens: 1. The Franchise Agreement is terminated for any reason whatsoever and Franchisee becomes an owner in or opens a business which sells competing services 2. The Franchise Agreement is terminated for any reason whatsoever and Franchisee or any of its owners sues Franchisor.
Development Default Fee	If you are a Developer, for each Franchised Business that should have been opened according to the Development Schedule, but which is not open, the following schedule shall apply: Months 0-12: \$500 Months 13-24: \$900 Months 25 to 37: \$1,500 Months 38 to 50: \$2,100 Months 51 to 63: \$2,700 Month 64 and for the balance of the Term: \$3,300	Monthly, upon demand by us	

AREA REPRESENTATIVE FEES

Name of Fee (1)	Amount	Due Date	Remarks
Transfer Fee	\$25,000	At the time of transfer	Payable to us only if you elect to transfer your area representative rights.
Renewal Fee	\$25,000	At time of renewal	The renewal fee is paid to us in lieu of paying an initial Area Representative fee when you renew your Area Representative Agreement.
Technology Costs -Website and Franchise Management Fee Modules	\$130	Monthly	Payable to us
Interest on Overdue Amounts	Wall Street Journal Prime Rate plus 4%	On demand	If you are late in making any payments to us
Insurance Procurement	150% of amount of unpaid premiums	As invoiced	You must use our designated insurance provider, and you must have the policies within 60 days after signing the Franchise Agreement. If you fail to maintain required insurance coverage and we elect to obtain coverage for you, you must reimburse

Name of Fee (1)	Amount	Due Date	Remarks
			us for 150% of the premiums paid on your behalf.
Indemnification	All costs including attorneys' fees	As invoiced	You defend suits at your cost and hold us harmless against suits involving damages resulting from your operation of the Area Representative's.
Advertising Fund	\$150 per month for each unsold Assigned Area in the Territory, up to \$1,250 per month	We will deduct this from amounts we owe you	We may discontinue the Area Representative Advertising Fund at any time at our option. See Item 11 of this Disclosure Document for more details.
Area Representative / Master Franchisee Advisory Council	\$500 annual fee	Annually	All Area Representatives and Master Franchisees in good standing are member of the area representative advisory council.
Refresher Training Fee	\$150 per day to a maximum of 5 days per instance	When billed	
Public Offering Fee	\$15,000 plus the Franchisor's lawyers' costs	When billed	
NSF Fee	\$50	On demand	Applies for each check returned for insufficient funds or failed transfer attempt.
Late Fees	\$50 for each payment, report or corrective action that is late as described in the Manuals	On demand	
Convention Fees	\$300 to \$950	Upon invoice	
Ongoing AR Training	\$500 for the first person and \$350 for additional trainee	Upon invoice	Area Representatives must pay travel, lodging and charge expenses
Management System Delinquency Charge	\$100 per instance a Franchisee in the Territory fails to submit reports in the manner required in the Manuals	On demand	
Development Default Fees	For each Franchised Business that should have been opened according to the Development Schedule, but which is not open, the following schedule shall apply: Months 0-12: \$500 Months 13-24: \$900 Months 25 to 37: \$1,500 Months 38 to 50: \$2,100 Months 51 to 63: \$2,700 Month 64 and for the balance of the Term: \$3,300	We will deduct the amount each month from amounts we owe to you	

NOTES:

1. No other fees or payments are to be paid to us, nor do we impose or collect any other fees or payments for any other third party. All fees are generally non-refundable. All fees are payable in US dollars. We do not expect to change any fees over which we have control. However, we cannot guaranty you that the amounts you pay to third parties will not change during the term of your Franchise Agreement.

If any state imposes a sales or other tax on the royalty fees, then we have the right to collect this tax from you.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT
(Franchise Agreement)**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	\$44,900	Lump Sum	On signing Franchise Agreement	Us
Travel and Other Expenses While Training (Note 2)	\$1,000 to \$3,000	As required	As incurred	Airlines, Hotels, Restaurants
Rent - 3 Months (Note 3)	\$0 to \$3,000	As arranged	As arranged	Landlord
Leasehold Improvements (Note 4)	\$0	As arranged	As arranged	Contractors and Suppliers
Furniture and Fixtures (Note 5)	\$0 to \$500	As arranged	As arranged	Approved Suppliers
Signage (Note 6)	\$0 to \$200	As arranged	As incurred	Approved Suppliers
Office Equipment (Note 7)	\$1,000 to \$7,000	As arranged	As arranged	Approved Suppliers
Insurance - Full Year Premium (Note 8)	\$3,000 to \$6,500	As arranged	As arranged	Insurance Companies
Miscellaneous Opening Costs (Note 9)	\$200 to \$1,000	As arranged	As incurred	Approved Suppliers
Grand Opening Inventory (Note 10)	\$0 to \$500	As arranged	As incurred	Approved Suppliers
Advertising (Note 11)	\$1,500	As incurred	As incurred monthly	Approved Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Computer Equipment, Software and Printer (Note 12)	\$1,000 to \$5,000	As arranged	As incurred	Approved Suppliers
Permits/Licenses (Note 13)	\$125 to \$18,000	As required	As incurred	Government Agencies
Professional Fees (Note 14)	\$2,500 to \$5,000	As arranged	As arranged	Attorney, Accountant
Additional Funds - 3 Months (Note 15)	\$1,000 to \$8,000	As arranged	As arranged	Employees, Lenders, Utilities
Total (Note 16)	\$56,225 to \$104,100			

PLUS:

Skilled Nursing Services – Additional Start Up Costs: If your Franchised Business generates \$1,000,000 or more in Gross Sales during its most recently concluded 12-month period, you must apply to obtain Skilled Nursing License and, once licensed, you must offer Skilled Nursing Services through your existing Franchised Business.

We estimate that the initial cost of adding Skilled Nursing Services will be between \$10,000 and \$30,000 as noted in the table below, and includes the cost of acquiring the necessary licenses, permits and authorizations required by applicable government agencies. Please see Item 11 of this Disclosure Document and Section 8.Q of the Franchise Agreement for more details.

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Rent - if not already leasing	\$1,000 to \$2,500	As arranged	As arranged	Landlord
Leasehold Improvements, Furniture, Fixtures	\$1,000 to \$5,000	As arranged	As arranged	Approved Suppliers
Equipment - if not already leasing	\$1,500 to \$2,500	As arranged	As arranged	Approved Suppliers
Start-Up Supplies - Skilled Nursing Services only	\$500 to \$1,000	As arranged	As arranged	Approved Suppliers
Additional Insurance - Skilled Nursing Services only	\$250 to \$500	As arranged	As arranged	Insurance Companies
Utility Deposits- if you aren't already leasing	\$150 to \$300	As arranged	As arranged	Utility Companies
Licensing Fees- if required in your state	\$100 to \$5,000	As arranged	As arranged	Government Agencies

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Professional Fees- Survey Pre - Inspection	\$1,500 to \$4,200	As arranged	As arranged	Approved Suppliers
3rd Party Survey Fees	\$2,500 to \$4,500	As arranged	As arranged	Approved Suppliers
Additional Funds (first 3 months start-up Skilled Nursing Services)	\$1,500 to \$4,500	As arranged	As arranged	Employees, Contractors
Total (Skilled Nursing Services)	\$10,000 to \$30,000			

In general, none of the expenses listed in the above charts is refundable, except any security deposits you must make may be refundable. Accreditation and licensing as a provider of Skilled Nursing Services, as well as requirements relating to Medicare reimbursement, may vary greatly from state to state. Also, these costs are subject to change from time to time as the governing jurisdictions determine. We do not finance any portion of your initial investment. We do have third-party financing available for your application.

Notes to Item 7 Table:

1. **Initial Franchise Fee.** The Initial Franchise Fee is described in greater detail in Item 5 of this Disclosure Document. Our statement does not include a potential discount for veterans or minorities. If you have signed a Developer Agreement and paid the lump sum Development Fee described in Item 5, you will not pay an Initial Franchise Fee for the individual Franchised Business you open.
2. **Travel and Other Expenses While Training.** We will provide our initial training program to 2 people at no additional charge, but you must pay for your trainees' expenses while attending training. These expenses include travel, lodging, meals and wages. The low end of the estimate assumes that you are within driving distance of our training facility. The higher end of the estimate assumes that additional travel will be needed. The amount you spend will depend on how far you must travel, the number of people attending training, the method of travel, and the accommodations chosen.
3. **Rent.** Unless your state's licensing requirements dictate that you maintain an office, you may operate from your home, in which case you will not incur any rental expenses. However, if you choose to operate from a small office space, you will need approximately 500 to 1,250 square feet. Lease costs will vary based upon square footage, cost per square foot and required maintenance costs. We assume the landlord will require the first month's rent and a security deposit equal to 1 month's rent.
4. **Leasehold Improvements.** Our estimate assumes that you will operate from home, and therefore you will not incur leasehold improvement costs. But if you choose to lease a space, there may be minor improvements/remodeling of the location. We have not included an estimate for any leasehold improvements.
5. **Furniture and Fixtures.** You may need to purchase typical office equipment, like a desk, chair, filing cabinets and fax machine.

6. **Signage.** You may need purchase some signage for your Business. Our specifications for your signage will be included in the confidential operations Manual.
7. **Office Equipment.** The office equipment you will need includes a phone system, cell phone and paper shredder.
8. **Insurance.** Requirements are described in greater detail in Item 8 of this Disclosure Document. Factors that may affect your cost of insurance include location of the Franchised Business, value of the leasehold improvements, amount of inventory and other factors. Our estimate represents an annual premium. You may pay your premiums monthly, quarterly or semi-annually.
9. **Miscellaneous Opening Costs.** Our estimate includes other deposits, utility costs, telephone, Internet, and communications costs.
10. **Grand Opening Inventory.** This estimate is for any additional office supplies you may need.
11. **Advertising.** You must spend at a minimum this amount on advertising and promotion for your Business before opening and during the first 3 months of operation. Any advertising you wish to use must first be approved by us.
12. **Computer Equipment.** You must purchase the computer equipment we specify. Our specifications for your computer equipment will be included in our confidential operations Manual.
13. **Permits and Licenses.** This is the estimated cost of the permits and licenses that you must have in order to operate your Business, and the costs may vary greatly depending on your state's requirements. Each state establishes its own licensing requirements, and those requirements may change. You are solely responsible for investigating and determining the licensing requirements and costs in your state and taking all necessary actions to ensure that your Business remains in compliance with those requirements at all times. We strongly recommend that you consult with an attorney to determine exactly what permits and licenses you will need and how much those permits and licenses will cost.
14. **Professional Fees.** We strongly recommend that you retain an attorney to advise you on this franchise offering. You may also wish to retain an accountant to help you evaluate this franchise offering. If you choose to form an entity to own the franchise, you may incur additional fees that we cannot estimate.
15. **Additional Funds.** These amounts are the minimum recommended levels to cover operating expenses, including employees' salaries, for the start-up phase of the business, which we calculate will be 3 months. However, we cannot guarantee that this amount will be sufficient. Additional working capital may be needed if sales are low or fixed costs are high. Additional working capital may also be needed for state imposed requirements and may vary greatly from state to state. See Florida Addendum.
16. **Total.** This total is an estimate of your initial investment and the expenses you will incur during the first 3 months of operations. In compiling this chart, we relied on the experience of our officers. The amounts shown are estimates only and may vary for many reasons including whether you operate from home or from a leased space, the capabilities of your management team, and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. These are only estimates and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations. The costs outlined in this Item 7 are not intended

to be a forecast of the actual cost to you or to any particular franchisee. The amounts do not cover a salary for you, or debt service payments.

Developer Agreement

We have not included a separate table for the initial investment if you sign a Developer Agreement. If you become a Developer, you will pay a Development Fee (as described in Item 5) equal to 100% of the Initial Franchise Fee for the first Business to be developed (\$44,900) plus \$30,000 for each additional Franchised Business you will open. For example, if you will develop 4 Franchised Businesses, your Development Fee is equal to $\$44,900 + (3 \times \$30,000 = \$90,000) = \$134,900$. Other than the Development Fee, actual start-up costs pertaining to the actual Businesses opened under the Developer Agreement are the same as the estimated costs to start a Franchised Business described in the table shown at the beginning of this Item 7, subject to potential increases over time or other changes in circumstances.

