

FRANCHISE DISCLOSURE DOCUMENT



FOCALPOINT COACHING INC.
2831 St. Rose Parkway, Suite 234
Henderson, NV 89052
Tel: (877) 433-6225 Fax: 702-932-3871
www.focalpointcoaching.com

As a franchisee, you will operate a FocalPoint coaching business coaching and consulting business designed to help individuals attain their personal and business goals using the FocalPoint system.

The total investment necessary to begin operation of a FocalPoint coaching franchised business is between \$64,550 to \$115,450. This includes \$49,950 that must be paid to **the franchisor or its affiliate(s)**.

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

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

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

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

ISSUANCE DATE: May 1, 2012

STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit 4 for information about the franchisor, or about franchising in your state.

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN NEVADA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN NEVADA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT NEVADA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. TO THE EXTENT NOT SUBJECT TO ARBITRATION, ANY CAUSE OF ACTION, CLAIM, SUIT OR DEMAND MUST BE BROUGHT IN A COURT OF COMPETENT JURISDICTION LOCATED IN LAS VEGAS, NEVADA. IT MAY COST MORE TO LITIGATE WITH US IN NEVADA THAN IN YOUR HOME STATE.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

This Disclosure Document is registered, on file or exempt from registration in the following states with franchise registration and disclosure laws and is effective as of the date specified below:

Illinois Effective Date:_____

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of May 1, 2012.

MICHIGAN SPECIFIC-NOTICE

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

- (a) A prohibition of the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure each failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applies only if:
 - (i) the term of the franchise is less than five (5) years; and
 - (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside of Michigan. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualification or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(v) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in the subdivision.

(h) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Attorney General's Department for the State of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

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APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT, AND MIGHT REQUIRE A RIDER TO THE FRANCHISE AGREEMENT. THE RIDER IS ATTACHED AS EXHIBIT 13 TO THIS FRANCHISE DISCLOSURE DOCUMENT.

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is FocalPoint Coaching, Inc. (“we,” “us,” or “our”). “You” or “your” means the person to whom we grant a franchise.

Our Business Form, Parent, Predecessors, and Affiliates

We are a Nevada corporation that was incorporated on March 14, 2008. We operate our business under the names “FocalPoint Coaching,” “FocalPoint” and “FocalPoint Coaching Excellence powered by Brian Tracy” (the “Marks”). We do not conduct business under any other name. Our principal business address is 2831 St. Rose Parkway, Suite 234, Henderson, NV 89052. If we have an agent in your state for service of process, we disclose that agent in Exhibit 2.

We do not have any predecessors or parent company. We operate in the United States under the terms of a license agreement with our affiliate, FocalPoint International Inc. (“International”), which is described in Item 13 of this disclosure document.

Between 2004 and 2009, our affiliate, International, offered franchises in the same line of business under the Marks in the United States, as well as for similar businesses as described below in this Item 1. International continues to offer franchises under the Marks and in the same line of business as the franchises being sold under this offering in countries other than the United States, but no longer offers franchises in the United States. International’s principal business address is 2831 St. Rose Parkway, Suite 234, Henderson, NV 89052. International also may provide training facilities and/or trainers in connection with your initial or continuing training.

We do not have any affiliates that offer products or services to our franchisees. Other than International, we do not have any affiliates that offer franchises in any line of business.

Our Prior Business Experience

We grant franchises for businesses under the names FOCALPOINT COACHING, FOCALPOINT COACHING EXCELLENCE POWERED BY BRIAN TRACY, and other Marks. (For reference purposes in this disclosure document, we call the franchise businesses in our system “FocalPoint Coaching Businesses”; we call the FocalPoint Coaching Business that you will operate the “Franchised Business”). FocalPoint Coaching Businesses provide and sell FocalPoint products and coaching services to individuals using the FocalPoint System.

The franchise that we offer through this Franchise Disclosure Document is for the development and operation of a single Franchised Business at the location designated by us in Exhibit A to the Franchise Agreement.

We began offering franchises in August 2011. Our affiliate, International, did offer and sell franchises substantially similar to the franchises being offered hereunder between 2004 and 2009. We do not operate any businesses of the type being franchised.

We do not operate any other type of business. We do not engage, and have never engaged, in any business activities or any other line of business other than as described in this Franchise Disclosure Document.

