



**FRANCHISE DISCLOSURE DOCUMENT
EXPENSE REDUCTION ANALYSTS®, INC.**

**A California corporation
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The licensee will operate an Expense Reduction Analysts® Consulting Practice that helps client organizations reduce on-going business expenses, such as those incurred for printing, freight, equipment maintenance, courier service, telecommunications, janitorial service and office supplies.

The total investment necessary to begin operation of an Expense Reduction Analyst Consulting Practice is from \$ 65,100 to \$81,250. This amount includes an initial license fee of \$59,900 which must be paid directly to the franchisor.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Kenneth Hagerstrom, 5050 Avenida Encinas, Suite 200, Carlsbad, California 92008. 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 accountant.

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

There may also be laws on franchising in your state. Call your state agency listed on Exhibit A or visit your public library for other sources of information on franchising.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS MAY 5, 2008.

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 THIS FRANCHISE WITH A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.** Call the state franchise administrator listed on Exhibit A-1 for information about the franchisor, or about franchising in your state. If you learn that anything in this disclosure document is untrue, contact the Federal Trade Commission and the state administrators listed on Exhibit A-1.

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:

RISK FACTORS

- 1. THE LICENSE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE LICENSE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
- 2. ANY VOLUME, PROFIT AND POSSIBLE SUCCESS ARE PRIMARILY DEPENDENT ON YOUR ABILITY AND EFFORTS AS AN INDEPENDENT BUSINESS OPERATOR, YOUR SALES ABILITY, AS WELL AS THE DEGREE TO WHICH YOU FOLLOW THE EXPENSE REDUCTION ANALYSTS SYSTEM.**
- 3. THERE MAY BE OTHER RISKS CONCERNING THIS LICENSE**

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 may 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 EFFECTIVE DATES

The following states require that the Franchise Disclosure Documents 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:

California
Hawaii
Illinois
Indiana
Maryland
Michigan
Minnesota
New York
North Dakota
Rhode Island
South Dakota
Virginia
Washington
Wisconsin

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of May 5, 2008.

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ADDENDUM: SPECIFIC STATE DISCLOSURES

EXHIBITS:

- A-1: State Administrators
- A-2: Agents for Service of Process
- B: Financial Statements
- C-1: License Agreement

ATTACHMENTS:

- 1: Area
- 2: Authorization Agreement for Prearranged Payment
- 3: Nondisclosure and Noncompetition Agreement
- 3b Licensee – Employee Nondisclosure and Noncompetition Agreement
- 4: Assignment of Telephone Numbers
- 5: Software License Agreement
- 6: Personal Guaranty and Subordination Agreement
- 7. Special Release of Claims
- 8. Pre Existing Business Disclosure
- 9. Receipt for License Agreement
- D-1: Licensees and Area Licensees
- D-2: Company-Related Consulting Practices
- D-3: Former Licensees
- E: Statement of Prospective Licensee
- F: Receipts

EXPENSE REDUCTION ANALYSTS FRANCHISE DISCLOSURE DOCUMENT

ITEM 1. THE LICENSOR, ANY PARENTS, PREDECESSOR AND AFFILIATES

The purpose of this Disclosure Document is to familiarize you with important legal and business aspects of Expense Reduction Analysts, Inc., a franchisor, and of the license we offer. To simplify the language, we will refer to ourselves as "ERA-USA," "we" or "us." We will call the person or company to which we grant a license "you." The word "you" does not include your owners. We will call them your "Related Parties."

We were incorporated in California on September 12, 2002. We have no predecessors.

Our parent company is Expense Reduction Analysts International, Ltd. ("ERAI"), London, United Kingdom with a principal business address at 60 Churchill Square, Kings Hill, West Malling, Kent, ME19 4YU, United Kingdom. ERAI is the holding company for us and our affiliates. ERAI has never offered licenses or franchises.

Our affiliate, Expense Reduction Analysts Consultants, Inc. ("ERAC") was incorporated in California on March 15, 2004. Our principal business address is 5050 Avenida Encinas, Suite 200, Carlsbad, CA 92008. ERAC's address is the same. The name and address of our agent for service of process in this state are stated in Exhibit A-2 to this Disclosure Document

Our affiliate, Expense Reduction Analysts Insurance ("ERAUSAI") was incorporated in Delaware on December 3, 2007. ERAG's principal business address is 5050 Avenida Encinas, Suite 200, Carlsbad, California 92008. The name and address of our agent for service of process in this state are stated in Exhibit A-2 to this Disclosure Document. It is anticipated that commencing in January 2008 ERAUSAI will provide specialized services in the field of expense reduction in the field of insurance and operates throughout the United States. ERAUSAI has never offered licenses or franchises.

The Parent company of ERAI is Evercertain Limited a UK company: Company number- 04473131, incorporated on 29 June 2002 with a Registered Office- 62 Wilson Street, London, EC2A 2BU. Evercertain Limited has never offered licenses or franchises.

We have been offering both area licenses and regional licenses since November 2002. Area licenses are offered under a separate Disclosure Document to area licensees ("Area Licensees"). We have never offered any other license or franchise. We have operated a business that is similar to the area license that we offer since November, 2002. We have also operated a Consulting Practice since our incorporation in September 2002. We have no other business.

Since early 2004, ERAC has offered services similar to those offered by our licensees to companies with annual gross receipts over \$250 million. Since October 2006, ERAC increased its volume requirements to offer services only to companies with annual gross receipts over one billion. It has no other business. ERAC has never offered licenses or franchises.

The business you will operate under the License Agreement is a Consulting Practice that helps client organizations reduce on-going business expenses, such as those incurred for printing, freight, equipment maintenance, courier service, telecommunications, janitorial service and office supplies. The primary market for the Consulting Practice is companies with annual gross revenues below \$250 million. Your principal competitors will be independent consultants offering advice on cost reduction.

If you hold a professional license, permit or other credential, you must continue to comply with any related professional regulations. Otherwise, we do not know of any laws or regulations that are specifically applicable to a Consulting Practice of the type you will operate.

ITEM 2. BUSINESS EXPERIENCE

Charles Frederick Marfleet, Executive Chairman Chief Executive Officer, and Director

Charles Frederick Marfleet has been our Chairman since April of 2007. Prior to that he had been our Chief Executive Officer since May of 2006 and our executive chairman and a director since we were formed in September 2002. He is based in London, England. In November of 2005 he was named Chairman of Expense Reduction Analysts International, Ltd., London, United Kingdom. He has also been executive chairman of Expense Reduction Analysts Group Pty Ltd, North Sydney, Australia ("ERA Australia"), since August 1999. Before that, from January 1993 through July 1999, he was managing director of Expense Reduction Analysts, Ltd. ("ERA"), London, United Kingdom.

Ronnie Clucas, Chief Financial Officer

Ronnie Clucas was appointed Chief Financial Officer in January, 2008. Based at our corporate headquarters in UK he has Finance and Administration responsibility for our businesses around the world. Prior to joining ERA he was General Manager and Group Finance Director of Acela Ltd, a privately owned international consumer products group in the U.K. that owned brands such as Maclaren strollers, Laser sailing boats and Ronson lighters since January 2003. From September 2002 to December 2002 he was Interim Managing Director of J Harriman Ltd. in England. He has worked in a number of UK based retail and manufacturing groups and has extensive commercial and operational experience.

Kenneth Hagerstrom, President and Chief Executive Officer

Kenneth Hagerstrom joined us as president and chief operations officer in March 2005. He became our chief executive officer in April 2006. Mr. Hagerstrom was also appointed as Chief Operating Officer of Expense Reduction Analysts International, Ltd., effective April 2006. He has also been chief executive officer of John Galt Consulting, LLC, in Mission Viejo, California, since September 2003. From September 2004 through February 2005, he was chief operations officer of Handyman Franchise Systems in Long Beach, California. He was chief operations officer of Management Recruiters International, Cleveland, Ohio, from August 2002 to July 2003. Before that, from October 1995 to August 2001, he was with New Horizons Computer Learning Centers in Santa Ana, California, serving as president of their company owned location division and later as executive vice president of their parent company. From August 2001 to August 2002 he was President of New Horizons Computer Learning Centers of the Bay Area in San Jose, California. He owned a Uniglobe Travel franchise in Newton, Massachusetts from 1992 to 1993.

Dan Fields, Vice President of Business Development

Dan Fields joined us in October of 2006. He is now the Vice President of Business Development for the United States. He was the Executive Vice President for International Education Corporation, in Irvine, CA, from October 2004 to June of 2006. From December, 2002 to December, 2004, he served as the President/CEO of RJR Horizons Inc., a franchise group of New Horizons Computer Learning Centers, Inc., based out of San Diego, CA. From September, 1998 to November, 2002, he served as Vice President of Sales and Operations, as well as Regional Manager for New Horizons Computer learning Centers, Inc based out of Anaheim, CA.

John ("Jack") DiLustro, Director of Training

John DiLustro has been our director of Training since June of 2006. Before that he was our director of corporate consulting from January 2004 until taking over the training role. Previously, he was national account manager of Nicom Technologies, Inc., San Diego, from January 2002 through May 2003. From February 2001 to January 2002, he was an independent consultant in San Diego. From June 2000 to January 2001, he was national account manager of WorldCom, San Diego.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Disclosure Document. Neither we nor our affiliates have ever had any litigation.

ITEM 4. BANKRUPTCY

No bankruptcies are required to be disclosed in this Disclosure Document.

ITEM 5. INITIAL FEES

When you sign a License Agreement, you will pay us an initial license fee of \$59,900 in immediately accessible funds. The initial license fee is not refundable. It is uniform for all licenses currently being granted.

ITEM 6. OTHER FEES

NAME OF FEE ¹	AMOUNT OR FORMULA	WHEN DUE
Management Service Fees	See formula below. ²	Monthly
Marketing Fund Contributions	3% of Gross Receipts	Monthly ³
Renewal Fee	\$5,000	Upon signing renewal agreement
Transfer Fee	\$5,000 ⁴	With notice of intent
Interest On Late Payments	18% per year	Upon invoice
CRM Software License Fee	\$1,000 per user	Semi-Annually, in advance i.e. \$500 payments twice a year. (see FA section 5.8, 7.6.3)
Training Fee ⁵	\$15,000	Before training
National Meeting Registration	\$1,000 plus out-of-pocket travel related expenses	Upon registration
Training and Annual Meeting Costs ⁶	Incidental costs for transportation, lodging and meals	As incurred
Our Cost Of Audit ⁷	Our out-of-pocket expense	Upon invoice

1. All fees are payable to us. We impose and collect all fees. Payments to us are not refundable. Whether payments to others are refundable depends on the arrangements you make with them.

2. A. Percentage of Gross Receipts

During the first six (6) months of the license term, the Monthly Management Service Fee is fifteen percent (15%) of Gross Receipts.

After the first six (6) months of the license term, the Monthly Management Service Fee is the greater of fifteen percent (15%) of Gross Receipts, or the then-applicable Monthly Management Service Fee

B. Monthly Minimum Management Service Fee

The relevant Monthly Minimum Management Service Fee for the number of occupied Professional Service ("PS") Seats shall apply for any month or any part of any month that any PS Seat is occupied in your Consulting Business. Please see Item 15 for more information on Professional Service Employees.

The Monthly Minimum Management Service Fee ("MMMSF") required per Professional Services Employee is as follows:

<u>Time period of franchise term</u>	<u>MMMSF</u>		
	<u>One PS Seat</u>	<u>Two PS Seats</u>	<u>Three PS Seats</u>
Months 7 through 12 inclusive	\$500	\$750	\$1,000
Year 2	\$1,000	\$1,500	\$2,000
Year 3 and all subsequent years of the franchise term	\$1,500	\$2,250	\$3,000

C. Deductions from Gross Receipts

On the twentieth (20) day of each month, or on any other day that we designate in writing, we will calculate and deduct from your Gross Receipts the monthly management service fee for the preceding month.

The usual deduction will be simply 15% of Gross Receipts.

If the Monthly Minimum Management Service Fee is greater than 15% of Gross Receipts, then that month we will deduct the Monthly Minimum Management Service Fee.

Provided that, in any month when the Monthly Minimum Management Service Fee is greater than 15% of Gross Receipts, (a "Minimum Deduction Month") we will compare your year to date Monthly Minimum Management Service Fee payments and your year to date payments of management service fee on Gross Receipts. If in any Minimum Deduction Month the year to date payments of management service fee on Gross Receipts exceeds your cumulative year to date minimum management service fee payments, there will be no deductions made for minimum management service fees for that Minimum Deduction Month.

"Gross Receipts" is defined as "the total amount of money or other consideration your clients pay for all services you or your Related Parties rendered within an accounting period less debits and plus credits made in connection with your joint venture agreements."

"Related Parties:" is defined as "people and companies associated with us or you, as the context suggests, including general partners, limited partners, shareholders, companies in which we or you have an interest, companies in which any person or company owning an interest in you also has an interest, or our officers, directors, agents or employees or your officers, directors, agents or employees."

3. We will calculate and deduct your monthly marketing fund contribution from your Gross Receipts on the 20th of each month.
4. If we do not approve the transfer, we will return all but \$1,000 to you.
5. Payable to train an employee who will render professional services to clients, and any additional Professional Services Employee, or by a transferee whom we have not previously trained.
6. You or your Designated Principal must attend our Annual Meeting, at your sole cost and expense.
7. You pay our cost of taking an audit only if the audit showed an underpayment of more than 3% or if the audit was necessary because you did not submit required financial reports to us.

7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

EXPENSE ¹	LOW	HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
Initial License Fee ²	\$59,900	\$59,900	Single payment	At agreement signing	Us
Permits And Licenses	\$100	\$500	Varies	Before opening	Government Agencies
Computer Hardware And Software ²	\$0	\$3,000	As incurred	Before opening	Suppliers
Furniture And Equipment	\$0	\$3,000	As incurred	Before opening	Suppliers
Utility And Equipment Deposits	\$0	\$350	Varies	Before opening	Utilities
Supplies Inventory	\$100	\$1,000	As arranged	Before opening	Suppliers
Insurance	\$1,500	\$2,000	Varies	Varies	Broker and Insurer
Organizational Expenses ³	\$0	\$1,500	Varies	Before opening	Attorney and Accountant
Automobile	\$0	\$1,500	Varies	As incurred	Suppliers
Training Expenses ⁴	\$1,500	\$2,500	As incurred	Before, during and after training	Hotels, carriers, restaurants
Additional Funds Funds ⁵	\$2,000	\$6,000	Varies	Varies	Employees ,Others
TOTAL	\$65,100	\$81,250			

FIGURES ARE ONLY ESTIMATES

1. Item shows estimated expenses through the third month of operation. We assume that you will operate from a home office, at least initially, and so we have made no allowance for rent or build out. If, for some reason, you choose not to operate out of your home, you may locate in any space that will accommodate your desk, telephone and computer equipment and where you have access to a fax/copier/printer. None of these expenses is refundable, except for insurance, which may be partially refundable, and deposits.

2. This category includes such items as a computer system that is capable of running our CRM software and accessing the internet by high-speed modem, office furniture, telephone system and fax/copier/printer.

3. This figure includes attorney review of the License Agreement.

4. We **do not** charge a fee for the initial training program at which we train you or your Designated Principal (who may also be your first Professional Services Employee) at the inception of the license term.

You must employ at least one Professional Services Employee (as defined in the License Agreement) and you may employ up to three Professional Services Employees. We will not charge a fee for the initial training program for you or your Designated Principal at the inception of the license term. However, if you later replace your Designated Principal, transfer your license or ask us to train an additional Professional Services Employee who will perform professional services for your clients, we will charge a training fee of fifteen thousand dollars (\$15,000). If you must replace a trainee within ninety (90) days after completion of the training program, we will allow the replacement to attend training at no charge. We may also charge a training fee for continuing education programs.

5. This category includes estimated employee wages, opening cash, and other miscellaneous expenses incurred before opening and during the first three months of operations. We relied on our experience and that of our licensees in developing these figures. You should review them carefully in light of local conditions and the current economic outlook, consulting a business advisor if necessary.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We require our licensees to buy our CRM software from us for an annual fee of \$1,000. This is the only goods or services we require our licensees to garner from us. In the period ending December 31, 2007, we received no revenue from purchases of these types.

We do not receive any other revenue or other material consideration from your required leases or purchases under the Regional License Agreement.

Aside from the CRM software, you do not have to buy or lease anything from us or from approved or designated suppliers.

We will give you a starter tranche of letterhead, business cards and brochures. After that, you must buy stationery, including letterhead and business cards, according to our specifications.

You must buy and maintain, according to our specifications in the manual, a computer running the type of software we designate, telephone system, fax machine, color printer and access to your computer.

You must purchase and maintain a policy or policies of comprehensive public liability insurance covering all Consulting Practice assets, personnel, and activities on an occurrence basis with a combined single limit for bodily injury, death, or property damage of not less than \$1,000,000. We may increase the minimum coverage requirement annually if necessary to reflect inflation or other changes in circumstances.

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You may also carry (1) casualty insurance in a minimum amount equal to the replacement value of your interest in your Consulting Practice furniture, fixtures, and equipment, and (2) business interruption insurance in an amount sufficient to cover salary or wages of key personnel, and other fixed expenses. You must maintain consultants' professional errors and omissions coverage of not less than \$1,000,000. In addition, if you have employees, you must maintain policies of workers' compensation insurance, disability insurance, and any other types of insurance required by applicable law. Each insurance policy that we require under the License Agreement must contain a provision that the policy cannot be canceled without 30 days' written notice to us. It must be issued by an insurance company of recognized responsibility, designate us as an additional named insured and be satisfactory to us in form, substance, and coverage. You must deliver a certificate of the issuing insurance company evidencing each policy to us as soon as the policy is issued or renewed.

You must operate your Consulting Practice in total compliance with the standards and specifications stated in the Manual. We issue and modify our specifications in writing, usually in the Manual.

We have the right to disapprove any supplier that you have recommended to your clients based on our then current performance criteria and operating standards which will include professionalism, adherence to delivery dates and quality of service.

We do not negotiate purchase arrangements with suppliers.

There are no approved suppliers in which any of our officers owns an interest.

ITEM 9. LICENSEE'S OBLIGATIONS

This table lists your principal obligations under the license and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

OBLIGATION	SECTION IN LICENSE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	N/A	11
b. Pre-opening purchases/leases	N/A	5, 8
c. Site development and other pre-opening requirements	N/A	11
d. Initial and ongoing training	7.2.1	11
e. Opening	7.2.2	11
f. Fees	Article 6	5, 6, 7
g. Compliance with standards and policies/Operating Manual	7.2.3	8, 11, 16
h. Trademarks and proprietary information	7.1	13, 14, 15

OBLIGATION	SECTION IN LICENSE AGREEMENT	DISCLOSURE DOCUMENT ITEM
i. Restrictions on products/services offered	4.4, 7.2.4	16
j. Warranty and customer service requirements	7.2.6	N/A
k. Territorial development and sales quotas	4.2, 4.6	12
l. Ongoing product/service purchases	4.6.2	8
m. Maintenance, appearance and remodeling requirements	7.2.7	17
n. Insurance	7.7	7, 8
o. Advertising	7.1.4	11
p. Indemnification	8.5	N/A
q. Owner's participation/management/staffing	7.4	15
r. Records/reports	7.5	N/A
s. Inspections/audits	6.4, 7.2.9	6
t. Transfer	Article 9	17
u. Renewal	4.5.2	17
v. Post-termination obligations	10.3	17
w. Noncompetition covenants	8.6., Attachment 3A and 3B	17
x. Dispute resolution	11.7 - 11.11	17

ITEM 10. FINANCING

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

ITEM 11. LICENSOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Preopening Services

Site Approval

You do not have to obtain our approval of the site for your Consulting Practice, as we assume you will operate out of your home. However, in the unlikely event that we learn that your Consulting Practice is
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located in a particularly unsuitable place, we may disapprove it on the basis that it is unprofessional in appearance and location at any time based upon our right to maintain the professional standards and goodwill of the System. (License Agreement § 7.2.9). You would not need our approval of any replacement site, either, but we would retain the right to disapprove it. You must open your EXPENSE REDUCTION ANALYSTS® Consulting Practice for business by the "Start Date", as defined in Section 2.3 of the License Agreement, and no later than ninety (90) days after we sign the License Agreement. We estimate that the average length of time between signing of a License Agreement and opening of a licensed business will be less than 30 days. Factors that may affect the length of time it takes to open include scheduling and completion of the initial training program.

Training

You or if you are an entity, the person whom you have appointed and we have certified as professional operator of your Consulting Practice ("Designated Principal") must faithfully attend all phases of the initial training program and complete it to our satisfaction, as certified by us in writing. Failure to successfully complete any aspect of the training program, as we determine in our sole discretion, constitutes grounds for immediate termination of your license, but we have the right to offer you one or more remedial courses of action, such as additional training or employment of supplemental personnel, if we believe the alternative or alternatives may make it unnecessary for us to terminate your license. If you do not accept the alternative course of action within the time we allow, we may terminate your license, effective immediately (License Agreement §7.2.1). The initial training program will cover the following:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	TYPE OF FACILITY	LOCATION
Setting Up: Overview And Detail	5	0	OFFICE	CARLSBAD. CA
Categories, Process and Auditing	20	0	OFFICE	CARLSBAD. CA
Sales And Marketing	18	0	OFFICE	CARLSBAD. CA
CRM	4	0	OFFICE	CARLSBAD. CA
TOTAL	47	0		

The initial training program will take place at a classroom facility in the San Diego, California, area. The entire training program consists of six days of pre-opening training. We anticipate that it will be presented monthly.

The primary instructional material for the initial training program will be the EXPENSE REDUCTION ANALYSTS Manual, supplemented by audio-visual aids. There will be no additional charge for training material. The training program will be supervised by Kenneth M. Hagerstrom, whose experience is stated in Item 2 of this Disclosure Document. John ("Jack") DiLustro serves as our Director of Training. Jack has four years of hands on experience in our business and manages a group of instructors in the fields that are

relevant to the subject taught. These experts have the appropriate training skills and subject matter expertise to convey the material to our licensees.

The fee for your initial training program is included in your initial license fee. If you send anyone else to training, either at the time you complete the program or later, you must pay \$15,000 for each additional trainee. If you send an employee to the program and that trainee leaves your employment within 90 days after training is complete, we will train a replacement employee without charge. You must pay your own incidental costs, such as lodging, travel and meals, for any training we offer. We will not pay you or your employees for any work performed during training.

We hold at least one National Meeting each year to provide updates, offer continuing education, and encourage discussion of topics of importance to the License Network. The registration fee will not exceed \$1,000 per person per event. You or your Designated Principal must attend at least one National Meeting each year at your own expense. In addition, you must attend at least 75% of the meetings, if any, called by your Area Licensee each year. You will not be asked to attend more than twelve meetings a year. With the exception of the Annual Meeting, you may attend other meetings by telephone or teleconference. (License Agreement § 7.3)

Manual

We will lend you or make available to you, on our intranet, our Manual that contains our standards and methodologies for the business. We will revise the manual periodically to reflect the development of our business and will distribute updated pages containing these revisions to you, or, if the Manual has been placed on our intranet, will post revised pages there. To be in Good Standing under the License Agreement, you must comply with the Manual. (License Agreement § 5.3)

We will arrange for you to review our Manual in the presence of our employee or agent at a mutually convenient time at our headquarters before you enter into an EXPENSE REDUCTION ANALYSTS License Agreement.

Computer Equipment and Software

You must have a computer system that meets the following minimum standards:

- X Pentium 4 processor desktop
- X 2 GB SDRAM
- X 80 GB hard drive
- X CD ROM 32x speed
- X Laptop
- X 15" Monitor
- X Fax/copier/printer
- X High speed Internet access
- X Microsoft Office 2003
- X Lotus Notes

You must license our proprietary CRM software from us or our designated supplier. We price it at our cost.

You will use the computer system to manage leads, contacts, appointments, accounts and work-in-progress, to access our CRM system and to communicate with other members of the License Network. It will collect and generate client information, client projects, work projects, projections, evaluations

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and reports.

If we instruct you to upgrade your computer system to meet our currently effective standards, you must do so. (License Agreement §7.2.7). There is no contractual limit on the cost or frequency of the obligation, but we expect to change our minimum specifications only when necessary to enable you to function within our license network.

You must enable us to independently poll your computer for financial data. There is no contractual limit on our right to access the data on your computer. Aside from licensing the CRM software to you, we do not provide or help you obtain your computer system or other office equipment.

The estimated cost of the computer system is \$0 - \$3,000.

Post opening Services

Advertising Services

We will administer the Marketing Fund (License Agreement § 5.4.1). Due to the small number of clients we need to sustain our business, the primary purpose of the Marketing Fund is to produce high quality collateral material and marketing programs that assist you in securing new clients within your Marketing Area. We expect that we will use an advertising agency to prepare the programs, but some of the programs may be prepared in-house or by the media. We may use the fund to pay for (i) market research, advertising materials, media space and time for a national or regional marketing program, a referral program and public relations activities and (ii) for the development of collateral and advertising materials and brochures, internet and web-based downloads, (iii) the salary of an employee in the corporate support center to manage and approve marketing items. There is a Marketing Advisory Council ("MAC"), an advisory council composed of four licensees, to advise us regarding the management of the marketing fund (License Agreement 3.16). Two of its member are elected by the other licensees, one is appointed by Us and one is appointed by a "Licensee Advisory Council" ("LAC") whose officers are ERA-USA's licensees in Good Standing. The appointee from the LAC must be a member of the LAC. The majority are elected by majority vote of ERA-USA licensees. (License Agreement §3.12). The balance of LAC's officers are appointed by ERA-USA. MAC's recommendations will bind us only as to those issues we refer to it, but as to those issues, its decisions will bind us and you. We do not have the power to dissolve the LAC or the MAC.

Both licensees and company-owned or related Consulting Practices will make monthly Marketing Fund contributions of three percent of Gross Receipts. There is no requirement that we spend a specified amount of marketing fund money on advertising in your geographic area.

We will prepare an annual report on the Marketing Fund. You may review it upon request. The report will not be audited. Once the marketing program is underway, most of the money in the Marketing Fund will be spent during the year in which it is contributed. Any unspent money will be retained in the account for use during the following year.

We do not use Marketing Fund contributions to pay for advertising that solicits the sale of licenses.

You do not have to participate in a regional advertising cooperative or conduct a specified amount of local advertising.

All marketing and promotion that you undertake must be completely truthful, conform to the highest standard of ethical advertising and comply with any applicable laws and regulations. You must submit to us copies of all promotional and advertising materials that you propose to use at least two weeks before the proof approval deadline. We will review the materials within a reasonable time and will promptly notify you whether we approve or reject them. If you propose to use the materials outside your Area, one of the conditions of our approving them will be your ability for you to completely discontinue their use upon 14 days' notice. We may not withhold our approval unreasonably. Even if we approve specified materials, we may later withdraw our approval if we reasonably believe it is necessary to make the advertising conform to changes in the System or to correct unacceptable features of the advertising. (License Agreement §7.1.4)

We reserve the exclusive right to conduct or control Internet promotion and marketing. (License Agreement § 4.4).

Other Post-opening Services

Through our Area Licensee, if any, for your Area, or otherwise directly, we will use our best efforts to make personnel available to you for timely telephone, fax, email or intranet consultation on all aspects of your business for no additional charge. (License Agreement § 5.2)

We will give you administrative support in operating your Consulting Practice. We will record your client receivables, joint venture credits and debits and client payments in a database to which you will have electronic access. (License Agreement § 5.5)

We will bill your clients for all services you provide and will receive all payments from your clients on your behalf. You must use your best efforts to collect these billings employing the procedures described in the Manual. We will provide support, using the same collection procedures and policies we use with our own clients. If you do not collect any billed amount within 60 days after billing, we have the right, but not the obligation, to collect the bill ourselves or to outsource collection to a third party. You must assist and cooperate with us in any collection efforts we make or authorize. **You may not bill your clients directly. You must immediately forward to us, without deduction of any kind, any payment you receive in connection with your Consulting Practice.** (License Agreement § 5.6)

We will pay Your Share, as defined in Article 3 of the License Agreement, to you within thirty (30) days of receiving payment. We will give you monthly statements showing our application of the amounts received from your clients. (License Agreement § 5.7)

If you are in breach of your reporting obligations pursuant to Section 7.6 of the License Agreement then we may withhold payments of Gross Receipts to you unless and until you have completed and posted all reports to the CRM as required in Section 7.6 and the Manuals.

We will license to you, for the fee stated in Article 6, our Related Party's proprietary CRM software to enable you to use our administrative services, designate prospects and clients, and facilitate numerous aspects of your operations. (License Agreement § 5.8)

ITEM 12. TERRITORY

We do not grant you an exclusive 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. We intend to establish other licensees within your Area. The maximum number of licensees we establish within an Area depends upon the number of prospects (businesses with annual gross revenue under \$250 million) in the Area.

To avoid conflicts and duplicated effort within the License Network, you must pre-designate all prospects whose business you wish to solicit in advance and identify them on our CRM system. You may not have listed more than 50 prospects at one time. All prospects must be listed for at least 60 days. We may remove prospect listings 180 days after they are listed if you have been unable to generate a signed contract by that time. You must record client engagements on our CRM system and give us a copy of each contract within seven days after it is signed. We may remove any client listing for which no invoice has been posted within the past 12 months. You may not solicit business from or serve any prospect or client while it is listed on our CRM by another licensee or by us.

You may solicit business from prospects and serve clients in your Area with annual sales of \$250,000,000 or less. Your Area Licensee may invite you to participate in working with clients in your Area with annual sales of \$250,000,000 to \$1,000,000,000. You may not solicit business from prospects or serve clients with annual sales of more than \$250,000,000 unless you do so under the direction of your Area Licensee. You may not solicit business from prospects or serve clients with annual sales of more than

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\$1,000,000,000 unless you do so under the direction of ERAC and according to its terms of engagement. You must refer any unsolicited business from companies with annual sales between \$250,000,000 and \$1,000,000,000 to ERA-USA and you must refer any unsolicited business from companies with annual sales of more than \$1,000,000,000 to ERAC, You will receive compensation for doing so at ERA-USA or ERAC's then current rate.

We reserve the exclusive right to conduct or control Internet promotion and marketing. We reserve all other rights not expressly granted to you in the License Agreement. Generally speaking, we have the right to license other Consulting Practices inside and outside your Area and, by signing the License Agreement, you waive any objection to our free exercise of this right.

Your Area is described in Attachment 1 to the License Agreement. You may operate outside your Area only with our prior written consent. We will grant our consent only upon the following conditions:

- (a) Either the area in which you wish to provide service is not included in the area of any area licensee or the area licensee for the area has given written consent to your operation in the area.
- (b) You may not explicitly direct any marketing efforts to clients outside your Area unless you can completely discontinue these marketing efforts on 14 days' notice or less.
- (c) When the external area is granted to an area licensee, you agree to immediately stop soliciting or accepting new business there unless the area licensee consents to your continued operation in writing. If the area licensee does not consent, you must turn over your list of prospects in the external area to the area licensee without seeking or accepting any compensation for doing so. You must immediately discontinue any marketing efforts you have directed to clients in the area.
- (d) You agree to immediately stop soliciting or accepting new business in the external area if we withdraw our consent to your operating there. We may withdraw our consent for any reason or for no reason at all.