YOUR ESTIMATED INITIAL INVESTMENT (Area Representative Agreement)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Area Representative Fee	\$200,000 to \$1,200,000	Lump Sum	On signing Area Representative Agreement	Us
Travel and Other Expenses While Training	\$1,000 to \$3,000	As required	As incurred	Airlines, Hotels, Restaurants
Costs of Complying with Franchise Laws applicable in the Development Area (1)	\$0 to \$5,000	As arranged	As arranged	State Agencies, Us and/or Attorneys
Technology Fees	\$275 & \$25 for each additional territory	Monthly	5 th of Month	Us
Office/Computer Equipment (2)	\$1,000 to \$7,000	As arranged	As arranged	Approved Suppliers
Insurance - Full Year Premium (3)	\$2,000 to \$10,000	As arranged	As arranged	Insurance Companies
Advertising (4)	\$3,750	As incurred	During first three months of operation	Approved Suppliers
Professional Fees (5)	\$0 to \$1,000	As arranged	As arranged	Attorney, Accountant
Advisory Council Fee - Full Year	\$500	As arranged	As arranged	Trust Account for Advisory Board
Additional Funds - 3 Months (6)	\$10,000 to \$50,000	As arranged	As arranged	Employees, Lenders, Utilities
Total	\$209,525 to \$1,280,650			

A laptop computer is now required for all marketing personnel and you must purchase one prior to attending training.

In general, none of the expenses listed in the above chart is refundable. We do not finance any portion of your initial investment. An Area Representative does not need to own a Business in the Development Area, but if you do, you will incur the initial investment described in the Franchise Agreement table shown at the beginning of this Item 7.

NOTES:

1. **Franchise Law Compliance.** Most states do not require area representatives to register as a subfranchisor.
2. **Office/Computer Equipment.** You must purchase the computer equipment we specify. See Item 11. Our specifications for your computer equipment will be included in our confidential operations Manual.
3. **Insurance.** Requirements are described in greater detail in Item 8 of this Disclosure Document. Factors that may affect your cost of insurance include location of your Territory and other factors. Our estimate represents an annual premium. You may pay your premiums monthly, quarterly or semi-annually.
4. **Advertising.** You must spend a minimum of \$15,000 on advertising each year.
5. **Professional Fees.** We strongly recommend that you retain an attorney to advise you on this franchise offering. You may also wish to retain an accountant to help you evaluate this franchise offering. If you choose to form an entity to own the franchise, you may incur additional fees that we cannot estimate.
6. **Additional Funds.** These amounts are the minimum recommended levels to cover operating expenses for the start-up phase of the business, which we calculate will be 3 months. However, we cannot guarantee that this amount will be sufficient. Additional working capital may be needed. These amounts do not cover the costs of a salary for the Area Representative or debt service.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase all fixtures, furnishings, signs, equipment, inventory, uniforms, advertising materials, and other supplies, products and materials required for the establishment and operation of your Franchised Business solely from suppliers who demonstrate, to our continuing reasonable satisfaction, the ability to meet our reasonable standards and specifications for these items, who possess adequate quality controls and capacity to supply your needs promptly and reliably; and who have been approved for these items in writing by us and not then disapproved. We will furnish you with a list of approved suppliers for necessary items through our confidential Operations Manual-intranet (the "Manual"). As of April 1, 2013, we will take over the business operations of our affiliate Always Best Case Management, Inc. and will be an approved supplier of staffing services to franchisees. You may use other staffing services in the operation of your Franchised Business, at your option. Other than with respect to staffing services, we are not currently an approved supplier of any items.

We have developed standards and specifications for the services you will provide. You must operate your Franchised Business according to these standards. These standards will guide you in the performance of the products and services provided in operating your Franchised Business.

You must purchase or lease fixtures, equipment, including signage, uniforms, business stationery, marketing materials, furnishings, products and related supplies that meet our minimum standards and specifications or are from suppliers that we approve. We will notify you in our Manual/intranet or other communications of our standards and specifications and/or names of approved suppliers. There may be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, would be considered an approved supplier. As of the date of this disclosure document, we have not negotiated purchase arrangements with suppliers (including price terms) for the benefit of franchisees, but we may do so in the future. There are currently no purchasing or distribution cooperatives.

You must purchase computer hardware and software meeting our standards and specifications, but we generally allow you to purchase your computer equipment from a source you choose; however, we reserve the right to limit your purchases of these items to certain approved or designated suppliers chosen by us. Upon receiving notice from us, you may be required to purchase certain computer hardware/software from an approved or designated supplier, which may include us or our affiliates. Currently, we are the only approved supplier for certain required virtual office software, including website, CRM, intranet, sales and marketing, telephony, staffing, and franchise management fee modules and certain area representative staffing placement modules, billing, and accounts receivable. We reserve the right to designate additional or different approved or designated suppliers our option, and those different or additional suppliers may include us, our affiliates or any third parties we choose.

The cost of the items that you must purchase from us, our affiliates or from suppliers designated by us represents between 10% and 30% of your total purchases along with the establishment of your Business. The cost of the items that you must purchase from us, our affiliates or from suppliers designated by us represents between 10% and 30% of your total purchases in operating your Business.

If you want to use any product, material or render any service that does not comply with the standards of the System or is to be purchased from a supplier that has not yet been approved, you must first submit a written request for approval of the proposed supplier and obtain our approval of the supplier before purchasing any items from this supplier. We will, within a reasonable time (within 30 days), notify you of our decision. We are not required to approve new suppliers or new products or services. We may designate a single supplier for some or all products or services. We will occasionally establish procedures for submitting requests for approval of items and suppliers and may impose limits on the number of approved items and suppliers. Approval of a supplier may be conditioned on requirements regarding product quality, production and delivery capabilities, ability to meet our supply commitments, financial stability, integrity of standards of service, familiarity with our System and ability to negotiate favorable terms for our franchisees. We do not generally make available to you these criteria for supplier approval. We may charge a reasonable fee for inspection and/or testing (see Item 6), which may be paid by you or the proposed supplier.

Suppliers are approved only if they have satisfactorily met the criteria furnished by us during the evaluation process and have otherwise convinced our management of their desire and ability to fulfill the need or service requested and have met any and all contractual requirements and successfully completed the requirements of a product sample and/or product test period. The criteria for supplier approval by us are based upon a level of quality and value that will maintain and enhance the Always Best Care Senior Services System in the view of our management.

Suppliers are disapproved when, in our opinion, they can no longer provide the quality of product or service which meets our standards or when we find a better supplier. Deficiencies which could lead to supplier disapproval include: poor service, financial instability, management instability, unreasonable increases in product or service costs, inability to meet technological advances, or other failures on the part of a supplier to meet our business objectives.

No third-party contractors may provide any in-home services for, or along with, your Franchised Business without written approval.

As of April 1, 2013, we are an approved supplier for staffing your in-home care cases, which you may elect to use. We provide various levels of service and hours of coverage for staffing of caregiver personnel, if you choose to use us for these services. We will cover the cost of the first 6 months from the date of your first Franchise Agreement for the basic level of staffing.

We do not provide or withhold material benefits to you (like renewal rights or the right to open additional Businesses) based on whether or not you purchase through the sources we designate or approve. However, purchases of unapproved products or from unapproved vendors in violation of the Franchise Agreement will entitle us, among other things, to terminate your Franchise Agreement.

In fiscal year 2012, we did not receive payments or other compensation from approved suppliers, but we reserve the right to earn revenue from approved suppliers in the form of rebates, or commissions or other compensation. If we receive rebate or commission revenue from approved suppliers, there will be no restriction on our use of that money.

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, the insurance coverage that we require. We may specify the types, amounts, terms and conditions of insurance coverage required for your Franchised Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters regarding insured and uninsured claims.

You currently must maintain the following insurance coverages: (1) comprehensive general and professional liability insurance coverages; (2) Workers' Compensation or other employer's liability insurance as well as any other insurance as may be required by statute or rule in the state in which your Franchised Business is located; (3) a surety bond; and (4) automobile liability coverage, including coverage of owned, non-owned and hired vehicles. Workers' Compensation is not required in the State of Texas; however, we require that you still purchase Workers Compensation. If you lease a space for your Business, you may need to obtain additional insurance coverages according to the terms of your lease.

You must maintain all required policies in force during the entire term of the Franchise Agreement and any renewal terms. We may increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us (and, if we request, our directors, employees or shareholders) as additional insureds and must provide us with 30 days' advance written notice of any material modification, cancellation or expiration of the policy. You must purchase your insurance coverages from the insurance carrier(s) that we designate.

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	Article in Franchise Agreement	Article in Developer Agreement	Article in Area Representative Agreement	Item in Disclosure Document
(a) Site selection and acquisition/lease	Section 2	N/A	Section 2	Items 7 and 11
(b) Pre-opening purchases/lease	Section 7.A	N/A	N/A	Items 5, 7, 8 and 11
(c) Site development and other pre-opening requirements	Section 7.A	N/A	N/A	Items 7 and 11
(d) Initial and ongoing training	Sections 7.B & 12	N/A	Section 7.4	Items 6, 7 and 11
(e) Opening	Section 8.E	N/A	N/A	Item 11
(f) Fees	Sections 4, 5 & 6	Section 2	Section 4	Items 5, 6, 7 and 11
(g) Compliance with standards and policies/Manual	Sections 8.A, 8.G, 8.I, 8.O. & 10	N/A	Section 7	Items 8, 11, 14 and 16
(h) Trademarks and proprietary information	Sections 9 & 11	N/A	Sections 5 & 6	Items 13 and 14
(i) Restrictions on products/services offered	Section 8.G.3	N/A	N/A	Items 8 and 16
(j) Warranty and customer service requirements	Sections 8.G, 8.K & 8.I.	None	None	None
(k) Territorial development and sales quotas	Section 18.C.20	Section 3	Section 7.20	Item 12
(l) On-going product/service purchases	Sections 8.G & 8.H	N/A	N/A	Item 8
(m) Maintenance, appearance and remodeling requirements	Sections 8.D & 8.I	N/A	N/A	None
(n) Insurance	Section 14	N/A	Sections 9.1 to 9.6	Items 7 and 8
(o) Advertising	Section 6	N/A	Section 7.23 to 7.25	Items 6, 7 and 11
(p) Indemnification	Section 20	Section 19	Section 9.7	Item 6
(q) Owner's participation / management / staffing	Section 18.A	None	Section 7.2, 7.14	Items 11 and 15
(r) Records/reports	Section 13	N/A	Section 7.26 & 7.27	Item 6
(s) Inspection/audits	Section 13	N/A	Section 7.26	Item 6

Obligation	Article in Franchise Agreement	Article in Developer Agreement	Article in Area Representative Agreement	Item in Disclosure Document
(t) Transfer	Section 15	Section 8	Section 11	Items 6 and 17
(u) Renewal	Section 3	None	Section 3	Items 6 and 17
(v) Post-termination obligations	Sections 17 & 18.C	Section 7	Section 13	Item 17
(w) Non-competition covenants	Section 18.C	None	Section 10	Item 17
(x) Dispute resolution	Section 22.B	Section 13.B	Section 14	Item 17
(y) Liquidated Damages	None	None	None	Item 6

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or any other obligation. We may refer you to third-party providers of financing at your request.

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

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

Pre-Opening Obligations – Developer Agreement and Area Representative Agreement

Except as listed below, we need not provide any assistance to you as a Developer or an Area Representative:

1. We will grant you the rights to operate a Business in a Development Area or Territory within which you will establish an agreed upon number of Businesses under separate Franchise Agreements. (Developer Agreement – Section 1; Area Representative Agreement – Section 1.) If you are a Developer, you or business entities which you control will sign each Franchise Agreement. If you are an Area Representative, you or your affiliates (if you choose to own a Business) or third-party franchisees will sign the Franchise Agreements.
2. We will grant you rights to establish a minimum number of Franchised Businesses at locations we approve within the Development Area if you sign a Developer Agreement. (Developer Agreement – Section 3.)
3. We will train an Area Representative on how to screen and qualify potential franchise candidates. (Area Representative Agreement – Sections 8.1 and 8.3.)

Pre-Opening Obligations – Franchise Agreement

Before you open your Franchised Business, we or our Area Representative (if there is one for your Designated Area) will:

1. Assign your Assigned Area (Franchise Agreement).

2. Provide you access to our Manual via our intranet website (Franchise Agreement – Section 7.C).
3. Provide an initial training program of 6 to 7 weeks, which is a combination of our web-based pre-training program, 7 business days of training at our offices, and up to 3 days of onsite training and assistance at your location for up to 2 people. The cost of these initial training programs is included in your Initial Franchise Fee, excluding your and your employees' transportation, lodging, meals and wages (Franchise Agreement – Section 12.A). This training is described in detail later in this Item.
4. If you choose not to operate from your home, or if your state does not allow it, approve the Location you have selected from which you will operate the Franchised Business. WE DO NOT REPRESENT THAT WE OR ANY OF OUR EMPLOYEES HAVE SPECIAL EXPERTISE IN SELECTING SITES OR THAT THE FRANCHISED BUSINESS WILL BE PROFITABLE OR SUCCESSFUL BY BEING LOCATED AT THE APPROVED SITE. ANY APPROVAL IS INTENDED ONLY TO INDICATE THAT THE PROPOSED SITE MEETS OUR MINIMUM CRITERIA BASED UPON OUR GENERAL BUSINESS EXPERIENCE.
5. Provide you with multiple web pages within the national website of Always Best Care's main site that is specific to your Franchised Business and that is constructed according to our specifications. We will host your web pages on our national website (Franchise Agreement – Section 8.U.).