We also offer Area Representative franchises (“Area Representative Franchises”) that are similar, but not the same type of business as that to be operated by you, as described in this Franchise Disclosure Document. The person or entity purchasing an Area Representative Franchise is referred to as an “Area Representative.” Area Representatives are responsible for developing their territories by soliciting franchisees to own and operate FocalPoint Coaching Businesses within their territories, and for assisting and servicing the franchisees within their territories. The grant of any franchise to operate a FocalPoint Coaching Business is subject to our discretion. Area Representative Franchises are offered under a separate disclosure document.

From March 2005 to March 2007, our affiliate and licensor, FocalPoint International Inc., offered master franchise businesses (“Master Franchise Businesses”). The person or entity that purchased a Master Franchise Business is referred to as a “Master Franchisee.” Master Franchisees have the right to grant franchises for FocalPoint Coaching Businesses under separate franchise agreements. As of the end of our last fiscal year, there were 7 FocalPoint Master Franchisees within the United States of America and its territories, as described in Item 20 below.

The Business That You Will Conduct

You will operate your Franchised Business according to a system developed and owned by us for administering and operating a FocalPoint coaching business designed to provide products and services developed by us or any products and services approved for sale by us (the “Products”) to business owners, professionals and other similar type individuals. The Products you will provide include business coaching, training programs and other consulting services to business owners, professionals and other similar type individuals. Your main objective is to provide individuals with techniques and instruction that will assist them with their personal and business development and help them achieve their business and personal goals. You are also responsible for selling and promoting our approved Products to your clients. In addition, you will be responsible for generating your own leads and customers, developing and implementing your own marketing programs, and for selling Products and services.

We will require that you conduct your Franchised Business in accordance with our standards of service, that you use and offer only quality products and services, and that you operate under the business format approved by us. We call these standards and requirements the “System.” The System is identified by means of certain trade names, service marks, trademarks, slogans, logos, emblems, and indicia of origin, including, but not limited to, the Marks.

The Market for the Products and Services that You Will Offer

The market for business coaching products and services is developing. As a Franchisee under our System, you will have to compete with businesses that will offer business coaching products and services that may be similar or identical to the products and services sold by you. Your success is not guaranteed. The Products and services that you offer will be sold primarily to business owners, but also will be sold to professionals and other individuals that can benefit from the coaching offered under the System.

Applicable Laws

We are not aware of any industry-specific or special laws that apply to businesses that provide business coaching and mentoring to individual business and professional customers. However, there may be specific regulations that apply in your home state.

Your Franchised Business may be subject to other laws or regulations that are not specific to the industry but applicable to businesses generally, such as the Fair Labor Standards Act and various state laws covering such matters as minimum wages, overtime and working conditions. There may be other laws, codes, and regulations applicable to your Franchised Business, and we urge you to make further inquiries about those laws, codes, and regulations. Compliance with federal, state and local laws, rules and regulations is your sole responsibility.

ITEM 2

BUSINESS EXPERIENCE

President: Stephen A. Thompson

Steve Thompson has served as our President since March 1, 2011. Steve also serves as the President of our affiliate, International, and has done so since November 2006. Steve served as International's Executive Vice President from January, 2004 to November 2006, and served as its acting President from April 2004 to July, 2005.

Executive Vice President: Dominic Rubino

Dominic Rubino has served as our Executive Vice President since March 1, 2011. Dominic also serves as the Executive Vice President of our affiliate, International, and has done so since September 2006. From October 2005 to October 2006, Mr. Rubino was President of Fulcrum Agency in Vancouver, Canada. From September 2001 to October 2005, Mr. Rubino was Vice President of World Wide Exports d/b/a Canada Pharmacy in Langley, Canada.

Senior Vice President: Dan Fields

Dan Fields has served as our Senior Vice President and Director of Franchise Development since March 1, 2011. Dan previously served as the Vice President for Expense Reduction Analysts from 2006 – 2011 as well as having been the Executive Vice President of International Education Corporation in both 2005 and 2006.

Our Area Representatives are disclosed in Exhibit 7 to this Franchise Disclosure Document. Their business experience, litigation, and bankruptcy information is disclosed in Exhibit 9 to this Franchise Disclosure Document.

Other than the individuals listed above, no other persons have management or sales responsibility for our franchising business.