You do not have to meet a quota or other condition to maintain the exclusivity of your Protected Area.

We have the right, either ourselves or through a related party, to serve the needs of clients in your Area in Specified Categories, such as travel and insurance, which require special expertise. If you choose to participate in the program by assisting us in developing new clients or by qualifying to accept consulting assignments in connection with the program, we will compensate you for your participation.

Similarly, ERAC, or another of our Related Parties, may solicit business from prospects in your Area with annual gross revenues exceeding \$1,000,000,000. If you refer business in this category to ERAC or if you assist ERAC by performing, as a subcontractor, a portion of the work contracted by one of these large clients, ERAC will compensate you according to its then current rates.

Because there is no requirement that we approve the site of your Consulting Practice, we have no procedure for relocation. Normally, we would not approve your relocation of your Consulting Practice to a different Area. If you would like to move to a different place, we would expect you to Transfer your Consulting Practice to another licensee and then purchase a new or existing Consulting Practice in the new place.

Neither we nor ERAC competes with you under another trade name or marks. Although there is no contractual prohibition against it, we do not expect to do so.

You will not have an option or right of first refusal for additional licenses within your own or nearby Areas.

Except as set forth above, you are not permitted to operate outside your Area, nor do you have the right to use other channels of distribution to operate outside your Area.

ITEM 13. TRADEMARKS

Dorgan Investments Ltd. ("Dorgan,") registered the Mark EXPENSE REDUCTION ANALYSTS and design on the principal register of the United States Patent and Trademark Office ("USPTO"), registration number 2763728, on September 16, 2003, for use in connection with financial appraisal and consultancy services. It also registered our logotype on the principal register, registration number 2487059, on September 11, 2001, for use in connection with similar services.

On July 27, 2002, Dorgan licensed its rights in the Marks and System to Evercertain, Ltd. ("Evercertain"), a United Kingdom company.

In November of 2005, a new company called Expense Reduction Analysts International, Ltd. was formed as a United Kingdom limited company. All of Evercertain's rights in the Marks and System were assigned to Expense Reduction Analysts International Ltd. on November 24, 2005. We now license the EXPENSE REDUCTION ANALYSTS Marks and System from Expense Reduction Analysts International Ltd. The license is perpetual, and if terminated for cause, will result in transfer of the sublicenses held by you and our other licensees from us to Evercertain. Your sublicense to use the Marks may not be terminated until your EXPENSE REDUCTION ANALYSTS license is terminated. Otherwise, no agreement limits our right to use or license the use of our trademarks or trade name.

The following application for our new logo and trademark were filed by Expense Reduction Analysts International, Ltd. On November 29, 2007 as follows:

Application No. 77/339,657 dated the 29th of November 2007 relating to the combination of the words "EXPENSE REDUCTION ANALYSTS" and the new logo, which claims priority from British Trade Mark Application No. 2462394 dated the 26th of July 2007

Application No. 77/339,667 dated the 29th of November 2007 relating to the new logo, which claims priority from British Trade Mark Application No. 2462393 dated the 26th of July 2007.

No agreement limits our right to use or license the use of our trademarks or trade name.

There are no currently effective determinations of the USPTO, trademark trial and appeal board, the trademark administrator of this state or any court, or any pending infringement, opposition or cancellation, or any pending material litigation involving the principal trademarks.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Marks in this state or the state where your Consulting Practice is to be operated.

We have invested time, energy, and money in promoting and protecting our Trade Name and other Marks. We do not intend to change them. However, rights in intangible property such as the Trade Name and Marks are often difficult to establish and defend. Changes in the cultural and economic environment within which the System operates or third party challenges to our rights in the Marks may make it desirable or necessary to change the Trade Name and Marks. We therefore have the right to change our Trade Name and Marks and the specifications for each when we believe, in our reasonable discretion, that the changes will benefit the License Network. You must promptly conform to any such changes. You are responsible for any costs associated with ordering new letterhead, envelopes, business cards and collateral material. We will bear all other costs associated with any name change.

We must indemnify and hold you harmless from all direct expenses and liabilities arising from, or in any way connected to any third party claim, that your operation of an EXPENSE REDUCTION ANALYSTS Consulting Practice infringes its intellectual property rights or misappropriates its trade secrets. If you are made a party to a legal proceeding in connection with a claim of this type, we will hire counsel to protect our interests and will defend you at our own expense. Any settlement we negotiate will bind you, but we will reimburse you for your direct cost of compliance with the settlement agreement.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents. We have not registered any copyrights. We claim common law copyrights for our promotional materials and Manual. You may use our copyrighted materials only in your operation of a Consulting Practice and only in the manner we instruct. The License agreement does not impose obligations on us or on you to protect our copyrights. We do not know of any infringements of our copyrights.

We consider much of the information contained in the Manual and in our CRM concerning our data base of client project reports, marketing methods and business system to be confidential. Therefore, the License Agreement contains noncompetition and confidentiality provisions. In addition, your Related Parties must sign noncompetition and confidentiality agreements regarding the Manual's contents.

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE LICENSED BUSINESS

You, or, if you are an entity, your Designated Principal (who may also be your first Professional Employee) must devote full time and effort to the management and operation of your Consulting Practice. The license agreement defines "Designated Principal" as "you in your role as professional operator of an EXPENSE REDUCTION ANALYSTS' Consulting Practice or, if you are an entity, the person whom you have appointed and we have certified as professional operator of your Consulting Practice." Because initial training for only one person and you or, if you are an entity, your Designated Manager is included in your initial license fee and because successful completion of training is required for anyone who solicits business for your Consulting Practice or provides professional service to clients, your Designated Principal will probably have a substantial equity interest in you. The license agreement includes no explicit provision on this subject.

You must employ at least one Professional Services Employee and you may employ up to three Professional Services Employees. A Professional Services Employee is defined as:

Any employee who meets with a current or potential client either in person, on the telephone or through any virtual meeting tool to sell or assist in the sale of any Consulting Practice services. This definition specifically excludes tele-marketers, and

Any analyst who meets with a client without being accompanied by a Professional Services employee. This definition specifically excludes back office employees who meet with a client to collect data.

Each Professional Services Employee occupies One Professional Services Seat referred to herein as a "PS Seat". Monthly Minimum Management Service Fees are based on the number of Professional Services Employees employed in your Consulting Practice. See Item 6 above.

Each Professional Service employee must sign a Form substantially similar to the Non Disclosure and Non Competition Agreement attached to the License Agreement as Attachment 3B, before performing services for clients. You must ensure that your employees preserve good client relations and comply with the License Agreement and the Manual.

You may employ a maximum of three Professional Services Employees (including yourself) who render professional services to clients. Each of these Professional Services Employees must satisfactorily complete the initial training program, for the training fee specified in Article 6 of the License Agreement, before performing services for clients. You must see that all your employees preserve good client relations and comply with the License Agreement and the Manual. Each of your employees must sign a nondisclosure and noncompetition agreement, in the form of Attachment 3-B to the License Agreement.

If you are a corporation, all officers and shareholders with a ten percent 10% or greater interest in you, or, if you are a partnership, all your general partners, or, if you are a limited liability company, all your members must approve the License Agreement, permit you to furnish the financial information we require, and agree to the restrictions placed on them, including restrictions on the transferability of their interests in the license and your Consulting Practice and limitations on their rights to compete, in the form of Attachment 3-A to the License Agreement, and sign separately written guaranties of your payments and performance in the form of Attachment 6 to the License Agreement.

ITEM 16. RESTRICTIONS ON WHAT YOU MAY SELL

Under the License Agreement, we authorize you to act as our agent for the limited purpose of negotiating and entering into service agreements with clients you designate, as described in Item 12, using a format that we provide and to act as our subcontractor in performing professional services, according to procedures stated in the Manual, for these clients. We have the right to disapprove any supplier that you have recommended to your clients based on our then current performance criteria and operating standards which will include professionalism, adherence to delivery dates and quality of service. You must offer and provide all the services and you may offer only the services that we have authorized you to provide. You may not receive any brokerage fees or any other form of compensation from suppliers you are recommending to our clients.

We do not reserve the right to change the general nature of the services that you will be authorized to provide, but we may make changes in our standards and specifications, when, in our reasonable discretion, change is needed for the continued success and development of the License Network. Such changes may require the purchase of new equipment, supplies, software or other goods, completion of additional training or other cost to you. You must promptly conform to the modified standards and specifications at your own expense. (License Agreement §7.2.3)

We expect to institute and administer ourselves or through a Related Party, special certification programs to solicit business from and serve the needs of clients in specified categories such as insurance and travel where appropriate licensure and certification are required (“Reserved Categories”). All rights to operate in these Reserved Categories are reserved to us and our Related Parties. Any licensee candidate for certification in a Reserved Category must be in Good Standing and comply with all our then current certification program and insurance requirements. In addition the operation of licensed business in any Reserved Category may require (a) pre-requisite prior experience or formal education in its subject matter, and (b) a special permit or license(s) in the jurisdiction where you operate and where you intend to provide such services. We do not promise that you can qualify to operate licensed business in any Reserved Category but if you do we will compensate you at the then current rates for the Reserved Categories.

There are also strict limitations on the number and nature of the prospects from which you may solicit business and the clients you may serve. Please see Item 12 of this Disclosure Document for a detailed description of these restrictions.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

This table lists certain important provisions of the License Agreement and related agreements. You should read these provisions in the agreements in Exhibit C-1 in this disclosure document.

THE FRANCHISE RELATIONSHIP

PROVISION	SECTION IN AGREEMENT	SUMMARY
a. Length of the franchise term	4.5.1	Term is 10 years
b. Renewal or extension of the term	4.5.2	If you meet conditions, you can add consecutive five-year terms
c. Requirements for you to renew or extend	4.5.2 (a) - (g)	Sign new agreement, be in Good Standing, give timely notice, upgrade all equipment and software, pay fee and sign release. You may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreements.
d. Termination by you	10.1	May be terminated by the written agreement of both parties.
e. Termination by ERA-USA without cause	None	Not Applicable
f. Termination by ERA-USA with cause	10.3	We can terminate only upon uncured or noncurable material default
g. "Cause" defined – curable defaults	10.3.1	You have 5 days to cure non-payment defaults; you have 30 days to cure other curable defaults
h. "Cause" defined – non-curable defaults	10.3.2	Noncurable defaults include failure to successfully complete initial training, misuse of marks, interest in operation of like business, unauthorized assignment, misrepresentation in securing license, abandonment, , repeated defaults, unapproved transfer, insolvency, conviction of a felony of criminal misconduct relevant to the operation of your Consulting Practice, and competition with License Networking
i. Your obligation on termination/ nonrenewal	10.4	Complete de-identification, discontinue using Marks, payment of amounts due, honoring option to

PROVISION	SECTION IN AGREEMENT	SUMMARY
		purchase or lease, assigning phone numbers, maintain records, assign interest in outstanding contracts; if termination due to your non-renewal, you must assign interest in existing client contracts and income generated by them.
j. Assignment of contract by ERA-USA	9.7	May assign to company that assumes obligations
k. "Transfer" by you - definition	3.26	Includes transfer of agreement or sale of assets or ownership change
l. ERA-USA's approval of your Transfer	9.3	We have the right to approve all Transfers but will not unreasonably withhold approval
m. Conditions for ERA-USA's approval of Transfer	9.4, 11.13	Notice, new licensee qualifies, Transfer and training fee paid, defaults cured, purchase agreement approved, training completed, mutual release and guarantee signed, and new licensee signs current agreement,
n. ERA-USA's right of first refusal to buy your business	9.3	We have the right to match any offer to buy your business
o. ERA-USA's option to buy your business	10.4 (f)	We have an option to buy any of the assets of your business upon termination
p. Your death or permanent disability	9.6	Heirs must qualify within 60 days or have six months to sell
q. Noncompetition covenants during term of license	8.6, Attachment 3	No involvement in any competing business
r. Noncompetition covenants after license is terminated or expires	8.6, 8.7, Attachment 3	No involvement in competing business for two years located within any area where you operated or solicited your Consulting Practice
s. Modification of the agreement	11.4	Modification of agreement only by written agreement of parties; Manual may change from time to time
t. Integration/merger clause	11.6	Agreement is what is written in License Agreement; inconsistent promises are not enforceable

PROVISION	SECTION IN AGREEMENT	SUMMARY
u. Dispute resolution by arbitration or mediation	11.7 - 11.11	Mediation and/or binding arbitration will be conducted by AAA in San Diego County, California
v. Choice of forum	11.7.4, 11.8	Mediation and/or arbitration will be conducted by AAA in San Diego County, California.
w. Choice of law	11.2	Laws of California apply, but Federal Arbitration Act preempts. Trademark rights governed by Lanham Act.

Various states, including but not limited to the following, have statutes which may supersede the License Agreement in your relationship with the franchisor including areas of termination and renewal of your franchise: ARKANSAS [Code Sections 4-72-201-4-72-210], CALIFORNIA [Bus. & Prof. Code Sections 20000-200043], CONNECTICUT [42-133e et seq.], DELAWARE [Code, Title 6, Chapter 25, Sections 2551-2556], HAWAII [Rev. Stat. 482E-6], ILLINOIS [815 ILCS 705/1-44], INDIANA [Code Sections 23-2-2.7 (1) - (7)], IOWA [Sections 523H.1-523H.17], MICHIGAN [19.854 (27)], MISSISSIPPI [Code Sections 75-24-51-75-24-63], MISSOURI [Stat. Sections 407.400-407.410] NEBRASKA [Re. Stat. Sections 87-401 - 87-410], NEW JERSEY [Rev Stat. Sections 56:10-1-56:10-12], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code Sections 13.1-557 through 13.1-574], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03], DISTRICT OF COLUMBIA [Code Sections 29-1201-29-1208], PUERTO RICO [Annotated Laws Sections 278 - 278d], VIRGIN ISLANDS [Annotated Code Sections 130 - 139]. These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with the franchisor, including the areas of termination and renewal of your franchise.

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

Note: Please see "Specific State Disclosures" attached to this Disclosure Document for important information concerning your rights under certain laws of various states, including your rights in connection with choice of law, choice of forum, termination and renewal.

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 disclosure document. Financial performance information that differs from that included in Item 19 may be given only if (1)

the franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Chief Executive Officer, Ken Hagerstrom, 5050 Avenida Encinas, Suite 200, Carlsbad, California 92008, Telephone: (760) 712-3618, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND LICENSEE INFORMATION

The following tables give the status of EXPENSE REDUCTION ANALYSTS' licensed Consulting Practices in each state where we had Consulting Practices at the end of our last three fiscal years:

There are two sets of tables, one containing the contact information for our 156 Regional licensees, with the second set of tables containing contact information for our 24 Area Developer licensees. Therefore, we have a total of 180 licensees as of December 31, 2007. Through 2006, each Area licensees also operated a separate Regional license.

You should note that the numbers in the following charts refer to the number of actual Franchised Businesses not individual licensees.

Attached as Exhibit D-1 is a list of names, addresses and telephone numbers of all of our current regional licensees as of December 31, 2007.

Attached as Exhibit D-2 is a list of names, addresses and telephone numbers of all of our current area licensees as of December 31, 2007

Attached to this Disclosure Document as Exhibit D-3 is a list of the addresses of all company-owned Consulting Practices as of December 31, 2007.

Attached as Exhibit D-4 is a list containing the name, city and state and the current business telephone number (or if unknown, the last known home telephone number) of licensees who have had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the License Agreement during the most recently completed fiscal year or have not communicated with us within ten weeks of the date of this Offering. 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 licensees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former licensees, but be aware that not all of these licensees will be able to communicate with you.

(REGIONAL LICENSEES)

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2005 TO 2007

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE* (+ or -)
Franchised	2005	22	39	+17
	2006	39	74	+35
	2007	74	156	+82
Company Owned	2005	01	2	+1
	2006	2	2	0
	2007	2	3	+1
Total Outlets	2005	23	41	+18
	2006	41	76	+35
	2007	76	159	+83

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR or AN AFFILIATE)
FOR YEARS 2005 TO 2007

STATE	YEAR	NUMBER OF TRANSFERS
MN	2005	0
	2006	0
	2007	1
NC	2005	0
	2006	1
	2007	0
Total Outlets	2005	0
	2006	1
	2007	1

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2005 TO 2007

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	REACQUIRED BY FRANCHISOR	TERMINATIONS	NON-RENEWALS	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT END OF THE YEAR
AZ	NM TX	2005	0	0	0	0	0	0	0
		2006	0	1	0	0	0	0	1
		2007	1	1	0	0	0	0	2
CA		2005	2	3	0	0	0	0	5
		2006	5	4	0	0	0	0	9
		2007	9	7	1	0	0	0	15
CO	NV UT	2005	1	0	0	0	0	0	1
		2006	1	1	0	0	0	0	2
		2007	2	4	0	0	0	0	6
CT	NY RI	2005	2	2	0	0	0	0	4
		2006	4	1	0	0	0	0	5
		2007	5	3	0	0	0	0	8
FL		2005	1	2	0	0	0	1	2
		2006	2	4	0	0	0	0	6
		2007	6	11	0	0	0	0	17
GA		2005	2	2	0	0	0	0	4
		2006	4	2	1	0	0	0	5
		2007	5	2	0	0	0	0	7
IL		2005	1	1	0	0	0	0	2
		2006	2	0	0	0	0	0	2
		2007	2	4	0	0	0	0	6
IA	MN NE	2005	1	1	0	0	0	0	2
		2006	2	3	0	0	0	0	5
		2007	5	6	0	0	0	1	10

IN		2005	0	0	0	0	0	0	0
		2006	0	0	0	0	0	0	0
		2007	0	1	0	0	0	0	1
KY	TN	2005	1	0	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	2	1	0	0	0	2
MA		2005	2	1	0	0	0	0	3
		2006	3	1	0	0	0	0	4
		2007	4	1	0	0	0	0	5
MI	Lower Penin sula	2005	0	1	0	0	0	0	1
		2006	1	1	0	0	0	0	2
		2007	2	3	0	0	0	0	5
MN	MI ND NE SD WI IL	2005	0	1	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	1	0	0	0	0	2
MO	KS	2005	2	0	0	0	0	0	2
		2006	2	1	0	0	0	0	3
		2007	3	5	0	0	0	0	8
MS	AL LA	2005	0	0	0	0	0	0	0
		2006	0	1	0	0	0	0	1
		2007	1	2	0	0	0	0	3
NC	SC	2005	1	0	0	0	0	0	1
		2006	1	3	0	0	0	1	3
		2007	3	5	0	0	0	0	8
NH	ME NY VT	2005	1	0	0	0	0	0	1
		2006	1	5	0	0	0	0	6
		2007	6	2	0	0	0	0	8
NJ		2005	1	1	0	0	0	0	2
		2006	2	2	0	0	0	0	4
		2007	4	3	0	0	0	0	7
NY		2005	1	0	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	1	0	0	0	0	2
OH		2005	0	0	0	0	0	0	

		2006	0	1	0	0	0	0	1
		2007	1	6	0	0	0	0	7
OK	AK	2005	0	0	0	0	0	0	0
		2006	0	0	0	0	0	0	0
		2007	0	4	0	0	0	0	4
OR	CA	2005	0	0	0	0	0	0	0
		2006	0	0	0	0	0	0	0
		2007	0	2	0	0	0	0	2
PA	DE	2005	1	0	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	3	0	0	0	0	4
TX		2005	1	1	0	0	0	0	2
		2006	2	3	0	0	0	0	5
		2007	5	3	0	0	0	0	8
VA	WV NC	2005	0	0	0	0	0	0	0
		2006	0	0	0	0	0	0	0
		2007	0	2	0	0	0	0	2
WA	ID MT WY	2005	0	1	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	0	0	0	0	0	1
D.C.	MD VA	2005	1	1	0	0	0	0	2
		2006	2	3	0	0	0	0	5
		2007	5	1	0	0	0	0	6
Total Outlets		2005	22	18	0	0	0	1	39
		2006	39	37	1	0	0	1	74
		2007	74	85	2	0	0	1	156

**TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 2005 TO 2007**

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
CA	2005	1	0	0	0	0	1
	2006	1	0	0	0	0	1
	2007	1	1	0	0	0	2
WA	2005	0	1	0	0	0	1
	2006	1	0	0	0	0	1
	2007	1	0	0	0	0	1
Total Outlets	2005	1	1	0	0	0	2
	2006	2	0	0	0	0	2
	2007	2	1	0	0	0	3

**TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2007**

STATE	LICENSE AGREEMENTS SIGNED BUT OUTLETS NOT YET OPEN	PROJECTED NEW LICENSED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY OWNED OUTLETS IN THE NEXT FISCAL YEAR
California	1	10	0
Colorado	0	4	0
Connecticut	0	6	0
Florida	0	8	0
Illinois	0	6	0
Indiana	0	2	0
Iowa	0	6	0
Maryland	0	4	0
Massachusetts	0	4	0
Minnesota	0	2	0
Nevada	0	2	0
New Hampshire	0	4	0
New Jersey	0	4	0
New York	0	10	0
North Carolina	0	4	0
Ohio	0	4	0
Pennsylvania	0	4	0
South Carolina	0	4	0
Tennessee	0	2	0
Texas	0	10	0
TOTALS	1	100	0

(AREA DEVELOPERS)

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2005 TO 2007

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE* (+ or -)
Franchised	2005	17	19	+2
	2006	19	22	+3
	2007	22	24	+2
Company Owned	2005	0	0	0
	2006	0	0	0
	2007	0	0	0
Total Outlets	2005	17	19	+2
	2006	19	22	+3
	2007	22	24	+2

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR or AN AFFILIATE)
FOR YEARS 2005 TO 2007

STATE	YEAR	NUMBER OF TRANSFERS**
IL	2005	0
	2006	0
	2007	1
NC	2005	0
	2006	1
	2007	0
Total Outlets	2005	0
	2006	1
	2007	1

**TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2005 TO 2007**

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	REACQUIRED BY FRANCHISOR	TERMINATIONS	NON-RENEWALS	CEASED OPERATION S-OTHER REASONS	OUTLETS AT END OF THE YEAR
AZ	NM TX	2005	0	0	0	0	0	0	0
		2006	0	0	0	0	0	0	0
		2007	0	1	0	0	0	0	1
CA		2005	1	1	0	0	0	0	2
		2006	2	0	0	0	0	0	2
		2007	2	0	0	0	0	0	2
CO	NV UT	2005	1	0	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	0	0	0	0	0	1
CT	NY RI	2005	1	0	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	0	0	0	0	0	1
FL		2005	1	0	0	0	0	0	1
		2006	1	1	0	0	0	0	2
		2007	2	0	0	0	0	0	2
GA		2005	1	1	1	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	0	0	0	0	0	1
IL		2005	1	0	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	1	0	0	0	1	1
IA	MN NE	2005	1	0	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	0	0	0	0	0	1
KY	TN	2005	1	0	0	0	0	0	1

		2006	1	0	0	0	0	0	1
		2007	1	0	0	0	0	0	1
MA		2005	1	0	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	0	0	0	0	0	1
MN	MI ND	2005	0	0	0	0	0	0	0
	NE	2006	1	0	0	0	0	0	1
	SD WI IL	2007	1	0	0	0	0	0	1
MO	KS	2005	1	0	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	0	0	0	0	0	1
NC	SC	2005	1	0	0	0	0	0	1
		2006	1	1	0	0	0	1	1
		2007	1	0	0	0	0	0	1
NH	ME NY VT	2005	1	0	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	0	0	0	0	0	1
NJ		2005	1	0	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	0	0	0	0	0	1
NY		2005	1	0	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	0	0	0	0	0	1
OH		2005	0	0	0	0	0	0	0
		2006	0	0	0	0	0	0	0
		2007	0	1	0	0	0	0	1
PA	DE	2005	1	0	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	0	0	0	0	0	1
TX		2005	1	0	0	0	0	0	1
		2006	1	1	0	0	0	0	2
		2007	2	0	0	0	0	0	2
WA	ID MT	2005	0	1	0	0	0	0	1

	WY	2006	1	0	0	0	0	0	1
		2007	1	1	1	0	0	0	1
D.C.	MD VA	2005	1	0	0	0	0	0	1
		2006	1	0	0	0	0	0	1
		2007	1	0	0	0	0	0	1
Total Outlets		2005	17	3	1	0	0	0	19
		2006	19	4	1	0	0	0	22
		2007	22	4	1	0	0	1	24

**TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 2005 TO 2007**

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
WA	2005	0	0	0	0	0	0
	2006	0	0	0	0	0	0
	2007	0	1	0	0	1	0
Total Outlets	2005	0	0	0	0	0	0
	2006	0	0	0	0	0	0
	2007	0	1	0	0	1	0

**TABLE NO. 5
PROJECTED OPENINGS AS OF
NOVEMBER 23, 2007**

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLET IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
Pennsylvania	0	1	0
Michigan	0	1	0
New York	0	1	0
Virginia	0	1	0
Total	0	4	0

ITEM 21. FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit B are our audited financial statements for the fiscal years ending December 31, 2007, December 31, 2006, September 30, 2005 and September 30, 2004. Our fiscal year end is December 31.

ITEM 22. CONTRACTS

The following agreements are proposed for use in this state in connection with an EXPENSE REDUCTION ANALYSTS' license: Authorization Agreement for Prearranged Payment, Nondisclosure and Noncompetition Agreement, Assignment of Telephone Numbers, Software License, Personal Guaranty and Subordination Agreement and Release of Claims.

ITEM 23. RECEIPTS

Attached, as the last page of this Disclosure Document (Exhibit F), is a receipt. Please sign it, date it as of the date you receive the Disclosure Document, and return it to us. A duplicate of the receipt is also attached for your records.

ADDENDUM TO DISCLOSURE DOCUMENT: SPECIFIC STATE DISCLOSURES

California

Effective Date: _____

Neither the franchisor, nor any person or franchise broker identified in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling the person from membership in the association or exchange.

California Business and Professions Code §§ 20000 through 20053 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Area License Agreement contains a provision that is inconsistent with the law, the law will control.

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

The Area License Agreement contains a covenant not to compete that continues after the termination of the franchise. This provision may not be enforceable under California law.

Under both the California Franchise Relations Act and the Franchise Investment Law, a provision in an Area License Agreement that requires you to waive your rights under either or both of these laws is void. Any release of claims that the franchisor asks you to sign will specifically exclude claims under these franchise laws.

Section 31125 of the California Corporations Code requires the franchisor to give the franchise a special disclosure document before soliciting a proposed material modification of an existing franchise.

California Corporations Code Section 31119 requires that disclosure documents together with all proposed agreements relating to the sale of the franchise be delivered to prospective franchisees at least 10 business days prior to execution by the prospective franchisee of any binding franchise or other agreement, at least 10 business days prior to the receipt of any consideration, whichever occurs first. This requirement shall be in effect until Senate Bill 998 goes into effect to update this law.

OUR WEBSITE ADDRESS IS [HTTP://WWW.ERA-USA.COM](http://www.era-usa.com). OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT [WWW.CORP.CA.GOV](http://www.corp.ca.gov).

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF EACH PROPOSED AGREEMENT RELATING TO THE GRANT OF THE Franchise BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

Hawaii

Illinois

Many states have statutes concerning the relationship between franchisor and franchisee. These statutes deal with such matters as renewal and termination of franchises. Provisions of this sort will prevail over inconsistent terms in a franchise agreement. Illinois has such a statute (815 ILCS 705/1-705/44).

The Area License Agreement provides for termination upon bankruptcy. A provision in a Franchise Agreement that terminates the franchise upon bankruptcy of the franchisee may not be enforceable under Title 11, U.S. Code § 101.

The Area License Agreement includes a choice of law clause designating another state's law as the governing law. Under Illinois law, a Franchise Agreement may not provide for a choice of law of any state other than Illinois. Accordingly, Item 17 w. is amended to state "none" under the heading for "Section in Area License Agreement" and "none" under the heading for "Summary." The Area License Agreement is amended to omit § 12.2.

The Area License Agreement requires you to sign a release of claims as a condition of Transfer or renewal of the area license. Under the law of Illinois, any provision that purports to bind a person acquiring a franchise to waive compliance with the franchise disclosure law of Illinois is void. Accordingly, insofar as the Area License Agreement requires you to waive your rights under the Illinois franchise law, these requirements are deleted from the Area License Agreement. This provision will not prevent the franchisor from requiring you to sign a release of claims as part of a negotiated settlement of a dispute.

Indiana

Maryland

Item 5 of the Disclosure Document is amended to provide that the regional fee is due when all our pre-opening services to you have been performed.

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

The Regional License Agreement says that we may require you to sign a release of claims, other than claims that may not be waived in advance under applicable law, as a condition of renewal or Transfer of your franchise. Under Maryland law, the release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Under the Regional License Agreement, you must disclaim the occurrence and/or acknowledge the non-occurrence of acts that might constitute a violation of the Maryland Franchise law. These representations are not intended to nor do they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure law must be brought within three years after the franchise is granted.

Date: _____

FRANCHISOR:
EXPENSE REDUCTION ANALYSTS, INC.

By:

Kenneth Hagerstrom, President & CEO
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008

Sign here if Regional Licensee is an individual:

REGIONAL LICENSEE

Signature: _____
Print Name: _____
Print Address: _____

Sign here if Regional Licensee is a company:

REGIONAL LICENSEE

Print Company Name: _____

Signature: _____
Print Name and Title: _____
Print Address: _____

Minnesota

The Regional License Agreement requires binding arbitration. The arbitration will occur in a state other than Minnesota, with costs being borne by the non-prevailing party. Under Minnesota Statutes § 80C.21 and Minnesota Rule Part 2860.4400J, this provision may not in any way invalidate or reduce any of the franchise owner's rights that are listed in Chapter 80C of the Minnesota Statutes.

The Regional License Agreement requires application of the laws of a state other than Minnesota. Under Minnesota Statutes § 80C.21 and Minnesota Rule Part 2860.4400J, this § may not in any way invalidate or reduce any of the franchise owner's rights that are listed in Chapter 80C of the Minnesota Statutes.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Regional License Agreement.

The Regional License Agreement requires you to sign a release of claims as a condition of renewing or Transferring a franchise. Minn. Rule 2860.4400J prohibits us from requiring you to sign a release of claims arising under the Minnesota Franchise Law. Therefore, any release we require you to sign will exclude claims arising under the Minnesota Franchise Law.

The Agreements provide for shortened statutes of limitations. Under Minnesota law, any claims arising under § 80C may be brought within three years after the cause of action accrues. Therefore, in Minnesota the agreements are amended to provide for a three-year period within which to bring any Minnesota claims.

Date: _____

FRANCHISOR:
EXPENSE REDUCTION ANALYSTS, INC.

By:

Kenneth Hagerstrom, President & CEO
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008

Sign here if Regional Licensee is an individual:

REGIONAL LICENSEE

Signature: _____
Print Name: _____
Print Address: _____

Sign here if Regional Licensee is a company:

REGIONAL LICENSEE

Print Company Name: _____

Signature: _____
Print Name and Title: _____
Print Address: _____

New York

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

Except as stated in Item 3 of this prospectus, neither the franchisor, its predecessor or predecessors nor any person or sales agent identified in Item 2 of this prospectus: (i) has pending any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) alleging a felony, violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations; (ii) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations; (iii) is subject to any injunctive or restrictive order or decree relating to franchises or under any Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency.