Site Selection and Opening

Unless your state's licensing requirements dictate that you maintain an office, we expect that you will operate your Franchised Business from your home, but if you choose to lease space for your Franchised Business, it should be in "move-in" condition in an executive suite building. Whether you will operate the Franchised Business from your home or from a leased space, we must approve of the location of your Franchised Business, and our approval will not be unreasonably withheld. Our approval of a location for your Franchised Business is not a representation, warranty or guaranty that your Franchised Business will be successful at that location. Our approval only indicates that the location meets our minimum criteria for an Always Best Care Senior Services Business. The factors we consider in approving sites may include location, size, suitability, layout, access, age and disposable income levels of prospective customers, location and nature of any competitors, population density, and other factors that may be relevant to your market.

We estimate that between 30 and 90 days will elapse from when you sign the Franchise Agreement to the opening of your Franchised Business for business. Unless you will operate out of your home, you must locate and obtain an approved site and open for business within 90 days after you sign the Franchise Agreement. If you fail to obtain an approved site and open your Franchised Business within that 90-day time period we may terminate the Franchise Agreement and retain all monies received, but if we determine that you have made, and continue to make, reasonable efforts to open and have been delayed solely due to forces outside your control, we may extend your opening deadline for up to 6 months at our option. The factors that affect this time are the ability to obtain business licenses, general business permits, training, financing, zoning and local ordinances, shortages, and installation of any office equipment, fixtures and signs. You may not open your Franchised Business until: (1) we determine that your Franchised Business has been equipped and stocked with materials and supplies in accordance with plans and specifications we have approved; (2) the initial training program we provided has been completed to our satisfaction by all required persons; (3) the Initial Franchise Fee and all other amounts due to us have been paid; (4) you have furnished us with all certificates of insurance required by the Franchise Agreement; (5) you have obtained all necessary governmental permits, licenses and authorizations for the operation of your Franchised Business; (6) you are in full compliance with all the

terms of the Franchise Agreement; and (7) all items in our opening checklist have been complied with to our satisfaction.

Confidential Operations Manuals

After you become a franchisee, we will allow you to access an electronic copy of our confidential electronic Operations Manual and intranet (the "Manuals"). Although these are online documents, if converted to pages, currently the Manuals would be the equivalent of 164 pages in length. Area Representatives will be provided access to the Area Representative Operations Manual (equivalent of 80 pages) before they attend training. A copy of the table of contents of the Manuals (both the Franchise Operations Manual and the Area Representative Operations Manual) is attached as Exhibit J to this Disclosure Document. We consider the contents of the Manuals to be proprietary, and you must treat them as confidential. You may not make any copies of the Manuals. Additionally, we consider our intranet as your "working manual" and it will be updated from time to time. The operations manual in book format will be updated approximately every 12-20 months, or more frequently in our discretion.

Continuing Franchisees Obligations

During the operation of the Area Representative's Business, we will:

1. **Train Franchisees.** At our expense, we will provide training to Franchisees from your Territory and their staff; however, you as the Area Representative are required to be involved in all aspects and to assist in training of Unit Franchisees. We will provide field training for the first Franchisee and its staff. The Area Representative or a member of its staff must sit in on all training calls and web demonstrations and must come to the first Unit Franchisee's field training at the Unit Franchisee's location. The Area Representative will be responsible for providing field training to all Unit Franchisees in its Territory after the first Unit Franchisee.
2. **Provide Ongoing Training.** We will provide the Area Representative and its staff with training sessions at our annual convention and we will provide other training that we believe is appropriate. At our option, the training may be offered either in the Territory or at other places we select and may include training via the telephone and internet. We may charge a fee for any training. The training need not be specific to the Territory or to the Area Representative's Business but may be general training for Area Representative Franchisees, Developers, and Unit Franchisees.
3. **Provide Updates to Manuals and Training Materials.** We will provide Area Representatives with at least 1 copy of our most recent applicable franchise recruiting brochures, disclosure documents and related materials and additional copies at our cost. We will provide Area Representatives with updated training materials as we develop them.
4. **Provide Ongoing Consultation.** We will provide Area Representatives on an ongoing-basis, at no additional charge, with telephonic and email consultation on issues regarding the operation of the Area Representative's Business updates to the Manual as they become available, and an annual review of the Area Representative's Business Plan.
5. **Refer Inquiries.** We may choose to refer to the Area Representative certain inquiries that we receive from Persons interested in acquiring a Franchised Business in the Territory.

Franchisee Advertising Fund

We have established a franchisee advertising program fund (the "National Advertising Fund" or "Fund") that began operation in January 2011. If you become a franchisee, you must make monthly contributions to the Fund in an amount equal to the greater of \$300 or 2% percent of the Franchised

Business's Gross Sales (not including Gross Sales on Skilled Nursing Services) for the preceding month. Your required contributions to the Fund are in addition to amounts you are required to spend for local advertising. Fund contributions will be made monthly, based on the prior month's Gross Sales, at the same time and in the same manner as your royalty payments. If you are a Developer, your monthly contribution to the Fund will be \$100 for each of your franchisees after your first franchisee.

We will direct all programs financed by the Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. The Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering national, regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; the cost of developing and maintaining an internet website; and supporting public relations, market research and other advertising, promotion and marketing activities.

The Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Fund and its programs, including, without limitation, conducting market research; preparing advertising, promotion and marketing materials; and collecting and accounting for contributions to the Fund. We may spend, for the Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Always Best Care businesses to the Fund in that year, and the Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Fund will be used to pay advertising costs before other assets of the Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the Fund and furnish the statement to you upon written request. We have the right to cause the Fund to be incorporated or operated through a separate entity at a time as we deem appropriate, and a successor entity will have all of the rights and duties specified in the Franchise Agreement. All Always Best Care businesses owned by us and our affiliates, if any, will contribute to the Fund on the same basis as a franchisee under the terms of a standard franchise agreement for an Always Best Care Franchised Business.

The Fund is intended to maximize recognition of the Proprietary Marks and patronage of Always Best Care businesses. Although we will endeavor to utilize the Fund to develop advertising and marketing materials and programs that will benefit all Always Best Care businesses, we undertake no obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Fund by Always Best Care businesses operating in that geographic area or that any Always Best Care business will benefit directly or in proportion to its contribution to the Fund from the development of advertising and marketing materials or the placement of advertising. We may use a portion of the monies contained in the Fund to establish regional marketing funds and/or to establish and maintain a website for Always Best Care businesses. We assume no direct or indirect liability or obligation to you relating to collecting amounts due to, or maintaining, directing or administering, the Fund.

During calendar year 2012, 8.4% of the expenditures from the National Advertising Fund were spent on production, 20.8% on media costs, 34.3% on administrative expenses, and 2.3% on website design and development and 34.2% retained in reserve. None of the National Advertising Fund's expenditures were spent on soliciting new franchise sales in 2013. The National Advertising Fund is not audited. The remaining funds at year end are rolled over into the next year's National Advertising Fund budget.

We reserve the right, upon 30 days' prior written notice to you, to defer, reduce or suspend contributions to (and, if suspended, deferred or reduced, to reinstate these contributions) and to suspend operations of, the Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Fund. If the Fund is terminated, all unspent monies on the date of termination will be

distributed to the contributors to the Fund in proportion to their respective contributions to the Fund during the preceding 12-month period.

We may, in our discretion and business judgment, use the Fund to directly or indirectly place advertising in your local or regional market; however, we may also use the Fund to create and prepare marketing materials or advertising programs to be provided to you so that you may directly place or implement these materials or programs in your local or regional market. Any amounts that you spend to place or implement advertising created by the Fund in your local or regional market will be credited towards your local advertising obligations.

Area Representative Advertising Fund

We established the Area Representative Advertising Fund ("AR Fund") in November, 2010 and began collecting contributions from Area Representatives in January 2011. The AR Fund is intended to promote the sale of Always Best Care franchises and to generate prospective franchisee leads for Area Representatives. All Area Representatives who have signed Area Representative Franchise Agreements since November 2010 must contribute to the AR Fund. One Area Representative who signed an Area Representative Agreement before November 2010 does not participate in the AR Fund and does not receive any of the targeted support which the AR Fund makes available to participants.

The AR Fund is intended to promote the sale of Always Best Senior Services franchises, not the sale of services to Clients. It may be used to meet any and all costs of maintaining, administering, directing and preparing advertising for prospective franchisees, including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns and other public relations and promotional activities (both local and national in content); employing advertising agencies to assist therein; paying the cost of independent contractors who provide services which are related to the Fund or to the planning and execution of promotional, advertising and public relation activities; paying for the cost of maintaining and enhancing websites; paying the cost of meetings of Area Representative groups which advise us on advertising and promotional issues, funding cost of any secret shopper program (either internally or externally administered), and paying the cost of franchise broker related activities or franchise salesperson's expenses and compensation. In our sole discretion, we may reduce or forgive amounts owed to the AR Fund by Area Representatives. We may generate advertising through our in-house marketing department and we may use independent agencies to help us. We do not use any portion of the AR Fund to solicit new Area Representative Franchisees; however, as noted above, the entire purpose of the AR Fund is to promote the sale of new Always Best Senior Services Unit Franchises.

During calendar year 2012, 25.5% of the expenditures from the AR Fund were spent on production, 49.2% on media costs, 13.7% on administrative expenses and 11.6% was retained in reserve. The remaining funds at year end are rolled over into the next year's AR Fund budget.

Area Representatives contribute \$150 for each unsold Assigned Area in their Territories, up to \$1,250 per month, but no more than \$15,000 per calendar year. Area Representatives who have 1 or fewer unsold Assigned Areas in their Territories contribute \$200 per month to the AR Fund while they have only 1 unsold Assigned Area, and for 12 months after the last Assigned Area in their Territory is sold. We will contribute \$2,100 per month to the AR Fund until 500 Unit Franchises have been sold. If all participating Area Representatives agree, we may increase Area Representatives' monthly contributions to the AR Fund. If we are persuaded that an Area Representative is unable to timely pay amounts owed to the AR Fund, with or without resorting to litigation, we may compromise amounts owed and, in our discretion, direct amounts received from these Area Representatives to its royalty account, rather than to the AR Fund.

We administer the AR Fund in consultation with the AR Fund Council; however, we have the right to make all decisions about the AR Fund's expenditures. We may terminate or modify the AR Fund at any time. The AR Fund is not audited, but we do provide the AR Fund Council with financial statements regarding the AR Fund every calendar quarter, and we will provide the AR Fund Council with documentation of expenditures of the AR Fund. We also provide AR Fund financial statements to participating Area Representatives when we receive a request from them.

The AR Fund will also prepare advertising and marketing materials for the benefit of participating Area Representatives. However, the AR Fund is under no obligation to ensure that expenditures will affect any geographic area in proportion to the contributions which are made by Area Representatives from the area. We do not represent that any Area Representative will benefit directly or in proportion to his contribution to the AR Fund. We may use the resources of the AR Fund to place advertising in any local or regional market. If we conclude that the AR Fund has consistently failed to produce adequate franchise prospect leads in an Area Representative's Territory, we will work with the Area Representative to create an advertising campaign targeted to that market, even if it differs substantially from the campaigns being used in other Territories. However, we do not represent or guaranty that our efforts will result in the sale of franchises in any particular Territory.

Cooperatives

We have no advertising cooperatives.

Local Franchisee Advertising

You must conduct local advertising in your territory (Franchise Agreement Section 6). You must spend a minimum of \$800 each month on local advertising. You may purchase some advertising materials from our approved suppliers, or you may have advertising and promotional materials developed for you. For any materials that we have not approved or that have not been approved within the immediately preceding 12-month period, you must submit these materials to us for our review. We will have 30 days after receipt of the proposed advertising and promotional materials to notify you whether they have been accepted. Unless we provide our specific approval of the proposed materials, they are deemed not approved. Any advertising materials you submit to us for our review will become our property, and we may use or distribute these materials in any manner we deem appropriate, without compensation to you.

At our request, you must include certain language in your local advertising, like "Franchises Available" and our Website and telephone number. You must place advertisements in on-line phone directories for your Franchised Business, and you may purchase additional advertising on-line. Any ads you intend to place in any on-line format must be pre-approved by us. Your on-line advertising may be used to satisfy your local advertising requirement.