ITEM 3

LITIGATION

Hendrick J. Lombard and Next Level Business Coaching Ltd. v. Action International Canada Inc., Richard Verkley, Steve Thompson and Francois Perreault (Action Number: 0401-04025) (Alberta Q.B.) The plaintiffs, a franchisee of Action Canada and its principal operator and guarantor, filed a Statement of Claim on March 12, 2004 in the Court of Queens Bench in the Province of Alberta alleging that the defendants: (i) breached the Alberta Franchises Act and Regulations (the “Act”) by failing to disclose material facts in Action Canada’s disclosure document (including information regarding termination, cancellation, or non-renewal of franchises within the prior 3 years and the lack of income earned in the franchise, failing to sign the disclosure document, and failing to sign the certificate of franchisor); (ii) made material misrepresentations in the defendants’ disclosure document; (iii) breached their obligations of “fair dealing” and “good faith” under the Act; and (iv) breached their fiduciary obligations under the Act.

In addition, the plaintiffs sought \$74,500 in damages for payments made to Action Canada, trial costs, \$56,000 in damages for lost income, aggravated or punitive damages of \$200,000, such other damages as may be proven, cost of bringing this action, and interest on all monetary awards. The plaintiffs have not taken any affirmative steps to prosecute their action within the last four years, leaving the case essentially dormant; however, under Canadian law, the lawsuit is not subject to dismissal until 10 years after it was filed. Mr. Thompson disputes the plaintiffs’ allegations and intends to defend against the claims.

Ian Harrison and Fulcrum Business Coaching Inc. v. Action International Canada Inc., Richard Verkley, Steve Thompson and Francois Perreault. (Action Number: 0401-04026) (Alberta Q.B.) The plaintiffs, a franchisee of Action Canada and its principal operator and guarantor, filed a statement of Claim on March 12, 2004 in the Court of Queens Bench in the Province of Alberta alleging that the defendants: (i) breached the Act (as defined above) by failing to disclose material facts in Action Canada’s disclosure document (including information regarding termination, cancellation, or non-renewal of franchisees within the prior 3 years and the lack of income earned in the franchise, failing to sign the disclosure document, and failing to sign the certificate of franchisor); (ii) made material misrepresentations in the their disclosure document; (iii) breached their obligations of “fair dealing” and “good faith” under the Act; and (iv) breached their fiduciary obligations under the Act.

The plaintiffs sought \$74,500 in damages for payments made to Action Canada under the franchise agreement, \$88,060 in damages for lost income, costs associated with the trial, aggravated and/or punitive damages of \$200,000, such other damages as may be proven, and interest on all monetary awards. The plaintiffs have not taken any affirmative steps to prosecute their action within the last four years, leaving the case essentially dormant; however, under Canadian law, the lawsuit is not subject to dismissal until 10 years after it was filed. Mr. Thompson disputes the plaintiffs’ allegations and intends to defend against the claims.

Brian John Cox, The Gonneau Group Inc. Sailesh Jethmalani and Michael Murphy v. Action International Canada Inc., Richard Verkley, Steve Thompson, Francois Perreault and Marc Desormeaux. (Action Number: CV-04-003206-00) The plaintiffs, a franchisee of Action Canada and its principal operators and guarantors, filed a Statement of Claim in March 2004 in the Superior Court of Justice in the Province of Ontario. The plaintiffs seek from Action Canada rescission of their 4 separate franchise agreements due to (1) breach of the Arthur Wishart Act (“Ontario Act”) or \$395,272.34 in damages for fraudulent misrepresentation, negligent

misrepresentation, breach of duty of “fair dealing”, and breach of duty of “good faith” under the Ontario Act; (2) \$200,000 as general damages for misrepresentation, breach of contract, breach of duty of “fair dealing” and breach of duty of “good faith”; and \$50,000 as punitive damages. In addition, the plaintiffs seek a declaration and order that Action Canada fundamentally breached the franchise agreements between each of the plaintiffs and Action Canada.