Neither the franchisor, its affiliate, its predecessor, officers, nor general partner during the 10-year period immediately before the date of the Disclosure Document : (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

The introduction to Item 17 is amended to read as follows:

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 Summary column of Item 17d is amended to read: "You may terminate upon any grounds permitted by law."

The Summary column of Item 17j is amended to read: "We may assign only to a financially responsible assignee that we reasonably believe capable of performing its obligations under the Regional License Agreement and which expressly assumes these obligations in writing."

The Summary column of Item 17s is amended to add the following: "Revisions to the Manual will not unreasonably affect your obligations, including your economic obligations, under the Regional License Agreement."

The Summary column of Item 17w is amended to add the following: The foregoing choice of law should not be considered a waiver of any right conferred upon you by the General Business Law of the State of New York, Article 33."

Date: _____

FRANCHISOR:
EXPENSE REDUCTION ANALYSTS, INC.

By:

Kenneth Hagerstrom, President & CEO
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008

Sign here if Regional Licensee is an individual:

REGIONAL LICENSEE

Signature: _____
Print Name: _____
Print Address: _____

Sign here if Regional Licensee is a company:

REGIONAL LICENSEE

Print Company Name: _____

Signature: _____
Print Name and Title: _____
Print Address: _____

North Dakota

In North Dakota, the offering circular is amended as follows to conform to North Dakota law: Item 17 (c) is revised to omit any requirement that a general release be signed as a condition of renewal.

Item 17 (r) is amended to add the following: "To the extent that covenants not to compete apply to periods after the term of the franchise, they are generally considered unenforceable in the State of North Dakota."

Item 17 (u) is amended to state that the site of any mediation or arbitration is agreeable to all parties.

Item 17 (v) (venue) of the offering circular and Section 12 of the Franchise Agreement are amended as follows: "Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

Item 17 (w) (governing law) and Section 12 of the Franchise Agreement are amended as follows: "Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Section 4.3 of the Franchise Agreement is revised to omit any requirement that a general release be signed as a condition of renewal.

Attachment 2 and Section 9.5 of the Franchise Agreement are amended to add the following:

"Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota".

Section 12.9 of the Franchise Agreement is amended as follows:

"In the State of North Dakota, the statute of limitations under North Dakota Law will apply".

"Any provision in the Franchise Agreement requiring a franchisee to consent to a waiver of exemplary and punitive damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Rhode Island

The Rhode Island Securities Division requires the following specific disclosures to be made to prospective Rhode Island franchisees:

In spite of the provisions of Item 17v and Item 17w of the Disclosure Document, any litigation or arbitration arising under the Regional License Agreement will take place in Rhode Island or other place mutually agreed to by the franchisee and franchisor.

To the extent required by § 19-28.1-14 of the Rhode Island Franchise Investment Act, the Agreements will be governed by the laws of the State of Rhode Island.

South Dakota

The Regional License Agreement includes a covenant not to compete after termination of the franchise. Covenants not to compete upon termination or expiration of the Regional License Agreement are generally unenforceable in the State of South Dakota, except in certain instances provided by law. The Regional License Agreement provides for arbitration in a state other than South Dakota. Under South Dakota law, arbitration must be conducted at a mutually agreed upon site in accordance with § 11 of the Commercial Arbitration Rules of the American Arbitration Association.

The Regional License Agreement designates the law of a state other than South Dakota as the governing law, except that the arbitration clause is to be construed under the Federal Arbitration Act and trademark issues are to be construed under the Lanham Act. Franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota, but contractual and all other matters will be subject to application, construction, enforcement, and interpretation under the governing law specified by the Regional License Agreement.

Under South Dakota law, any provision in a Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue outside South Dakota is void with respect to any cause of action which is governed by the law of South Dakota.

Under South Dakota law, termination provisions covering breach of the Regional License Agreement, failure to meet performance and quality standards, and failure to make management service fee payments contained in the Disclosure Document and Regional License Agreement must afford a franchisee thirty (30) days written notice with an opportunity to cure the default prior to termination. Under SDL 37-5A-86, any condition, stipulation or provision purporting to waive compliance with any provision of this chapter or any rule or order under it is void.

Any acknowledgment, provision, disclaimer or integration clause or a provision having a similar effect in a Franchise Agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate the South Dakota franchise law or a rule or order under the South Dakota franchise law.

Virginia

The rest of this page is intentionally left blank.

Washington

The State of Washington has a statute, RCW 19.100.180, that may supersede the Regional License Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Regional License Agreement in your relationship with the franchisor, including the areas of termination and renewal of the franchise.

In Washington, provisions of the Regional License Agreement which unreasonably limit the statute of limitations or remedies under the Washington Franchise Investment Act, such as the right to jury trial, may not be enforceable.

The Regional License Agreement requires application of the laws of a state other than Washington. If there is a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chap. 19.100 RCW, will prevail.

The Regional License Agreement requires you to sign a release of claims as a condition of renewing or Transferring the franchise. A release or waiver of rights signed by a franchise owner may not include rights under the Washington Franchise Investment Protection Act.

Under Washington law, transfer fees may be collected only to the extent that they reflect the franchisor's reasonable estimated or actual costs in connection with the Transfer.

Wisconsin

EXHIBIT A-1

STATE ADMINISTRATORS

Director, Industry Standards
Department of Municipal Affairs
Housing and Consumer Affairs Division
16th Floor, Commerce Place
10155 - 102 Street
Edmonton, Alberta, Canada T5J 4L4
(403) 422-1588

Commissioner of Corporations
Department of Corporations
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500
(866) 275-2677 Toll Free

Commissioner of Securities
Department of Commerce & Consumer Affairs
King Kalakaua Building
335 Merchant Street, Room 203
Honolulu, Hawaii 96810
(808) 586-2722

Chief
Franchise Bureau
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-1090

Franchise Section
Indiana Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

Department of Consumer
and Business Restaurants
Division of Finance
and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

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

Franchise Administrator
Consumer Protection Division
Antitrust and Franchise Unit
Michigan Dept. of Attorney General
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
(517) 373-7117

Commissioner of Commerce
Minnesota Department of Commerce
85 Seventh Place East, Suite 500
St. Paul, Minnesota 55101
(651) 296-4026

Assistant Attorney General
Bureau of Investor Protection and Securities
New York State Department of Law
23rd Floor
120 Broadway
New York, New York 10271
(212) 416-8211

North Dakota Securities Department
600 East Boulevard Avenue, Fifth Floor
Department 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Director of the Rhode Island
Department of Business Regulation
Suite 232
233 Richmond Street
Providence, Rhode Island 02903
(401) 222-3048

Franchise Administrator
Securities Division
118 West Capitol
Pierre, South Dakota 57501
(605) 773-4013

State Corporation Commission
Division of Securities and Retail Franchising
Ninth Floor
1300 E. Main Street
Richmond, Virginia 23219
(804) 371-9051

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

Franchise Administrator
Securities and Franchise Registration
Wisconsin Securities Commission
345 W. Washington Ave., 4th Floor
Madison, Wisconsin 53703
(608) 266-8557

EXHIBIT A-2

AGENTS FOR SERVICE OF PROCESS

Commissioner of Corporations
1515 K Street, Suite 200
Sacramento, California 95814

910 East Sioux Street
Pierre, South Dakota 57501

Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Regulation Division
Securities Compliance Branch
335 Merchant Street, Room 203
Post Office Box 40
Honolulu, Hawaii 96810

Clerk, State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219

Illinois Attorney General Office
500 South Second Street
Springfield, Illinois 62706

Administrator of Securities
Department of Financial Institutions
General Administration Building
Securities Division - 3rd Floor West
210 - 11th Avenue, SW
Olympia, Washington 98504

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

Commissioner of Securities
Office of the Commissioner of Securities
345 W. Washington Ave., 4th Floor
Madison, Wisconsin 53703

Commissioner
Division of Securities
200 Saint Paul Place
Baltimore, Maryland 21202-2020

Commissioner of Commerce
State of Minnesota
Department of Commerce
Registration Division
85 Seventh Place East
St. Paul, Minnesota 55101

Secretary of State of New York
41 State Street
Albany, New York 11231

Securities Commissioner
State Capitol, 5th Floor
600 East Boulevard Avenue
Bismarck, North Dakota 58505

Director of Business Regulation
233 Richmond Street, Suite 232
Providence, Rhode Island 02903-4232

Director of the Division of Securities
State Capitol Building

ERA Regional Disclosure Document – VA 01.2008

EXHIBIT B
FINANCIAL STATEMENTS OF EXPENSE REDUCTION ANALYSTS, INC.

HINZMAN & ASSOCIATES

A PROFESSIONAL CORPORATION • CERTIFIED PUBLIC ACCOUNTANTS

6339 Nancy Ridge Drive • Suite 200

San Diego, California 92121

Phone: (858) 535-1600

Fax: (858) 535-1649

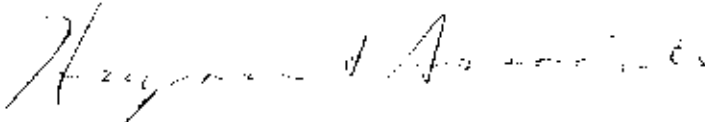
May 5, 2008

Dear Sir or Madam:

Re: Franchise Registration Application of Expense Reduction Analysts, Inc.

This correspondence is submitted in connection with the Franchise Registration Application of Expense Reduction Analysts, Inc., pursuant to Item 6F of the Franchise Registration Application instruction sheet concerning the requirements for submission of financial statements. As the independent public accountant who audited the financial statements for the period from January 1, 2007 through December 31, 2007 submitted herewith, I hereby consent to the use of our audit report dated, April 21, 2008, in the Franchise Disclosure Document of Expense Reduction Analysts, Inc., which will be distributed to prospective franchisees.

Yours truly,



HINZMAN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Corporation

EXPENSE REDUCTION ANALYSTS, INC.

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

For the year ended December 31, 2007

EXPENSE REDUCTION ANALYSTS, INC.

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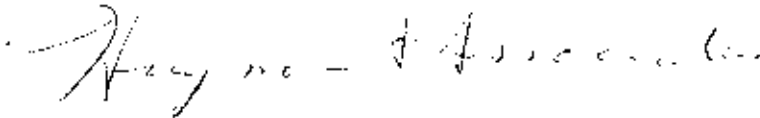
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
Expense Reduction Analysts, Inc.
San Diego, California

We have audited the accompanying consolidated balance sheet of Expense Reduction Analysts, Inc. as of December 31, 2007 and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Expense Reduction Analysts, Inc. as of December 31, 2007 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



HINZMAN & ASSOCIATES
Certified Public Accountants
A Professional Corporation

San Diego, California
April 21, 2008

Expense Reduction Analysts, Inc.
Consolidated Balance Sheet
December 31, 2007

Assets

	2007
Current assets:	
Cash and cash equivalents	\$ 1,217,360
Accounts receivable, net	718,820
Employee advances	8,915
Notes receivable	16,117
Prepaid expenses	38,900
Short term deferred income tax asset	585,000
Total current assets	2,585,112
Property and equipment, net	157,688
Licensed rights	4,000,000
Deposits	6,924
	\$ 6,749,724

Liabilities and Stockholders' Equity

Current liabilities:	
Accounts payable	\$ 335,724
Accrued expenses	705,728
Marketing liability	3,966
Total current liabilities	1,045,418
Payable to related parties	443,497
Loan payable - ERA International	734,000
Deferred income tax liability	445,000
Minority interest	1,980
Stockholders' equity:	
Common stock, par value \$.001 per share, 100,000,000 share authorized, 18,777,777 shares issued and outstanding	4,004,000
Additional paid in capital	224,000
Retained earnings	(148,171)
Total stockholders' equity	4,079,829
	\$ 6,749,724

Expense Reduction Analysts, Inc.
Consolidated Statement of Operations
For the year ended December 31, 2007

	2007
Franchise income:	
Franchise fees	\$ 5,094,435
Royalty fees	1,134,978
Management software fees	212,000
Other income	86,062
	6,527,475
General and administrative expenses	5,858,209
Income from operations	669,266
Other income (expense):	
Interest income	3,735
Interest expense	(14,169)
Income before income taxes	658,832
Income tax provision	(334,200)
	324,632
Minority interest	(1,980)
Net income	\$ 322,652

Expense Reduction Analysts, Inc.
Consolidated Statement of Changes in Stockholders' Equity
For the years ended December 31, 2007 and 2006

	Common Stock Shares	Amount	Additional Paid-in Capital	Retained Earnings	Total
Balances, December 31, 2006	18,777,777	\$ 4,001,000	\$ 224,000	\$ (470,823)	\$ 3,754,177
Capitalization of ER-AC	-	3,000	-	-	3,000
Net income for the year ended, December 31, 2007	-	-	-	322,652	322,652
Balances, December 31, 2007	18,777,777	\$ 4,004,000	\$ 224,000	\$ (148,171)	\$ 4,079,829

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

Expense Reduction Analysts, Inc.
Consolidated Statement of Cash Flows
For the year ended December 31, 2007

	2007
Cash flows from operating activities	
Net income (loss)	\$ 322,652
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation and amortization	50,742
Allowance for doubtful accounts	40,000
Deferred income taxes	331,000
Minority interest in subsidiaries' earnings	1,980
(Increase) decrease in:	
Accounts receivable	(573,040)
Receivables from related parties	31,881
Prepaid expenses	(36,900)
Increase (decrease) in:	
Accounts payable	6,282
Accrued expenses	318,269
Marketing liability	(80,363)
Payable to related parties	104,877
 Net cash provided (used) by operating activities	 517,380
Cash flows from investing activities	
Principal collections on note receivable	54,771
Purchase of property and equipment	(131,294)
 Net cash provided (used) by investing activities:	 (76,523)
Cash flow from financing activities	
Capital contribution by minority shareholder	3,000
 Net cash provided (used) by financing activities:	 3,000
 Net increase (decrease) in cash	443,857
Cash, beginning of year	773,503
Cash, end of year	\$ 1,217,360
 Supplemental information:	
Interest paid in cash	\$ -
Income taxes paid in cash	\$ (3,200)

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the year ended December 31, 2007

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Expense Reduction Analysts, Inc. (the Company) was incorporated in California on September 12, 2002, with the purpose of becoming the U.S. Master Licensee of Expense Reduction Analysts (ERA International), an international consultancy firm that engages in implementing cost reduction strategies for corporations. The Company licenses both Area Development licenses and Regional licenses throughout the United States. The Company is a subsidiary of Evercertain Ltd ("Evercertain"), which is incorporated in the United Kingdom.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its majority owned subsidiaries, SDCo., LLC (the Company owns 51%) and Expense Reduction Analysts Consultants, Inc. (the Company owns 70%). All significant intercompany transactions and balances have been eliminated in consolidation.

Basis of accounting

The financial statements of the Company have been prepared in conformity with generally accepted accounting principles on the accrual basis and accordingly reflect all significant assets, payables and other liabilities.

Concentration of credit risk

The Company maintains bank accounts at financial institutions in San Diego, California. Accounts are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of December 31, 2006 the Company had approximately \$1,300,000 of uninsured cash based on actual bank balances. Management believes the Company is not exposed to any significant credit risk with respect to its cash and cash equivalents.

Cash and cash equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the year ended December 31, 2007

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable

The Company provides for estimated losses on accounts receivable based upon a review of existing receivables. The allowance for doubtful accounts was \$40,000 at December 31, 2007.

One area developer, who has purchased the right to a territory but not yet commenced operations, constituted approximately 49% of accounts receivable at December 31, 2007.

Property and equipment

Property and equipment is carried at cost and depreciated using the straight-line method over the estimated useful lives of the individual assets, generally three to five years for all assets.

Amortization of license rights

Intangible assets which are considered to have an indefinite useful life are not amortized but rather are subjected to annual impairment tests to evaluate whether the value of the asset has been impaired. As of December 31, 2007, the Company considers license rights to have an indefinite life and the value of the asset has not been impaired. Consequently, no amortization expense had been recognized during the 12 month period ended December 31, 2007.

Franchise agreement

The Company's regional franchise agreement required an initial non-refundable fee of \$52,900 per franchise in 2007. Area development franchises are also available and require an initial non-refundable fee of approximately \$250,000. Initial franchise and area development fees are primarily intended to compensate the Company for the granting of the franchise, the right to use the Company's trademark and to offset the costs of developing training programs and the operations manual. The term of the initial franchise and area development agreement is 10 years. Options to renew the agreement for additional 5 years terms are available for \$5,000 each.

Franchise and area development fees and associated costs are recognized as revenue and expense when the franchise has signed their franchise agreement. Franchise fees received from franchises that have not yet signed their franchise agreement are recorded as a liability, costs associated with such advance franchise fees are recorded as an asset.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the year ended December 31, 2007

I. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Franchise agreements also provide for continuing royalty and marketing fees which are based on gross billings and are payable when client billings are rendered. The royalty fee, 15% of gross billings, compensates the Company for various advisory services that it provides to the franchise on an ongoing basis and is subject to a variable minimum payment. The marketing fee, 3% of gross billings, funds various marketing efforts as determined by the marketing committee. Royalty fees are recognized as revenue when earned, marketing fees are recorded as a liability until marketing expenses are incurred.

Franchise agreements also provide for management software fees totaling \$1,000 per year per user. These fees are recognized as revenue when earned.

The Company is obligated to share fees generated by new franchises with area developers if there is an area developer in the regional franchise territory. Area developers are entitled to receive up to 40% of all initial regional franchise fees and 50% of all royalty fees generated by franchises within their territory.

Income taxes

Deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the combination of the tax payable for the year and the change during the year in deferred tax assets and liabilities.

Advertising

It is the Company's policy to expense advertising costs as they are incurred. During the 12 month period ended December 31, 2007, advertising expense totaled \$144,000.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the year ended December 31, 2007

2. NOTES RECEIVABLE

Notes receivable totaling \$16,117 at December 31, 2007, consisted of two loans to franchise license holders. The loans include interest at 10% per annum and are due to be fully collected within 12 months.

3. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2007 consisted of the following:

Computers and equipment	\$ 103,939
Leasehold improvements	26,007
Furniture and fixtures	38,504
Software	164,175
	<u>332,625</u>
Less accumulated depreciation	(174,937)
	<u>\$ 157,688</u>

Depreciation expense was \$50,742 for the year ended December 31, 2007.

4. INCOME TAXES

Current deferred income tax assets totaled \$585,000 at December 31, 2007, which represented temporary differences related to the current portion of federal and state net operating loss carry forwards and royalties. Non-current deferred income tax liabilities totaled \$445,000 at December 31, 2007, which represented temporary differences related to the long term portion of net operating loss carry forwards and amortization of intangibles and depreciation of fixed assets. No valuation allowance was deemed necessary at year end as management estimates that it is more likely than not that the benefits will be utilized in future years.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the year ended December 31, 2007

4. INCOME TAXES (continued)

The income tax provision consisted of the following for the year ended December 31, 2007:

	Current	Deferred	Total
Federal	\$ -	\$ 274,000	\$ 274,000
State	3,200	57,000	60,200
	\$ 3,200	\$ 331,000	\$ 334,200

At December 31, 2007, the Company had federal and state net operating loss carry forwards of approximately \$1 million and \$1.3 million, respectively. These federal and state net operating loss carry forwards will begin to expire in 2025 and 2015, respectively.

5. RELATED PARTIES

In September 2002 the Company and certain related parties entered into an agreement with Evercertain, which specifies the terms surrounding the rights to the Expense Reduction Analysts license. The details of the agreement are summarized as follows:

License rights

The Company purchased the unconditional, exclusive and perpetual rights to use the Expense Reduction Analysts system throughout the United States of America, including the unlimited right to grant Area and Regional franchise licenses to the Expense Reduction Analysts system. Management elected to capitalize this amount as a long-term intangible asset. The license can only be revoked as described in the agreement, however, if revoked, Evercertain would be required to fulfill all contractual obligations to the licensees.

Other related parties

During 2006 the Company received a loan from ERA International totaling \$734,000. The note bears interest at 1.75% per annum and contains no fixed repayment terms. The Company owed ERA International a total of \$96,432 for accrued interest payable at December 31, 2007.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the year ended December 31, 2007

5. RELATED PARTIES (continued)

The Company utilizes the services of a regional franchise to provide training and mentoring services to new area and regional franchises. A total of \$125,000 was paid to the franchise during the year ended December 31, 2007, and an additional \$500,700 is included in accrued expenses.

The Company has a termination agreement with its prior president and CEO. The agreement provides for the payment of \$250,000, payable in 10 installments of \$25,000 each upon the sale of new area development licenses. During the year ended December 31, 2007, a total of \$50,000 was paid under this agreement. The remaining \$150,000 due under this agreement is included in accrued expenses.

The Company issued a regional license franchise to its current president and COO in connection with his employment agreement.

The Company also provides services to affiliates in other countries. The Company was owed a total of \$78,500 for these services at December 31, 2007.

Author royalties

The Company has agreed to pay Evercertain a royalty of 2% of all revenues. Royalty expense for the year ended December 31, 2007 was approximately \$120,400. The Company owed Evercertain a total of \$271,442 at December 31, 2007 for unpaid royalties.

6. COMMITMENTS AND CONTINGENCIES

In 2005 the Company entered into a three year non-cancelable operating lease for its main office facility which expires in October 2008.

The Company also has a lease for office equipment which expires in October 2009.

Future minimum lease payments under all non-cancelable operating leases follow.

Year ended, December 31, 2008	\$ 70,400
December 31, 2009	1,000
	<u>\$ 71,400</u>

Rent expense totaled \$83,230 for the year ended December 31, 2007.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the year ended December 31, 2007

7. FRANCHISE INFORMATION

Franchise statistics include:

	<u>Regional</u>	<u>Area Developer</u>
Franchises in operation at beginning of year	73	22
New franchises granted	85	3
Franchises cancelled	(1)	(2)
Franchises in operation at end of year	<u>157</u>	<u>23</u>

EXPENSE REDUCTION ANALYSTS, INC.

AUDITED FINANCIAL STATEMENTS

For the 15 month period ended December 31, 2006

EXPENSE REDUCTION ANALYSTS, INC.

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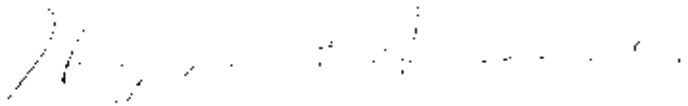
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
Expense Reduction Analysts, Inc.
San Diego, California

We have audited the accompanying balance sheet of Expense Reduction Analysts, Inc. as of December 31, 2006 and the related statements of operations, changes in stockholders' equity, and cash flows for the 15 month period then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Expense Reduction Analysts, Inc. as of December 31, 2006 and the results of its operations and its cash flows for the 15 month period then ended in conformity with accounting principles generally accepted in the United States of America.



HINZMAN & ASSOCIATES
Certified Public Accountants
A Professional Corporation

San Diego, California
February 28, 2007

Expense Reduction Analysts, Inc.
Balance Sheet
For the 15 month period ended December 31, 2006

Assets

Current assets:

Cash and cash equivalents	\$ 773,503
Accounts receivable	185,780
Receivables from related parties	40,797
Notes receivable	70,888
Prepaid expenses	2,000
Short term deferred income tax asset	340,000
Total current assets	<u>1,412,968</u>

Property and equipment, net	77,136
Deferred income tax asset	131,000
Licensed rights	4,000,000
Deposits	6,924
	<u>5,628,028</u>

Liabilities and Stockholders' Equity

Current liabilities:

Accounts payable	329,442
Accrued expenses	387,459
Marketing liability	84,329
Total current liabilities	<u>801,230</u>

Payable to related parties	338,620
Loan payable - ERA International	<u>734,000</u>

Stockholders' equity:

Common stock, par value \$.001 per share, 100,000,000 share authorized, 18,777,777 shares issued and outstanding	4,001,000
Additional paid in capital	224,000
Retained earnings	(470,822)
Total stockholders' equity	<u>3,754,178</u>
	<u>\$ 5,628,028</u>

Expense Reduction Analysts, Inc.
Statement of Operations
For the 15 month period ended December 31, 2006

Franchise income:	
Franchise fees	\$ 2,372,871
Royalty fees	653,525
Other income	82,827
Other income	<u>180,000</u>
	3,289,223
General and administrative expenses	<u>4,344,329</u>
Income (loss) from operations	(1,055,106)
Other income (expense):	
Interest income	19,560
Interest expense	<u>(80,551)</u>
	(60,991)
Income (loss) before income taxes	(1,116,097)
Income tax provision	<u>(537,200)</u>
Net income (loss)	<u><u>\$ (578,897)</u></u>

Expense Reduction Analysts, Inc.
Statement of Changes in Stockholders' Equity
For the 15 month period ended December 31, 2006

	Common Stock		Additional Paid-in Capital	Retained Earnings	Total
	Shares	Amount			
Balances, September 30, 2005	1,000,000	\$ 1,000	\$ 224,000	\$ 108,075	\$ 333,075
Conversion of note payable to common stock	17,777,777	4,000,000	-	-	4,000,000
Net loss, 15 month period ended December 31, 2006	-	-	-	(578,897)	(578,897)
Balance, December 31, 2006	18,777,777	\$ 4,001,000	\$ 224,000	\$ (470,822)	\$ 3,754,178

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

Expense Reduction Analysts, Inc.
Statement of Cash Flows
For the 15 months ended December 31, 2006

Cash flows from operating activities	
Net income (loss)	\$ (578,897)
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation and amortization	44,955
Deferred income taxes	(538,000)
(Increase) decrease in:	
Accounts receivable	(154,212)
Receivables from related parties	(40,797)
Income taxes receivable	24,000
Prepaid expenses	7,235
Deposits	6,790
Increase (decrease) in:	
Accounts payable	90,245
Accrued expenses	233,901
Marketing liability	84,329
Payable to related parties	189,090
 Net cash provided (used) by operating activities	 <u>(631,361)</u>
Cash flows from investing activities	
Principal collections on note receivable	321,619
Purchase of property and equipment	(78,594)
 Net cash provided (used) by investing activities	 <u>243,025</u>
Cash flow from financing activities	
Loan proceeds from related party	734,000
 Net cash provided (used) by financing activities	 <u>734,000</u>
 Net increase (decrease) in cash	 345,664
Cash, beginning of year	427,839
Cash, end of year	<u>\$ 773,503</u>
Supplemental information:	
Interest paid in cash	\$ -
Income taxes paid in cash	<u>\$ 800</u>

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
For the 15 month period ended December 31, 2006

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Expense Reduction Analysts, Inc. (the Company) was incorporated in California on September 12, 2002, with the purpose of becoming the U.S. Master Licensee of Expense Reduction Analysts (ERA International), an international consultancy firm that engages in implementing cost reduction strategies to the small and medium size business market. The Company licenses both Area Development licenses and Regional licenses throughout the United States. The Company is a wholly owned subsidiary of Evercertain Ltd ("Evercertain"), which is incorporated in the United Kingdom.

Basis of accounting

The financial statements of the Company have been prepared in conformity with generally accepted accounting principles on the accrual basis and accordingly reflect all significant assets, payables and other liabilities.

Concentration of credit risk

The Company maintains bank accounts at financial institutions in San Diego, California. Accounts are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of December 31, 2006 the Company had approximately \$980,000 of uninsured cash based on actual bank balances. Management believes the Company is not exposed to any significant credit risk with respect to its cash and cash equivalents.

Cash and cash equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts receivable

The Company provides for estimated losses on accounts receivable based upon a review of existing receivables. The Company has recorded no allowance for doubtful accounts at December 31, 2006 as it considers all receivables to be fully collectible.

Property and equipment

Property and equipment is carried at cost and depreciated using the straight-line method over the estimated useful lives of the individual assets, generally three to five years for all assets.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
For the 15 month period ended December 31, 2006

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amortization of license rights

Intangible assets which are considered to have an indefinite useful life are not amortized but rather are subjected to annual impairment tests to evaluate whether the value of the asset has been impaired. At of December 31, 2006, the Company considers license rights to have an indefinite life and the value of the asset has not been impaired. Consequently, no amortization expense had been recognized during the 15 month period ended December 31, 2006.

Franchise agreement

The Company's regional franchise agreement currently requires an initial non-refundable fee of \$49,900 per franchise. Area development franchises are also available and require an initial non-refundable fee of approximately \$200,000. Initial franchise and area development fees are primarily intended to compensate the Company for the granting of the franchise, the right to use the Company's trademark and to offset the costs of developing training programs and the operations manual. The term of the initial franchise and area development agreement is 10 years. Options to renew the agreement for additional 5 years terms are available for \$5,000 each.

Franchise and area development fees and associated costs are recognized as revenue and expense when the franchise has signed their franchise agreement. Franchise fees received from franchises that have not yet signed their franchise agreement are recorded as a liability; costs associated with such advance franchise fees are recorded as an asset.

Franchise agreements also provide for continuing royalty and marketing fees which are based on gross billings and are payable when client billings are rendered. The royalty fee, 15% of gross billings, compensates the Company for various advisory services that it provides to the franchise on an ongoing basis and is subject to a variable minimum payment. The marketing fee, 3% of gross billings, funds various marketing efforts as determined by the marketing committee. Royalty fees are recognized as revenue when earned, marketing fees are recorded as a liability until marketing expenditures are incurred.

The Company is obligated to share fees generated by new franchises with area developers if there is an area developer in the regional franchise territory. Area developers are entitled to receive up to 40% of all initial regional franchise fees and 50% of all royalty fees generated by franchises within their territory.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
For the 15 month period ended December 31, 2006

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the combination of the tax payable for the year and the change during the year in deferred tax assets and liabilities.

Advertising

It is the Company's policy to expense advertising costs as they are incurred. During the 15 month period ended December 31, 2006, advertising expense totaled \$434,000.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. NOTES RECEIVABLE

Notes receivable totaling \$70,888 at December 31, 2006, consisted of two loans to franchise license holders. The loans include interest at 10% per annum and are due to be fully collected within 12 months.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
For the 15 month period ended December 31, 2006

3. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2006 consisted of the following:

Computers and equipment	\$ 70,875
Leasehold improvements	26,007
Furniture and fixtures	38,504
Software	65,945
	<u>201,331</u>
Less accumulated depreciation	(124,195)
	<u>\$ 77,136</u>

Depreciation expense was \$44,955 for the 15 month period ended December 31, 2006.

4. INCOME TAXES

Current deferred income tax assets totaled \$340,000 at December 31, 2006, which represented temporary differences related to the current portion of federal and state net operating loss carry forwards and royalties. Non-current deferred income tax assets totaled \$131,000 at December 31, 2006, which represented temporary differences related to the long term portion of net operating loss carry forwards and amortization of intangibles and depreciation of fixed assets. No valuation allowance was deemed necessary at year end as management estimates that it is more likely than not that the benefits will be utilized in future years.