We have not established any local or regional advertising cooperatives, but we reserve the right to do so in the future, and if we do so, you may be required to contribute to and participate in an advertising cooperative and as such we reserve the right to require a portion of your local advertising to be contributed to an advertising cooperative.

Area Representatives

Area Representatives are not required to advertise in their Territories. If they do so, they may only use programs and materials which we approve and which comply with applicable law, including franchise sales laws.

Grand Opening Advertising

You must spend at least \$1,500 on grand opening advertising, and you must submit a written plan for a grand opening advertising campaign to us for our approval. This grand opening advertising is to be conducted by you along with the grand opening of your Business, with a portion of the money being spent before your Business opens and the remaining money being spent in your first 3 months of operation. Your grand opening advertising is considered to be "local advertising" and is subject to our approval, as described above.

Advisory Councils

We have formed various franchisee advisory councils/committees made up of franchisees and area representatives to advise us on matters regarding the System and Always Best Care Senior Services businesses in general. The matters to be considered by the advisory members may include advertising and exploring ways to improve the System and the Always Best Care Senior Services brand. The advisory members will act in an advisory capacity only and will not have decision making authority. The franchisee representatives of the various councils are chosen either by a vote of franchisees in good standing, or volunteering for advisory councils. We have sole discretion in determining how members of the various advertising councils are chosen. All area representatives in good standing will be represented on the area representative council.

Area Representatives must pay an annual advisory council fee set by us in accordance with the council's bylaws (currently \$500 per year). Franchisees are not currently required to pay an annual advisory council/committee fee, but we reserve the right to implement a fee in the future. We may form, merge, change or dissolve any advisory council at any time.

National Advertising Fund Committee (NAF Committee)

One of the key advisory councils is the NAF Committee. This committee provides non-binding advice and counsel to us on how to spend the National Advertising Fund dollars for the benefit of the brand and all franchisees. This council is the largest franchisee committee within Always Best Care, consisting of 6 Unit Franchisees and 3 Area Representatives. Committee members must have a willingness and ability to put aside personal or geographic preferences, and see "the big picture" for the benefit of franchisees throughout the country. Committee members must be able to devote time and effort to the committee, the program and the future of the brand and its franchisees. Members of the NAF Committee are selected by our leadership from among franchisees and area representatives in good standing who volunteer to serve on the committee.

National Advertising Fund Congresses (NAF Congresses)

Currently, all franchisees who contribute to the National Advertising Fund are members of an NAF Congress. The NAF Congresses are designed to give Unit Franchisees a stronger voice in the National Advertising Fund and other activities. Each of the 8 Unit Franchisee/Area Representative NAF Committee members is a leader of an NAF Congress, and each distributes complete reports of all NAF meetings to members of the NAF Congresses. NAF Committee members also are encouraged to provide monthly email correspondence and reports, conduct at least quarterly conference calls among members, and be available to address franchisee questions and concerns. Currently, the NAF Congresses are organized geographically, although we reserve the right to organize the NAF Congresses on any basis that we deem appropriate.

Area Representative Council Board (AR Board)

The AR Board provides non-binding advice and counsel to us on the System, Unit Franchisee sales, selections and operations, and other items of importance to us and our Area Representatives. This board is made up of 3 Area Representatives and membership may or may not overlap with membership on the NAF Committee or the AR Fund Council (described below). Board members must demonstrate capacity to think strategically on behalf of the brand and the System, and must be able to devote sufficient time and effort to the board. Members of the AR Board are selected by our leadership from among Area Representatives in good standing who volunteer to serve on the board.

Area Representative Fund Council (AR Fund Council)

The AR Fund Council provides non-binding advice and counsel to us on how to spend AR Fund dollars to promote the sale of Unit Franchises. This council is made up of 3 Area Representatives and membership may or may not overlap with membership on the NAF Committee or the AR Board. Council members must have a willingness and ability to put aside personal or geographic preferences, and see "the big picture" for the benefit of Area Representatives throughout the country. Council members must be able to devote sufficient time and effort to the council. Members of the AR Fund Council are selected by our leadership from among Area Representatives in good standing who volunteer to serve on the council.

Website / Intranet

Websites (as defined below) are considered as "advertising" under the Franchise Agreement, and are subject (among other things) to our sole development and maintenance. As used in the Franchise Agreement, the term "Website" means any interactive electronic document contained in a network of computers linked by communications software and that refers to the Business, Proprietary Marks, us, or the System. The term Website includes Internet and World Wide Web home pages.

You will be provided with a Website within our main Website using the Proprietary Marks. We will have the sole authority to establish a Website for your Franchised Business. You will assist us in customizing your Website for your territory. You may not establish or operate any Website involving, referring to or in any way related to a competitive business. As described in Item 13, you may not use the Proprietary Marks as part of any domain name, electronic address or search engine without our written consent. We will at all times own the Website that we create within our main Website.

We have established an intranet website providing private and secure communications between us, our franchisees, area representatives and other persons and entities that we decide are appropriate. You must establish and maintain access to our intranet in the manner we designate, and we may periodically prepare agreements and policies concerning the use of the intranet that you must acknowledge and/or sign. Our intranet includes our Manual and other confidential information that you may not disclose (see Item 14).

Franchisee Training Programs

Before the Franchised Business opens, we will train you (or, if you are an entity, your principal owner) and 1 additional person in operating the Franchised Business. Our training program is approximately 6 to 7 weeks in duration, beginning with 3 weeks of training modules, contained within our LMS (Learning Management System), along with documents and other materials from our Digital Library. Then, 1-1/2 weeks (7 business days) of classroom training will be held at our headquarters in Roseville, California, an operating Always Best Care Senior Services Business, or at another location we designate. Then, 2 weeks (9 business days) of onsite activities will be held at your location with phone support provided by an Area Representative or corporate field trainer. This 2 weeks of onsite activities includes 3 days of physical field training provided by an Area Representative or corporate field trainer. We reserve the right to modify our training program based on the individual needs or experience of any

trainee. Our initial training program is provided for you and 1 employee at no fee, but you must pay all of your and your trainees' expenses while attending the initial training program, including travel, lodging, meals and applicable wages. If you request that we provide our initial training program to additional employees, either before your Business opens or while it is operating, you must pay our then-current training fee (see Item 6), and you must also pay for the trainees' expenses while attending training.

Our initial training program has 3 components, pre-training, Corporate Training and field training. Pre-training is web-based and is offered before you attend Corporate Training at our headquarters. The Area Representative will also provide you with field training at your location along with the opening of your Business.

You and your manager or employee must successfully complete initial training to our satisfaction and participate in all other activities required to operate the Business. We may require you to replace a manager if we determine that he or she is not qualified to hold that position. You must pay us for training a replacement (see Item 6). (Franchise Agreement Section 3.3.8)

Training will occur after you sign the Franchise Agreement and while you are developing the Business. You and your manager must complete training before opening your Business. We plan to be flexible in scheduling training to accommodate our personnel, you, and your personnel. There currently are no fixed (i.e., monthly or bi-monthly) training schedules, but there may be in the future. The materials we use in our initial training program include our Operations Manual and other materials that we believe will benefit our franchisees in the training process. As of the date of this Disclosure Document, we provide the following training:

TRAINING PROGRAM

SECTION ONE: PRE-TRAINING

Subject	Hours of Self-Study (online)	Hours of On-the-Job Training	Location
Online Pre-Training Program	80 - 100	0	Online
TOTALS	80 - 100	0	

SECTION TWO: CORPORATE & FIELD TRAINING

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Manuals, Policies & Procedures, Quality Assurance	4	0	Roseville, California
Customer Service	2	0	Roseville, California
Strategic & Business Planning, Business Metrics	4	0	Roseville, California

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Sales and Marketing	14.5	0	Roseville, California
Human Resources	2.5	0	Roseville, California
Operation Reporting and Support	2	0	Roseville, California
Operations: Daily Routines, Operational Components & Systems	7	0	Roseville, California
One Day Field Training	8	0	Roseville, California
Software Systems Training	12	0	Roseville, California
Field Training Assistance	0	24	Your Business Location
TOTALS	56	24	

Our training program is overseen by Michael Newman, who has been our President, CEO and Director since our inception, and was President of our Predecessor from its inception to its merger with us in December 2007. Mr. Newman started the "Always Best Care Senior Services" concept in 1996 and later developed our franchisee training program. We will also rely on the expertise of certain of our officers and other employees to provide training on specific areas.

We also expect to offer occasional conferences of our franchisees, as described above. We may require for you and/or your manager to attend some training sessions and pay a fee to attend them. If attendance at a conference is mandatory, we will not charge a fee for attending the conference, but you must pay for all of your attendees' expenses while attending the conference, including travel, lodging, meals and wages.

If you are an Area Representative, you and your core team of personnel must complete additional training at our headquarters in Roseville, California or a training site designated by us. This additional training will teach your personnel how to solicit, sell and close franchise sales, how to provide on-going operational assistance to the franchisees located within your Development Area, and other aspects of conducting your business beyond that of how to operate a Business. You must complete the training to our satisfaction.

AREA REPRESENTATIVE TRAINING PROGRAM

SECTION ONE: CORPORATE & FIELD TRAINING

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Manuals, Policies & Procedures, Quality Assurance	4	0	Roseville, California
Customer Service	2	0	Roseville, California

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Strategic & Business Planning, Business Metrics	4	0	Roseville, California
Sales and Marketing	14.5	0	Roseville, California
Human Resources	2.5	0	Roseville, California
Operation Reporting and Support	2	0	Roseville, California
Operations: Daily Routines, Operational Components & Systems	7	0	Roseville, California
One Day Field Training	8	0	Roseville, California
Software Systems Training	12	0	Roseville, California
Sales Training Assistance In the Field Marketing (One Time with First Franchisee)	0	24	Franchised Business Location
TOTALS	56	24	Roseville, California and Franchised Business Location

SECTION TWO: BUSINESS, SALES & MARKETING TRAINING

Subject	Hours of Computer Based or Telephonic Training*	Hours of Self Study**
Executive Planning	2	4-8
Accounting	3	2-4
Franchise Sales	3	4-8
Advertising	2	4-6
Mapping	3	4-8
Customer Service & Software Systems	9	9 - 18
Internet Training	1	1-2
Operations: Daily Routines, Policies, Reporting, and Support	4	2-4
Licensing	2	1-2
TOTALS	29	31-60

*The Area Representative may complete this training anywhere that has a computer or telephone. This training is not provided either in the classroom or on-the-job.

**The Area Representative may complete this training anywhere. This training is not provided either in the classroom or on-the-job.

Computer Systems and Software

You must have a computer system that meets our minimum specifications, and you must have the communication equipment and internet access we specify. Currently, you must have a laptop computer for day to day operations, a cellular phone with Bluetooth[®] capability, paper shredder, high speed scanner, and printer. Your computer must have at least the following minimum specifications: Windows-based PC with 2.0 GHz CPU speed, 1 GB RAM, 120 GB hard drive, high speed internet capability, current versions of Windows, Microsoft Office and accounting software. In addition, each of your employees conducting sales and marketing activities in the field, must be equipped with a smart phone device and either a laptop or tablet computer. You are required to use our approved accounting and staffing software. You must also make sure that your computer system has the software necessary to allow us access to your computer system. You may purchase your computer system from any vendor, and we estimate that the initial cost of your computer system will be between \$1,000 and \$5,000 (\$1,000 and \$7,000 for area representatives). We can require you to use our Virtual Office, or any other software at our discretion.

You must have a high speed internet service with internet access and email. We will use these methods to communicate with our franchisees. You must access our intranet for updates, information and communications. We will have access to your computer system at all times during the term of your Franchise Agreement, and you must make sure that we have this access, at your expense. We may download any data regarding your Business from your computer, with no compensation to you. You must collect and provide us with the information and data regarding the Franchised Business and all Clients, as we direct. We may use Client information and data for any business and/or marketing purpose that we deem advisable.

We strongly recommend, but do not require, that you obtain an on-site maintenance contract for your computer system's hardware and software. If you choose to purchase one, the cost of a maintenance contract will depend, in part, on the services you choose and the length of the contract.

There are no specific contractual obligations limiting the frequency or cost of your obligation to acquire upgrades and updates or to replace obsolete or worn out hardware or equipment, and there are no specific contractual limitations on our ability to require you to purchase these upgrades, updates or replacements.

If you are an Area Representative, you must have a mobile telephone, a business telephone, an operating fax machine, email address and a laptop computer with the latest versions of Windows and Microsoft Office, and any other software and computer accessories that we require. The mobile phone number, the business phone number, the fax number and email address must be given to each franchisee in your Development Area and to us.