The plaintiffs also seek from all remaining defendants, besides Action Canada, \$395,272.34 in damages for misrepresentation and failure to disclose under the Ontario Act, \$200,000 for general damages, and \$50,000 as punitive damages. In addition, the plaintiffs seek from all defendants, jointly and severally, pre-judgment and post-judgment interest, costs of the action on a substantial indemnity basis, including all applicable goods and service taxes, and further and other relief as the court deems just. The plaintiffs’ allegations include alleged failure to provide complete information as to the allocation of the marketing fund in prior two fiscal years; alleged false and fraudulent statement of material fact regarding no closure of a franchise within the previous three years; signing of certificate by only one officer or director of Action Canada; alleged failure to provide the plaintiffs with written statements of material change. The plaintiffs also contend that misrepresentations of material facts were made by Action Canada in the disclosure document; that Action Canada was negligent when it made misrepresentations; Action Canada owed a duty of “good faith” to the plaintiffs as franchisees; and Action Canada breached its statutory duty of “fair dealing” and common law duty of “good faith.”

The plaintiffs seek determination of liability of the personal defendants because: (1) defendant Thompson was an associate of Action Canada; and (2) defendant Desormeaux was a broker for Action Canada. As a result of the defendants’ actions, the plaintiffs seek damages, as described above. The plaintiffs have not taken any affirmative steps to prosecute their action within the last four years, leaving the case essentially dormant; however, under Canadian law, the lawsuit is not subject to dismissal until 10 years after it was filed. Messrs. Thompson and Desormeaux dispute the plaintiffs’ allegations and intend to defend against the claims.

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

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Initial Franchise Fee

You must pay us an Initial Franchise Fee in a lump sum when you sign the Franchise Agreement. Our standard Initial Franchise Fee (“Initial Franchise Fee”) is currently \$40,000. The Initial Franchise Fee is fully earned by us when you sign the Franchise Agreement for the franchise being purchased.

If we determine (in our sole discretion) that you or your Business Manager have failed to attend or complete our Initial Training Program. We have the right to terminate the Agreement. In that case, we will return the entire Initial Franchise Fee less \$10,000.

Initial Training Fee

Upon signing the Franchise Agreement, you must pay us an initial training fee of \$9,950 for you and, if applicable, your business manager who we approve (“Business Manager”), to attend our Initial Training Program. You may also (with our prior consent) bring additional non-coaching personnel to the Initial Training Program, in which case you will be required to pay to us an additional training charge of \$3,500 per person. You are required to pay us an additional fee for training replacement Business Managers of \$9,950 per person.

Meals and lodging for your you and any other attendee, at venues that we choose and identify, is included in the Initial Training Fee. You must pay for your and any other attendee’s travel expenses.

If you choose to hire an Associate, you will be required to pay us an associate training fee of \$9,950 for training of your Associate. You or your Associate will be responsible for all travel and living expenses incurred as a result of traveling to and from the training program. We will pay all food and lodging expenses of your Associate while he or she is participating in the Associate Training Program.

The Initial Training Fees are not refundable under any circumstances.

Product Purchases

You must buy our iPad Application, which costs \$50, from us before you open your Office. This fee is not refundable under any circumstances.

If you or your Business Manager fail to attend or successfully complete our Initial Training Program (including re-enrollment training), we can terminate the Franchise Agreement. If we terminate the Franchise Agreement for this reason, we will refund the entire Initial Franchise Fee, except for \$10,000. We will not refund any portion of any of the Initial Fees under any other circumstances.

The Initial Fees listed above are uniform to all franchisees under this offering.

ITEM 6

OTHER FEES¹

Type of Fee	Amount	Due Date	Remarks
Royalty ²	\$1,800 per month plus any applicable taxes	The 1st day of every Month	A graduated Royalty Fee is in effect during your first 12 months of operation (See Note 2).