The income tax provision consisted of the following for the 15 month period ended December 31, 2006:

	Current	Deferred	Total
Federal	\$ -	(432,000)	\$ (432,000)
State	800	(106,000)	(105,200)
	<u>\$ 800</u>	<u>(538,000)</u>	<u>\$ (537,200)</u>

At December 31, 2006, the Company had federal and state net operating loss carry forwards of approximately \$1.2 million and \$1.4 million, respectively. These federal and state net operating loss carry forwards will begin to expire in 2025 and 2015, respectively.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
For the 15 month period ended December 31, 2006

5. RELATED PARTIES

In September 2002 the Company and certain related parties entered into an agreement with Evercertain, which specifies the terms surrounding the rights to the Expense Reduction Analysts license. The details of the agreement are summarized as follows:

License rights

The Company purchased the unconditional, exclusive and perpetual rights to use the Expense Reduction Analysts system throughout the United States of America, including the unlimited right to grant Area and Regional franchise licenses to the Expense Reduction Analysts system. Management elected to capitalize this amount as a long-term intangible asset. The license can only be revoked as described in the agreement, however, if revoked, Evercertain would be required to fulfill all contractual obligations to the licensees.

Note payable

In consideration for the license from Evercertain, the Company issued a \$4,000,000 promissory note payable bearing interest at the Applicable Federal Rate published annually by the Internal Revenue Service and contained no fixed repayment terms. This note was secured by the license rights. During the 15 month period ended December 31, 2006, the Company incurred \$72,000 of interest on this note payable.

During the 15 month period ended December 31, 2006, the Company paid \$0 of accrued interest related to this note. The Company owed Evercertain a total of \$157,800 at December 31, 2006, for interest payable and other advances.

During 2006 Evercertain converted the \$4 million note receivable into 17,777,777 additional shares of common stock.

Other related parties

During 2006 the Company received a loan from ERA International totaling \$734,000. The note bears interest at 1.75% per annum and contains no fixed repayment terms.

The Company utilizes the services of a regional franchise to provide training and mentoring services to new area and regional franchises. A total of \$198,500 was paid to the franchise during the 15 month period ended December 31, 2006, and an additional \$254,400 is included in accrued expenses.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
For the 15 month period ended December 31, 2006

5. RELATED PARTIES (continued)

The Company has a termination agreement with its prior president and CEO. The agreement provides for the payment of \$250,000, payable in 10 installments of \$25,000 each upon the sale of new area development licenses. During the 15 month period ended December 31, 2006, a total of \$50,000 was paid under this agreement. The remaining \$175,000 due under this agreement was expensed as a contingent liability during the 15 month period ended December 31, 2006, and is included in accrued expenses.

The Company issued a regional license franchise to its current president and COO in connection with his employment agreement.

The Company is reimbursed for certain operating expenses by international affiliates; a total of \$180,000 was received during the 15 month period ended December 31, 2006, and recorded as other income.

The Company also provides services to affiliates in other countries, a total of \$45,875 was recorded as other franchise income during the 15 month period ended December 31, 2006 and the Company was owed a total of \$40,797 for these services at December 31, 2006

Author royalties

The Company has agreed to pay Evercertain a royalty of 2% of all revenues. Royalty expense for the 15 month period ended December 31, 2006 was approximately \$58,000. The Company owed Evercertain a total of \$151,000 at December 31, 2006 for unpaid royalties.

6. COMMITMENTS AND CONTINGENCIES

In 2005 the Company entered into a three year non-cancelable operating lease for its main office facility which expires in October 2009.

Future minimum lease payments under all non-cancelable operating leases follow:

Year ended December 31, 2007	\$	82,200
December 31, 2008		70,400
December 31, 2009		1,000
	\$	<u>152,600</u>

Rent expense totaled \$98,600 for the 15 month period ended December 31, 2006

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
For the 15 month period ended December 31, 2006

7. FRANCHISE INFORMATION

Franchise statistics include:

	<u>Regional</u>	<u>Area Developer</u>
Franchises in operation at beginning of year	37	20
New franchises granted	36	3
Franchises cancelled	-	(1)
Franchises in operation at end of year	<u>73</u>	<u>22</u>

HINZMAN & ASSOCIATES

A PROFESSIONAL CORPORATION • CERTIFIED PUBLIC ACCOUNTANTS

6339 Nancy Ridge Drive • Suite 200

San Diego, California 92121

Phone: (858) 535-1600

Fax: (858) 535-1649

February 28, 2007

Dear Sir or Madam:

Re: Franchise Registration Application of Expense Reduction Analysts, Inc.

This correspondence is submitted in connection with the Franchise Registration Application of Expense Reduction Analysts, Inc., pursuant to Item 6F of the Franchise Registration Application instruction sheet concerning the requirements for submission of financial statements. As the independent public accountant who audited the financial statements for the period from October 1, 2005 through December 31, 2006 submitted herewith, I hereby consent to the use of such financial statements dated, February 28, 2007, in the Uniform Franchise Offering Circular of Expense Reduction Analysts, Inc., which will be distributed to prospective franchisees.

Yours truly,



HINZMAN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Corporation

HINZMAN & ASSOCIATES

A PROFESSIONAL CORPORATION · CERTIFIED PUBLIC ACCOUNTANTS

6339 Nancy Ridge Drive · Suite 200

San Diego, California 92121

Phone: (858) 535-1600

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CONSENT OF INDEPENDENT ACCOUNTANTS

December 9, 2005

We hereby consent to the use in the Franchise Offering circular constituting part of this Uniform Franchise Registration application of the following report relating to the financial statements for Expense Reduction Analysts, Inc. which appears as an attachment in such offering circular.

Reporting Period

September 30, 2005

Report Date

December 9, 2005



HINZMAN & ASSOCIATES
Certified Public Accountants
A Professional Corporation

EXPENSE REDUCTION ANALYSTS, INC.

AUDITED FINANCIAL STATEMENTS

For the Years Ended September 30, 2005 and 2004

EXPENSE REDUCTION ANALYSTS, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
Expense Reduction Analysts, Inc.
San Diego, California

We have audited the accompanying balance sheets of Expense Reduction Analysts, Inc. as of September 30, 2005 and the related statements of operations, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Expense Reduction Analysts, Inc. as of September 30, 2004 were audited by other auditors whose report dated December 30, 2004 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Expense Reduction Analysts, Inc. as of September 30, 2005 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



HINZMAN & ASSOCIATES
Certified Public Accountants
A Professional Corporation

San Diego, California
December 9, 2005

Expense Reduction Analysts, Inc.
Balance Sheet
September 30, 2005 and 2004

Assets	2005	2004
Current assets:		
Cash and cash equivalents	\$ 427,839	\$ 305,375
Accounts receivable	31,568	50,975
Current portion of notes receivable	99,463	123,000
Interest receivable	-	4,848
Income taxes receivable	24,000	5,000
Prepaid expenses	9,235	-
Deferred income tax asset	256,000	71,000
Total current assets	848,105	560,198
Licensed rights	4,000,000	4,000,000
Note payable - related party	(4,000,000)	(4,000,000)
Licensed rights - net	-	-
Notes receivable, less current portion	293,044	319,162
Property and equipment, net	43,497	71,034
Deposits	13,714	6,790
	\$ 1,198,360	\$ 957,184
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 239,197	\$ 310,082
Accrued expenses	153,558	-
Deferred rent	-	7,950
Total current liabilities	392,755	318,032
Payable to related parties	149,530	10,000
Deferred income tax liability	323,000	204,000
Stockholders' equity:		
Common stock, par value \$.001 per share, 100,000,000 share authorized, 1,000,000 shares issued and outstanding	1,000	1,000
Additional paid in capital	224,000	224,000
Retained earnings	108,075	200,152
Total stockholders' equity	333,075	425,152
	\$ 1,198,360	\$ 957,184

Expense Reduction Analysts, Inc.
Statement of Operations
For the years ended September 30, 2005 and 2004

	2005	2004
Franchise income:		
Franchise fees	\$ 1,889,823	\$ 2,157,180
Royalty fees	135,363	20,608
Marketing fees	22,509	-
Other income	14,969	-
Other income	243,636	-
	2,306,300	2,177,788
General and administrative expenses	2,419,738	1,698,102
Income (loss) from operations	(113,438)	479,686
Other income (expense):		
Interest income	26,700	14,166
Interest expense	(70,000)	(70,000)
Other expense	(106)	(69)
	(156,844)	423,783
Income (loss) before income taxes	(156,844)	423,783
Income tax provision	(64,767)	151,710
Net income (loss)	(92,077)	272,073
Retained earnings, beginning of year	200,152	(71,921)
Retained earnings, end of year	\$ 108,075	\$ 200,152

Expense Reduction Analysts, Inc.
Statement of Cash Flows
For the years ended September 30, 2005 and 2004

	2005	2004
Cash flows from operating activities		
Net income (loss)	\$ (92,077)	\$ 272,073
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	36,156	39,469
Deferred income taxes	(66,000)	133,000
Interest	-	70,000
(Increase) decrease in:		
Accounts receivable	19,407	(50,975)
Interest receivable	4,848	(4,848)
Income taxes receivable	(19,000)	(5,000)
Prepaid expenses	(9,235)	-
Deposits	(6,924)	-
Increase (decrease) in:		
Accounts payable	(70,885)	206,607
Accrued expenses	153,558	-
Deferred revenue	-	(10,000)
Deferred rent	(7,950)	(5,688)
Payable to related parties	139,530	(130,000)
Net cash provided (used) by operating activities	81,428	514,638
Cash flows from investing activities		
Issuance of notes receivable	(40,200)	(458,028)
Principal collections on note receivable	89,855	102,712
Purchase of property and equipment	(8,619)	(26,985)
Net cash provided (used) by investing activities	41,036	(382,301)
Net increase (decrease) in cash	122,464	132,337
Cash, beginning of year	305,375	173,038
Cash, end of year	\$ 427,839	\$ 305,375
Supplemental information:		
Interest paid in cash	\$ 70,000	\$ 70,000
Income taxes paid in cash	\$ 33,100	\$ 10,843

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
September 30, 2005 and 2004

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Expense Reduction Analysts, Inc. (the Company) was incorporated in California on September 12, 2002, with the purpose of becoming the U.S. Master Licensee of Expense Reduction Analysts, an international consultancy firm that engages in implementing cost reduction strategies to the small and medium size business market. The Company licenses both Area Development licenses and Regional licenses throughout the United States. The Company is a wholly owned subsidiary of Evercertain Ltd (“Evercertain”), which is incorporated in the United Kingdom.

Basis of accounting

The financial statements of the Company have been prepared in conformity with generally accepted accounting principles on the accrual basis and accordingly reflect all significant assets, payables and other liabilities.

Concentration of credit risk

The Company maintains bank accounts at financial institutions in San Diego, California. Accounts are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of September 30, 2005 the Company had approximately \$400,000 of uninsured cash based on actual bank balances. Management believes the Company is not exposed to any significant credit risk with respect to its cash and cash equivalents.

Cash and cash equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts receivable

The Company provides for estimated losses on accounts receivable based upon a review of existing receivables. The Company has recorded no allowance for doubtful accounts at September 30, 2005 and 2004 as it considers all receivables to be fully collectible.

Property and equipment

Property and equipment is carried at cost and depreciated using the straight-line method over the estimated useful lives of the individual assets, generally three to five years for all assets.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
September 30, 2005 and 2004

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amortization of license rights

The license rights will be amortized based on the percentage of current revenues derived from the license rights for the period over management's best estimate of total future revenues expected from the sale of the area and regional licenses. The amortization of the rights will begin after principal payments are made to Evercertain.

Franchise agreement

The Company's regional franchise agreement currently requires an initial non-refundable fee of \$49,900 per franchise. Area development franchises are also available and require an initial non-refundable fee of approximately \$200,000. Initial franchise and area development fees are primarily intended to compensate the Company for the granting of the franchise, the right to use the Company's trademark and to offset the costs of developing training programs and the operations manual. The term of the initial franchise and area development agreement is 10 years. Options to renew the agreement for additional 5 years terms are available for \$5,000 each.

Franchise and area development fees and associated costs are recognized as revenue and expense when the franchise has completed their initial training. Franchise fees received from franchises that have not yet completed their initial training are recorded as a liability; costs associated with such advance franchise fees are recorded as an asset.

Franchise agreements also provide for continuing royalty and marketing fees which are based on gross billings and are payable when client billings are rendered. The royalty fee, 15% of gross billings, compensates the Company for various advisory services that it provides to the franchise on an ongoing basis and is subject to a variable minimum payment. The marketing fee, 3% of gross billings, compensates the Company for various marketing efforts as determined by management. Royalty and marketing fees are recognized as revenue when earned.

The Company is obligated to share fees generated by new franchises with area developers if there is an area developer in the regional franchise territory. Area developers are entitled to receive up to 40% of all initial regional franchise fees and 50% of all royalty fees generated by franchises within their territory.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
September 30, 2005 and 2004

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the combination of the tax payable for the year and the change during the year in deferred tax assets and liabilities.

Advertising

It is the Company's policy to expense advertising costs as they are incurred. During the year ended September 30, 2005 and 2004, advertising expense totaled \$238,000 and \$221,000, respectively.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
September 30, 2005 and 2004

2. NOTES RECEIVABLE

Notes receivable consisted of multiple loans to franchise license holders, all due 36 months from note inception and included the following:

Monthly Payment	Interest Rate	Start Date	Balances September 30,	
			2005	2004
\$ 5,096	10%	3/1/2005	\$ -	\$ 157,939
4,840	10%	8/1/2004	116,590	150,000
3,125	10%	4/1/2004	54,709	87,469
1,718	10%	4/1/2004	-	46,754
1,225	10%	9/15/2005	40,200	-
16,469	10%	6/30/2006	181,008	-
			<u>392,507</u>	<u>442,162</u>
Less current portion			<u>(99,463)</u>	<u>(123,000)</u>
Long-term portion			<u>\$ 293,044</u>	<u>\$ 319,162</u>

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	September 30,	
	2005	2004
Computers and equipment	\$ 59,671	\$ 58,552
Leasehold improvements	26,007	26,007
Furniture and fixtures	24,659	24,659
Software	12,400	4,900
	<u>122,737</u>	<u>114,118</u>
Less accumulated depreciation	<u>(79,240)</u>	<u>(43,084)</u>
	<u>\$ 43,497</u>	<u>\$ 71,034</u>

Depreciation expense was \$36,156 and \$39,469 for the years ending September 30, 2005 and 2004, respectively.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
September 30, 2005 and 2004

4. INCOME TAXES

Current deferred income tax assets totaled \$256,000 and \$71,000 at September 30, 2005 and 2004, respectively, which represented temporary differences related to federal and state net operating losses and royalties. Non-current deferred income tax liabilities totaled \$323,000 and \$204,000 at September 30, 2005 and 2004, respectively, which represented temporary differences related to amortization of intangibles and depreciation of fixed assets. No valuation allowances were deemed necessary at either year end as management estimates that it is more likely than not that the benefits will be utilized in future years.

The income tax provision consisted of the following for the periods ended September 30:

	Current	2005 Deferred	Total
Federal	\$ -	\$ (64,000)	\$ (64,000)
State	2,233	(3,000)	(767)
	\$ 2,233	(67,000)	\$ (64,767)

	Current	2004 Deferred	Total
Federal	\$ -	117,000	\$ 117,000
State	18,710	16,000	34,710
	\$ 18,710	133,000	\$ 151,710

At September 30, 2005, the Company had federal and state net operating loss carry forwards of approximately \$450,000 and \$621,000, respectively. These federal and state net operating loss carry forwards will begin to expire in 2025 and 2015, respectively.

5. RELATED PARTIES

In September 2002 the Company and certain related parties entered into an agreement with Evercertain, which specifies the terms surrounding the rights to the Expense Reduction Analysts license. The details of the agreement are summarized as follows:

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
September 30, 2005 and 2004

5. RELATED PARTIES (continued)

License

The Company purchased the unconditional, exclusive and perpetual rights to use the Expense Reduction Analysts system throughout the United States of America, including the unlimited right to grant Area and Regional franchise licenses to the Expense Reduction Analysts system. Management has elected to capitalize this amount as a long-term asset equal to the face value of the note payable to Evercertain. In accordance with Interpretation 39 of APB 16, as amended by SFAS 141 "Business Combinations," assets transferred or acquired from an entity under common control are presented at the carrying value of the asset, not the fair market value of the asset. As such, the license asset and the related note payable are presented net on the balance sheets. When principal payments on the note are made from the operations of the Company to Evercertain, an amortizable asset will be created and amortized accordingly.

The license can only be revoked as described in the agreement, however, if revoked, Evercertain would be required to fulfill all contractual obligations to the licensees.

Note payable

In consideration for the license from Evercertain, the Company issued a \$4,000,000 promissory note payable bearing interest at the Applicable Federal Rate published annually by the Internal Revenue Service. The note is structured as a cash flow note whereby payments are required only when the Company's "cash reserves" exceed the anticipated cash requirements, as defined in the agreement, and as the board of directors deems it prudent. This note is secured by the license rights. In 2005 and 2004, the Company incurred \$70,000 of interest on this note payable.

During the years ended September 30, 2005 and September 30, 2004, respectively, the Company paid \$108,000 and \$100,000 of accrued interest related to this note. The Company owed Evercertain a total of \$77,580 and \$10,000 at September 30, 2005 and 2004, respectively, for interest payable and other advances.

Other related parties

The Company utilizes the services of two regional franchisees to provide training and mentoring services to new area and regional franchises. A total of \$370,000 was paid to these franchises during the year ended September 30, 2005 and an additional \$175,000 is included in accrued expenses.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
September 30, 2005 and 2004

5. RELATED PARTIES (continued)

The Company has a contingent liability with its prior president and CEO. The termination agreement provides for the payment of \$250,000, payable in 10 installments of \$25,000 each upon the sale of new area development licenses. During the year ended September 30, 2005 a total of \$25,000 was paid under this agreement. The agreement also provides a consulting agreement through January 31, 2007.

The Company issued a regional license franchise to its current president and COO in connection with his employment agreement.

The Company is reimbursed for certain operating expenses by international affiliates; a total of \$243,636 was received during the year ended September 30, 2005 and recorded as other income in the attached Statement of Operations.

Author royalties

The Company has agreed to pay Evercertain a royalty of 2% of all revenues. Royalties expense for the years ended September 30, 2005 and 2004 were approximately \$42,000 and \$43,000, respectively. The Company owed Evercertain a total of \$93,000 and \$51,000 at September 30, 2005 and 2004, respectively, for unpaid royalties.

6. COMMITMENTS AND CONTINGENCIES

In 2002 the Company entered into a three year non-cancelable operating lease for its main office facility which expires in October 2005. In 2005 the Company entered into a new 3 year non-cancelable operating lease for its main office facility.

Future minimum lease payments under all non-cancelable operating leases follow:

Year ended September 30, 2006	\$	79,200
September 30, 2007		80,500
September 30, 2008		82,900
September 30, 2009		7,000

As of September 30, 2004, the Company had approximately \$8,000 in deferred rent liability related to the difference in rent expense on a straight-line basis versus the cash flows under the lease agreement.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Financial Statements
September 30, 2005 and 2004

7. FRANCHISE INFORMATION

Franchise statistics include:

	<u>Regional</u>	<u>Area Developer</u>
Franchises in operation at beginning of year	17	13
New franchises granted	22	8
Franchises cancelled	<u>(2)</u>	<u>(1)</u>
Franchises in operation at end of year	<u>37</u>	<u>20</u>

EXHIBIT C
REGIONAL LICENSE AGREEMENT



**EXPENSE REDUCTION ANALYSTS, INC.
REGIONAL LICENSE AGREEMENT**

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6. Personal Guaranty and Subordination Agreement
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8. Pre Existing Business Disclosure
9. Receipt for License Agreement

EXPENSE REDUCTION ANALYSTS® LICENSE AGREEMENT

1. PARTIES

This Agreement is signed on _____ [date], between Expense Reduction Analysts, Inc. ("ERA-USA," "we" or "us"), a California corporation with its principal office in Carlsbad, California, and _____ ("You").

2. RECITALS

2.1. Ownership of System

We have developed a unique branded system for operating consulting practices that advise on business cost reductions. We are licensed to use and sublicense within the United States certain intellectual property rights, including the trade name and mark, "EXPENSE REDUCTION ANALYSTS®." We have spent time, effort, and money to develop business methods, technical knowledge, specialized services, brand concepts, operational processes, trade secrets, commercial ideas, advertising materials, marketing strategies, information on sources of supply, and training techniques for operating EXPENSE REDUCTION ANALYSTS® Consulting Practices.

2.2. Objectives of Parties

We are willing to grant to you and you are willing to accept from us the right and obligation to own and operate an EXPENSE REDUCTION ANALYSTS® Consulting Practice, using the EXPENSE REDUCTION ANALYSTS® trade name, marks, and system, throughout the term of this agreement and according to its conditions.

3. DEFINITIONS

For purposes of this License Agreement, when any of the following words and phrases begins with a capital letter, we define its meaning in this Article 3:

3.1. Agreement

"The Agreement" or "this Agreement" means "this License Agreement."

3.2. Area

"Area" means "the geographic region within which you may operate under this Agreement."

3.3. Area Licensee

"Area Licensee" means "an individual or entity whom we appoint as area licensee for your Area and to whom we have the right to delegate some of our obligations to you under this Agreement." We may or may not appoint an Area Licensee for your area.

3.4. Authorized Deductions

"Authorized Deductions" means "the total of the deductions that we are authorized by this Agreement to take from Gross Receipts." These include Management Service Fees and marketing fund contributions.

3.5. Consulting Practice

"Consulting Practice" means "a business that we conduct or have authorized a Licensee or licensee to conduct under our Trade Name, Marks, and System."

3.6. CPI

"CPI" means "the Consumer Price Index: All Items/U. S. City Average-All Urban Consumers (1982-1984 = 100), published by the Bureau of Labor Statistics, U. S. Department of Labor," or a comparable index we select if the above-referenced index is no longer published.

3.7. Cumulative Management Service Fees

"Cumulative Management Service Fees" means "the Management Service Fees you have paid for the period from the beginning of the first month of the current contract year through the end of the most recently ended month of the current contract year."

3.8. Cumulative Minimum Management Service Fees

"Cumulative Minimum Management Service Fees" means "the minimum monthly Management Service Fee multiplied by the number of months from the first month of the current contract year through the most recently ended month of the current contract year."

3.9. Designated Principal

"Designated Principal" means "you in your role as professional operator of an EXPENSE REDUCTION ANALYSTS® Consulting Practice or, if you are an entity, the person whom you have appointed and we have certified as professional operator of your Consulting Practice."

3.10. ERAC

"ERAC" means "Expense Reduction Analysts Consulting," our Related Party, a California corporation formed for the purpose of providing expense reduction consulting services to clients with annual revenues exceeding \$1,000,000,000.00 or its successors in interest.

3.11. ERA-USA

"ERA-USA" means "Expense Reduction Analysts, Inc. or its successors in interest."

3.12. Good Standing

"Good Standing" means " you and each of your Designated Principals: (1) are not in material default of your obligations, arising from this Regional License Agreement and, (2) are in compliance with all Performance Standards or similar standards under this Regional License Agreement. For the purpose of this definition, "Good Standing" refers to acts for which you have received notice and were provided the time to cure per the terms of this agreement.

3.13. Gross Receipts

"Gross Receipts" means "the total amount of money or other consideration your clients pay for all services you or your Related Parties rendered within an accounting period less debits and plus credits made in connection with your joint venture agreements."

3.14. LAC

"LAC" means "Licensee Advisory Council" whose officers are ERA-USA® licensees in good standing. A majority of its members are elected by majority vote of ERA-USA® licensees and the balance are appointed by ERA-USA.

3.15. License

"License" means "a license to operate a Consulting Practice."

3.16. Licensee

"Licensee" means "an individual or company to whom we have granted a license to operate a Consulting Practice."

3.17. License Network

"License Network" means "the interdependent network composed of us, all EXPENSE REDUCTION ANALYSTS® Licensees, our Related Parties, and any other people or companies that have been licensed to use our Trade Name or Marks."

3.18. MAC

"MAC" means "Marketing Advisory Council," an advisory council composed of licensees to advise us regarding the management of the Marketing Fund as described in section 5.4 below,. A majority of its members are appointed by the LAC and the balance are appointed by ERA-USA.

3.19. Manual

"Manual" means "the Manual that we will lend you or to which we will give you access on our intranet during the term of this Agreement, as updated from time to time, containing information, forms, and requirements for the establishment and operation of an EXPENSE REDUCTION ANALYSTS® Consulting Practice and for use of our Trade Name and Marks."

3.20. Marks

"Marks" means "the trademarks, service marks, trade dress, logotypes, slogans, and other commercial symbols we authorize you to use under this Agreement."

3.21. Performance Rate

"Performance Rate" means "the total dollar value, on an annual basis, of all payables transactions you review for clients during a twelve (12) month period."

3.22. Related Party

"Related Party" or "Related Parties" means "people and companies associated with us or You, as the context suggests, including general partners, limited partners, shareholders, companies in which

we or You have an interest, companies in which any person or company owning an interest in You also has an interest, or our officers, directors, agents or employees or Your officers, directors, agents or employees."

3.23. Start Date

"Start Date" means "the date when your EXPENSE REDUCTION ANALYSTS® Consulting Practice opens for business or ninety (90) days after we sign this Agreement, whichever is first." The Start Date may be extended only with our written consent.

3.24. System

"System" means "the intellectual property we license to you under this Agreement, including the right to use our business methods, technical knowledge, specialized services, brand concepts, operational processes, trade secrets, commercial ideas, advertising materials, marketing strategies, information on sources of supply and training techniques."

3.25. Termination

"Termination" means "expiration of this Agreement, nonrenewal of this Agreement or termination of this Agreement before its normal expiration date."

3.26. Trade Name

"Trade Name" means "the commercial name 'EXPENSE REDUCTION ANALYSTS®.'"

3.27. Transfer

Except as described in Section 9.5 of this Agreement, "Transfer" means "any sale, gift, or other change in ownership of all or any part of the rights and obligations: (1) of this Agreement, (2) of the capital assets of your EXPENSE REDUCTION ANALYSTS® Consulting Practice or (3) of an ownership or security interest in You."

3.28. You

"You" means "the person or company that is named as 'you' in Article 1 of this Agreement." "You" means, in addition, "all people or entities that succeed to your interest by Transfer or operation of law."

3.29. Your Share

"Your Share" means "Gross Receipts less Authorized Deductions."

4. LICENSED RIGHTS

4.1. Granting Clause

We grant to you the non-exclusive right and obligation and you accept from us the non-exclusive right and obligation to own and operate an EXPENSE REDUCTION ANALYSTS® Consulting Practice within a designated Area under our Trade Name, Marks, and System during the term of this

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Agreement and according to its provisions.

4.2. Area

You may operate within the Area specified in Attachment 1 to this Agreement. You may operate outside your Area only with our prior written consent. We will grant our consent only upon the following conditions:

- (a) Either the area in which you wish to provide service is not included in the area of any area licensee or the area licensee for the area has given written consent to your operation in the area.
- (b) You may not explicitly direct any marketing efforts to clients outside your Area unless you can completely discontinue these marketing efforts on fourteen (14) days' notice or less.
- (c) When the external area is granted to an area licensee, you agree to immediately stop soliciting or accepting new business there unless the area licensee consents to your continued operation in writing. If the area licensee does not consent, you must turn over your list of prospects in the external area to the area licensee without seeking or accepting any compensation for doing so. You must immediately discontinue any marketing efforts you have directed to clients in the area.
- (d) You agree to immediately stop soliciting or accepting new business in the external area if we withdraw our consent to your operating there. We may withdraw our consent for any reason or for no reason at all.

4.3. Limitations on Prospects - Annual Sales

Your right to solicit business and serve our clients is subject to the requirements in Article 7 of this Agreement concerning pre-designation of prospects, designation of clients and joint venture agreements. You may solicit business from prospects and serve clients in your area with annual sales of \$250,000,000 or less. Your Area Licensee may invite you to participate in working with clients in your area with annual sales of \$250,000,000 to \$1,000,000,000. You may not solicit business from prospects or serve clients with annual sales of more than \$250,000,000 unless you do so under the direction of your Area Licensee. You may not solicit business from prospects or serve clients with annual sales of more than \$1,000,000,000 unless you do so under the direction of ERAC and according to its terms of engagement. You must refer any unsolicited business from companies with annual sales or more than \$250,000,000 to ERA-USA or ERAC, You will receive compensation for doing so at the companies then current rate.

4.4. Rights Reserved

We have the right to establish, franchise or license other Consulting Practices inside and outside your Area and, by signing this Agreement, you waive any objection to our free exercise of this right. We reserve the exclusive right to conduct or control Internet promotion and marketing. We reserve all other rights not expressly granted to you in this Agreement. We reserve all other rights not expressly granted to you in the License Agreement. We have the right to license other Consulting Practices inside and outside your Area and, by signing this Agreement, you waive any objection to our free exercise of this right.

4.5. Term and Renewal

4.5.1. Initial Term

The initial term of the license will begin on the Start Date and will continue for ten (10) years.

4.5.2. Renewal

You will have the right to renew the license for consecutive additional five- (5) year terms on the same terms and conditions as those on which we are customarily granting new licenses at the time of renewal if at the time of renewal the following conditions have been fulfilled:

- (a) You and your Related Parties are in Good Standing (i) under this Agreement, (ii) under any other Agreement between us or our Related Party and you, and (iii) under the Manual,
- (b) You have notified us in writing at least one hundred twenty (120) days before the expiration date of this Agreement of your wish to renew,
- (c) You and any Related Parties that have signed this Agreement have signed a copy of the new License Agreement not less than thirty (30) days before the expiration of this Agreement or thirty (30) days after you receive the new License Agreement from us, whichever is later,
- (d) You have agreed that you will, before the renewal term begins, at your own expense, replace or update the equipment and software used in the Consulting Practice so that they meet the standards and specifications applicable to a new EXPENSE REDUCTION ANALYSTS® Consulting Practice at the time of renewal,
- (e) You and any Related Parties that are guarantors to this Agreement have signed a mutual release of claims with us and our Related Parties in a form satisfactory to us with respect to past dealings between the parties, which may be similar to that form attached hereto as Attachment 7 and by this reference incorporated herein and
- (f) You have paid the renewal fee described in Article 6.

The provisions of the standard license agreement we use at the time of renewal may be materially different from this Agreement's provisions. Changed provisions may include but are not limited to changed Management Service Fees and Marketing Fund contributions.

5. OUR SERVICES

We will perform the following services for you at times and places we select as long as you are in Good Standing under this Agreement, any other agreement with us or our Related Party and the Manual:

5.1. Initial Training

Before the opening of your consulting practice, we will conduct an initial training program in the operation of your Consulting Practice under the EXPENSE REDUCTION ANALYSTS® System for you. You and, if you are an entity, your Designated Principal must attend and successfully complete the training program to our satisfaction before you may open. The professional services to clients and solicitation of new business may only be performed by a person who has successfully completed our initial training program a "Professional Services Employee".

In the Operation of your Consulting Practice you must employ at least one Professional Services Employee and you may employ up to three (including yourself) Professional Services Employees. A Professional Services Employee is defined as:

(i) Any employee who meets with a current or potential client either in person, on the telephone or through any virtual meeting tool to sell or assist in the sale of any Consulting Practice services. This definition specifically excludes tele-marketers, and

(ii) Any analyst who meets with a client without being accompanied by a Professional Services employee. This definition specifically excludes back office employees who meet with a client to collect data.

Each Professional Services Employee occupies One Professional Services Seat referred to herein as a "PS Seat". Monthly Minimum Management Service Fees are based on the number of Professional Services Employees employed in your Consulting Practice. See Section 6.3 below.