Skilled Nursing Services

We specialize in offering a unique combination of assisted living placement services and non-medical in-home care services to seniors as our core business model. If you reached minimum Gross Sales of \$1,000,000 during your most recently concluded 12-month period, you must obtain Skilled Nursing Licensure and, once licensed, begin offering Skilled Nursing Services. The statements in the preceding sentence are not meant as, and should not be construed as, a representation that any franchisee will achieve, or should expect to achieve, Gross Sales of \$1,000,000 per year or any particular level of revenues.

ITEM 12 **TERRITORY**

Franchise Agreement

The Franchise Agreement grants you the right to operate an Always Best Care Senior Services Business at a particular street address known as the "Franchised Location," which will be your home-based office or a small office space. You may not operate the Franchised Business from any location other than the Franchised Location. If you do not operate from your home, the office space will be subject to our approval, which will not be unreasonably withheld. We will grant you a territory with certain non-exclusive rights ("Assigned Area"). You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. If you are in compliance with the Franchise Agreement during its term, we will not establish or operate or license others to establish a franchised location within your "Assigned Area." Your "Assigned Area" will be identified in your Franchise Agreement by contiguous zip codes, street boundaries, city boundaries, or county boundaries, and a typical "Assigned Area" is an area containing between 200,000 and 250,000 people, as determined by the latest U.S. Census data. The boundaries of your Assigned Area will not change, regardless of increases or decreases in the population of your Assigned Area. You may not relocate your Franchised Business without our prior written approval.

You must use your best efforts to promote and increase the sales and services of the Always Best Care Senior Services Business to effect the widest and best possible distribution and sale of our services and to solicit potential Clients. You must engage in marketing and solicitation of potential Clients or direct a full-time employee to engage in marketing and solicitation of potential Clients for a minimum of 40 hours per week.

Except for the Assigned Area granted to you as stated above, the franchise granted to you is non-exclusive. During the term of the Franchise Agreement, we (and any affiliates that we might have) may:

- (1) establish and operate, and grant rights to others to establish and operate, Businesses and any other similar or dissimilar businesses at any locations and on any terms and conditions we deem appropriate outside of the Assigned Area; provided, however, that no other Franchised Business will be granted an Assigned Area that overlaps with any portion of your Assigned Area, and we will not knowingly permit any other franchisee to target its marketing activities into your Assigned Area or otherwise directly solicit customers within your Assigned Area. However, franchisees may solicit Referral Sources in another franchisee's Assigned Area for Clients who reside in their Assigned Area; but only if the Franchisor designates the Referral Source as non-exclusive;
- (2) within and outside the Assigned Area, to develop and establish other business systems (including systems that distribute products or services similar to those offered at the Businesses) using names or marks other than the Proprietary Marks, and to grant licenses to use those systems;
- (3) sell any services identical or similar to, or dissimilar from, those which your Franchised Business sells, whether identified by the Proprietary Marks or other trademarks or service marks through any distribution channels we think best (including the Internet), wherever located or operating;
- (4) permit our franchisees operating Franchised Businesses at any location to provide in-home care services in any of their Clients' homes located anywhere in the world and to place their Clients in any assisted-living facility located anywhere in the world. Our franchisees may offer those services and make those placements at locations outside of the franchisee's Assigned Area(s) only if the applicable Client is referred to the franchisee by a Referral Source located within the franchisee's Assigned Area. If we designate the Referral Source as non-exclusive, a franchisee may solicit a Referral Source in another franchisee's Assigned Area and provide services to Clients referred by that Referral Source but only if

those Clients reside in the franchisee's Assigned Area. As of the date of this FDD the Veterans Administration is the only non-exclusive Referral Source:

(5) advertise and promote the System in any or all geographic areas (including the Assigned Area) as we determine appropriate in our sole discretion;

(6) purchase or otherwise acquire the assets or controlling ownership of 1 or more businesses identical or similar to your Franchised Business (and/or franchise, license, and/or similar agreements for these businesses), some or all of which might be located in or near your Assigned Area;

(7) be acquired (regardless of the form of transaction) by a business identical or similar to Always Best Care Senior Services, even if the other business operates, franchises and/or licenses competitive businesses located in or near your Assigned Area; and

(8) engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.

Continuation of your territorial rights does depend on your achieving a certain sales volume, market penetration, or other contingency. Specifically, beginning in the 13th month of your operation of the Business and throughout the remainder of the Franchise Agreement, you must generate a minimum amount of Gross Sales each calendar month and pay us a minimum monthly royalty based on those Gross Sales requirements. The minimum monthly royalty amounts are described in Item 6 of this Disclosure Document. If you do not achieve this minimum Gross Sales level, you must pay us a minimum monthly royalty (See Item 6 for more details) for the applicable month. In addition, we may terminate your franchise.

All of your marketing activities must be directed to potential Clients in your Assigned Area, to Referral Sources within the Assigned Area or to non-exclusive Referral Sources which customarily treat or deal with Clients or prospective Clients from the Assigned Area. You are prohibited from marketing to, or otherwise soliciting, Clients located outside your Assigned Area. **You may not engage in any promotional activities or sell any related Products or Services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system or any interactive electronic document contained in a central computer linked to communications software service providers (collectively, the "Electronic Media") or any other devices sent or directed to Clients or prospective Clients; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from Clients or prospective Clients.** While you may place advertisements in printed media and on television and radio that are targeted to Clients and prospective Clients located within your Assigned Area, as determined and approved by us, and will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective Clients located outside of the Assigned Area, you may not make any sales or perform services to Clients outside of the Assigned Area, unless there is not another franchisee in the Client's area (or the Client was referred to you by a Referral Source located within your Assigned Area and has not been designated by us as a non-exclusive Referral Source). You have no options, rights of first refusal, or similar rights to acquire additional franchises.

If we engage in electronic commerce through any Internet, World Wide Web or other computer network site or sell through any other alternative distribution channel, and we receive requests for services in your Assigned Area, then we will forward the request to you.

General Matters

We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do anywhere and at any time.

Except for any other franchise program that we may develop in the future, neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned facilities which provide similar products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

Developer Agreement

A Developer will receive an exclusive Development Area. If you enter into a Developer Agreement, you will receive a Development Area within which you will have certain exclusive rights to develop more than 1 Always Best Care Senior Services Business. The Development Area generally will be an area that contains a population of at least 400,000 people. If you meet the minimum Development Schedule, comply with all other provisions described in the Developer Agreement and otherwise comply with the provisions of each related Franchise Agreement, we will not establish or license others to establish an Always Best Care Senior Services Business within the Development Area assigned to you. You maintain your rights to your Development Area even if the population increases or decreases. You may not alter the size or shape of your Development Area without our prior written consent.

You are expected to open a Business every 6 months. You must open your first Franchised Business as soon as possible after you sign the first Franchise Agreement. You must open your second Franchised Business within 270 days after you sign the Developer Agreement. If you fail to timely meet your development obligations we may alter your rights in the Development Area or terminate your Developer Agreement.

Your Developer Agreement grants you no options, rights of first refusal, or similar rights to acquire additional development rights; nor does it grant you any right to enter into a new Developer Agreement upon its expiration.

We reserve the right, at our option and without granting any rights to you: (a) to ourselves own and operate, or to grant other persons the right to own and operate, Always Best Care Businesses at locations outside the Development Area and on the terms and conditions as we deem appropriate in our sole discretion; and (b) to sell within and outside the Development Area the services and products authorized for Businesses under the Proprietary Marks or other trademarks, service marks and commercial symbols through dissimilar channels of distribution and pursuant to the terms and conditions as we deem appropriate. We are not required to pay you any compensation for soliciting or accepting orders through alternative channels of distribution, like the Internet, within your Development Area.

Your Developer Agreement grants you no rights to solicit or accept orders from Clients outside your Development Territory. Your Developer Agreement grants you no rights to use alternative distribution channels to make sales outside or inside your Development Area, and you will not receive any compensation for our sales through alternative distribution channels.

Area Representative Agreement

The Area Representative receives an exclusive Territory. The Area Representative Agreement grants the exclusive right to use the ABCSP Area Representative System in a Territory and only in the Territory. Territories usually have at least 2.5 million inhabitants. In determining the size and boundaries of your Area Representative Territory, we consider factors such as the demographics of the proposed territory, local competition, economic trends, your financial qualifications and business experience, your

capacity to recruit and provide services in a large area and the number of Franchised Businesses we believe the area can support. We identify the Area Representative Territory before you sign the Area Representative Agreement.

Within the Territory granted by an Area Representative Agreement, you will have the exclusive right to be compensated for recruiting Franchisees who will establish Approved Locations in your Territory, and the exclusive right to be compensated for providing training and other support services to those Franchisees. You will not be permitted to recruit Franchisees for locations outside your Territory. You may not operate an Area Representative Business or recruit prospects for Franchised Businesses or Clients which would be located outside the Territory.

Franchises shall be granted only by US and on the terms as we determine. We are not required to grant a Franchise to a person you refer to us. You may not enter into any agreements with prospective Franchisees, or offer, sell or negotiate Franchise Agreements. You may only operate Franchised Businesses pursuant to Franchise Agreements. This Agreement does not grant the Area Representative the right to enter into Franchise Agreements or to subdivide or sub franchise your Territory.

Area Representatives do not obtain the right to use the System or the Marks for any purpose or in any channel of distribution other than in the recruiting prospective Franchisees and servicing Franchisees' Businesses. All rights not expressly granted to the Area Representative in this Agreement are reserved to the Franchisor. Area Representatives have no options, rights of first refusal, or similar rights to acquire additional Territories.

You may recruit prospective Unit Franchisees through any channel of distribution, but all of your recruiting efforts and materials must be approved by us. You must recruit Franchisees in your Territory at no less than the rate required in your Development Schedule. If you fail to comply with your Development Schedule, we may terminate your Area Representative Agreement or modify your rights under the Agreement. The geographic boundaries of your Territory will not be affected by changes in its population.

ITEM 13 TRADEMARKS

Under the terms of the Franchise Agreement and the Area Representative Agreement, we grant to you the right to use certain trademarks, service marks and other commercial symbols, including our primary service mark, "Always Best Care Senior Services" and design, along with the operation of your business (collectively, the "Proprietary Marks").

We own the following Proprietary Marks which have been registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"). At the appropriate times, we intend to renew the registrations and to file all appropriate affidavits.

Mark	Serial Number	Application Date	Registration Number	Registration Date
Always Best Care Senior Services (Logo)	78/881,065	May 11, 2006	3,390,095	February 26, 2008
Helping others make life rich always	77/219,091	June 29, 2007	3,385,112	February 19, 2008
ABC University	77/307,839	October 18, 2007	3,559,692	January 13, 2009
Always Best Care	77/307,833	October 18, 2007	3,563,168	January 20, 2009

Mark	Serial Number	Application Date	Registration Number	Registration Date
Always Best Care Senior Services (Phrase)	85027774	April 30, 2010	4,033,505	October 4, 2011
Build a Business. Make a Difference.	85612591	April 6, 2012	4,261,215	October 6, 2012
Always In Touch	85648103	June 11, 2012	Pending	NA

There are no currently effective determinations of the USPTO, the trademark administrator of this state or any court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving any Proprietary Mark which may be relevant to their use in this state or in any other state.

There are no agreements currently in effect which limit our right to use or to license others to use the Proprietary Marks, except for the trademark license agreement with our President, as described in Item 1.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We may defend you against any third party claim, suit or demand arising out of your use of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with your Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by us. If we determine that you have not used the Proprietary Marks in accordance with your Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. If there is any litigation regarding your use of the Proprietary Marks, you must sign any and all documents and do the acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except if this litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these acts.

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks. We are aware of several users of the service Mark "Always Better Care." Before we grant a franchise in a market where those service marks are used, we will discuss the potential implications with you.

You must conspicuously post a sign and include on all written materials, including advertisements, stationery, business cards, etc. and on your vehicles the following: "Independently owned and operated."

We reserve the right to substitute different proprietary marks for use in identifying the System and the businesses operating under it, at our sole discretion, and you must implement any change in or substitution of any Proprietary Mark at your sole expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

There are no patents that are material to the franchise. We own certain copyrights in the Confidential Electronic Operations Manual, marketing materials and other copyrightable items which are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Registrar of Copyrights, but need not do so to protect them. You may use these items only as we specify while operating your Franchised Business and must stop using them if we direct you to do so. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

Confidential Operations Manual/Intranet

You must operate your Franchised Business and Area Representative's Business according to the strict standards, methods, policies and procedures specified in the Manuals. You will have access to our Manuals through our intranet, which is itself considered part of the Manuals.