Type of Fee	Amount	Due Date	Remarks
Associate Royalty Fee	\$1,000 per month per Associate	The 1 st day of every month	If you acquire Associates, your Royalty Fee increases by an additional \$1000 for each Associate. See Note 2.
Marketing and Advertising Fees	\$150 per month	On the 15 th day of each calendar month	Payable by you to support our advertising efforts for the System. See Item 11 for more information.
Training of Associates or your Business Manager	\$9,950 per person	Fees are due for Associates within 5 days after you hire an Associate. Fees are due for a replacement Business Manager upon scheduling training	You must pay us an Initial Training Fee of \$9,950 per person who attends training, including each Business Manager and Associate.
Training of Non-Coaching Personnel	\$3,500 per person	Upon scheduling training	Payable only if you elect to bring non-coaching personnel to the initial training program.
Additional Training	Our current reasonable additional training fee published in the Manual (will not exceed \$500 per day)	When we request	If required by us, you must attend training for changes in the System. We may charge you a fee for this training. You must pay for all of your travel, living, and related expenses.
National and Regional Conferences	Our then-current reasonable additional training fee published in the Manual (presently \$1,000 for National and \$500 for Regional Conferences)	When we request	We may charge a registration fee for each person that attends the conference. You must pay this fee for one person, even if you or your representative are unable to attend the conference. You must pay for all of the travel, living, and related expenses for each person you bring with you
Technology Fee	\$500 plus any applicable taxes	Annually on the last business day of November	We require you to contribute to the costs of creation, maintenance and on-going development of the FocalPoint System websites, Intranet site and other technology within the System. This fee may be reasonably increased by us, on any anniversary of the date it is paid.

Type of Fee	Amount	Due Date	Remarks
Interest	Lower of 18% per year or the maximum rate allowed by law	Upon request.	Payable on any past due amounts owed to us.
Replacement Fee for Manual	\$1,000	Upon request	We will provide you one copy of our Manual and other written information. If your Manual is lost or stolen, you must pay us this replacement fee.
iPad Application	\$50	Cash or check	Before opening your Office
Transfer Fee	15% of the purchase price for the Outlet; not to exceed \$20,000	Due when transferring ownership of Franchise Agreement	This fee is applicable only if you choose to transfer your Franchise Agreement. Our consent is required for any transfer. See Item 17 for additional information.
Renewal Fee	\$5,000 plus any applicable taxes	Upon renewal	Payable only if you choose to renew your franchise for another term. See Item 17 for additional information.
Cost of Product or Service Testing	Our costs of testing	As incurred	We reserve the right to test, analyze, inspect or randomly sample any product or service of a supplier proposed by you at your expense, whether or not we approve or reject the supplier.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us for our damages, claims or expenses that we incur arising from your operation of the Outlet or the Franchised Business.
Audit Fees ³	Cost of audit plus one and one-half percent (1.5%) interest per month on unpaid amounts	Upon Demand	Payable only if audit shows an understatement of at least fifty dollars \$50 for any month.

Type of Fee	Amount	Due Date	Remarks
Management Fee on death or disability ⁴	2 times the salary paid to the individual(s) assigned by us to operate the Franchised Business	Management fees and expenses will be paid from fees collected by us from operating the Franchised Business	Due if we assume management of the Franchised Business upon your death or disability. You must also pay our expenses including travel, meals, and other operating expenses we incur in operating the Franchised Business.
Cost of Enforcement or Defense ⁵	Cost of collection and attorneys' fees	Upon settlement or conclusion of claim or action	You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement.

Please note: The table above and footnotes below are a general summary of the types of fees that you can expect to pay to us over the course of your franchise relationship. Other than as noted in Items 5 and 8, no other fees are to be paid to us, nor do we impose or collect any other fees for any other third party. Any fees paid to us are non-refundable unless otherwise noted.

¹ Type of Fees. All fees are imposed by and are payable to us. This chart does not include fees for which you are responsible to others, including, but not limited to, local government agencies, regulatory agencies, professional organizations, local marketing and advertising companies, your landlord, utilities, and insurance companies.

² Royalty The Royalty Fees will be withdrawn from your designated bank account by electronic funds transfer monthly on the first day of each month (see Section 4.3 of the Franchise Agreement), unless we require otherwise. You must maintain sufficient funds in your designated bank account to pay the Royalty Fee. You will have a graduated Royalty Fee during your first year of operation. Specifically, during the first quarter (months 1-3), your Royalty Fee will be three hundred dollars (\$300) per month; for the second quarter (months 4-6), your Royalty Fee will be six hundred dollars (\$600) per month; for the third quarter (months 7-9), your Royalty Fee will be twelve hundred dollars (\$1,200) per month; and during the fourth quarter (months 10-12), your Royalty Fee will be fifteen hundred dollars (\$1,500) per month.