5.2. Consultation

Through your Area Licensee, if any, or otherwise directly, we will use our best efforts to make personnel available to you for timely telephone, fax, email or intranet consultation on all aspects of your business for no additional charge.

5.3. Manual

We will lend you or make available to you on our intranet a Manual that contains our standards and methodologies for the business. We will revise the manual periodically to reflect the development of our business and will distribute updated pages containing these revisions to you, or, if the Manual has been placed on our intranet, will post revised pages there. To be in Good Standing under this Agreement, you must comply with the Manual.

5.4. Marketing Fund

5.4.1. Administration

We will administer the Marketing Fund, subject to the non-binding advice of the MAC. The purpose of the fund is to pool our licensees' Marketing Fund contributions so as to achieve greater benefits for all in promoting the Trade Name and Marks. We may use the fund to pay for (i) market research, advertising materials, media space and time for a national or regional marketing program, a referral program and public relations activities and (ii) for the development of collateral and advertising materials and brochures, internet and web-based downloads, (iii) the salary of an employee in the corporate support center to manage and approve marketing items. The Marketing Fund may also be used for marketing grants to licensees, collectively or individually. In addition, the Marketing Fund may be used to pay for point-of-purchase materials or public relations projects. We will distribute to our licensees, once a year a Marketing Fund report that will state the total amounts of money collected and spent by the Marketing Fund during the past year and list, by general category, the manner in which we spent the money. We will not use the Marketing Fund to advertise for licensees.

5.4.2. Allocation of Expenditures

We will give preference to marketing fund projects that are system wide in scope, but we may allocate some Marketing Fund money to regional groups of licensees or individual licensees when we consider it desirable. Subject to the non-binding advice of the MAC on matters that we elect to refer to it, we reserve the unqualified right to decide, in our sole discretion, where, when and how marketing fund money will be spent.

5.4.3. Repayment of Advances

We have the right to lend money to the Marketing Fund, without interest, and to repay ourselves from Fund money during the same or a subsequent fiscal year.

5.5. Administrative Services

We will give you administrative support in operating your Consulting Practice. We will record your client receivables, joint venture credits and debits and client payments in a database to which you will have electronic access.

5.6. Billing and Collections

We will bill your clients for all services you provide and will receive all payments from your clients on your behalf. You must use your best efforts to collect these billings employing the procedures described in the Manual. We will provide support, using the same collection procedures and policies we use with our own clients. If you do not collect any billed amount within sixty (60) days after billing, we have the right, but not the obligation, to collect the bill ourselves or to outsource collection to a third party. You must assist and cooperate with us in any collection efforts we make or authorize. You may not bill your clients directly. You must immediately forward to us, without deduction of any kind, any payment you receive in connection with your Consulting Practice.

5.7. Payment of Your Share

We will pay Your Share, as defined in Article 3 of this Agreement, to you within thirty (30) days of receiving payment. We will give you monthly statements showing our application of the amounts received from your clients.

5.8. Proprietary CRM Software

We will license to you, for the fee stated in Article 6, our designated supplier's proprietary CRM software to enable you to use our administrative services, designate prospects and clients, and facilitate numerous aspects of your operations.

5.9. Special Certification Programs

We expect to institute and administer, ourselves or through a Related Party, special certification programs to solicit business from and serve the needs of clients in specified categories such as insurance and travel where appropriate licensure and certification are required ("Reserved Categories"). All rights to operate in these Reserved Categories are reserved to us and our Related Parties. Any licensee candidate for certification in a Reserved Category must be in Good Standing and comply with all our then current certification program and insurance requirements. In addition the operation of licensed business in any Reserved Category may require (a) pre-requisite prior experience

or formal education in its subject matter, and (b) a special permit or license(s) in the jurisdiction where you operate and where you intend to provide such services. We do not promise that you can qualify to operate licensed business in any Reserved Category but if you do we will compensate you at the then current rates for the Reserved Categories.

6. YOUR PAYMENTS

6.1. Initial License Fee

When you sign this Agreement, you will pay us in immediately accessible funds an initial license fee of Fifty Nine thousand Nine Hundred dollars (\$59,900). The initial license fee is not refundable.

6.2 Marketing Fund Contributions

On the twentieth (20) day of each month, or on any other day that we designate in writing, we will calculate and deduct from your Gross Receipts your monthly Marketing Fund contribution of three percent (3%) of the Gross Receipts of your Consulting Practice during the previous month.

6.3 Management Service Fees

A. % of Gross Receipts

A. Percentage of Gross Receipts

During the first six (6) months of the license term, the Monthly Management Service Fee is fifteen percent (15%) of Gross Receipts.

After the first six (6) months of the license term, the Monthly Management Service Fee is the greater of fifteen percent (15%) of Gross Receipts, or the then-applicable Monthly Management Service Fee.

B. Monthly Minimum Management Service Fee

The relevant Monthly Minimum Management Service Fee (“MMMSF”) for the number of occupied PS Seats shall apply for any month or any part of any month that any PS Seat is occupied in your Consulting Business.

The Monthly Minimum Management Service Fee Management Service Fee required per Professional Services Employee is as follows:

Time period of franchise term

	<u>MMMSF</u> One PS Seat	<u>MMMSF</u> Two PS Seats	<u>MMMSF</u> Three PS Seats
Months 7 through 12 inclusive Year 2	\$500	\$750	\$1,000

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	\$1,000	\$1,500	\$2,000
Year 3 and all subsequent years of the franchise term:	\$1,500	\$2,250	\$3,000

C. Deductions from Gross Receipts

On the twentieth (20) day of each month, or on any other day that we designate in writing, we will calculate and deduct from your Gross Receipts the monthly Management Service Fee for the preceding month.

The usual deduction will be simply 15% of Gross Receipts.

If the Monthly Minimum Management Service Fee is greater than 15% of Gross Receipts, then that month we will deduct the Monthly Minimum Management Service Fee.

Provided that, in any month when the Monthly Minimum Management Service Fee is greater than 15% of Gross Receipts, (a "Minimum Deduction Month") we will compare your year to date Monthly Minimum Management Service Fee payments and your year to date payments of Management Service Fee on Gross Receipts. If in any Minimum Deduction Month the year to date payments of Management Service Fee on Gross Receipts exceeds your cumulative year to date minimum Management Service Fee payments, there will be no deductions made for minimum Management Service Fees for that Minimum Deduction Month.

For the purposes of this explanation the term "year to date" shall mean the contract year for the term of this Agreement.

You must establish a checking account in which you maintain a balance at least as great as your minimum monthly Management Service Fee and sign an agreement in the form of Attachment 3 or in any other form required by the bank to enable us to withdraw funds from the account by ACH transfer. If your Gross Receipts are insufficient to cover any minimum Management Service Fee payment that is due, we will transfer the remainder from your account to ours.

Your obligation to pay ongoing monthly Management Service Fees begins on the Start Date of this Agreement, as defined in Article 3 of this Agreement. If the Start Date is on any day other than the first day of a month, we will prorate the minimum Management Service Fees based on the number of days from the Start Date to the last day of the first month under this Agreement.

Any revenues received by any Related Parties as a result of operations of any business in breach of the covenants not to compete as set out in section 8.6 below shall be subject to the payment of Management Service Fees and penalties for late payment and interest.

6.4 Audit

We have the right to audit your books and records, including your tax returns, with respect to your Consulting Practice during normal working hours with no advance notice. The auditor may be our
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employee or an independent contractor and does not have to be an accountant. If an audit discloses an underpayment of Management Service Fees or marketing fund contributions payable under this Agreement, you must immediately pay these amounts to us together with accrued interest, at the rate specified in Section 6.12 of this Agreement, on the amount underpaid. In addition, if we performed the audit because you did not provide required financial statements at the times and in the format specified in the Manual or if the underpayment exceeds three percent (3%) of the total Management Service Fee or marketing fund contribution payable for any period covered by the audit, you must reimburse us for our expenses for the audit. If an audit makes it clear that Gross Receipts were deliberately concealed by your direct billings, it will be grounds for immediate Termination of your license.

6.5 Training Fees

We will not charge a fee for the initial training program at which we train you or your Designated Principal at the inception of the license term. However, if you later replace your Designated Principal, (who may also be your first Professional Services Employee), transfer your license or ask us to train an additional Professional Services Employee who will perform professional services for your clients, we will charge a training fee of fifteen thousand dollars (\$15,000). If you must replace a trainee within ninety (90) days after completion of the training program, we will allow the replacement to attend training at no charge. We may also charge a training fee for continuing education programs.

6.6 Training Costs

For all training we offer, you must pay any costs of travel, lodging, meals, and other incidental expenses that you and your employees incur.

6.7 CRM Software License Fees

You must pay a semi-annual CRM software license fee of five hundred dollars (\$500) per user to us on or before December 31 and June 30 of each year. If the Start Date is on any day other than January 1 or July 1, we will prorate the initial license fee based on the number of complete months from the Start Date to the earlier of December 31 or June 30.

6.8 Renewal Fee

As a condition of renewing this license, you must pay, when you sign the license agreement for the first renewal term, a renewal fee of five thousand dollars (\$5,000). Any renewal fee for a later renewal term will be set in the license agreement for the expiring license term.

6.9 Transfer Fee

If your Transferee has already satisfactorily completed our initial training program, you must pay, with your notice to us of your intent to Transfer, a transfer fee of five thousand dollars (\$5,000).

6.10 Annual Meeting Registration Fee

We will charge a registration fee of no more than one thousand dollars (\$1,000) for each person attending the Expense Reduction Analysts® Annual Meeting. Payment is due at least one (1) week before the Meeting begins.

6.11 Interest on Late Payments

Any payment that we do not receive from you when due will bear interest at eighteen percent (18%) per year or at the highest rate allowed by applicable law on the date when payment is due, whichever is less. We charge interest on late payments to partially compensate us for loss of use of the funds and for internal administrative costs resulting from late payment that would otherwise be difficult to measure precisely. The fact that we impose these charges is not a waiver of our right to be paid on time.

6.12 Application of Payments

We may apply any payment you make to us, at our option, to any past due debt you owe us regardless of how you say the payment should be applied. We do not have to accept payments after they are due or extend credit or otherwise finance your operations. If you do not pay all amounts when due we may suspend our services and support until you cure the failure. If you do not make the payment within any applicable cure period, we have good cause to terminate this Agreement.

6.13 Our Right to Withhold Gross Receipts

If you are in breach of your reporting obligations pursuant to Section 7.6 below then we may withhold payments of Gross Receipts to you unless and until you have completed and posted all reports to the CRM as required in Section 7.6.

7. YOUR OBLIGATIONS

7.1. Use of Trade Name and Marks

7.1.1. Representation and Warranty

We represent and warrant to you that under a license agreement with the registered owner of the Trade Name and Marks, we have the right to use them throughout the United States and to sublicense them to you under this Agreement.

7.1.2. Context

You may use the Trade Name and Marks only in the operation of an EXPENSE REDUCTION ANALYSTS® Consulting Practice. You may not use any other trade name or marks in connection with your Consulting Practice.

7.1.3. Changes in Trade Name and Marks

We have invested time, energy, and money in promoting and protecting our Trade Name and other Marks. We do not intend to change them. However, rights in intangible property such as the Trade Name and Marks are often difficult to establish and defend. Changes in the cultural and economic environment within which the System operates or third party challenges to our rights in the Marks may make it desirable or necessary to change the Trade Name and Marks. We therefore have the right to change our Trade Name and Marks and the specifications for each when we believe, in our reasonable

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discretion, that the changes will benefit the License Network. You must promptly conform to any such changes. You will be responsible for the costs associated with the ordering of new letterhead, envelopes and business cards while we shall bear all other costs associated with the name change

7.1.4. Marketing Materials

All marketing and promotion that you undertake must be completely truthful, conform to the highest standard of ethical advertising and comply with any applicable laws and regulations. You must submit to us copies of all promotional and advertising materials that you propose to use at least two weeks before the proof approval deadline. We will review the materials within a reasonable time and will promptly notify you whether we approve or reject them. We may not withhold our approval unreasonably. Even if we approve specified materials, we may later withdraw our approval if we reasonably believe it is necessary to make the advertising conform to changes in the System or to correct unacceptable features of the advertising.

7.1.5. Legal Protection

You agree to notify us immediately in writing if you become aware of any unauthorized use of our Trade Name, Marks, or System. You must promptly notify us in writing of any claim, demand, or suit against you or against your principals in connection with your use of the Trade Name, Marks, or System. In any action or proceeding arising from or in connection with any such claim, demand, or suit, we may select legal counsel and have the right to control the proceedings.

7.1.6. Works For Hire

You agree that any and all designs, plans, reports, writings, specifications, drawings, inventions, processes, software tools and other information or items (the "Works") produced by Licensee and its employees and consultants and Related Parties during the term of this Agreement in the operation and development of the License shall be works for hire and shall be assigned to Us as the sole and exclusive property of Licensor and Licensor's assigns, nominees, and successors, along with any copyrights, patents or trademarks obtained by You in relation to the Works. You will promptly make a full disclosure to Us, and hold in trust for the sole right and benefit of Us, any and all Works which You or your employees, consultants or Related Parties may solely or jointly conceive, write, develop, reduce to practice; or cause to be conceived, written, developed, or reduced to practice, during any part of the Term of this Agreement. You hereby assign and agree to assign to Us, all of Your right, title and interest in and to any and all Works, if any, and agree, during and subsequent to this Agreement to execute and deliver to Us, ownership, title and exclusive rights therein, all without charge. You agree to obtain the individual written agreement of each of your employees, consultants and Related Parties to the provisions of this section in the form of Attachment 3B to this Agreement.

7.2. Quality Assurance

7.2.1. Initial Training Program

You or your Designated Principal must faithfully attend all phases of the initial training program and complete it to our satisfaction, as certified by us in writing. Failure to successfully complete any aspect of the training program, as we determine in our sole discretion, constitutes grounds for immediate termination of your license, but we have the right to offer you one or more remedial courses of action, such as additional training or employment of supplemental personnel, if we believe the alternative or alternatives may make it unnecessary for us to terminate your license. If you do not accept the alternative course of action within the time we allow, we may terminate your license, effective immediately.

7.2.2. Beginning Operation

You may not begin to operate your Consulting Practice until we certify in writing that, in the view of our management, you and your employees or both are prepared to begin operation. By certifying that our management believes your Consulting Practice is prepared to begin operation, we do not guarantee that it will be successful. Success is dependent on many factors that are not within our control.

7.2.3. Compliance with Manual

You must buy and maintain, according to our specifications in the Manual, a computer running the software we designate, telephone system, fax machine, color printer and highspeed digital access to your computer. You must operate your Consulting Practice in total compliance with the standards and specifications stated in the Manual. We may make changes in our standards and specifications, when, in our reasonable discretion, change is needed for the continued success and development of the License Network. Such changes may require the purchase of new equipment, supplies, software or other goods, completion of additional training or other cost to you. You must promptly conform to the modified standards and specifications at your own expense. If you have a paper copy or copies of the Manual, you must at all times keep your copy of the Manual current by inserting in it any revised pages we give you and deleting superseded pages. If there is any dispute as to the requirements of the Manual at any point in time, the terms of our master copy of the Manual will control.

7.2.4. Services Offered

Under this Agreement, we authorize you to act as our agent for the limited purpose of entering into service agreements with designated clients using forms that we provide and in performing professional services, according to procedures stated in the Manual, for these clients. You may recommend to clients only those suppliers that we have authorized you to recommend. You must offer and provide all the services and you may offer only the services that we have authorized you to provide. You may not receive any brokerage fees or any other form of compensation from suppliers you are recommending to our clients.

7.2.5. Our Right to Pre-Approve Reports

Upon our request, you must electronically transmit any client report to us for review and approval before you convey it to a client. If we contact you with concerns or comments, you must address these to our satisfaction before submitting the report to your client.

7.2.6. Client Satisfaction Program

We may use various techniques to obtain client feedback concerning your services. If the feedback indicates that your performance does not meet our currently effective standards, as described in the Manual, or if we receive client complaints about your Consulting Practice, we may suggest ways in which you can improve your performance. If you do not take immediate, effective steps to bring your operation up to our standards, your failure to do so will be a material breach of this Agreement.

7.2.7. Maintenance and Upgrades

You must keep your business equipment clean and in excellent repair. Periodically, we may instruct you to upgrade your equipment to meet our currently effective standards. You must promptly comply with any such request.

7.2.8. Professional Conduct

In all your dealings with us, your clients, your employees, your suppliers and others, you must adhere to the highest possible standards of professional conduct, honesty, integrity, ethical behavior, dependability, good faith and fair dealing. You may not accept a gift, payment, entertainment, commission, rebate, discount, promise of employment or any other benefit from any supplier or proposed supplier to a client. Doing so is a material event of default. You may not engage in any conduct that, in our reasonable opinion, may injure the goodwill associated with the Trade Name and Marks. You must do everything you can to promote and maintain the excellent reputation of the EXPENSE REDUCTION ANALYSTS® License Network.

7.2.9. Inspections

We will conduct periodic quality assurance inspections of your Consulting Practice including your books and records, your tax returns, your computer and other electronic records in any medium, during normal business hours. You will cooperate with our representatives during inspections. We may make quality assurance inspections with or without prior notice. You must promptly correct any deficiencies in your operation of which we advise you. If you do not take immediate, effective steps to bring your operation up to our standards, your failure to do so will be a material breach of this Agreement. You will permit us and/or our representatives to enter your Premises or home-office at any time during normal business hours upon reasonable notice, for purposes of conducting inspections. The inspections will be performed in a manner that minimizes interference with the operation of your Consulting Practice. You will cooperate fully with us and/or our representatives in inspections by rendering assistance as they may reasonably request and by permitting them, at their option, to observe how you are selling the products and rendering the services, to monitor sales volume, to confer with your employees and customers and to remove copies of any records in amounts reasonably necessary to return to our office for inspection and record-keeping. We and/or you may videotape the inspections. Upon notice from us, and without limiting our other rights under this Agreement, you will take all steps necessary to correct immediately any deficiencies detected during inspections, including immediately stopping use of any equipment, advertising, materials, products, supplies or other items that do not conform to our then-current requirements. If you fail or refuse to correct any deficiency, we have the right, without any claim to the

contrary by you, to enter your Premises or home - office without being guilty of trespass or any other tort, for the purposes of making or causing to be made all corrections as required, at your expense, payable by you upon demand.

7.2.10. Notification of Complaints

You must notify us promptly if you are served with a complaint in any legal or administrative proceeding that is in any way related to your Consulting Practice or if you become aware that you are the subject of any complaint to or investigation by a governmental licensing authority or consumer protection agency.

7.3. Attendance at Meetings

We hold a National Meeting at least once each year to provide updates, offer continuing education, and encourage discussion of topics of importance to the License Network. You or your Designated Principal must attend at your own expense. We may charge a registration fee of \$1000 per person for attendance at the National Meetings. In addition, you must attend at least seventy-five percent (75%) of the meetings, if any, called by your Area licensee each year. You will not be asked to attend more than twelve (12) meetings each year. With the exception of the Annual Meeting which you or your Designated Principal must attend in person, you may attend the meetings referred to in this section by teleconference or telephone call.

7.4. Personnel

7.4.1 You must devote full time and effort to the management and operation of your Consulting Practice. In the Operation of your Consulting Practice you must employ at least one Professional Services Employee and you may employ up to three (including yourself) Professional Services Employees. A Professional Services Employee as defined in Section 5.1 above. Each such employee must (a) satisfactorily complete the initial training program, for the training fee specified in section 6.6 of this Agreement, and (b) execute a Form substantially similar to the Non Disclosure and Non Competition Agreement attached hereto as Attachment 3B, as reviewed by your local counsel for applicability in your State, before performing services for clients. You must see that your employees preserve good client relations and comply with this Agreement and the Manual.

7.4.2 You and we have expressly bargained and agreed that it is your obligation under this Agreement to ensure the compliance of You and each of the Related Parties with the in term and post term restrictions described in this Agreement. The obligations and restrictions of this Section do not apply to the specific and limited exceptions for any Pre-Existing Business as defined and agreed in Attachment 8 to this Agreement.

7.5. Financial Information

7.5.1. Records

You must keep financial records of your business in the form prescribed by the Manual for at least six (6) years.

7.5.2. Reports

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You must submit to us financial reports on the income and expenses of your Consulting Practice at the times and in the format specified in the Manual. You must buy or lease computer and communications equipment and software that meet specifications stated in the Manual to create financial reports and transmit them to us electronically, to enable you to participate in our intranet, if we should establish one, and to use our proprietary CRM software. You must give us access to your computer. You must submit to us, upon request, copies of all federal, state, and local income and sales tax returns. We may use this data to confirm that you are complying with your obligations under this Agreement, to formulate earnings and expense information to show to prospective licensees and to advise you on Consulting Practice operations.

7.6. Prospects and Clients and Maintenance and Sharing of CRM Data

7.6.1. Pre-Designation of Prospects and Designation of Clients

To avoid conflicts and duplicated effort within the License Network, you must pre-designate all prospects whose business you wish to solicit in advance and identify them on our CRM system. You may not have listed more than fifty (50) prospects at one time. All prospects must be listed for at least 60 days. We may remove prospect listings one hundred eighty (180) days after they are listed if you have been unable to generate a signed contract by that time. You must record client engagements on our CRM system and give us a copy of each contract within seven (7) days after it is signed. We may remove any client listing for which no invoice has been posted within the past twelve (12) months. You may not solicit business from or serve any prospect or client while it is listed on our CRM by another licensee or by us.

7.6.2. Joint Venture Agreements

Whenever you work on a project that is divided between two or more licensees, you must enter into a joint venture agreement, obtain approval of the arrangement from your Area Developer or from us and follow the procedures outlined in the Manual for conducting a joint venture project.

7.6.3. Client Data Management

You are required to share all client reports with us and with all other licensees of the System. Your reports will be made available to us and to other licensees of the System to view and use and you will be permitted to use and view the reports submitted by us and by other licensees of the System. In particular you must:

- 7.6.3.1 Provide us with a copy of the case study and client reports including but not limited to the Baseline Report, RFPs, RFP Responses and Recommendation Reports for all engagements as prescribed in the Manual. These documents may be uploaded electronically to the CRM.
- 7.6.3.2 Upon our request you will deliver to us copies of all notes and emails of all ERA-USA business communication(s) with clients.

7.7. Insurance

You must purchase and maintain a policy or policies of comprehensive public liability insurance covering all Consulting Practice assets, personnel, and activities on an occurrence basis with a combined single limit for bodily injury, death, or property damage of not less than one million dollars (\$1,000,000). You must maintain consultants' professional errors and omissions coverage of not less than one million dollars (\$1,000,000). We may increase the minimum coverage requirement annually if necessary to reflect inflation or other changes in circumstances. If you have employees, you must maintain policies of workers' compensation insurance, disability insurance, and any other types of insurance required by applicable law. Each insurance policy that we require under this Agreement must contain a provision that the policy cannot be canceled without thirty (30) days' written notice to us. All policies of insurance to be maintained by you shall contain a separate endorsement naming us, and if required, our Related Parties, as additional insured parties on the additional-insured Grantor of Franchise Form CG2029 or an insurer's comparable form. It must be issued by an insurance company of recognized responsibility, designate us as an additional named insured and be satisfactory to us in form, substance, and coverage. You must deliver a certificate of the issuing insurance company evidencing each policy to us as soon as the policy is issued or renewed.

7.8. Financial and Legal Responsibility

7.8.1. Compliance with Law

You must comply with all federal, state, and local laws and regulations pertaining, directly or indirectly, to your Consulting Practice. You must strictly follow all laws and regulations relating to unemployment insurance, workers' compensation insurance and withholding and payment of payroll taxes. You must keep current all licenses, permits, bonds, and deposits made to or required by any government agency in connection with your operation of your Consulting Practice.

7.8.2. Payment of Indebtedness

You must pay promptly when due all taxes and debts that you incur in the conduct of your business, particularly debts to approved or designated suppliers. You and your Related Parties must remain current in any financial responsibilities to your lessor and to us or our Related Parties.

8. RELATIONSHIP OF PARTIES

8.1. Interest in Marks and System

You may not at any time do or cause to be done anything contesting or impairing our interest in our Trade Name, Marks or System. You have not been granted any rights in our Trade Name, Marks or System except for your right to use them according to the express terms of this Agreement. We retain the right to grant other licenses or licenses to use the Trade Name, Marks, and System on any terms that we would like, subject only to your rights described in Article 4 of this Agreement.

8.2. Independent Status

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You are an independent contractor and must make this fact clear in your dealings with suppliers, lessors, government agencies, employees and others. You must rely on your own knowledge and judgment in making business decisions, subject only to the requirements of this Agreement and the Manual. You may not expressly or implicitly hold yourself out as our employee, partner, member, shareholder, joint venturer, or representative, nor may you state or suggest that you have the right or power to bind us or to incur any liability on our behalf other than the strictly limited right to sign client agreements on our behalf, using our standard form of agreement, and to perform client engagements on our behalf in strict compliance with the Manual. You may not use the EXPENSE REDUCTION ANALYSTS® Trade Name as part of your legal name (corporate, limited liability company, or partnership name), although you may use it as prescribed as your fictitious business name.

8.3. Display of Statement

Purchase order forms, leases, tax returns, and other documents you use in your business dealings with suppliers, lessors, government agencies, and employees must clearly identify you as an independent legal entity operating under an EXPENSE REDUCTION ANALYSTS® license. You must use the client agreement forms we provide to you.

8.4. Confidentiality

8.4.1 **System Confidentiality:** The information, ideas, forms, marketing plans, and other materials we disclose to you under this Agreement, and all information shared in the CRM, whether or not included in the Manual, are our confidential and proprietary information and trade secrets. You agree to maintain the confidentiality of all such material. You may not disclose any such information to any third party, except to your employees and agents as necessary in the operation of your Consulting Practice and except as we authorize in writing. It is your responsibility to ensure compliance of your Related Parties with the provisions of this section. Each of your Related Parties must sign a written nondisclosure agreement, in the form of Attachment 3 to this Agreement, when you sign this Agreement. You must obtain a nondisclosure agreement from each new Related Party with which you become affiliated during the term of this Agreement and promptly send a copy of the nondisclosure agreement to us. Each of your Professional Services Employees must sign a written nondisclosure agreement, in the form of Attachment 3B to this Agreement, before they attend the initial training program and you must promptly send a copy of the nondisclosure agreement to us.

8.4.2 Client Confidentiality

Client confidentiality is critical to the System. In our Agreements with clients and suppliers we represent that we will keep their information confidential. You agree to maintain the confidentiality of your clients, our clients and the clients of other Licensees (together "Clients"). You agree not to release or publish the name of any Clients or the results of any Clients projects without their written consent. You may assume that any document relating to a completed project that you receive from us already has the written consent of Client to publish only the specific information contained in the written document. You cannot and must not make the same assumption about any document received from any other Licensee.

If you send a letter, tell a story, write an article or in any way provide Client information to a third party you must ensure you have the Client's written consent to publish. A breach of this provision is a non curable breach of this Agreement which may result in immediate termination. See Section 10.2.2 below.

8.5. Indemnification

You must indemnify and hold us harmless from all direct expenses and liabilities arising from or in any way connected to any act or omission of yours other than the operation of your Business in strict compliance with this Agreement. If we are made a party to a legal proceeding in connection with your act or omission, we may hire counsel to protect our interests and bill you for all expenses and fees we incur. You must promptly reimburse us.

We must indemnify and hold you harmless from all direct expenses and liabilities arising from or in any way connected to any third party claim that your operation of an EXPENSE REDUCTION ANALYSTS® Consulting Practice infringes its intellectual property rights or misappropriates its trade secrets. If you are made a party to a legal proceeding in connection with a claim of this type, we will hire counsel to protect our interests and will defend you at our own expense. Any settlement we negotiate will bind you, but we will reimburse you for your direct cost of compliance with the settlement agreement.

If any part of our systems and procedures are deemed illegal, tortious or wrongful conduct then we will indemnify you from any third party action arising directly from such conduct.

8.6. Covenant Not to Compete

You and your Related Parties may not, during the term of this Agreement and for two (2) years after its Termination, operate or own a beneficial interest in any company that is competitive with any Consulting Practice and that is located within your area or any area where you have previously solicited prospects under this Agreement. You agree to obtain the individual written agreement of each of your Related Parties to the provisions of this section in the form of Attachment 3 to this Agreement.

8.7. Non-Solicitation

During the term of this Agreement and for two (2) years after its Termination, You and Your Related Parties may not disrupt, damage, impair, or interfere with our business or that of any of our licensees by directly or indirectly soliciting their employees to work for You or Your Related Parties for any individual or company then in competition with the License Network. Violation of this clause is a material breach of the License Agreement and may result in Termination of the license. You agree to obtain the individual written agreement of each of your Related Parties to the provisions of this section in the form of Attachment 3 to this Agreement.

9. TRANSFER OF LICENSE

9.1. Purpose of Conditions for Approval of Transfer

We grant this license in reliance on your integrity, ability, experience, and financial resources. You may sell neither the license nor your Consulting Practice operated under it unless you have first obtained our written consent, which may not be unreasonably withheld. To ensure that no Transfer

jeopardizes the Trade Name, Marks, or our interest in the successful operation of your Consulting Practice, we will consent to a Transfer only if you comply with the provisions of Sections 9.2 through 9.4 of this Agreement.

9.2. Notice of Intention to Transfer

If you would like to Transfer this license, you must submit to us: (a) the form of license purchase application we currently use, completed by the prospective transferee, (b) a written notice, describing all the terms and conditions of the proposed Transfer, and (c) the Transfer fee described in Article 6 of this Agreement. If we do not approve the Transfer, we will return the Transfer fee to you after deducting one thousand dollars (\$1,000) as compensation for our expenses in connection with the proposed Transfer.

9.3. Consent by ERA-USA, Right of First Refusal

We must respond in writing to your written notice within fifteen (15) days after receiving it, or, if we request additional information, within the later date of fifteen (15) days after receipt of the additional information or the final day of the original fifteen- (15-) day period. We may either consent in writing to the Transfer, state in writing our reason for refusing to consent, or purchase your Consulting Practice from you ourselves on the same terms and conditions as those offered by the third party. Silence is not consent. If we consent to the Transfer, then you may Transfer the interest described in the notice only to the named transferee and only on the terms and conditions stated in the notice. Our consent to a particular Transfer will not be consent to any other or subsequent Transfer.

9.4. Conditions for Consent to Transfer

Our consent to your Transfer will not be unreasonably withheld, but it will be subject to certain conditions, including, but not limited to:

- (a) Our determination, based on the information that you submit and any other information available, that the proposed transferee meets all of the criteria of character, business experience, financial responsibility, net worth, and other standards that we customarily apply to new licensees at the time of Transfer,
- (b) Payment of all your outstanding debts to us and our Related Parties,
- (c) Cure of all defaults under the License Agreement, any other agreement(s) between us and you or your Related Party, and the Manual,
- (d) At our sole option, signing by the transferee of an assumption of the rights and obligations of this License Agreement or signing by the transferee of the then-current form of license agreement, and personal guarantee and our then current form of Personal Guarantee and signing by the transferee's Related Parties of required ancillary agreements in the forms attached to the applicable license agreement,
- (e) Your payment of the Transfer fee described in Article 6 of this Agreement,
- (f) Payment for and completion by the transferee of the EXPENSE REDUCTION ANALYSTS® initial training program to our satisfaction unless the transferee has already completed the training program, and
- (g) Signing by you and any Related Parties that are guarantors to this Agreement of a mutual release of claims with us and our Related Parties in a form satisfactory to us with respect to

past dealings between the parties which may be similar to that form attached hereto as Attachment 7 and by this reference incorporated herein.