You must treat the Manuals, any other information which we lend you and the information in them as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in any manner, or otherwise give them to any unauthorized person. The Manuals will remain our sole property and must be kept in a secure place at your Business.

We may revise the contents of the Manuals, and you must comply with each new or changed standard, at your own expense. You must make sure that the Manuals are kept current at all times. If there is any dispute as to the contents of the Manuals, the terms of the master copy maintained by us at our corporate office will be controlling.

Confidential Information

You must not, during the term of your Agreement or after the term of your Agreement, communicate, divulge or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business or Area Representative's Business which may be communicated to you or which you may learn because of your operation under the terms of your Agreement. You may divulge confidential information only to those of your employees who must have access to it to operate your Business. Any and all information, knowledge, know-how, techniques and other data which we designate as confidential will be deemed confidential for purposes of your Agreement.

Examples of confidential information include: (1) site selection and design specifications; (2) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Always Best Care Senior Services Businesses; (3) marketing and advertising programs for Franchisees' Businesses; (4) knowledge of specifications for and suppliers of, and methods of ordering, certain materials, equipment and supplies; (5) knowledge of the operating results and financial performance of Franchisees Businesses other than your Business; (6) terms of the Franchise Agreement, Developer Agreement or Area Representative Agreement; (7) the Operations Manual; (8) graphic designs and related intellectual property; (9) customer lists, client lists and information; (10) Referral Sources; and (11) our intranet.

You must require your owners, managers and any personnel having access to any of our confidential information to sign a covenant in which these individuals agree to maintain the

confidentiality of information regarding the System that they receive in the course of their employment by you. The agreements must be in a form satisfactory to us, including specific identification of us as a third-party beneficiary of the covenants with the independent right to enforce them and that they prohibit any direct or indirect ownership in a competing business.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL
OPERATION OF THE FRANCHISED BUSINESS

If you do not directly oversee the operation of your Franchised Business on a full-time basis, your Franchised Business must at all times be under the direct supervision of a registered nurse ("RN") who has satisfactorily completed our initial training programs and who devotes his/her full business time, energy and effort to the management and operation of your Always Best Care Senior Services Business (the "Nurse Manager"). If you do not employ an RN as your full-time Nurse Manager, then we require you to personally oversee the operation of your Franchised Business. Neither you or your Nurse Manager may have any interest or business relationship with any competitive business. The Nurse Manager is not required to have an ownership interest in your Franchise Business if you are a Business Entity. When hiring a Nurse Manager, you must comply with all applicable laws and you must not harm the goodwill associated with the System and the Proprietary Marks. This requirement may affect who you hire as your Nurse Manager.

We have the right to approve all of your succeeding Nurse Managers. Each Nurse Manager must attend and successfully complete our training program to our satisfaction. The Nurse Manager and other key employees may also be required to sign an agreement not to compete with businesses under the System while employed by you and for 2 years after his or her employment ends, and an agreement not to reveal confidential information obtained while employed by you.

If you are a corporation, limited liability company, or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "Guaranty and Assumption of Obligations" is part of the Franchise Agreement. If we do not require 1 of your owners to sign the full Guaranty, that owner still must agree to be bound by all non-monetary obligations, including the covenant not to compete, as if he or she were the franchise owner.

Area Representative Agreement

You must personally perform all Area Representative functions. You must designate people acceptable to us to act as field representatives if you do not personally perform all Area Representative functions. If your relationship with a field representative terminates, you must promptly designate a replacement acceptable to us who shall, at your expense and subject to our then-current charges, satisfactorily complete training. You must hire and maintain the number and level of management personnel required for the conduct of business under the Area Representative Agreement and adequate management and supervisory personnel for all Franchised Businesses developed under the Area Representative Agreement. You must make sure that personnel are properly trained to perform their duties. We may require you to obtain confidentiality and/or non-competition agreements from certain of your employees.

If you are a corporation, limited liability company or partnership, each principal owner must personally guarantee your obligations under the Area Representative Agreement and also agree to be personally bound by, and personally liable for the breach of, every provision of the Area Representative Agreement according to the principal owner's Agreement attached to the Area Representative Agreement.

You must operate the Franchised Business or an Area Representative Business in strict conformity with all applicable federal, state and local laws, ordinances and regulations. These laws, ordinances and regulations vary from jurisdiction to jurisdiction and may be implemented or interpreted in a different manner. You must learn of the existence and requirements of all laws, ordinances and regulations applicable to the Franchised Business and to adhere to them and to the then-current implementation or interpretation of them.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the Franchised Location solely for the operation of an Always Best Care Senior Services Business. You must keep your Franchised Business open and in normal operation for the minimum hours and days as we specify, subject to applicable law. You must not use or permit the use of the Franchised Business for any other purpose or activity at any time without first obtaining our written consent. You must operate the Franchised Business in strict conformity with the methods, standards and specifications we may require in the Manual or in writing. You must not change the standards, specifications and procedures without our prior written consent, and you must stop selling and offering for sale any services which we may, in our discretion, disapprove in writing at any time. We have the right to change the types of authorized services and there are no limits on our right to make changes.

No third-party contractors may provide any in-home services for, or along with, your Franchised Business without our written approval. You must provide all in-home services through your own employees, rather than independent contractors.

The System may be supplemented, improved or modified by us. You must comply with all of our reasonable requirements in that regard, including offering and selling new or different products or services as specified by us.

You must sell the services and any ancillary products that are approved by us and which strictly conform to our specifications. All products and services approved by us must be offered for sale on a continuous basis at your Franchised Business at the time and in the manner specified by us. No sale of any product or service except those products or services approved by us may be solicited, accepted or made at or from your Franchised Business. If requested by us on at least 30 days' notice as part of a general program or standardization effort by us, the marketing of a particular product or service must be discontinued. Then this product or service is no longer an approved product or service.

You are restricted by the Franchise Agreement, the Manual and any other practice or custom relating to the goods or services which you may offer, which must be approved by us. You are not restricted as to the customers whom you may solicit or service, except as described in Item 12.

RESTRICTIONS ON WHAT THE AREA REPRESENTATIVE MAY SELL

You may not sell, promote, or recommend any franchise concept or system that offers services, products, business opportunities or investments which compete with those offered through the System. Nor may you own, manage, be employed by, advise, assist, invest in, make loans to, or have any interest in any business that offers products or services which compete with those offered through the System. You may not divert any Franchisees to any other franchised business or investment.

You may not sell, lease or license any products or service to Franchisees unless we give you approval to do so.

We may change our System, the services and products which we sell and our franchise program at any time. You must comply with any changes.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreements attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

Provision	Article in Franchise Agreement	Summary
a. Term of the franchise	Section 3.A	10 years
b. Renewal or extension of the term	Section 3.B	Renewal terms of 10 years each, subject to performance of contractual requirements
c. Requirements for you to renew or extend	Section 3.B	Provide notice, compliance with Franchise Agreement, sign new Franchise Agreement, sign release You may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by you	Section 16.A	If you are in compliance with the Franchise Agreement, and we materially breach the Franchise Agreement and fail to cure this breach within 60 days after you deliver written notice to us, then you may terminate the Franchise Agreement, effective 30 days after delivery to us of proper notice.
e. Termination by us without cause	None	None
f. Termination by us with cause	Section 16.B	Breach of Franchise Agreement and other grounds.
g. "Cause" defined - defaults which can be cured	Section 16.B	Failure to make payments of any amounts due to us and fails to cure within 10 days of notice; breach of Franchise Agreement other than those listed in Section 16.C of the Franchise Agreement; failure to comply with any mandatory provision in the Manuals and fails to cure within 30 days of notice; violate any health, safety, sanitation or other applicable law, ordinance or regulation and does not immediately begin to cure the noncompliance or violation, and correct this noncompliance or violation within 24 hours after written notice.

Provision	Article in Franchise Agreement	Summary
h. "Cause" defined - defaults which cannot be cured	Section 16.C	Fails to construct, decorate, equip and maintain the Premises; fails to begin operating the Franchised Business within 90 days; has made any material misrepresentation or omission in application for the Franchise or other document; is convicted of an indictable offence; makes any unauthorized use, disclosure or duplication of any portion of the Manuals; abandons or fails or refuses to actively operate the Franchised Business for 3 consecutive business days; makes an unauthorized transfer; underreports Gross Sales by 2% or more during any 6-month period; makes a general assignment for the benefit of creditors; materially misuses or makes an unauthorized use of any Marks; continues to violate any health, safety or sanitation law, ordinance or regulation after receiving notice of this violation; if the Franchisee's death or permanent disability or the death or Permanent Disability of the Controlling Principal, this Agreement or the Controlling Principal's Ownership Interest in the Franchisee is not assigned; fails to appoint a new RN or Director within 15 days after the Franchisee's death or Permanent Disability; loses the right to possession and use of the Premises; fails to pay when due any tax due; fails to timely apply for, obtain, or continuously maintain certifications; fails to obtain or retain any license or certification required.
i. Your obligations on termination/non-renewal	Section 17	Obligations include: Pay all monies owed to us; deliver records of the Franchised Business to us; cancel all assumed names and transfer the Franchised Business' telephone number to us; cease operation of the Franchised Business; assign the lease to us; cease using the Marks; cooperate with us to ensure the continued care of Clients. If we terminate your Franchise Agreement for cause, you must pay us liquidated damages equal to the average monthly Royalty Fees and Collected Royalty Fees you paid to us during your last 12 months of operation preceding the Termination Date multiplied by (a) 24 (being the number of months in 2 full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher. This obligation shall be waived unless one or both of the following events happens: 1. The Franchise Agreement is terminated for any reason whatsoever and Franchisee becomes an owner in or opens a business which sells competing services; 2. The Franchise Agreement is terminated for any reason whatsoever and Franchisee or any of its owners sues Franchisor.

Provision	Article in Franchise Agreement	Summary
j. Assignment of contract by us	Section 15.G	No restriction on right to transfer
k. "Transfer" by you - definition	Section 15	Any actual or purported assignment, sale, transfer or other arrangement having the purpose or effect of shifting more than 50% ownership or control interests in the Franchised Business.
l. Our approval of transfer by you	Section 15.A	We must approve all transfers
m. Conditions for our approval of transfer	Section 15.A	Includes payment of money owed, non-default, sign release, transferee qualifies, transferee signs new agreement and payment of the transfer fee
n. Our right of first refusal to acquire your business	Section 15.E	We may purchase the Franchised Business on the same terms and conditions as a proposed assignment within 15 days of our receipt of notice from you.
o. Our option to purchase your business	Section 15.E	Upon transfer, expiration or termination, we can buy your Franchised Business
p. Your death or disability	Section 15.F	Franchise must be assigned to approved buyer within 120 days
q. Non-competition covenants during the term of the franchise	Sections 18.B & 18.C	You may not 1) divert business or customers to any competitor; 2) induce employees to leave their employment; or 3) own or operate a business which sells similar services
r. Non-competition covenants after the franchise is terminated or expires	Section 18.C	For 2 years after the transfer, expiration or termination of the Franchise Agreement, you may not own or operate a business which sells similar services within your Assigned Area or within 25 miles of any unit in the System
s. Modification of the agreement	Section 22.J	Must be in writing by both parties
t. Integration/merger clause	Section 22.I	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside the disclosure document and franchise agreement may not be enforceable. We may agree to terms which differ from what is described in this disclosure document. In that case, the terms of the final written agreement shall control. Other statements or promises are not enforceable.
u. Dispute resolution by arbitration or mediation	None	None (But see State Specific Addenda, Exhibit B)
v. Choice of forum	Section 22.A	Any action shall be brought in the U.S. District Court for the Eastern District of California or if no basis for Federal jurisdiction exists, in California state courts located in Placer County, California, subject to state law.

Provision	Article in Franchise Agreement	Summary
w. Choice of law	Section 22.A	The laws of the state in which the Franchised Business is located.