We require you to establish a commercial bank account that for the purpose of allowing us to make automatic withdrawals of the Royalty, marketing and other fees that you owe us under the Agreement directly from your bank account on or before the first calendar day of each month. You are required to execute our Authorization to Initiate Debit Entries for Franchise Fees form, which is attached to the Franchise Agreement (Exhibit B to this Franchise Disclosure Document) as Exhibit "E," as well as any and all other documents reasonably necessary to ensure that we are authorized and able to make fee deductions directly from your bank account.

³ Audit If we audit your Franchised Business, and you understated the Gross Revenues on the monthly statements you submitted to us by 3% percent or more for any month or for the entire period, when compared with your actual Gross Revenues, then you must immediately pay us the cost of the audit and the additional amounts owing, plus interest at 18% per year or the highest rate permitted by law, whichever is lower. Otherwise we must pay the cost of the audit.

If you understated your Gross Revenues by 8% or more for any month or for the entire period, we can terminate the Franchise Agreement and you must pay the amount due, plus interest and the cost of the audit.

⁴ Management on Your Death or Disability From the date of your death or disability (or of your last surviving principal, partner or shareholder if you are an entity) until a fully-trained and qualified Business Manager assumes control, we may operate the Franchised Business, but will have no obligation to do so. If we do, then we will deduct our expenses for travel, lodging, meals, and all other expenses and fees from the Franchised Business’s Gross Revenues and pay ourselves a management fee. This fee will be equal to two times the salary paid to individual(s) we assign to operate the Franchised Business. The Management Fee will be in addition to the Royalty Fees (as described above in this Item 6) that you must pay to us. We will remit any remaining funds to your estate. Your estate must pay us any deficiency in sums due to us under the Franchise Agreement within 10 days of our notifying your estate of deficiency. See Item 17 of this Franchise Disclosure Document and Section 15.4 of the Franchise Agreement for additional information.

⁵ Attorneys’ Fees and Costs of Collection If we are required to hire a collection agency or an attorney to collect from you money that is past due, we are entitled to reimbursement from you for all costs and expenses that we incur in doing so, including reasonable attorneys’ fees. Similarly, if we prevail in any action against you to secure or protect our rights under the Franchise Agreement, or to enforce the terms of the Franchise Agreement, we will be entitled to recover from you reasonable attorneys’ fees, experts’ fees, court costs and all other expenses of litigation.

In addition, if we become a party to any action or proceeding concerning the Franchise Agreement, or any agreement between us and you, or the Franchised Business, as a result of any claimed or actual act, error or omission of you or the Franchised Business, because of statutory, “vicarious”, “principal/agent” or other liabilities imposed on us as your franchisor; or if we become a party to any litigation or insolvency proceeding involving you, then you will be liable for our reasonable attorneys’ fees, expert fees, and court costs and travel and lodging costs and all other expenses incurred by us in the action or proceeding.

If we terminate the Franchise Agreement for your default, or if you terminate the Agreement through agreement with us (see Item 17, section d.), you must pay us all our expenses from your default or termination, including reasonable attorneys’ and experts’ fees.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT¹

Type of Expenditure	Amount	Method of Payment¹	When Due	To Whom Payment is Made
Initial Franchise Fee	\$40,000	Cash or check	Upon signing Franchise Agreement	Us

Type of Expenditure	Amount	Method of Payment¹	When Due	To Whom Payment is Made
Initial 3 months of marketing and advertising (Note 2)	\$3,000 - \$6,000	As Agreed	As Incurred	Outside vendors and suppliers
Initial Training Fee	\$9,950 per attendee	Cash or check	Upon signing Franchise Agreement	Us
Travel to initial training	\$500 – \$1,500	As agreed	As Incurred	Outside suppliers
Real Estate, Rent and Fixtures (Note 3)	\$0 to \$10,000	As Agreed	As Incurred	Landlord, outside vendors and suppliers
Furniture, equipment & signs (Note 4)	\$0 to \$9,000	As Agreed	As Incurred	Outside vendors and suppliers
Inventory and supplies (Note 5)	\$100 to \$3,000	As Agreed	As Incurred	Us, outside vendors and suppliers
Telephone, computer and communication (Note 6)	\$1,500 to \$3,000	As Agreed	As Incurred	Us, outside vendors and suppliers
Legal and Accounting	\$0 to \$4,000	As Agreed	As Incurred	Accountant or attorney
Business Licenses	\$0 to \$2,000	As Required	When Payable	State or municipality
Insurance (Note 7)	\$500 to \$7,000	As Agreed	As Incurred	Outside Suppliers
Additional Funds and Miscellaneous (First 3 Months of Operation) (Note 8)	\$9,000 to \$20,000	As Agreed	As Incurred	Outside Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT (Note 9)	\$64,550 to \$115,450	As Incurred	As Agreed with each Supplier	Us, Outside Suppliers, Landlord, state agencies and municipalities and miscellaneous vendors