We have the right but not the obligation to withhold our consent to a transfer if we determine, based on our review of the proposed purchase agreement or notice, that the agreement and any financing of the sale will not give the buyer a reasonable chance to succeed as an EXPENSE REDUCTION ANALYSTS® licensee.

9.5. Changes of Ownership Not Considered To Be Transfers

As used in this Agreement, the word "Transfer" does not mean an assignment to:

- (a) Any Trustee, Guardian, Executor, or Conservator for the account and benefit of a spouse, ancestor, or descendent,
- (b) Any of your employees under any employee stock option plan or stock purchase plan, if any share certificate distributed in connection with a plan of this type is marked with a legend describing the restrictions and conditions of Transfer required by this Agreement,
- (c) Any business entity if the beneficial ownership of the licensee immediately after the assignment is the same and in the same proportions as the beneficial ownership immediately before the assignment. For the assignment to be effective, you, if you are an individual licensee, or each of your owners, if you are not, must (1) first sign and deliver a personal guaranty to us, (2) submit to us information on any change of this type in the equity ownership of the licensee, the percentage of ownership, and the address where business records are maintained and (3) enter into a new license agreement, amended to eliminate the initial license fee and shorten the term to the remainder of the original agreement's term.

9.6. Change of Ownership Upon Death or Total Disability

If you or your principal owner dies or becomes permanently disabled while this Agreement is in effect, your heirs, successors or beneficiaries will have six months within which to complete initial training to our satisfaction and pay the then current training fee. In addition, if they have not already satisfactorily completed our training program, they must do so for the fee stated in section 6.6. If we approve your heirs, successors or beneficiaries as transferees of the license, we will waive any Transfer fee in connection with the Transfer. If we advise your heirs or beneficiaries in writing that we do not approve them as transferees of the license, or if we do not approve or disapprove the Transfer within one hundred and twenty (120) days following your death or Permanent Disability, as defined below, your heirs or beneficiaries may have sixty (60) additional days from the date of disapproval of the Transfer or the end of the one hundred and twenty (120) day period, whichever is first, within which to find and notify us of a proposed Transfer to a qualified transferee. If your heirs or beneficiaries do not advise us of a qualified transferee within the specified period, the license will automatically terminate at the end of that period unless we have granted a written extension of time.

"Permanent Disability" means that we both agree that you will be unable, through mental or physical infirmity, to participate actively in the business for six (6) calendar months or more throughout any consecutive twelve (12) month period. If we cannot both agree on this, it must be determined by suitably qualified medical practitioners; one appointed by you and another appointed by us. Should the two (2) medical practitioners fail to agree, then both practitioners shall select a third medical practitioner whose

determination shall be final and binding. The cost of any such medical consultation shall be borne equally by both of us.

9.7. Assignment by ERA-USA

We may assign this Agreement or any rights or obligations created by it without your consent upon the following conditions: (a) We reasonably believe that the assignee can perform our obligations under this Agreement and (b) the assignee expressly agrees in writing to assume our obligations under this Agreement.

10. TERMINATION OF LICENSE

10.1. Termination by the Parties

This agreement may be terminated by the written agreement of both parties.

10.2. Termination by ERA-USA

10.2.1. Notice of Default

This Agreement will terminate thirty (30) days after we give you written notice of default if any of the defaults described in subsections (a) through (c) below has not been cured. This Agreement will terminate five (5) days after written notice is given to you if the default described in subsection (d) below has not been cured. This Agreement will terminate immediately when written notice is given to you if any of the defaults described in subsections (e) through (n) below occurs.

10.2.2. Acts of Default

Upon the occurrence of any of the following defaults, we, at our option, may terminate this Agreement:

- (a) If you do not submit to us in a timely manner any information or report we require you to submit under this Agreement,
- (b) If you do not begin operation of a Consulting Practice by the Start Date of this Agreement or if you operate in a manner that does not conform to this Agreement and the Manual,
- (c) If you default in the performance of any material obligation under this Agreement not otherwise described in this list of defaults,
- (d) If you fail to make any payment when due under this Agreement or any other agreement between you or your Related Party and us or our Related Party,
- (e) If you fail to successfully complete the initial training program and we conclude, in our sole discretion, that you are unable or unwilling to do so.
- (f) If you misuse the Trade Name, Marks or the System or engage in conduct that reflects materially and unfavorably on the goodwill associated with them or if you use in any names, marks, systems, logotypes, or symbols that we have not authorized you to use,
- (g) If you or any of your Related Parties has any direct or indirect interest in the ownership or operation of any business that is confusingly similar to a Consulting Practice or that uses the System or the Marks without authorization from us, or if you fail to give us a signed copy of the

- Nondisclosure and Noncompetition Agreement of each of your Related Parties within ten (10) days after that party becomes a Related Party,
- (h) If you or your Related Party attempt to assign your rights under this Agreement or to Transfer your Consulting Practice in any manner not authorized by this Agreement,
 - (i) If you or your Related Party has made any material misrepresentation in connection with the acquisition of a Consulting Practice or to induce us to enter into this Agreement, or if you have deliberately concealed Gross Receipts from us,
 - (j) If you act without our prior written approval or consent in regard to a matter for which this Agreement expressly requires our prior written approval or consent,
 - (k) If you stop operating your Consulting Practice for a six- (6-) month period or under circumstances that lead us to the reasonable conclusion that you do not intend to resume operation,
 - (l) If you commit a material default and we have twice previously given you written notice of the same type of default within the preceding twelve (12) months, whether or not you have cured the defaults,
 - (m) Except as otherwise required by the United States Bankruptcy Code, if you become insolvent, are adjudicated a bankrupt, or file or have filed against you a petition in bankruptcy, reorganization, or similar proceeding, or
 - (n) If you are convicted of criminal misconduct that is relevant to the operation of your Consulting Practice or any felony.
 - (o) If you receive any brokerage fees or other form of compensation from suppliers you are recommending to our clients.

10.3. Rights and Obligations After Termination

Upon Termination of this Agreement for any reason, the parties will have the rights and obligations:

- (a) We may stop performing our obligations under this Agreement,
- (b) You must give us a final accounting for your Consulting Practice, pay us within thirty (30) days after Termination all payments due to us, and return the Manual, marketing materials, proprietary forms, software, videotapes and any other property belonging to us or our Related Party or containing proprietary information.
- (c) Upon our written request, you must immediately and permanently stop using the Marks or any confusingly similar marks, the System, and any advertising, signs, stationery, or forms that bear identifying marks or colors that might give others the impression that you are operating a Consulting Practice,
- (d) You must promptly sign any documents and take any steps that in our judgment are necessary to delete your listings from classified telephone directories, disconnect or, at our option, assign to us any telephone numbers that have been used in connection with your Consulting Practice, and terminate all other references that suggest you are or ever were associated with us. By signing this Agreement, you irrevocably appoint us your attorney-in-fact to take the actions described in this paragraph if you do not do so yourself within seven (7) days after this Agreement is terminated,

- (e) You must maintain all records we require you to maintain under this Agreement for not less than six (6) years after final payment of any money you owe to us when this Agreement is terminated.
- (f) We have an option to buy some or all of the assets of the licensed business from you, during thirty (30) days following the effective date of Termination, upon the following terms:
 - i. We must send written notice to you within thirty (30) days after Termination of this Agreement if we elect to exercise the option to purchase.
 - ii. The physical assets of your Consulting Practice, including its equipment, supplies and inventory and any Works as defined in section 7.1.6 will be valued at the lower of depreciated cost or fair market value. If the parties do not agree on a price for the physical assets within the option period, the option period may be extended for up to fifteen (15) business days to permit an appraisal by an independent appraiser who is mutually satisfactory to the parties. If the parties fail to agree on an appraiser within the specified period, each must appoint an appraiser and the two appraisers thus appointed must agree on a third appraiser within ninety (90) days after Termination who must determine the price for the physical assets of your Consulting Practice according to the standards specified above. This determination will be final and binding on both us and you.
 - iii. Upon our request, you must give us copies of the leases for any equipment used in your Consulting Practice and allow us the opportunity, at a mutually satisfactory time, to inspect the leased equipment. We must advise you of our wish to assume any equipment lease within fifteen (15) days after we have received the information and/or inspected the equipment. We may assume any equipment lease in consideration of our assumption of future obligations under the lease. Upon our exercise of this option, we will indemnify you against future rents and other future liabilities under the equipment lease, but not from any debts to the lessor that already exist on the date when we assume the lease.
 - iv. You must assign to us any interest you may have in your existing client contracts and in any income generated by them after Termination through expiration of each contract to us in return for our payment to you of twelve and a half percent (12.5%) of the future income generated by the contracts. We will, in turn, assume responsibility for continued service under the contracts and may reassign them to other members of our License Network or perform the work ourselves. Notwithstanding the above, if the termination is due to your election not to renew this Agreement or any subsequent renewal(s) for any reason, then you must assign to us any interest you may have in your existing client contracts and in any income generated by them after Termination through expiration of each contract to us in return for our payment to you of fifty percent (50%) of the net consulting fees received by us generated from any of your existing clients at the time of the expiration of the Agreement and/or any subsequent renewal(s). For the purposes of this section 10.3 (f) (iv) "Net consulting fees" are defined as the total amount of fees collected from work previously performed on behalf of a client, less the applicable Management Service Fee, marketing fund payments and any other fees mutually agreed to in any subsequent renewal(s). These amounts will be paid to

you for the duration of each individual consulting assignment and will be paid within twenty (20) days of receipt of said fees by us.

- v. Payment for the assigned contracts will be made to you monthly as we collect payments from your former clients. Payment for the other assets of the Consulting Practice will be made by a twenty-five (25%) percent down payment with the balance by our promissory note, payable in twenty-four (24) equal monthly payments. Interest will be payable at the rate of eight percent (8%) per year. There will be no prepayment penalty. We may offset against the total price for the business any amounts we must advance to the landlord or trade vendors to cure your pre-Termination defaults and to bring your equipment and premises up to our current standards as well as any money you owe us and our Related Parties at Termination.
- vi. Upon our written election to buy the Consulting Practice, we have the right to immediate possession and may seek provisional relief from any court of competent jurisdiction to enforce this right. Until such time as the purchase price for the business has been determined as described above and the purchase has been concluded, we will operate the Consulting Practice on your behalf. During any such interim period, we have the right to use the proceeds of the business to pay a reasonable salary to the subcontractor we employ, to meet your payroll obligations and to pay trade debts as they arise. If there is any dispute between the parties regarding the purchase and the rights and obligations described in this subsection, the prevailing party will be entitled to costs incurred in resolving the dispute, as determined by the arbitrator.

- (g) If the license granted in this Agreement is terminated because of either party's material default, the rights described in this section may not necessarily be the injured party's exclusive remedies, but will instead supplement any other equitable or legal remedies available.
- (h) Termination of this Agreement will not end any obligation of either party that has come into existence before Termination. All obligations of the parties that by their terms or by reasonable implication are to be performed in whole or in part after Termination will survive Termination.

11. MISCELLANEOUS PROVISIONS

11.1. Construction of Contract

Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires. If there is any conflict between this Agreement and the Manual, this Agreement will control.

11.2. Governing Law

This Agreement is made in the State of California and its provisions will be governed by and interpreted under the laws of that State, with the following exceptions: (a) The Franchise Investment Law and the California Franchise Relations Act will not apply except to the extent that it would be applicable without this Agreement's designation of governing law, (b) the arbitration clause will be exclusively

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governed by and should be construed in accordance with the Federal Arbitration Act, and (c) trademark rights will be governed by and construed in accordance with the Lanham Act.

11.3. Notices

The parties to this Agreement should direct any notices to the other party at the address below that party's name on the final page of this Agreement or at another address if advised in writing that the address has been changed. Notice may be delivered by facsimile (with simultaneous mailing of a copy by first class mail), delivery service or first class mail. Notice by facsimile or email will be considered delivered upon transmission, by delivery service, upon delivery, and by first class mail, three days after posting. Notice of Termination or nonrenewal must be given by a receipted form of delivery.

To ERA-USA:

Kenneth Hagerstrom, President
Expense Reduction Analysts, Inc.
5050 Avenida Encinas, Suite 200
Carlsbad, California 92008

To Licensee:

11.4. Amendments

This Agreement may be amended only by a document signed by all of the parties to this Agreement or by their authorized agents.

11.5. Waiver

Waiver of any breach of this Agreement may not be interpreted as a waiver of any subsequent breach.

11.6. Integration

This Agreement and any exhibits or attachments to it are the entire agreement between the parties concerning the license it grants. All other agreements and representations, other than the representations in the offering circular, are superseded by it. The parties hereto acknowledge and agree that all provisions relating to the dispute resolution, confidentiality and covenants not to compete and all provisions relating to the protection of Intellectual Property, Marks and the System are hereby incorporated into the joint venture agreement referred to in Section 7.6.2 above.

11.7. Negotiation and Mediation

11.7.1. Agreement to Use Procedure

The parties have reached this Agreement in good faith and in the belief that it is mutually advantageous to them. In the same spirit of cooperation, they pledge to try to resolve any dispute without litigation or arbitration. They agree that, if any dispute arises between them, before beginning any legal

action or arbitration to interpret or enforce this Agreement, they will first attempt to negotiate a settlement and, if either party files a mediation proceeding, participate in the mediation. Good faith participation in these procedures to the greatest extent reasonably possible is a precondition to maintaining any legal action or arbitration to interpret or enforce this Agreement.

11.7.2. Initiation of Procedures

The party that initiates these procedures ("Initiating Party") must give written notice to the other party, describing in general terms the nature of the dispute, specifying the Initiating Party's claim for relief, and identifying one or more people with authority to settle the dispute for him, her, or it. The party receiving the notice ("Responding Party") has ten (10) days within which to designate by written notice to the Initiating Party one or more people with authority to settle the dispute on the Responding Party's behalf. These people are called the "Authorized People."

11.7.3. Direct Negotiations

The Authorized People may investigate the dispute as they consider appropriate, but agree to meet in person, by prearranged teleconference, or by video conference within fourteen (14) days from the date of the Initiating Party's written notice to discuss resolution of the dispute. The Authorized People may meet at any times and places and as often as they agree.

11.7.4. Mediation

If the Dispute has not been resolved within thirty (30) days after the initial meeting, either party may, at its option, begin mediation procedures. Mediation will be conducted by and under the rules of the American Arbitration Association ("AAA") in San Diego, California. The parties must share the costs of mediation, such as the mediator's fee and cost of the facility, equally.

11.8. Arbitration

Any dispute arising out of or in connection with this Agreement, if not resolved by negotiation or mediation as described above, must be determined by binding arbitration in San Diego, California, by the AAA. This arbitration clause does not deprive either party of any right it may otherwise have to seek provisional injunctive relief from a court of competent jurisdiction. The arbitrator must be an attorney with substantial experience in franchise law. There will be no discovery except that required by applicable state law. If proper notice of any hearing has been given, the arbitrator will have full power to take evidence or to perform any other acts necessary to arbitrate the matter in the absence of any party who fails to appear. The arbitrator will have no power to 1) stay the effectiveness of any pending Termination of license, 2) assess punitive damages against either party, or 3) make any award that modifies or suspends any lawful provision of this Agreement. All expenses of arbitration, such as the arbitrator's fee and cost of the facility, will be shared equally by the parties. Any award must include interest from the date of any damages incurred for breach of contract and from the date of the award until judgment on the award is paid in full. Judgment on any award may be entered by any court of competent jurisdiction.

11.9. Limitation of Actions

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Neither party may maintain an arbitration petition against the other party unless (a) the party follows the negotiation and mediation procedures described above, and (b) files an arbitration petition within one (1) year after the event complained of occurs.

11.10. Individual Dispute Resolution

Any arbitration or litigation between or among the parties to this agreement and any of their Related Parties will be conducted on an individual basis and not on a consolidated or class-wide basis.

11.11. No Attorney Fees

If legal action, including any action on appeal, or arbitration is necessary to enforce the terms and conditions of this Agreement, neither party will be permitted to recover attorney fees from the other, unless either party is entitled to recover attorney fees under applicable law if it prevails. In that case, if the opposing party prevails, it has a reciprocal right to recover attorney fees.

11.12. Severability

Each provision of this Agreement is severable. If any of its provisions is determined to be invalid or in conflict with any existing or future law or regulation, that provision will not impair the operation of the remaining provisions of this Agreement. The invalid provisions will be considered not to be a part of this Agreement. However, if we decide that the finding of illegality adversely affects the basic consideration for our performance under this Agreement, we may, at our option, terminate it.

11.13. Approval and Guaranties

If you are a corporation, all officers and shareholders with a ten percent (10%) or greater interest in you, or, if you are a partnership, all your general partners, or, if you are a limited liability company, all your members must approve this Agreement, permit you to furnish the financial information we require, and agree to the restrictions placed on them, including restrictions on the transferability of their interests in the license and your Consulting Practice and limitations on their rights to compete, and sign separately written guaranties of your payments and performance in the form of Attachment 6 to this Agreement. All transferees of any interest in your Consulting Practice, this Agreement or any equity or voting interest in you, in your corporation, partnership or limited liability company shall comply with this provision as a condition precedent to our consent to transfer.

11.14. Acceptance by ERA-USA

This Agreement will not be binding on us unless and until it has been signed by the chief executive officer, chairman of the board or president.

11.15. Disclaimer of Representations

YOU AGREE THAT WE HAVE MADE NO REPRESENTATIONS OR PROMISES OF ANY KIND TO INDUCE YOU TO SIGN THIS AGREEMENT EXCEPT THOSE SPECIFICALLY STATED IN THE LICENSE OFFERING CIRCULAR THAT HAS BEEN DELIVERED TO YOU. YOU ACKNOWLEDGE THAT NEITHER WE NOR ANY OTHER PERSON HAS GUARANTEED THAT YOU WILL SUCCEED IN THE OPERATION OF THE EXPENSE REDUCTION ANALYSTS® CONSULTING PRACTICE OR HAS PROVIDED ANY SALES OR INCOME PROJECTIONS OF ANY KIND TO YOU OTHER THAN THOSE,

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IF ANY, INCLUDED IN THE OFFERING CIRCULAR. YOU HAVE MADE AN INDEPENDENT INVESTIGATION OF ALL IMPORTANT ASPECTS OF THE BUSINESS YOU WILL OPERATE UNDER THE LICENSE. YOU UNDERSTAND THAT WE ARE NOT A FIDUCIARY AND HAVE NO SPECIAL RESPONSIBILITIES BEYOND THE NORMAL RESPONSIBILITIES OF A SELLER IN A BUSINESS TRANSACTION. **WE HAVE ADVISED YOU TO CONSULT AN ATTORNEY TO REVIEW THIS AGREEMENT AND ADVISE YOU UPON IT AND WE HAVE GIVEN YOU SUFFICIENT TIME WITHIN WHICH TO DO THIS.**

IN WITNESS TO THE PROVISIONS OF THIS AGREEMENT, the undersigned has signed it on the date stated in Article 1.

LICENSOR
EXPENSE REDUCTION ANALYSTS, INC.

By: _____
Ken Hagerstrom, President
5050 Avenida Encinas, Suite 200
Carlsbad, California 92008

Sign here if Licensee is an individual:

LICENSEE

Signature: _____
Print Name: _____
Print Address: _____

Sign here if Licensee is a company:

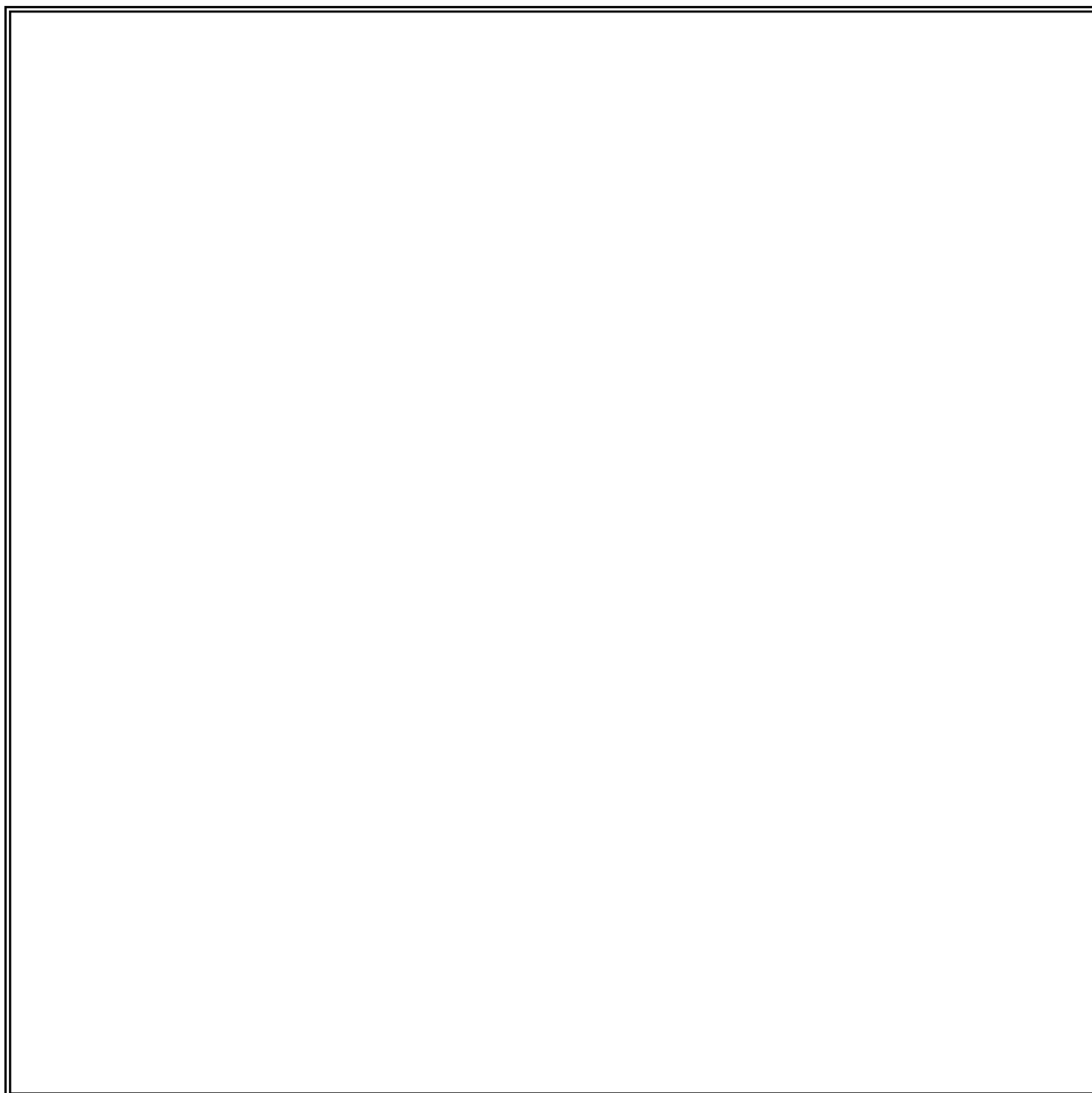
LICENSEE

Print Company Name: _____

Signature: By: _____
Print Name: _____
Print Title: _____
Print Address: _____

ATTACHMENT 1

AREA



ATTACHMENT 2

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENT (DIRECT DEBIT)

The undersigned depositor ("Depositor") authorizes Expense Reduction Analysts, Inc. ("ERA-USA") to request debit entries and/or credit correction entries to the Depositor's checking and/or savings account(s) indicated below and the depository ("Depository") to debit the account according to ERA-USA's instructions.

_____	_____
Depository	Branch

Street Address, City, State, Zip Code	
_____	_____
Bank Transit/ABA Number	Account Number

This authorization is to remain in full force and effect until Depository has received joint written notification from ERA-USA and Depositor of the Depositor's termination of the authorization in a time and manner that will give Depository a reasonable opportunity to act on it. In spite of this, Depository will give ERA-USA and Depositor thirty (30) days' prior written notice of the termination of this authorization. If an incorrect debit entry is made to Depositor's account, Depositor will have the right to have the amount of the entry credited to the account by Depository, if within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to the entry or forty-five (45) days after posting, whichever occurs first, Depositor has sent Depository a written notice identifying the entry, stating that the entry was in error, and requesting Depository to credit the amount to the account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

_____	_____
Depositor	Depository
_____	_____
By	By
_____	_____
Title	Title
_____	_____
Date	Date

ATTACHMENT 3

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

Confidant is about to undergo training by Expense Reduction Analysts, Inc. ("ERA-USA") or one of its licensees. During this process, Confidant will learn a great deal about the EXPENSE REDUCTION ANALYSTS® System, including information about its members' business affairs, finances, management, marketing programs, philosophy, clients and methods of doing business. Confidant will have access to confidential information developed and maintained at substantial cost by ERA-USA. This information is proprietary to ERA-USA. Its use by third parties could cause substantial and irreparable damage to the company.

Therefore, in return for either (a) his or her training by ERA-USA to operate a Consulting Practice or (b) his or her employment by ERA-USA or by one of its licensees, the undersigned ("Confidant") agrees as follows:

1. Nondisclosure of Trade Secrets and Confidential Information

Confidant agrees, during the term of the License Agreement and following termination, expiration, or assignment of the Agreement, not to disclose, duplicate, sell, reveal, divulge, publish, furnish, or communicate, either directly or indirectly, any Trade Secret or other Confidential Information of ERA-USA to any other person or company unless authorized in writing by ERA-USA. Confidant agrees not to use any Trade Secret or Confidential Information for his or her personal gain or for purposes of others, whether or not the Trade Secret or Confidential Information has been conceived, originated, discovered, or developed, in whole or in part, by Confidant or represents Confidant's work product. If Confidant has assisted in the preparation of any information that we consider to be a Trade Secret or Confidential Information or has himself or herself prepared or created the information, Confidant assigns any rights that he or she may have in the information as its creator to ERA-USA, including all ideas made or conceived by Confidant.

2. Definition of Trade Secrets and Confidential Information

For purposes of this Agreement, the terms "Trade Secret" and "Confidential Information" mean any knowledge, technique, processes, or information made known or available to Confidant that we treat as confidential, whether existing now or created in the future, including but not limited to information about the cost of materials and supplies, supplier lists or sources of supplies, sales and marketing information, pricing information, proprietary software, internal business forms, orders, client accounts, manuals and instructional materials describing our methods of operation, including our Operations Manual, audiotapes and video tapes, products, drawings, designs, plans, proposals, and marketing plans, all concepts or ideas in, or reasonably related to our business that have not previously been publicly released by ERA-USA, and any other information or property of any kind of ERA-USA that may be protected by law as a Trade Secret, confidential, or proprietary. The Trade Secrets and Confidential Information described in this Agreement are the sole property of ERA-USA.

3. Return of Proprietary Materials

Upon termination or expiration of license ownership or employment by ERA-USA or an EXPENSE REDUCTION ANALYSTS® licensee, Confidant must surrender to ERA-USA all materials considered proprietary by ERA-USA, technical or nontechnical, whether or not copyrighted, that relate to a Trade Secret, Confidential Information, or conduct of the operations of ERA-USA. Confidant expressly acknowledges that any such materials of any kind given to him or her are and will remain the sole property of ERA-USA.

4. Solicitation of Clients

During the term of Confidant's relationship with ERA-USA or one of its licensees, and for two (2) years after the relationship terminates, Confidant agrees that he or she will not, directly or indirectly or by action in concert with others, solicit, induce or influence or seek to solicit, induce or influence any client or prospective client with whom Confidant did business during his or her relationship with ERA-USA or one of its licensees for the purpose of promoting or selling any products or services that are competitive with those offered by ERA-USA and its licensees.

5. Solicitation of Employees

Confidant further agrees that, during the term of his or her relationship with ERA-USA or one of its licensees and for two (2) years after its expiration, he or she will not, directly or indirectly or in concert with others, furnish to or for the benefit of any competitor of ERA-USA, or the competitor's employees, agents, licensees, or licensees, or the competitor's subsidiaries, the name of any person who is employed or engaged as an independent contractor by ERA-USA or by any other licensee of ERA-USA. In addition, Confidant agrees that, during the term of his or her relationship with ERA-USA or one of its licensees, and for two (2) years after the relationship terminates, he or she will not, directly or indirectly or by action in concert with others, solicit, induce or influence, or seek to solicit, induce or influence any person who is employed by or engaged as an independent contractor by ERA-USA to terminate his or her employment or engagement.

6. Noncompetition

Confidant agrees and covenants that because of the confidential and sensitive nature of the Confidential Information and because the use of the Confidential Information in certain circumstances may cause irrevocable damage to ERA-USA, Confidant will not, until the expiration of two (2) years after the termination of the employment relationship between Confidant and ERA-USA or the licensee that employs him or her, or termination of the ownership interest of Confidant in an EXPENSE REDUCTION ANALYSTS® license, engage in, own an interest in, or serve as an officer, director, employee, agent, independent contractor, partner, shareholder, member or principal, directly or indirectly, or through any organization or Related Party, in any expense reduction consultancy that is located within any area where you have operated under this Agreement.

7. Saving Provision

Confidant agrees and stipulates that the agreements and covenants not to compete contained in the preceding paragraph are fair and reasonable in light of all the facts and circumstances of the relationship between Confidant and ERA-USA. However, Confidant and ERA-USA are aware that in certain circumstances courts have refused to enforce certain agreements not to compete. Therefore, in

furtherance of the provisions of the preceding paragraph, Confidant and ERA-USA agree that if a court or arbitrator should decline to enforce the provisions of the preceding paragraph, that paragraph must be considered modified to restrict Confidant's competition with ERA-USA to the maximum extent, in both time and geography, which the court or arbitrator finds enforceable.

8. Irreparable Harm to ERA-USA

Confidant understands and agrees that ERA-USA will suffer irreparable injury that cannot be precisely measured in monetary damages if Confidential Information or proprietary information is obtained by any person, firm, or corporation and is used in competition with ERA-USA. Accordingly, Confidant agrees that it is reasonable and for the protection of the business and goodwill of ERA-USA for Confidant to enter into this Agreement. If there is a breach of this Agreement by Confidant, Confidant consents to entry of a temporary restraining order or other injunctive relief and to any other relief that may be granted by a court having proper jurisdiction.

9. Binding Effect

This Agreement will bind Confidant's heirs, executors, successors, and assignees as though originally signed by them.

10. Applicable Law

The validity of this Agreement will be governed by the laws of the State where Confidant lives. If any provision of this Agreement is void or unenforceable in that State, the remainder of the Agreement will be fully enforceable according to its terms.

CONFIDANT

[Signature of Confidant]

ATTACHMENT 3B

LICENSEE - EMPLOYEE

**NONDISCLOSURE AND
NONCOMPETITION AGREEMENT**

(Note to Licensee: This is a form which has not been checked by us for compliance with local laws and should be reviewed by your attorney for your protection and to maximize enforceability. You are responsible for ensuring that the terms of the agreement used by you comply with all applicable laws, since they may vary from one state or province to another.)