THE DEVELOPER RELATIONSHIP

Provision	Article in Developer Agreement	Summary
a. Term	Section 5	Term of development schedule
b. Renewal or extension of the term	Section 5.B	Not renewable, but you can negotiate a new agreement
c. Requirements for you to renew or extend	None	None
d. Termination by you	None	None
e. Termination by us without cause	None	None
f. Termination by us with cause	Section 7	Breach of Developer Agreement and other grounds.
g. "Cause" defined - defaults which can be cured	Section 7.C	Failure to comply with any term or condition in Developer Agreement not listed in Sections 7.A or 7.B.
h. "Cause" defined - defaults which cannot be cured	Sections 7.A & 7.B	Breach of Developer Agreement and other grounds, like a judgment that materially reduces the compensation to which we are entitled; non-compliance with Development Schedule; bankruptcy; failure to execute Franchise Agreements; convicted of a felony; fails to designate a qualified replacement RN, breach of covenant; untimely transfer upon death or disability; misuse of the Marks; failure to pay monies owed; repeatedly commits material breach of Developer Agreement
i. Your obligations on termination/non-renewal	Section 7.F	Lose development rights
j. Assignment of contract by us	Section 8.H	No restriction on right to transfer
k. "Transfer" by you - definition	Section 8.A	You cannot assign the Developer Agreement without our prior written approval.
l. Our approval of transfer by you	Section 8.A	All transfers must be approved by us
m. Conditions for our approval of transfer	Section 8.A	Includes payment of money owed, non-default, sign release, transferee qualifies, transferee signs new agreement and payment of the transfer fee
n. Our right of first refusal to acquire your business	Section 8.F	We may purchase the Developer's Business on the same terms and conditions as a proposed assignment within 15 days of our receipt of notice from you.
o. Our option to purchase your business	Section 8.F	Upon transfer, expiration or termination, we can buy your Franchised Business
p. Your death or disability	Section 8.G	Developer's Business must be assigned to approved buyer within 120 days

Provision	Article in Developer Agreement	Summary
q. Non-competition covenants during the term of the franchise	None	None
r. Non-competition covenants after the franchise is terminated or expires	None	None
s. Modification of the agreement	Section 13.M	Must be in writing by both parties
t. Integration/merger clause	Sections 13.K & 13.L	Only the terms of the Developer Agreement are binding (subject to state law). Any representations or promises outside the disclosure document and franchise agreement may not be enforceable. We may agree to terms which differ from what is described in this disclosure document. In that case, the terms of the final written agreement shall control. Other statements or promises are not enforceable.
u. Dispute resolution by arbitration or mediation	None	None (But see State Specific Addenda, Exhibit B)
v. Choice of forum	Section 13.A	Any action shall be brought in the U.S. District Court for the Eastern District of California or if no basis for Federal jurisdiction exists, in California state courts located in Placer County, California, subject to state law.
w. Choice of law	Section 13.A	Laws of the state in which the first Franchised Business is located.

THE AREA REPRESENTATIVE RELATIONSHIP

Provision	Article in Area Representative Agreement	Summary
a. Term	Section 1	10 years
b. Renewal or extension of the term	Section 3	You may renew this Agreement every ten (10) years
c. Requirements for you to renew or extend	Section 3	Give notice, compliance with Area Representative Agreement, sign then-current Area Representative Agreement, sign release, comply with current qualifications and requirements.
d. Termination by you	Section 12	You may not terminate your Area Representative Agreement
e. Termination by us without cause	None	None
f. Termination by us with cause	Section 12	Breach of Area Representative Agreement and other grounds.

Provision	Article in Area Representative Agreement	Summary
g. "Cause" defined - defaults which can be cured	Section 12	Breach of Area Representative Agreement and other grounds, like failure to pay fees, advertising, submitting false reports.
h. "Cause" defined - defaults which cannot be cured	Section 12.3	Breach of Area Representative Agreement, like filing for bankruptcy; assignment for the benefit of creditors; abandons Area Representative Business or fails to operate for 3 consecutive days; felony or other crime conviction, collects money from a Franchisee without promptly forwarding it to the Franchisor; misuses or discloses confidential information; knowingly maintains materially inaccurate books or records; misrepresentation in any application or report or document submitted to Franchisor; receives 3 or more notices of default within a 24-month period; causes any other agreement between AR's Representatives and Franchisor to be terminated; makes an unauthorized transfer.
i. Your obligations on termination/non-renewal	Section 13	Cease operation of the AR's Business; not represent to the public that you are a present or former AR except as required by applicable law, delivery all confidential information to Franchisor; cease using the Marks, deliver all records of the AR's Business to Franchisor, cooperate with Franchisor in providing answers to any questions regarding the AR's Business, do not use similar Marks; cancel or assign telephone number of the AR's Business to Franchisor; pay future lost profits.
j. Assignment of contract by us	Section 11	No restriction on right to transfer
k. "Transfer" by you - definition	Section 11	Transfer all or substantially all of the assets of your business
l. Our approval of transfer by you	Section 11.2	No transfer shall be made without our prior approval.

Provision	Article in Area Representative Agreement	Summary
m. Conditions for our approval of transfer	Section 11.2	Comply with all obligations under AR Agreement and all other agreements between the AR and the Franchisor; pay all money owed; transferee meets Franchisor's standards for new Area Representatives; the purchase price and terms of the transfer shall not negatively impact the capability of the AR's Representatives to profitably operate the business; transferee presents the Franchisor with a business plan for the next 3 years; transferee executes Franchisor's then current Area Representative Agreement; transferee commits the capital needed to meet operational and development requirements; transferee signs waiver and release; transferee's principals signs a guaranty and assumption of obligations; transferee satisfactorily completes Franchisor's training course; Area Representative pays transfer fee; AR's Representatives and Guarantors sign a mutual release.
n. Our right of first refusal to acquire your business	Section 11.7	We can match any offer within 30 days of receiving all written documentation requested.
o. Our option to purchase your business	Section 11.7	We can match any offer within 30 days of receiving all written documentation requested.
p. Your death or disability	Section 11.8	Franchise must be assigned to approved buyer within 120 days
q. Non-competition covenants during the term of the franchise	Section 10.1	Includes prohibition on owning, selling or operating business which sells competitive services, attempting to divert Clients to other businesses offering competitive services, soliciting franchisees or prospective franchisees during 12 months before the termination date or the expiration date to enter into any business activity which is a competitive service, or diverting any franchisee to any other franchised business or investment.
r. Non-competition covenants after the franchise is terminated or expires	Section 10.2	Includes prohibition on owning, selling or operating business which sells competitive services for 2 years and located within the territory.
s. Modification of the agreement	Section 14.9, 14.10	Must be in writing by both parties

Provision	Article in Area Representative Agreement	Summary
t. Integration/merger clause	Section 14.9	Only the terms of the Area Representative Agreement are binding (subject to state law). Any representations or promises outside the disclosure document and franchise agreement may not be enforceable. We may agree to terms which differ from what is described in this disclosure document. In that case, the terms of the final written agreement shall control. Other statements or promises are not enforceable.
u. Dispute resolution by arbitration or mediation	None	None (But see State Specific Addenda, Exhibit B)
v. Choice of forum	Section 14.1	Any action shall be brought in the U.S. District Court for the Eastern District of California or if no basis for Federal jurisdiction exists, in California state courts located in Placer County, California, subject to state law.
w. Choice of law	Section 14.1	The law of the state where the Area Representative's business is located.

**ITEM 18
PUBLIC FIGURES**

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

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Franchise Disclosure Document. Financial performance information that differs from that included in this 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.

Background

This Item 19 sets forth certain historical data regarding Always Best Care Franchised Business locations. Written substantiation of the data used in preparing this information will be made available to prospective franchisees upon reasonable request. The representations made in this Item 19 are based upon the period of time indicated below:

The success of your Franchise will depend largely upon your personal abilities, your use of those abilities and your market. The financial results of your Franchise will likely differ, perhaps materially, from the results summarized in this Item.

Systemwide Growth

In the table below, we have included information for all Franchised Businesses that operated at any point during the calendar year listed, regardless of whether any were newly opened in that year or closed for business or otherwise left the brand in that year. The figures included in the table below do not include any information for company owned businesses in 2011 or 2012, but information for 1 company owned business was included in the 2010 figures, since there was 1 such business open for a portion of 2010.

2010 Annual Revenue	2011 Annual Revenue	2012 Annual Revenue
\$ 9,557,240.35	\$ 20,778,883.77	\$ 40,057,782.59

Average Number Of Clients

The table below lists the average number of Clients for Franchised Businesses broken down into 2 categories based upon their Annual Revenue during the calendar year ending December 31, 2012. In the table below, we have only included information relating to Franchised Businesses that were continuously open and operating for the entire 2012 calendar year and whose Annual Revenue was at least \$500,000 for in 2012. There were 25 Always Best Care Senior Services Franchised Businesses that were continuously open for business and operating during the entirety of the 2012 calendar year, with revenues of at least \$500,000. All of these Franchised Businesses reported information to us for this financial performance representation. 61 Franchised Businesses were continuously open for business and operating during the entirety of the 2012 calendar year had revenues lower than \$500,000 in 2012. The information for those 61 Franchised Businesses was not included in the table below.

2012 Annual Revenue	\$500,000 to \$1,000,000	Over \$1,000,000
Average Number of Clients	33	59
Number of Franchisees in Annual Revenue Category (out of 86)	12	13
Number (and Percentage) of Franchisees that Met or Exceeded Average Number of Clients (in Category)	6 (50%)	6 (46%)

Annual Revenue Growth

The table below contains certain information related to Annual Revenues realized by Franchised Businesses during calendar 2012, and compares it with Annual Revenues realized during 2011. The data is broken down into 4 categories based upon the Franchised Businesses' 2012 level of Annual Revenue. The table below also lists the number and percentage of franchisees that met or exceeded the category average. We have only included information relating to Franchised Businesses that were continuously open and operating for the entire 2011 and 2012 calendar years in this table. Any Franchised Businesses

that were either newly opened in 2011 or 2012 or closed for business or otherwise left the brand in 2011 or 2012 were excluded. There were 34 new Franchised Business openings in 2011 and 20 new Franchised Business openings in 2012. 15 Franchised Businesses were terminated in 2011 and 16 were terminated in 2012. None of these Franchised Businesses were included in the table below.

Annual Revenue Information for Franchisee's Business Locations Open At Least One Year

2012 Annual Revenue	% of Franchisees	Average Percent Increase over 2011	Number of Franchisees in Annual Revenue Category	Number (and Percentage) of Franchisees that Met or Exceeded Average Percent Increase (in Category)
Over \$1,000,000	15.1%	93 %	13	9 (69%)
Over \$500,000 but under \$1,000,000	14.0%	118 %	12	6 (50%)
Over \$250,000 but under \$500,000	25.6%	120 %	22	13 (59%)
Under \$250,000	45.3%	61 %	39	18 (46%)

Notes:

1. The information in the various "Annual Revenue" columns is based upon results of all Unit Franchisees which had billed Clients for services for at least 1 full calendar year as of December 31st of the year listed. The numbers are not related to when franchisees signed franchise agreements. The numbers do not include results from franchises which were terminated in during the year listed.
2. "Annual Revenue" means the total of all revenues from the operation of each franchisee's business whether received in cash, in services in kind, from barter and/or exchange, on credit (whether or not payment is received therefore) or otherwise during the calendar year referenced. Annual Revenue does not include the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to Clients, if these taxes are separately stated when the Client is charged and if these taxes are paid to the appropriate taxing authority. In addition, Annual Revenue does not include the amount of any documented refunds, charge backs, credits and allowances given in good faith to Clients by a franchisee.
3. A Franchised Business may contain between 1 to 4 Assigned Areas. Less than 10% of the Franchised Businesses have 3 or more Assigned Areas.
4. The % of Franchisees was calculated by dividing the total number of Franchised Businesses within each respective revenue category that were open for at least 1 year and comparing them against the total number for all Franchised Businesses for 2012 that were open for at least 1 year.
5. The "Average Percent Increase" was calculated by dividing the total Annual Revenue for 2011 for all Franchised Business within each respective revenue level and comparing them against the total Annual Revenue for all Franchised Businesses for 2012.

6. The "Average Number of Clients" was calculated by adding the number of unique Clients in each month, adding the total Clients for all months in 2012, and dividing that number by 12 months.

If you become an ABCSP franchisee, your financial results may differ from the results presented in this Item 19.

Written substantiation of the information set out in this Item 19 will be provided to prospective franchisees on reasonable request.

Other than the preceding financial performance representation, ABCSP Inc. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting, Michael Newman, 1406 Blue Oaks Blvd, Roseville, California 95747, 1-888-430-CARE, the Federal Trade Commission, and the appropriate state regulatory authorities.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION*

In the charts below, "2010" refers to the 12-month period ended December 31, 2010. "2011" refers to the 12-month period ended December 31, 2011 and "2012" refers to the 12-month period ended December 31, 2012.

Systemwide Outlet Summary
For years 2010 to 2012

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchise	2010	60	133	73
	2011	133	165	32
	2012	165	171	6
Company Owned	2010	1	0	1
	2011	0	0	0
	2012	0	0	0
Total Outlets	2010	60	133	73
	2011	133	165	32
	2012	165	171	6

*An "Outlet" refers to an individual Assigned Area (as opposed to a "Franchised Business) regardless of whether the Unit franchisee has established a physical office within it.