In consideration of the employment of the below named Employee, and as inducement for disclosure by _____ [licensee entity or individual name] (the "Licensee"), doing business as an independent Expense Reduction Analysts, Inc. ("ERA-USA") Licensee, for the continuation of such employment, and for the compensation which I have received and may receive during the period of such employment, I, the undersigned Employee, hereby agree that during my employment with the Licensee and for any post-term periods specified in this Agreement:

- 1) My employment by the Licensee will be in accordance with the policies, rules and regulations of the Licensee, as the same now exist, or as they may be established or modified from time to time.

- 2) The Licensee has, subject to a License Agreement with _____, (the "Licensor") acquired specified rights to use certain "Confidential Information," which includes all information (current and future) relating to the operation of an ERA-USA Consulting Practice or the ERA-USA System, including, among other things, all: (a) Manuals, training, techniques, processes, policies, procedures, systems, data and know how regarding the development, marketing, operation and franchising of ERA-USA Consulting Practices; (b) designs, specifications and information about Products and Services, (c) all information regarding customers and suppliers, customer, supplier and product lists, technical processes and know how, specifications, manuals, notes, reports, memoranda, data, equipment and/or secured areas (in written, audio, magnetic and/or electronic format), including any statistical and/or financial information and all lists, together with various designs, techniques, know-how, marketing concepts and information, operating procedures and technical information and ancillary products, services and techniques and other related applications which are not generally known in the industry or to the public, and, in addition, iv) any other items that an arbitrator or court deems reasonably appropriate for protection.

- 3) "Confidential Information" is not intended to include any information that: is or subsequently becomes publicly available (other than by breach of any legal obligation), or became known to you other than through a breach of a legal obligation.

- 4) By virtue of my employment by the Licensee, the Employee will or may have access to Confidential Information.

- 5) With reference to the Confidential Information, the Employee agrees as follows:

a) The Confidential Information is a valuable trade secret licensed to the Licensee by the Licensor and/or related companies, and I will not use the Confidential Information other than within the course and scope of my employment responsibilities and functions.

b) I will not release or divulge any Confidential Information unless first expressly authorized to do so in writing by a superior or an officer of the Licensee; provided, however, that during the period of my employment, I will be permitted to release or divulge the same, or any portion thereof, to persons employed or otherwise closely associated with the Licensee, but only to the extent that such persons have a need to know the same within the course and scope of their employment by, or close association with, the Licensee (for example, attorneys and/or accountants retained by the Licensee.)

c) Any and all publications/copies/disclosures of the Confidential Information in any form, which may be presented to me or to which I may be granted access, are on loan and will at all times remain the exclusive property of the Licensee and/or the Licensor; the Confidential Information is being given to me in trust and confidence; and I will accept the same subject to such trust.

d) During the period of my employment by the Licensee, I will take all necessary steps to safeguard and maintain the secrecy and confidentiality of the Confidential Information in my possession or control, including (by way of illustration and not limitation) (i) securing the Confidential Information in locked or otherwise secured files; and (ii) refraining from making copies or reproductions of the Confidential Information, or any portions thereof, unless necessary for the carrying out of my employment responsibilities, or if first expressly authorized to do so by a superior or an officer of the Licensee.

e) Upon the termination of my employment by the Licensee, I will immediately return to the Licensee any and all Confidential Information and all copies thereof, which may have been entrusted to me or which I may have generated or copied, as well as any physical property of the Licensee, including books, tapes, equipment, and the like, whether proprietary or not, which I may have in my possession or control.

f) My obligations with respect to the Confidential Information will continue beyond the period of my employment.

6) All inventions, discoveries, developments, improvements, innovations, and writings, whether or not eligible for patent and/or copyright protection (hereinafter collectively referred to as "Innovations" or "Inventions" as may be appropriate), conceived or made by me either solely or in concert with others, during the period of my employment by the Licensee (including, but not limited to, any period prior to the date of this Agreement) whether or not made or conceived during working hours, which (a) relate in any manner to the existing or contemplated business, or the development of activities, of the Licensee and/or the Licensor, or (b) are suggested by, or result from, my work for the Licensee, or (c) result from my use of the Licensee's time, materials, or facilities, will be the sole and exclusive property of the Licensor. Any Inventions made by me, or disclosed by me to a third party, or described in a patent application of mine,

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within 9 months following the period of my employment by the Licensee, will be presumed to have been conceived or made by me during the period of my employment with the Licensee, unless I can prove they were entirely conceived and made by me following the period of such employment.

7) I will promptly make a full disclosure to the Licensor, and hold in trust for the sole right and benefit of the Licensor, any and all Inventions which I may solely or jointly conceive, write, develop, reduce to practice; or cause to be conceived, written, developed, or reduced to practice, during the period of time I am employed by the Licensee, and thereafter in accordance with the provisions of this Agreement.

8) I hereby assign and agree to assign to the Licensor, all of my right, title and interest in and to all my Inventions, if any, and agree, during and subsequent to my employment, to execute and deliver to the Licensor, ownership, title and exclusive rights therein, all without charge.

9) I hereby assign and agree to assign to the Licensor all of my right, title and interest in and to any and all United States and foreign patents and copyrights covering my Inventions, and all reissues, registrations and renewals thereof. I further agree, during and subsequent to my employment, to aid (i) in the prosecution of any United States or foreign applications for Letters Patent or the registration of copyrights covering such inventions and (ii) in the enforcement of any such patents or copyrights. In this connection, I will, at the Licensor's request and expense, execute, acknowledge and deliver any and all documents and oaths, and take such further action considered necessary by the Licensor for the foregoing purposes, without charge.

10) In the event the Licensor is unable, for any reason whatsoever, to secure my signature to any lawful and necessary documents required to assign, apply for, or prosecute any United States or foreign applications for Letters Patent or the registration of copyrights in and to my Inventions or otherwise which belong to the Licensor by virtue of the provisions of this Agreement or otherwise, I hereby irrevocably designate and appoint the Licensor and its duly authorized officers and agents as my agent and attorney-in-fact, to act for and in my behalf and stead to execute and file any such assignments and applications, and to do all other lawfully permitted acts to further the prosecution and issuance of Letters Patent thereon and/or registrations of copyrights with the same legal force and effect as if executed by me.

11) My compensation as an employee of the Licensee will cover any Inventions which I may conceive or make hereunder, and I will not be entitled to any additional compensation therefore.

12) I represent to the Licensee and the Licensor that I have no right, title or interest in or to any invention which has been made, conceived or reduced to practice by me (solely or jointly with others) prior to my employment by the Licensee.

13) My services, and the Confidential Information which may be entrusted to me, are unique, and, if I breach this Agreement, the Licensee and the Licensor may not be adequately compensated by damages. Therefore, if I violate the terms of this Agreement, either during or after my employment, the Licensee and the Licensor will be entitled, in addition to all other remedies available to either, to equitable relief by injunction or otherwise, thereby enjoining or restraining me, and those persons acting in concert with me, from the continuation of any breaches hereof. The right to equitable relief granted in the foregoing sentence will not preclude the Licensee or the Licensor from seeking actual money damages from me or any other party in the event of a breach or threatened breach of this Agreement.

14) During my employment by the Licensee, and for one year after termination of such employment, I will not; (a) directly or indirectly, or in concert with others, employ or attempt to employ or solicit for any employment any of the Licensee's or Licensor's employees, (b) conduct, operate, consult, advise or in any manner be associated, directly or indirectly, with any business or operation substantially similar to or competitive with that conducted by the Licensee within the Licensee's Territory (as defined by Licensee's license agreement). Such restriction includes the furnishing and/or use of the Confidential Information to any person and/or entity, whether gratuitously, on a consulting basis, as an owner, shareholder, partner, employee or associate. For informational purposes, the Territory as it currently exists is shown on an attachment to this Agreement.

15) Nothing contained in this Agreement will be construed to prevent me from engaging in a lawful profession, trade or business after my employment with the Licensee. I confirm that I possess valuable skills unrelated to the Licensed Business and have the ability to be self-supporting and employed regardless of the restrictions described in this Agreement. I also acknowledge that the restrictions of this Agreement will not prevent me from practicing a lawful profession, trade, or business and are limited to the express restrictions detailed herein. This Agreement will be construed only as one which prohibits me from engaging in practices unfair to the Licensee, and which are in violation of the confidence and trust reposed in me by the Licensee with respect to its Confidential Information.

16) Upon the termination of the Employee's employment, the Licensee may notify anyone thereafter employing me of the existence and provisions of this Agreement.

17) The employee understands that his/her employment is at will, and that just as the Employee may terminate his/her employment at any time and for any reason (or for no reason), the Licensee may do the same, unless a fixed term is specified herein or in another writing, executed by the Employee and the Licensee.

18) The Employee represents that he/she has no existing agreements with, obligations to, or interest in any other party that keep the Employee from complying with his/her obligations under this Agreement, or which may give rise to a conflict of interest, except those identified on the attached list signed by the Employee and the Licensee. If no list is attached, the Employee agrees that there are no such agreements, obligations or interests on my part. In addition, the Employee agrees to promptly disclose in writing to his/her superior any future agreements, obligations and/or interests which may preclude or conflict with his/her obligations hereunder.

19) The Employee will not use on behalf of, or divulge to, the Licensee, or its agents or employees, during his/her employment by the Licensee, confidential or trade secret information acquired during any prior employment of his/hers or from any other source outside of the Licensee, provided, of course, that the Employee knows or should know of its nature as confidential or a trade secret.

20) The Employee understands and confirms that he/she has no authority whatsoever to make any commitment or enter into any arrangement or contract on behalf of the Licensee unless authorized by an officer of the Licensee in writing.

21) The Licensee and the Employee agree that this Agreement supersedes any prior oral agreement and/or written agreement by and between them relating generally to the subject matter of this Agreement;

the Employee represents and warrants that there are no such prior oral agreement and/or written agreement.

22) The Licensee and the Employee agree that, if it is determined that any provision of this Agreement is illegal or unenforceable, such provision will be enforced to the fullest extent permissible under governing law and such determination will solely affect such provision and not impair the remaining provisions of this Agreement. The time period of the restrictions described in this Agreement will be extended by the length of time during which the Employee is in breach of any such provision of this Agreement.

23) The Licensee and the Employee agree that this Agreement will be construed, and the validity, performance and enforcement hereof will be governed by the laws of the State in which the Licensee's headquarters is located.

24) A waiver by the Licensee or Licensor of any breach of this Agreement on the Employee's part will not operate as or be construed as a waiver of any subsequent breach hereof.

25) This Agreement will inure to the benefit of and be enforceable by the Licensee and the Licensor, and any successors and assigns of the foregoing, and that it will be binding upon the Employee, his/her executors, administrators, legatees, distributees, heirs and other successors in interest. The Licensor is an intended third-party beneficiary of this Agreement and may protect its interests by enforcing the parties' obligations, but the Licensor is not a party to this Agreement, is not the employer of, and has no obligations to, the Employee.

26) The Employee has read the foregoing provisions, understands that this Agreement defines the terms and conditions under which the Licensee is willing to employ or continue to employ the Employee, is executing this Agreement and agreeing to abide by its provisions voluntarily, and the Licensee has given the Employee a copy of this Agreement for his/her future reference so as to avoid any possible oversights or misunderstandings regarding its provisions.

Dated _____, 20__ at _____, _____
City State

LICENSEE:

EMPLOYEE:

Employee's signature

By: _____

Its: _____

Employee's name

ATTACHMENT 4

ASSIGNMENT OF TELEPHONE NUMBERS, EMAIL ADDRESS AND URL'S AND SPECIAL POWER OF ATTORNEY

1. _____ [Licensee's legal name] ("Licensee"), to induce Expense Reduction Analysts, Inc. ("ERA-USA") to grant Licensee a license, assigns to ERA-USA all telephone numbers, email addresses, and URL's and listings Licensee advertises, publicizes, or otherwise makes known to clients or the public in the operation of an EXPENSE REDUCTION ANALYSTS® licensed Consulting Practice, both now and in the future, in the city where your Consulting Practice is operated.

2. This assignment will automatically become effective immediately upon Termination (meaning "termination, expiration, or nonrenewal") of Licensee's EXPENSE REDUCTION ANALYSTS® license. When the license is terminated, Licensee agrees to do whatever is necessary to cause the companies providing service to your Consulting Practice to promptly transfer its telephone numbers, email addresses and URL's and associated directory listings to ERA-USA or its designee.

3. Licensee agrees to pay these service providers, on or before the date when the license is terminated, all amounts Licensee owes it in connection with the telephone numbers, including payment for any advertisements or listings in a classified directory or directories. Licensee further agrees to indemnify ERA-USA for any money ERA-USA must pay the service providers before the service providers will carry out this agreement.

****REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK****

4. Licensee appoints ERA-USA as attorney-in-fact to sign any documents and do any things necessary to carry out this agreement if Licensee fails to sign or do them within seven (7) business days after termination of the license agreement. Licensee further agrees to indemnify ERA-USA for any expenses, including legal fees, that ERA-USA incurs which would not have been incurred if Licensee had performed as promised under this agreement.

Dated: _____

Sign here if Licensee is an individual:

LICENSEE

Signature: _____

Print Name: _____

Print Address: _____

Sign here if Licensee is a company:

LICENSEE

Print Company Name: _____

Signature: By: _____

Print Name: _____

Print Title: _____

Print Address: _____

ATTACHMENT 5

SOFTWARE LICENSE AGREEMENT

1. License

Expense Reduction Analysts, Inc. ("ERA-USA") grants to Licensee a nontransferable, nonexclusive, limited license to use the Software on the equipment agreed to by the parties unless the license is earlier terminated for material breach.

2. Payment

In return for a semi-annual license fee of five hundred dollars (\$500) per user, payable in advance in six- (6) month increments, ERA-USA grants to Licensee a license to use the Software at only one EXPENSE REDUCTION ANALYSTS® Consulting Practice per copy. Licensee understands and agrees that a separate license agreement must be signed and a separate copy of the Software must be obtained for each EXPENSE REDUCTION ANALYSTS® Consulting Practice where the Software is used.

3. Proprietary Information

The original and all copies of the Software and related materials, whether copyrighted or patented, will be considered confidential and proprietary information of ERA-USA, and will be and remain the sole property of ERA-USA. Licensee agrees to maintain the confidential and proprietary information in strict confidence. Licensee agrees to take all reasonable steps to safeguard the confidential and proprietary information from unauthorized disclosure, theft, and third party access.

The Software may not be sold, leased, assigned, sublicensed, or otherwise transferred, in whole or in part, unless otherwise permitted in writing by ERA-USA. Licensee will not copy, modify, disassemble, decompile, or otherwise misuse the Software.

4. Software Support

ERA-USA will provide Software support ("Support") as provided in the support agreement for the Software. ERA-USA may, at its discretion, discontinue Support at any time.

5. Software "As Is"

Licensee understands that the Software provided under this agreement is provided on an "as is" basis. Licensee further understands and acknowledges that ERA-USA MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THIS SOFTWARE, INCLUDING ITS QUALITY, PERFORMANCE, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL ERA-USA BE LIABLE FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF OR INABILITY TO USE THE SOFTWARE.

6. Termination

Licensee agrees that if either party terminates a License Agreement for the operation of any or all Consulting Practices, the Software license used at your Consulting Practices will be terminated immediately.

Upon termination of this license, use of the licensed Software must be discontinued, and the license and rights granted under this agreement will expire and Licensee will have no further rights or access to the Software. Licensee must return or destroy, in ERA-USA's sole discretion, all copies of Software or related documentation.

7. Changes

Licensee agrees to make all changes and upgrades (including, replacing Software with new software) required by ERA-USA immediately upon our notice. ERA-USA will not require you to spend more than a maximum of twenty-five hundred dollars (\$2,500) per year on changes and upgrades.

8. Consequential Damages

In no event will either party be liable to the other for the payment of any incidental or consequential damages.

9. Severability

The invalidity, in whole or in part, of any provision of this Agreement will not affect the validity of any of its other provisions.

10. Assignment

Neither party will assign or subcontract part or all of its responsibilities under this Agreement, or any interest in it, without the other party's prior written consent, except that ERA-USA may assign this Agreement without Licensee's consent.

11. Waiver

The failure of either party to insist on strict performance of any of the provisions of this Agreement or to exercise any right it grants will not be construed as a relinquishment or future waiver, rather, the provision or right will continue in full force. No waiver of any provision or right will be valid unless it is in writing and signed by the party giving it.

12. Taxes

Licensee will be responsible for the payment of all taxes in connection with this Agreement, except for any tax based on ERA-USA's net income.

13. Accumulation of Remedies

All remedies available to either party for breach of this Agreement are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy will not be considered an election of the remedy to the exclusion of other remedies.

14. Applicable Law

This Agreement will be governed by the laws of California.

15. Incorporation by Reference

The terms of any applicable appendix and of any agreements or other materials referred to in this Agreement are incorporated in and made a part of this Agreement.

16. Notices

Notices and other communications required by this Agreement will be in writing and will be addressed, with postage prepaid, as follows:

To ERA-USA: Kenneth Hagerstrom, President
Expense Reduction Analysts, Inc.
5050 Avenida Encinas, Suite 200
Carlsbad, California 92008

To Licensee: _____

or to any other address that is designated by a proper notice. Any properly mailed notice will be considered to have been served as of five (5) days after its posting for purposes of establishing that the sending party complied with this Agreement's applicable time limitations, but it will not be binding on the addressee until actually received.

17. Entire Agreement

This Agreement, together with all appendices and other attachments to it, constitutes the entire agreement between the parties and supersedes all prior oral and written agreements. Amendments to this Agreement will not be effective unless in writing and signed by the party against whom enforcement of the amendment is sought.

IN WITNESS TO THE FOREGOING, the parties have signed this Agreement and warrant that their respective signatory whose signature appears below is duly authorized by all necessary and appropriate corporate action to sign this Agreement.

Dated: _____

LICENSOR
EXPENSE REDUCTION ANALYSTS, INC.

By: _____
Kenneth Hagerstrom, President
5050 Avenida Encinas, Suite 200
Carlsbad, California 92008

Sign here if Licensee is an individual:

LICENSEE

Signature: _____

Print Name: _____

Print Address: _____

Sign here if Licensee is a company:

LICENSEE

Print Company Name: _____

Signature: By: _____

Print Name: _____

Print Title: _____

Print Address: _____

**ATTACHMENT 6
PERSONAL GUARANTY AND SUBORDINATION AGREEMENT**

To induce Expense Reduction Analysts, Inc. ("Licensor") to enter into or permit assignment of an EXPENSE REDUCTION ANALYSTS® License Agreement with _____ [licensee's full legal name] ("Licensee"), signed on the same date as the date of this Guaranty, the undersigned unconditionally, jointly and severally, personally guaranty to Licensor, its successors, or its assignees, that (a) he/she will not divulge or convey in any manner to any individual, corporation, firm, partnership, entity or third party at any time any of Licensor's proprietary property, intellectual property, manuals or methods of expense reduction, including any Works as defined in the License Agreement and (b) he/she will non breach any of the covenants of non competition and non solicitation and (c) will perform the covenants relating to Works for Hire. This agreement will remain in effect throughout the term of this agreement and any and all renewals and for ten (10) years after any termination, sale, or if the Area Licensee has otherwise left then system, unless such information has otherwise been made public.

This is an irrevocable, unconditional, and absolute guaranty of the personal performance by the undersigned of each and every covenant of confidentiality, non competition, non solicitation and delivery of all Works for Hire and the undersigned agrees that the undersigned's liability under this guaranty will be immediate and will not be contingent upon the exercise or enforcement by Licensor of whatever remedies it may have against the Licensee or others.

In connection with any litigation or arbitration to determine the undersigned's liability under this Personal Guaranty, the undersigned expressly waives the undersigned's right to trial by jury, if any, and agrees to pay costs and reasonable attorney fees as fixed by the court or arbitrator.

If this Personal Guaranty is signed by more than one individual or if more than one Personal Guaranty has been signed, each person signing a Personal Guaranty will be jointly and severally liable for the obligations created in it.

This Personal Guaranty will remain in full force and effect until all obligations arising out of and under the License Agreement, including all renewals and extensions, are fully paid and satisfied.

IN WITNESS TO THE FOREGOING, the undersigned signed this guaranty on _____ [date].

GUARANTOR

[Signature of guarantor]

ATTACHMENT 7

SPECIAL RELEASE OF CLAIMS

This Release of Claims is signed on _____ [date], at San Diego, California, by _____ [name of releasor], referred to in this Release as "Licensee," in favor of Expense Reduction Analysts, Inc., referred to in this Release as "ERA."

RECITALS

This Release is made and delivered with reference to the following facts:

A. ERA and Licensee are parties to an EXPENSE REDUCTION ANALYSTS® license agreement dated _____ [date] (the "License Agreement").

B. Licensee would like to transfer the License Agreement and the franchised business operated under it to a transferee described in the accompanying documents

–OR–

B. Licensee would like to renew the License Agreement.

C. ERA is willing to consent to Licensee's request on condition that Licensee meets the conditions for consent stated in the License Agreement. One of these conditions is that Licensee must sign a release of claims in favor of ERA.

D. For the above-described consideration, the value and adequacy of which Licensee acknowledges, Licensee and ERA sign and deliver this Release.

RELEASE

1. Licensee, on behalf of Licensee and Licensee's Related Parties, as the term "Related Parties" is defined in the License Agreement, now and forever releases and discharges ERA. and its successors, attorneys, insurers, brokers, principals, officers, directors, shareholders, partners, agents, employees, and contractors, from any and all claims, demands, losses, expenses, damages, liabilities, actions, and causes of action of any nature, *except those that may not be waived in advance under applicable law*, that in any manner arise from or relate to the franchise relationship described above.

2. ERA, on behalf of ERA and ERA's Related Parties, as the term "Related Parties" is defined in the License Agreement, now and forever releases and discharges Licensee and its successors, attorneys, insurers, brokers, principals, officers, directors, shareholders, partners, agents, employees, and contractors, from any and all claims, demands, losses, expenses, damages, liabilities, actions, and causes of action of any nature, *except those that may not be waived in advance under applicable law*, that in any manner arise from or relate to the franchise relationship described above.

3. This Release extends to and includes any and all claims, liabilities, injuries, damages, and causes of action that the parties do not presently anticipate, know, or suspect to exist, but that may develop, accrue, or be discovered in the future. RELEASOR EXPRESSLY WAIVES ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of signing the release, which if known by him must have materially affected his settlement with the debtor." The parties hereby represent and warrant to each other that they have each considered the possibility that claims, liabilities, injuries, damages, and causes of action that each of them do not presently know or suspect to exist in their respective favor may develop, accrue, or be discovered in the future, and that each party voluntarily assumes that risk as part of the consideration received for this Release.

4. Licensee covenants and agrees that Licensee will not make, assert, or maintain any claim, demand, action, or cause of action that is discharged by this Release against ERA or any ERA Related Party named or described in this Agreement. Licensee agrees to indemnify, defend, and hold each ERA Related Party named or described in this Release, and their successors in interest, harmless against any claim, demand, damage, liability, action, cause of action, cost, or expense, including attorney fees, resulting from a breach of the covenant contained in this paragraph.

5. ERA covenants and agrees that ERA will not make, assert, or maintain any claim, demand, action, or cause of action that is discharged by this Release against any Licensee Related Party named or described in this Agreement. ERA agrees to indemnify, defend, and hold each Licensee Related Party named or described in this Release, and their successors in interest, harmless against any claim, demand, damage, liability, action, cause of action, cost, or expense, including attorney fees, resulting from a breach of the covenant contained in this paragraph.

IN WITNESS TO THE PROVISIONS OF THIS AGREEMENT, the undersigned has signed it on the date stated in Article 1.

LICENSOR
EXPENSE REDUCTION ANALYSTS, INC.

By: _____
Ken Hagerstrom, President

5050 Avenida Encinas, Suite 200
Carlsbad, California 92008

Sign here if Licensee is an individual:

LICENSEE

Signature: _____

Print Name: _____

Print Address: _____

Sign here if Licensee is a company:

LICENSEE

Print Company Name: _____

Signature: By: _____

Print Name: _____

Print Title: _____

Print Address: _____

ATTACHMENT 8

PRE EXISTING BUSINESS DISCLOSURE

1. As a condition Precedent to the effectiveness of this Agreement and in consideration of the terms and conditions of this Agreement

2. Licensee represents and warrants to Licensors as follows:

2.1.1 Entities owned by [Licensee and or Related Parties of Licensee] currently operate a business known as _____, and/ or Licensee has the following duties and obligations as a [Board Member] of a business known as _____ ("Pre - Existing Business").

2.2 Any and all existing franchise agreements, stockholder agreements, partnership agreements, option agreements or any other third party rights relating to the Pre - Existing Business, do not contain any covenants, terms and conditions which do now, or may in the future, prohibit the execution of this Agreement and the participation of any of the owners, managers or employees of the Licensee in the Licensed Business and

2.3 other than the consents of Licensee and Licensors there is no other third party consent required for the acquisition of the license to be legally binding and effective, and

2.4 there are no existing restrictive covenants, other than those which the Pre - Existing Business has waived, binding on Licensee or any of its partners, owners, agents representatives or employees that would be breached by the acquisition and operation of the Licensed Business obligations of Licensee to Licensors, and

2.5 The Pre- Existing Business provides the following goods and services to its customers at the following locations:

2.5.1 Goods and services of Pre-Existing Business (es)

2.5.2 Location(s) of Pre-Existing Goods Business (es)

and from the date hereof will continue to operate as [an independent organization] and shall not carry out any other businesses directly or indirectly competing with the Licensed, and

2.6 Where applicable, Licensee convert the Pre-Existing Business which does directly or indirectly compete with the Licensed Business to Licensed Business and shall hence forth operate that business as Licensed Business under the trade name "Expense Reduction Analysts".

2.7 any and all existing and future business that is business carried out or to be carried out by Expense Reduction Analysts licensees and is operated using the System or any part of the System from time to time is Licensed Business that will be operated by the Licensee, and

2.8 Licensee agrees that any business currently operated or to be operated by any affiliate of Licensee outside of the Licensed Business which later becomes a part of the Licensed Business shall be folded into the Licensed Business, and

2.9 Licensee shall indemnify, defend and hold harmless Licensor and its Related Parties, against all losses, costs , proceedings, judgments, liabilities, expenses, court costs, and reasonable fees of attorneys and other professionals, arising out of or resulting from any breach of the representations and warranties set out in this Attachment 8 or in connection with any willful or negligent act or omission of Licensee or Licensee's employees or agents, including but not limited to such act or omission that contributes to any economic, bodily injury, sickness, disease or death. This indemnity shall survive termination of this Agreement.

Licensee(s)

ATTACHMENT 9

RECEIPT FOR LICENSE AGREEMENT

Under federal law, we may not grant you a license unless you have had a signature-ready copy of the license agreement and all attachments, with all the blanks except for the date of the agreement filled in, for at least five (7) calendar days before you pay us any money in connection with the agreement or sign the agreement.

To show that we have complied with the law, please fill in the date when you received the license agreement from us:

Date You Received License Agreement: _____

LICENSEE

Signature: _____

Print Name: _____

Please return this receipt to us as soon as you have filled in the date. We can proceed further only after you return this receipt.

Thank you for your careful attention to this matter.

**EXHIBIT D
ROSTER OF LICENSEES**

ROSTER OF LICENSEES

Arizona

Georgette and Thomas Gorman [sign date 12/16/06](#)

17560 W. Crocus Drive

Surprise, AZ 85388

623-544-5282

ggorman@expensereduction.com

tgorman@expensereduction.com

Licensees also for New Mexico and West Texas

New Jack Holdings, Inc. [sign date 5/22/07](#)

James "Rusty" Rogers

5260 W Novak Way

Laveen, AZ 85339

602-687-9466

rogers@expensereduction.com

Licensee also for New Mexico and West Texas

RBM Consulting, Inc. [sign date 3/31/08](#)

Robert B. McLoone

7988 Millwheel Way

West Chester, OH 45069

513-779-1509

bmcloone@expensereduction.com

Licensee also for New Mexico and West Texas

Southwest Cost Reduction Specialists, LLC

Patrick J. Garr [sign date 3/31/08](#)

10215 Sand Sage Drive NW

Albuquerque, NM 87114

505-792-8065

pgarr@expensereduction.com

Licensee also for New Mexico and West Texas

VERITAS GROUP CORPORATION

John Baragar and Ed Baird [sign date 4/30/08](#)

11355 N. 106th Street

Scottsdale, AZ 85259

480-626-8580

jbaragar@expensereduction.com

ebaird@expensereduction.com

Licensee also for New Mexico and West Texas

California

Barry Bowles [sign date 6/22/04](#)

9502 Stargaze Avenue

San Diego, CA 92129

720-712-3600

bbowles@expensereduction.com

Licensee for San Diego, Orange, Riverside, San Bernardino counties

Anil Nanda [sign date 6/22/04](#)
10608 Aspen Glen
Escondido, CA 92026
720-712-3600
ananda@expensereduction.com
Licensee for San Diego, Orange, Riverside, San Bernardino counties

Tygar & Associates LLC
Marylou Garcia [sign date 4/22/05](#)
4733 Torrance Boulevard #122
Torrance, CA 90503
310-791-5570
mgarcia@expensereduction.com
Licensee for South Los Angeles and North Orange counties

KMH Enterprises, Inc.
Ken Hagerstrom [sign date 6/30/05](#)
23942 Copenhagen Street
Mission Viejo, CA 92691
760-712-3600
khagerstrom@expensereduction.com
Licensee for San Diego, Orange, Riverside, San Bernardino counties

ADMS Inc.
Mak Siyami [sign date 1/19/06](#)
25422 Trabuco Road, #105-217
Lake Forest, CA 92630
949-226-7376
ssiyami@expensereduction.com
Licensee for San Diego, Orange, Riverside, San Bernardino counties

KAL Distributing dba KAN Consulting
Brian Lorber [sign date 2/21/06](#)
23679 Calabasas Road, Suite 247
Calabasas, CA 91302
818-222-0552
blorber@expensereduction.com
Licensee for South Los Angeles and North Orange counties

Joseph Scordamaglia [sign date 12/29/06](#)
2539 Buggy Lane
Camarillo, CA 93012
805-491-2390
jscordamaglia@expensereduction.com
Licensee for North Los Angeles and surrounding counties

Isabel Garcia [sign date 12/29/06](#)
7114 Premium Street
Long Beach, CA 90808
562-429-7546
igarcia@expensereduction.com
Licensee for South Los Angeles and North Orange counties

Donald S. Wilson [sign date 7/26/07](#)

1661 Adobe Drive
Pacifica, CA 94044
650-355-1373

dwilson@expensereduction.com

Licensee for Marin, San Francisco, Contra Costa, Alameda, San Mateo, Santa Cruz and Santa Clara counties

Scott A. Reece [sign date 7/30/07](#)

5241 E. Fairlee Court
Anaheim, CA 92807
714-250-6341

sreece@expensereduction.com

Licensee for South Los Angeles and North Orange counties

Michael Lee [sign date 8/24/07](#)

2121 North California Boulevard, Suite 250
Walnut Creek, CA 94596
925-974-3582

mlee@expensereduction.com

Licensee for Marin, San Francisco, Contra Costa, Alameda, San Mateo, Santa Cruz and Santa Clara counties

John C. West [sign date 8/24/07](#)

481 Trebbiano Place
Pleasanton, CA 94566
925-485-9670

jwest@expensereduction.com

Licensee for Marin, San Francisco, Contra Costa, Alameda, San Mateo, Santa Cruz and Santa Clara counties

DR Mack Partners, Inc.