Systemwide Area Representative Summary
For years 2010 to 2012

Column 1 Area Representative	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Total Area Representatives*	2010	30	27	-3
	2011	27	31	4
	2012	31	28	-3

* An "Area Representative Outlet" means one Area Representative Territory regardless of whether the Area Representative establishes a business office in the Territory and regardless of how many Territories a single Area Representative operates within. We have never operated any company-owned Area Representative Businesses nor do we intend to.

Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For years 2010 to 2012

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Arizona	2010	1
	2011	0
	2012	0
California	2010	0
	2011	0
	2012	2
Colorado	2010	2
	2011	0
	2012	1
Florida	2010	0
	2011	0
	2012	2
Georgia	2010	0
	2011	2
	2012	1
Kansas	2010	0
	2011	1
	2012	0
North Carolina	2010	2
	2011	0
	2012	0
Washington	2010	0
	2011	1
	2012	0
Total	2010	5
	2011	4
	2012	6

Transfers of Area Representative Franchised Business from Area Representative to New Owners
(other than the Franchisor)
For years 2010 to 2012

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Georgia	2010	0
	2011	1
	2012	0
Total	2010	0
	2011	1
	2012	0

Status of Franchised Outlets
For years 2010 to 2012

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non- Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
Arizona	2010	4	2	1	0	0	0	5
	2011	5	2	0	0	0	0	7
	2012	7	1	2	0	0	0	6
California	2010	15	11	1	0	0	0	25
	2011	25	8	1	0	0	0	32
	2012	32	3	6	0	0	0	29
Colorado	2010	4	6	2	0	0	0	8
	2011	8	0	0	0	0	0	8
	2012	8	1	3	0	0	0	6
Connecticut	2010	1	3	0	0	0	0	4
	2011	4	3	0	0	0	0	7
	2012	7	1	0	0	0	0	8
Florida	2010	4	5	0	0	0	0	9
	2011	9	0	1	0	0	0	8
	2012	8	3	3	0	0	0	8
Georgia	2010	3	1	0	0	0	0	4
	2011	4	3	3	0	0	0	4
	2012	4	1	2	0	0	0	3
Idaho	2010	0	1	0	0	0	0	1
	2011	1	0	1	0	0	0	0
	2012	0	0	0	0	0	0	0
Indiana	2010	0	1	0	0	0	0	1
	2011	1	2	0	0	0	0	3
	2012	3	0	0	0	0	0	3
Iowa	2010	0	3	0	0	0	0	3
	2011	3	1	0	0	0	0	4
	2012	4	0	2	0	0	0	2

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non- Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
Illinois	2010	0	5	0	0	0	0	5
	2011	5	0	0	0	0	0	5
	2012	5	1	0	0	0	0	6
Kansas	2010	1	0	0	0	0	0	1
	2011	1	1	1	0	0	0	1
	2012	1	1	1	0	0	0	1
Kentucky	2010	0	0	0	0	0	0	0
	2011	0	3	0	0	0	0	3
	2012	3	0	0	0	0	0	3
Louisiana	2010	1	1	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	1	0	0	0	0	3
Maryland	2010	3	1	1	0	0	0	3
	2011	3	1	3	0	0	0	1
	2012	1	1	0	0	0	0	2
Massachusetts	2010	2	0	0	0	0	0	2
	2011	2	2	0	0	0	0	4
	2012	4	0	0	0	0	0	4
Michigan	2010	1	2	0	0	0	0	3
	2011	3	0	0	0	0	0	3
	2012	3	0	0	0	0	0	3
Minnesota	2010	0	0	0	0	0	0	0
	2011	0	2	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Missouri	2010	1	1	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
New Jersey	2010	2	4	0	0	0	0	6
	2011	6	4	0	0	0	0	10
	2012	10	1	0	0	0	0	11
New Mexico	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
New York	2010	0	2	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
North Carolina	2010	5	5	0	0	0	0	10
	2011	10	4	2	0	0	0	12
	2012	12	0	0	0	0	0	12
Ohio	2010	4	5	0	0	0	0	9
	2011	9	0	1	0	0	0	8
	2012	8	2	2	0	0	0	8
Pennsylvania	2010	0	5	0	0	0	0	5
	2011	5	1	1	0	0	0	5
	2012	5	5	0	0	0	0	10
South Carolina	2010	1	4	0	0	0	0	5
	2011	5	2	0	0	0	0	7
	2012	7	1	1	0	0	0	7

Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Tennessee	2010	0	2	0	0	0	0	2
	2011	2	1	0	0	0	0	3
	2012	3	2	0	0	0	0	5
Texas	2010	2	2	0	0	0	0	4
	2011	4	5	1	0	0	0	8
	2012	8	0	1	0	0	0	7
Utah	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Virginia	2010	5	1	0	0	0	0	6
	2011	6	4	2	0	0	0	8
	2012	8	3	0	0	0	0	11
Washington	2010	1	3	0	0	0	0	4
	2011	4	1	1	0	0	0	4
	2012	4	0	0	0	0	0	4
Wisconsin	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	1	0	0	0	0	2
Total	2010	60	78	5	0	0	0	133
	2011	133	50	18	0	0	0	165
	2012	165	29	23	0	0	0	171

Status of Developers
For years 2010 to 2012

Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Arizona	2010	3	2	0	0	0	0	5
	2011	5	2	0	0	0	0	7
	2012	7	0	2	0	0	0	5
California	2010	9	9	0	0	0	0	18
	2011	18	7	0	0	0	0	25
	2012	25	2	3	0	0	0	24
Colorado	2010	4	5	2	0	0	0	7
	2011	7	0	0	0	0	0	7
	2012	7	0	2	0	0	0	5
Connecticut	2010	0	0	0	0	0	0	0
	2011	0	3	0	0	0	0	3
	2012	3	0	0	0	0	0	3
Florida	2010	0	4	0	0	0	0	4
	2011	4	0	0	0	0	0	4
	2012	4	2	2	0	0	0	4
Georgia	2010	2	0	0	0	0	0	2
	2011	2	2	2	0	0	0	2
	2012	2	0	0	0	0	0	2

Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Illinois	2010	0	2	0	0	0	0	2
	2011	2	2	0	0	0	0	4
	2012	4	0	0	0	0	0	4
Iowa	2010	0	2	0	0	0	0	2
	2011	2	1	0	0	0	0	3
	2012	3	0	2	0	0	0	1
Kentucky	2010	0	0	0	0	0	0	0
	2011	0	2	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Louisiana	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
	2012	0	1	0	0	0	0	1
Massachusetts	2010	0	0	0	0	0	0	0
	2011	0	2	0	0	0	0	2
	2012	2	0	0	0	0	0	2
New Jersey	2010	0	0	0	0	0	0	0
	2011	0	2	0	0	0	0	2
	2012	2	3	0	0	0	0	5
North Carolina	2010	4	4	2	0	0	0	6
	2011	6	1	0	0	0	0	7
	2012	7	0	0	0	0	0	7
Ohio	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
South Carolina	2010	0	4	0	0	0	0	4
	2011	4	1	0	0	0	0	5
	2012	5	0	0	0	0	0	5
Tennessee	2010	0	0	0	0	0	0	0
	2011	0	2	0	0	0	0	2
	2012	2	2	0	0	0	0	4
Texas	2010	2	0	0	0	0	0	2
	2011	2	2	0	0	0	0	4
	2012	4	0	0	0	0	0	4
Virginia	2010	0	0	0	0	0	0	0
	2011	0	3	0	0	0	0	3
	2012	3	0	0	0	0	0	3
Washington	2010	0	2	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Total	2010	26	34	4	0	0	0	56
	2011	56	32	2	0	0	0	86
	2012	86	10	11	0	0	0	85

**Status of Area Representatives
For years 2010 to 2012**

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non- Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations - Other Reasons	Col 9 Outlets at End of the Year
Alabama	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Arizona	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
California	2010	4	1	0	0	0	1	4
	2011	4	0	0	0	0	0	4
	2012	4	0	1	0	0	0	3
Colorado	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Connecticut	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
District of Columbia	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Florida	2010	1	2	1	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Georgia	2010	1	0	0	0	0	0	1
	2011	1	1	1	0	0	0	1
	2012	1	0	0	0	0	0	1
Idaho	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	1	0	0	0	0
Illinois	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Indiana	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Iowa	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Kentucky	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Louisiana	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Maryland	2010	1	0	0	0	0	1	0
	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non- Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations - Other Reasons	Col 9 Outlets at End of the Year
Massachusetts	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Minnesota	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
New Jersey	2010	0	2	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
New Mexico	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
North Carolina	2010	1	0	0	0	0	0	1
	2011	1	1	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Ohio	2010	0	1	0	0	0	0	1
	2011	1	1	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Oregon	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Pennsylvania	2010	0	2	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Rhode Island	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
South Carolina	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Tennessee	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Texas	2010	0	2	0	0	0	0	2
	2011	2	0	0	0	0	0	3
	2012	2	0	0	0	0	0	2
Virginia	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Washington	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	1	0	0	0	0
Wisconsin	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Total	2010	17	20	1	0	0	2	34
	2011	34	6	1	0	0	0	40
	2012	39	0	3	0	0	0	36

*An Area Representative's Outlet means one Area Representative Territory regardless of whether the Area Representative establishes a business office in the Territory and regardless of how many Territories a single Area Representative operates within. As a result, the number of Area Representative "outlets" exceeds the number of individuals or entities who have signed an Area Representative Agreement. The total number of Area Representatives as of December 31st for 2010 to 2012 was as follows: 2010: 27 Area Representatives operating a total of 34 outlets; 2011: 30 Area Representatives operating a total of 40 outlets; 2012: 27 Area Representatives operating a total of 36 outlets.

Status of Company-Owned Outlets
For years 2010 to 2012

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Outlets Reacquired from Franchisee	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisee	Col 8 Outlets at End of the Year
California	2010	1	0	0	0	1	0
	2011	0	0	0	0	0	0
	2012	0	0	0	0	0	0
Total	2010	1	0	0	0	1	0
	2011	0	0	0	0	0	0
	2012	0	0	0	0	0	0

We have never owned or operated any Area Representative Businesses or Outlets.

Projected Openings (Outlets) as of December 31, 2012

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company- Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
Arkansas	0	0	0
California	0	3	0
Colorado	0	1	0
Connecticut	0	1	0
Delaware	0	1	0
District of Columbia	0	0	0
Florida	0	3	0
Georgia	0	1	0
Hawaii	0	0	0
Idaho	0	0	0
Illinois	0	2	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

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company- Owned Outlets in the Next Fiscal Year
Maryland	0	1	0
Massachusetts	0	1	0
Michigan	0	1	0
Minnesota	0	1	0
Mississippi	0	0	0
Missouri	0	1	0
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	0	0
New Hampshire	0	0	0
New Jersey	0	3	0
New Mexico	0	0	0
New York	0	0	0
North Carolina	0	1	0
North Dakota	0	0	0
Ohio	0	2	0
Oklahoma	0	0	0
Oregon	0	1	0
Pennsylvania	0	3	0
Rhode Island	0	0	0
South Carolina	0	0	0
South Dakota	0	0	0
Tennessee	0	1	0
Texas	0	4	0
Utah	0	0	0
Vermont	0	0	0
Virginia	0	1	0
Washington	0	1	0
West Virginia	0	0	0
Wisconsin	0	1	0
Wyoming	0	0	0
TOTAL	0	36	0

Projected Openings (Area Representative Outlets) as of December 31, 2012

Column 1 State	Column 2 Area Representative Agreements Signed but Outlet Not Opened	Column 3 Projected New Area Representative Outlets in the Next Fiscal Year	Column 4 Projected New Company- Owned Area Representative Outlets in the Next Fiscal Year
TOTAL	0	1	0

A list of the names of all franchisees, Developers and area representatives and the addresses and telephone numbers of their businesses is included as Exhibit F to this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee, Developer and area representative who had a business terminated.

cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document is listed on Exhibit G to this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

In some instances, current and former franchisees sign provisions restricting their ability to speak only about their experience with Always Best Care. You may wish to speak with current and former franchisees, but be aware that not all of these franchisees will be able to communicate with you.

Other than our franchisee and area representative advisory councils described in Item 11 (which were created by us), there are no trademark-specific organizations formed by our franchisees that are associated with the Always Best Care Senior Services System.

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit H are our audited financial statements for the fiscal years ending December 31st of 2010, 2011 and 2012, respectively.

ITEM 22

CONTRACTS

The Franchise Agreement is attached to this Disclosure Document as Exhibit C.
The Developer Agreement is attached to this Disclosure Document as Exhibit D.
The Area Representative Agreement is attached to this Disclosure Document as Exhibit E.

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return 1 signed copy to us and retain the other for your records.