Dennis R. Mackay [sign date 9/25/07](#)

26895 Aliso Creek Road, Suite B257
Aliso Viejo, CA 92656
949-448-8424

rmackay@expensereduction.com

Licensee for San Diego, Orange, Riverside, San Bernardino counties

David and Joanne Orenski [sign date 9/19/07](#)

8901 Earhart Avenue
Los Angeles, CA 90045
310-649-4612

dorenski@expensereduction.com

Licensees for South Los Angeles and North Orange counties

US International Consultants [sign date 12/4/07](#)

Theodore L. Vallas
Theodore G. Vallas
5670 El Camino Real, Suite D
Carlsbad, CA 92009
760-438-3600

tvallas@expensereduction.com

tgvallas@expensereduction.com

Licensee for San Diego, Orange, Riverside, San Bernardino counties

LJ Consulting Services, LLC
Lois Johansson [sign date 3/12/08](#)
64 Via Las Flores
Rancho Mirage, CA 92270
760-324-4151

ljohansson@expensereduction.com

Licensee for Marin, San Francisco, Contra Costa, Alameda, San Mateo, Santa Cruz and Santa Clara counties

Calvin Sloan, LLC
Calvin Sloan [sign date 3/20/08](#)
846 Blandford Boulevard
Redwood City, CA 94062
650-743-1833

csloan@expensereduction.com

Licensee for San Diego, Orange, Riverside, San Bernardino counties

Colorado

Martin J. Widger LLC
Martin Widger and Dawn Livengood [sign date 8/19/04](#)
15 Red Fox Lane
Littleton, CO 80127
720-981-0775

mwidger@expensereduction.com

Licensees also for Utah and Nevada

Operational Insights Inc.
Charlie Smith [sign date 11/30/06](#)
428 West 370 South
American Fork, UT 84003
801-360-0483

csmith@expensereduction.com

Licensee also for Utah and Nevada

Paul Lit [sign date 2/2/07](#)
501 South Cherry Street
Suite 1040
Denver, CO 80246
303-321-1050

plit@expensereduction.com

Licensee also for Utah and Nevada

Karen A. McLeod, LLC
Karen A. McLeod [sign date 3/14/07](#)
7703 S. Hill Drive
Littleton, CO 80120
303-797-0422

kmcleod@expensereduction.com

Licensee also for Utah and Nevada

MNR Consultants, Inc.
Mary Peterson [sign date 5/29/07](#)
5260 Mira Loma Drive
Reno, NV 89502
775-473-3441

mpeterson@expensereduction.com

Licensee also for Utah and Nevada

Expense Reduction Analysts [4/30/08](#)

W.A. Dean, LLC
William A. Dean, III [sign date 6/22/07](#)
1509 Canyon Ledge Court
Las Vegas, NV 89117
702-476-4288
bdean@expensereduction.com
Licensee also for Utah and Nevada

Measured Achievement Inc.
Mark E. Van Vleet [sign date 4/24/08](#)
8804 E. Davies Avenue
Centennial, CO 80112
303-548-8031
mvanvleet@expensereduction.com
Licensee also for Utah and Nevada

Wadsworth Ventures Inc.
Robert L. Mesenbrink [sign date 4/25/08](#)
8366 Simms Street
Arvada, CO 80005
303-421-6486
bmesenbrink@expensereduction.com
Licensee also for Utah and Nevada

Connecticut

Colony Road Ventures, LLC
Brian Jersey [sign date 1/5/04](#)
30 Post Road East
Westport, CT 06880
203-571-1122
bjersey@expensereduction.com
Licensee also for Rhode Island and the Westchester County NY area

Westport Expense Management Group, LLC
Art Buckman [sign date 8/19/04](#)
12 North Sasco Common
Westport, CT 06880
203-255-7744
abuckman@expensereduction.com
Licensee also for Rhode Island and the Westchester County NY area

Dave Lehman [sign date 7/20/05](#)
15 Windham Drive
Simsbury, CT 06070
203-257-3278
dlehman@expensereduction.com
Licensee also for Rhode Island and the Westchester County NY area

SARAC Enterprises, LLC
David Finkel [sign date 9/13/05](#)
1979 Post Road
Fairfield, CT 06824
203-227-4575
dfinkel@expensereduction.com
Licensee also for Rhode Island and the Westchester County NY area

Renovo Management, LLC
John Lauchnor [sign date 3/1/06 RI and 3/20/06 NY](#)
41 Crossroads Plaza, Box 159
West Hartford, CT 06117
800-656-7270
jlauchnor@expensereduction.com
Licensee also for Rhode Island and the Westchester County NY area

Haske Consulting LLC
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614-408-0085

pnowell@expensereduction.com

Timothy Malarkey [sign date 4/18/08](#)
36383 Derby Downs Drive
Solon, OH 44139
440-349-5780
tmalarkey@expensereduction.com

Oklahoma

Pamela D. Boyett [sign date 7/31/07](#)
PBRT Expense Consulting LLC
2401 Port Rush Drive
Moore, OK 73160
405-703-1237
pboyett@expensereduction.com
also Licensee for Arkansas

Manx, Inc. [sign date 7/31/07](#)
Neil Mavix
1611 S. Utica #140
Tulsa, OK 74104
918-645-1645
nmavis@expensereduction.com
also Licensee for Arkansas

Cris & Mike LLC [sign date 8/10/07](#)
Christopher K. Warner and Michael J. Moe
7373 N. 199th East Avenue
Owasso, OK 74055
Cris: 918-272-7709
Mike: 918-272-7709
cwarner@expensereduction.com
mmoe@expensereduction.com
also Licensee for Arkansas

Oregon

McEuin Consulting, LLC
Dinnie and Mary Lou McEuin [sign date 2/13/07](#)
333 S State St, Suite V211
Lake Oswego, OR 97034
541-788-1592
dmceuin@expensereduction.com
mmceuin@expensereduction.com
Licensees also for greater Northern California

T & E Consulting Inc.
Thusha and Eric Bishop [sign date 2/13/07](#)
701 Dianthus Lane
El Dorado Hills, CA 95762
650-330-0339
tbishop@expensereduction.com
ebishop@expensereduction.com
Licensees also for greater Northern California

Expense Reduction Analysts Insurance, Inc.
Kenneth M. Hagerstrom [sign date 3/19/08](#)
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008
760-712-3600
khagerstrom@expensereduction.com
Licensee for greater Northern California

Pennsylvania

Stephen Bunker and Kerry Bunker a
General Partnership [sign date 5/17/04](#)
Steve Bunker and Kerry Johnson
71 Bissell Road
Lebanon, NJ 08833
215-325-1819 or 908-758-0777
sbunker@expensereduction.com
Licensees also for Delaware

Rittenhouse Consulting, LLC [sign date 7/18/07](#)
John F. Rittenhouse
6880 Atlanta Circle
Seaford, DE 19973
302-629-9170
jrittenhouse@expensereduction.com
Licensees also for Delaware

Noar Ventures LLC
Scott and Patricia Noar [sign date 11/11/07](#)
104 Colwick Road
Cherry Hill, NJ 08002-1210
856-630-7912
snoar@expensereduction.com
pnoar@expensereduction.com
Licensees also for Delaware

Texas

DES Holdings, Inc. [sign date 6/30/04](#)
Peter Diamond and Joshua Diamond
5700 Granite Parkway, Suite 200
Plano, TX 75024
469-742-0259 (PD)
469-742-0249 (JD)
pdiamond@expensereduction.com
jdiamond@expensereduction.com
Licensees for Northeast Texas

Veteran Business Consulting, LLC
Forrest James [sign date 9/23/05](#)
1777 N.E. Loop 410, Suite 600
San Antonio, TX 78217
210-841-5764
fjames@expensereduction.com
Licensee for Southeast Texas

Etz Chaim Enterprises, Inc.
Hans Stronck [sign date 10/31/06](#)
5606 Indigo Street
Houston, TX 77096
713-271-3299
hstronck@expensereduction.com
Licensee for Southeast Texas

Ron and Mary Gene Snelson [sign date 11/30/06](#)
115 W Bonneymead Circle, Suite 100
The Woodlands, TX 77381
877-372-8721
rsnelson@expensereduction.com
msnelson@expensereduction.com
Licensees for Central and Southeast Texas

Carl W. Crawford [sign date 6/29/07](#)
3613 Dumond Place, Suite 100
Plano, TX 75025
214-295-4249
ccrawford@expensereduction.com
Licensees for Northeast Texas

Lisa Allen Consulting, LLC [sign date 7/25/07](#)
Lisa Allen
7501 Jester Boulevard
Austin, TX 78750
512-940-5543
lallen@expensereduction.com
Licensee for Central and Southeast Texas

Sokoni Associates, Inc. [sign date 10/31/07](#)
Rene Ford
14535 Besinger Way
San Antonio, TX 78254
210-368-2203
rford@expensereduction.com
Licensee for Central and Southeast Texas

TAD Consultants, LLC
Tony Dolezal [sign date 3/14/08](#)
2704 Montfort Court
Southlake, TX 76092
817-421-0395
tdolezal@expensereduction.com
Licensees for Northeast Texas

Virginia

Barler Enterprises, LLC [sign date 5/18/07](#)
Ben and Lycia Rettig
P.O. Box 2286
Mechanicsville, VA 23116
804-426-9484
brettig@expensereduction.com
lrettig@expensereduction.com
Licensee also for West Virginia and Eastern North Carolina

Robert Katzman [sign date 8/23/07](#)
15413 Houndmaster Terrace
Midlothian, VA 23112
804-221-2379
rkatzman@expensereduction.com
Licensee also for West Virginia and Eastern North Carolina

Washington

Great Northwest Consulting, LLC [sign date 9/12/05](#)
Mike Barouh and Anne Ellingsen
23108 60th Street East
Buckley, WA 98321
206-550-8585
Licensees for Washington, Idaho, Wyoming and Montana

Washington D.C.

Expense Reduction Analysts Global Management Ltd.
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008
760-712-3600
also for Maryland and Northern Virginia counties bordering
Washington D.C.

144 Investors, LLC
Philip Gross [sign date 7/19/05](#)
1017 Farm Haven Drive
Rockville, MD 20852
301-467-4832
pgross@expensereduction.com
Licensees also for Maryland and Northern Virginia counties bordering
Washington D.C.

The Reid Austin Group, LLC
Mike & Heather Reid [sign date 4/24/06](#)
234 Temple Drive
Bel Air, MD 21015
443-243-5915
mreid@expensereduction.com
Licensees also for Maryland and Northern Virginia counties bordering
Washington D.C.

Alex Wong [sign date 8/10/06](#)
2012 Clearwood Drive
Mitchellville, MD 20721
888-847-9844
awong@expensereduction.com
Licensees also for Maryland and Northern Virginia counties bordering
Washington D.C.

Profit Management LLC
Anthony Pomilla [sign date 9/22/06](#)
7904 Belleflower Drive
Springfield, VA 22152
703-569-1258
apomilla@expensereduction.com
Licensees also for Maryland and Northern Virginia counties bordering
Washington D.C.

John Blackwell [sign date 6/29/07](#)

Blackfish Enterprises, LLC

38524 Triticum Lane

Lovettsville, VA 20180

540-822-5796

jblackwell@expensereduction.com

Licensee also for Maryland and Northern Virginia counties bordering
Washington D.C.

ROSTER OF AREA LICENSEES

Arizona

Expense Reduction Analysts / Southwest LLC

Ken Cost [sign date 7/26/07](#)

16681 S. 18th Way

Phoenix, AZ 85048

602-315-8159

kcost@expensereduction.com

Area Licensee also for New Mexico and West Texas

California

Execute Operations, LLC

John R. Reese [sign date 3/30/07](#)

Tony Adkins [sign date 6/23/03](#)

956 Vernal Avenue

Mill Valley, CA 94941

415-380-0752

jreese@expensereduction.com

aadkins@expensereduction.com

Area Licensees for Marin, San Francisco, Contra Costa, Alameda, San Mateo, Santa Cruz and Santa Clara counties

Tygar & Associates LLC

Marylou Garcia [sign date 4/22/05](#)

4733 Torrance Boulevard #122

Torrance, CA 90503

310-791-5570

mgarcia@expensereduction.com

Area Licensee for South Los Angeles and North Orange counties

Colorado

Martin J. Widger LLC

Martin Widger and Dawn Livengood [sign date 8/19/04](#)

15 Red Fox Lane

Littleton, CO 80127

720-981-0775

mwidger@expensereduction.com

Area Licensees also for Utah and Nevada

Connecticut

Colony Road Ventures, LLC

Brian Jersey [sign date 1/5/04](#)

30 Post Road East

Westport, CT 06880

203-571-1122

bjersey@expensereduction.com

Area Licensee also for Rhode Island and the Westchester County NY area

Florida

Stephan Enterprises Florida LLC
Joe Stephan [sign date 11/16/04](#)
340 South Palm Avenue, Suite 141
Sarasota, FL 34236
941-587-0862
jstephan@expensereduction.com
Area Licensee - South Florida

JAMBCO Enterprises, Inc.
Jim Agnew [sign date 11/13/06](#)
P.O. Box 466
Gotha, FL 34734
407-299-8845
jagnew@expensereduction.com
Area Licensee for North Florida and Alabama

Georgia

D & W Investments, LLC
Bradly Davidson [sign date 6/30/05](#)
3330 Cobb Parkway 17-270
Acworth, GA 30101
678-388-9257
bdavidson@expensereduction.com
Area Licensee for North Florida and Alabama

Illinois

ERA-ILIN, LLC
Jim Schmitt, Eric Striegel and Rob Peterson [sign date 10/2/07](#)
1009 Longfellow Drive
Hiawatha, IA 52233
319-393-1824
jschmitt@expensereduction.com
estriegel@expensereduction.com
rpeterson@expensereduction.com
Area Licensees for Northern Illinois

Indiana

MONYILIN Enterprises, Inc.
Steven E. Henson [sign date 4/8/08](#)
16947 Southall Drive
Westfield, IN 46074
317-399-6006
shenson@expensereduction.com
Area Licensee also for Southern Illinois

Iowa

JRK Investments LLC
Jim Schmitt and Rob Peterson [sign date 11/12/04](#)
1009 Longfellow Drive
Hiawatha, IA 52233
319-393-1824 (JS)
515-440-0614 (RP)
jschmitt@expensereduction.com
rpeterson@expensereduction.com
Area Licensees also for Eastern Nebraska and Southern Minnesota

Kentucky

Expense Reduction Analysts of
Kentucky, LLC
Rick Mills [sign date 6/30/04](#)
1961 Bishop Lane
Louisville, KY 40218
502-657-6543
rmills@expensereduction.com
Area Licensee also for Tennessee

Massachusetts

Expense Reduction Analysts Global Management Ltd.
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008
760-712-3600

Minnesota

WIMI, LLC
Jim Schmitt and Eric Striegel [sign date 9/30/05 and on 12/21/06 \(West Illinois added\)](#)
1009 Longfellow Drive
Hiawatha, IA 52233
319-393-1824
jschmitt@expensereduction.com
estriegel@expensereduction.com
Area Licensees for Northern Minnesota and also for Wisconsin, the Upper Peninsula of Michigan, Central and Western Nebraska, South Dakota, North Dakota and Northwest Illinois

Missouri

Cattron Enterprises, Inc.
Steve Cattron [sign date 2/5/04](#)
4745 West 136th Street, Suite 41
Leawood, KS 66224
913-402-6050
scattron@expensereduction.com
Area Licensee also for Kansas

New Hampshire

Gilman Partners LLC, a New Hampshire Corporation
Marc Gilman [sign date 11/17/04](#)
33 South Commercial Street, Suite 37
Manchester, NH 03101
603-669-1900
mgilman@expensereduction.com
Area Licensee also for Vermont, Maine and Upstate New York

New Jersey

Blackburn Consulting Partners, LLC
Richard Halperin [sign date 6/2/03](#)
33 Blackburn Road
Basking Ridge, NJ 07920
908-580-1826
rhalperin@expensereduction.com

New York

Expense Reduction Analysts Global Management Ltd.
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008
760-712-3600
New York City and the Virgin Islands

Intelligent Decision of New York LLC
Howard J. Steinfeld, Steven Bavaro, Paul Weisel [sign date 1/25/08](#)
500 Bi-Country Boulevard, Suite 117
Farmingdale, NY 11735
631-643-1226
hsteinfeld@expensereduction.com
sbavaro@expensereduction.com
pweisel@expensereduction.com

North Carolina

Profit Research, Inc
Robert Barth [sign date 5/31/06](#)
6317 Ashley Ridge Drive
Raleigh, NC 27612
919-606-3080
rbarth@expensereduction.com
Area Licensee for Western N. Carolina and South Carolina

Ohio

Michael Reid Webb [sign date 3/28/07](#)
8044 Montgomery Road, Suite 700
Cincinnati, OH 45236
513-842-4698
mwebb@expensereduction.com

Pennsylvania

Stephen Bunker and Kerry Bunker a
General Partnership [sign date 5/17/04](#)
Steve Bunker and Kerry Johnson
71 Bissell Road
Lebanon, NJ 08833
215 325-1819 or 908-758-0777
sbunker@expensereduction.com
Area Licensees also for Delaware

Texas

DES Holdings, Inc. [sign date 6/30/04](#)
Peter Diamond and Joshua Diamond
5700 Granite Parkway, Suite 200
Plano, TX 75024
469-742-0259 (PD)
469-742-0249 (JD)
pdiamond@expensereduction.com
jdiamond@expensereduction.com
Area Licensees for Northeast Texas

Bartholomew Consulting, LLC [sign date 1/23/08](#)
John and Suzanne Bartholomew
1201 Red Ranch Circle
Cedar Park, TX 78613
512-331-4168
jbartholomew@expensereduction.com
Licensee for Central and Southeast Texas

Virginia

GCC Consulting Group Inc.
Gary Williams [sign date 4/14/08](#)
9105 Whispering Drive
Toano, VA 23168
757-741-2164
gwilliams@expensereduction.com
also Area Licensee also West Virginia and Eastern North Carolina

Washington

Matthias Droste [sign date 12/28/07](#)
Country Sta. Maria del Tigre,
Ruta 27
1648 Tigre, Buenos Aires
ARGENTINA
mdroste@expensereduction.com
Area Licensee also for Idaho, Wyoming and Montana

Washington D.C.

Expense Reduction Analysts Global Management Ltd.
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008
760-712-3600
also for Maryland and five Northern Virginia counties bordering
Washington D.C.

COMPANY-RELATED AREA OFFICES

Expense Reduction Analysts, Inc.
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008
760-712-3600

Massachusetts

AREA

Expense Reduction Analysts Global Management Ltd.
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008
760-712-3600

REGIONAL

Expense Reduction Analysts Global Management Ltd.
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008
760-712-3600

New York

AREA

Expense Reduction Analysts Global Management Ltd.
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008
760-712-3600
New York City and the Virgin Islands

REGIONAL

Expense Reduction Analysts Global Management Ltd.
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008
760-712-3600
New York City and the Virgin Islands

Washington D.C.

AREA

Expense Reduction Analysts Global Management Ltd.
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008
760-712-3600
also for Maryland and five Northern Virginia counties bordering
Washington D.C.

REGIONAL

Expense Reduction Analysts Global Management Ltd.
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008
760-712-3600
also for Maryland and five Northern Virginia counties bordering
Washington D.C.

CANCELLED, FORMER AND TRANSFERRED LICENSEES

REACQUIRED BY LICENSOR

Great Northwest Consulting, LLC (*Area License Reacquired in 2007*)

Mike Barouh and Anne Ellingsen

23108 60th Street East

Buckley, WA 98321

206-550-8585

Mike Barouh's Area License for Washington, Idaho, Wyoming and Montana was reacquired by Expense Reduction Analysts, Inc. Mike Barouh still owns his Regional License. As of 12-28-07, Matthias Droste has purchased this territory.

CANCELLED LICENSEES

Harry deMontmollin (*Cancelled License in 2005*)

38 Lazy Eight Drive

Port Orange, FL 32128

800-883-8576

hdemontmollin@expensereduction.com

Execute Operations, LLC (*Cancelled Regional License in 2006*)

Tony Adkins [sign date 6/23/03](#)

956 Vernal Avenue

Mill Valley, CA 94941

415-380-0752

jreese@expensereduction.com

aadkins@expensereduction.com

Tony owned one Area License and one Regional License for Marin, San Francisco, Contra Costa, Alameda, San Mateo, Santa Cruz and Santa Clara counties, California (Tony's Regional license was cancelled as our new Area License includes the rights and obligations of a Regional License. Tony has partner with John Reese for the Area License in the San Francisco Bat Area)

Expense Analysts, LLC [sign date 12/29/06](#) (*Cancelled License in 2008*)

Lance Adams

8016 Keneshaw Drive

Austin, TX 78745

512-879-9742

ladams@expensereduction.com

Licensee for Central and Southeast Texas

Area License and one Regional License for Central and Southeast Texas. Lance's Regional License was cancelled and his Area License was transferred to John Bartholomew who is now the Area Developer for this territory.

FORMER LICENSEES

Joe Isola (*Former since 2005*)

19 Mulberry Road

Bluffton, SC 29910

843-290-4852

jisola@expensereduction.com

Ken Hagerstrom
5050 Avenida Encinas, Suite 200
Carlsbad, CA 92008
760-712-3600

khagerstrom@expensereduction.com

(Ken's Area Developer and Regional Licenses were repurchased by the company in 2004.
Ken now serves as President & CEO of Expense Reduction Analysts, Inc. and as COO of Expense Reduction Analysts International, Ltd.)

TRANSFERED LICENSEES

Expense Reduction Analysts of Kentucky, LLC (*Transferred GA Area License in 2005*)

Rick Mills
1961 Bishop Lane
Louisville, KY 40218
502-657-6543

rmills@expensereduction.com

(Rick owned two Area Licenses and two Regional Licenses. Rick sold his Area License for Georgia to ERA-USA so that it could be re-issued to Brad Davidson in 2005. Brad previously owned the Area and Regional License for the Carolinas. At the end of this transaction, Rick retained one Area License and two Regional Licenses – One Area and one Regional License for KY & TN; and a Regional license for GA.

B. Davidson Group, LLC (*Transferred Carolinas Area in 2006*)

Bradly Davidson
2861 Carmain Drive
Marietta, GA 30064
678-388-9257

bdavidson@expensereduction.com

Brad Davidson transferred his Area and Regional Licenses for South Carolina and Western North Carolina to Robert Barth. Brad Davidson still currently owns the Area and Regional Licenses for GA.

Stephan Enterprises LLC (*Transferred Area License in 2007*)

Joe Stephan [sign date 11/16/04](#)
340 South Palm Avenue, Suite 141
Sarasota, FL 34236
941-587-0862

jstephan@expensereduction.com

Joe Stephan transferred his Area License for Chicago Metro area to Jim Schmitt under ERA-ILIN, LLC; Joe Stephan still owns his Regional License for the Chicago Metro, IL area.

Celanor Enterprises, LLC (*Transferred Regional License in 2007*)

Scott Gieser [sign date 9/23/05](#)
7616 Currell Boulevard, Suite 200
Woodbury, MN 55125
651-702-0605

sgieser@expensereduction.com

Scott Gieser transferred his License for Southern Minnesota and also Iowa & Eastern Nebraska To Mark Ross and Chad Witter of ERA Holdings, LLC

Expense Analysts, LLC sign date 12/29/06 (*Transferred Area License in 2008*)

Lance Adams

8016 Keneshaw Drive

Austin, TX 78745

512-879-9742

ladams@expensereduction.com

Lance transferred his Area License for Central and Southeast Texas to John Bartholomew who is now the Area Developer for this territory.

EXHIBIT E

EXPENSE REDUCTION ANALYSTS, INC.
STATEMENT OF PROSPECTIVE FRANCHISEE

**[Note: Dates and Answers Must Be Completed
in the Prospective Franchisee's Own Handwriting.]**

Since the Prospective Franchisee (also called "me," "our," "us," "we" and/or "I" in this document) and EXPENSE REDUCTION ANALYSTS, INC. (also called the "Franchisor", "ERA", "you" or "your") both have an interest in making sure that no misunderstandings exist between them, and to verify that no violations of law might have occurred, and understanding that the Franchisor is relying on the statements I/we make in this document, I/we assure the Franchisor as follows:

A. The following dates and information are true and correct:

- | | |
|---|---|
| 1. _____, 20____
Initials _____ | The date of my/our first face-to-face meeting with any person to discuss the possible purchase of an ERA-USA Franchise. |
| 2. _____, 20____
Initials _____ | The date on which I/we received a Disclosure Document about an ERA-USA Franchise. |
| 3. _____, 20____
Initials _____ | The date when I/we received a fully completed copy (other than signatures) of the Franchise Agreement and all other documents I/we later signed. |
| 4. _____, 20____
Initials _____ | The earliest date on which I/we signed the Franchise Agreement or any other binding document (not including any Letter or other Acknowledgment of Receipt.) |
| 5. _____, 20____
Initials _____ | The earliest date on which I/we delivered cash, check or other consideration to the Franchisor, or any other person or company. |

B. Representations and Other Matters:

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side deals," options, rights-of-first-refusal or otherwise of any type (collectively, the "representations"), including, but not limited to, any which expanded upon or were inconsistent with the Disclosure Document, the Franchise Agreement or any other written documents, have been made to or with me/us with respect to any matter (including, but not limited to, advertising, marketing, site location and/or development, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise) nor have I/we relied in any way on any such representations, except as expressly set forth in the Franchise Agreement or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: _____

2. No oral, written, visual or other claim, guarantee or representation (including, but not limited to, charts, tables, ERA Regional Disclosure Document – 05.2008

spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise), which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, was made to me/us by franchisor, its affiliates or agents/representatives, nor have I/we relied in any way on any such, except for information (if any) expressly set forth in the Franchisor's Disclosure Document (or an exhibit referred to therein), except as follows:

(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: _____

3. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including, but not limited to, the Prospective Franchisee obtaining any financing, the Prospective Franchisee's selection, purchase, lease or otherwise of a location, any operational matters or otherwise) or the Prospective Franchisee fully performing any of the Prospective Franchisee's obligations, nor is the Prospective Franchisee relying on the Franchisor or any other entity to provide or arrange financing of any type, nor have I/we relied in any way on such, except as expressly set forth in the Franchise Agreement, or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: _____

4. The individuals signing for the "Prospective Franchisee" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Prospective Franchisee and each of such individuals has received the Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement, each written Addendum and any Personal Guarantees.

Prospective Franchisee's Initials: _____

5. I/we have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and the Franchisor has strongly recommended that I/we obtain such independent professional advice. I/we have also been strongly advised by the Franchisor to discuss my/our proposed purchase of, or investment in, an ERA-USA Franchise with existing ERA-USA Franchisees prior to signing any binding documents or paying any sums and I/we have been supplied with a list of existing ERA-USA Franchisees.

Prospective Franchisee's Initials: _____

6. I confirm that, as advised, I've spoken with past and/or existing ERA-USA Franchisees, and that I made the decision as to which, and how many, ERA-USA Franchisees to speak with, although I understand that as a new Franchise System, few, if any, Franchisees are available to speak with.

Prospective Franchisee's Initials: _____

7. I/we understand that: entry into any business venture necessarily involves some unavoidable risk of loss or failure, the purchase of an ERA-USA Franchise (or any other) is a speculative investment, an investment beyond that outlined in the Disclosure Document may be required to succeed, there exists no guaranty against possible loss or failure in this or any other business and the most important factors in the success of any ERA-USA Franchise, including the one to be operated by me/us, are my/our personal business,

marketing, sales, management, judgment and other skills.

Prospective Franchisee's Initials: _____

If there are any matters inconsistent with the statements in this document, or if anyone has suggested that I sign this document without all of its statements being true, correct and complete, I/we will (a) **immediately** inform the Franchisor's attorney (562-596-0116) and an officer of the Franchisor and (b) make a written statement regarding such next to my signature below so that the Franchisor may address and resolve any such issue(s) at this time and before either party goes forward.

I/we understand and agree that the Franchisor does not furnish or endorse, or authorize its salespersons or others to furnish or endorse, any oral, written or other information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, that such information (if any) not expressly set forth in the Franchisor's Disclosure Document (or an exhibit referred to therein) is not reliable and that I/we have not relied on it, that no such results can be assured or estimated and that actual results will vary from unit to unit, Franchise to Franchise, and may vary significantly.

Prospective Franchisee's Initials: _____

I/we understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

Date: _____

PROSPECTIVE FRANCHISEE (Individual)

Signature

Printed Name

Signature

Printed Name

PROSPECTIVE FRANCHISEE (Corp., LLC or Partnership) - Must be accompanied by appropriate personal guarantee(s)

Legal Name of Entity

a _____
Jurisdiction of Formation Corporation, LLC or Partnership

By: _____
Name

Signature

Title: _____

PRINCIPALS

All of the above is true, correct and complete to the best of my knowledge:

Franchise Marketing Representative

Reviewed by: ERA-USA FRANCHISE CORPORATION

President

Franchise Agreement Number

EXHIBIT F
RECEIPTS

RECEIPT

This Disclosure Document summarizes provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If Expense Reduction Analysts, Inc. offers you a franchise, Expense Reduction Analysts, Inc. must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

Maryland, New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon, Washington and Wisconsin require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever comes first.

If Expense Reduction Analysts, Inc. does not deliver this disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency Identified on Exhibit A-1.

The franchisor is Expense Reduction Analysts, Inc., located at 5050 Avenida Encinas, Suite 200, Carlsbad, California 92008.

Issuance Date: May 5, 2008

The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Ken Hagerstrom, Dan Fields, Scott Hartsfield, Ed Vignone, Craig Sobel, 5050 Avenida Encinas, Suite 200, Carlsbad, California 92008, Telephone: (760) 712-3600

We authorize the agents listed in Exhibit A-2 to receive service of process for us.

I HAVE RECEIVED A FRANCHISE DISCLOSURE DOCUMENT DATED MAY 5, 2008. THIS DISCLOSURE DOCUMENT INCLUDES THE FOLLOWING EXHIBITS:

- EXHIBITS:
- A-1: State Administrators
- A-2: Agents for Service of Process
- B: Financial Statements
- C: Area License Agreement
- D: Roster of Licensees
Company-Related Area Offices
Former Licensees and Transferred Licenses
- E: Statement of Prospective Franchisee
- F: Receipt

DATE: _____

PROSPECTIVE FRANCHISEE (Individual) PROSPECTIVE FRANCHISEE (Corp., LLC or Partnership)

Printed Name

Legal Name of Franchisee Entity

Signature

a _____
Jurisdiction of Formation

Corporation, LLC or Partnership

KEEP THIS COPY FOR YOUR RECORDS. THIS DISCLOSURE DOCUMENT IS ALSO AVAILABLE IN PDF FORMAT ON OUR WEBSITE: www.expensereduction.com