(Please see Notes below, which are an integral part of this Item)

¹ Financing. We do not offer direct or indirect financing to franchisees for any items. The availability and terms of possible financing from third party sources will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions. The numbers included in this estimate do not include any finance charges, interest or debt service obligations or your living expenses.

² Marketing and Advertising. We recommend (but do not require) you to spend at least \$1,000 per month on advertising and client recruiting during the initial period after you establish and begin operating your Franchised Business. The amounts that you actually spend on initial promotion and marketing can vary widely. You may spend even more if you wish to grow your business faster. Generally, the greater the amount of money that you spend promoting and marketing your Franchised Business, the faster your business will grow.

³ Real Estate. There is no requirement to purchase or lease separate real estate in connection with ownership of your Franchised Business; we permit you to operate your Franchised Business from your home office. If you decide to locate your Franchised Business in a commercial premise, then you should try to find an office location that does not require you to spend money on leasehold improvements if that is at all possible. A typical lease location is a commercial office with approximately 200 – 800 square feet of space. The cost to run your Franchised Business will be dependent upon your staffing requirements and the terms of your lease. The figures set forth in this Item may vary substantially from location to location, and may vary based on whether you purchase or lease the space for the Franchised Business.

⁴ Furniture. The variation in costs for furniture, equipment and signs is based on differences in size, configuration, condition and location of the office and how many of these items you may already own.

⁵ Inventory and Supplies. This category includes Products, media and stationery, and marketing materials. We will provide you with a small amount of marketing materials upon completion of the Initial Training Program at no additional charge.

⁶ Communications. You must provide your own computer hardware and software that meets the requirements contained in Item 11. Telephone requirements are minimal. We advise that you have 2 lines. You should also consider acquiring a toll-free number if you plan on having customers calling you from outside their local calling area. You must maintain, upgrade and update all hardware, software and other communication systems, at your own expense, in accordance with our instructions.

⁷ Insurance. We will impose and require minimum standards and limits for certain types of required insurance coverage in our Manual or by other written notice to you. We may increase your insurance requirements during the term of the Franchise Agreement, and you must comply with the new requirements. The exact dollar amount of your insurance payment will be determined by the geographic location of the Outlet and the carrier that you use. Although we are unaware of specific instances where the initial costs of insurance have been higher, it is possible that your initial insurance costs would exceed the numbers in this Item 7. See Item 8 for additional information about required insurance.

⁸ Additional Funds. This estimates your initial three-month start-up expenses, less income earned, not including any salary for you or your employees or any other personal expenses. These figures are just estimates and we cannot guarantee that you will not have higher costs, or that you will ever achieve profitability. Competitive market conditions may affect these costs. These costs include, for example, miscellaneous startup costs for example: general liability and worker’s compensation insurance payments (if any); tax deposits and license fees (if any); prepaid expenses and deposits (e.g. utilities and rent), miscellaneous legal and accounting fees, employee costs before opening and during training (if any); and other miscellaneous costs. Additional funds for the operation of the Franchised Business will be required after the first three months of operation if sales produced by the Franchised Business are not sufficient to produce positive cash flow.

The disclosure laws require us to include in this estimate of all costs and expenses to operate your franchise during the “initial phase” of your business, which is defined as 3 months or a longer period if “reasonable for the industry.” We are not aware of any established longer “reasonable period,” so our disclosures cover a 3 month period after commencement of Operations. Additional funds for the operation of your business will be required after the first three months of operation if sales produced by your business are not sufficient to produce positive cash flow.

⁹ Basis of Estimates. We relied on our affiliate’s (International) experience of more than five years as a franchisor in the United States to compile these estimates. You should review the items and estimates below carefully with a business advisor before making any decision to purchase the franchise. You should also conduct your own independent investigation of the costs of operating a business coaching and consulting business in the geographic area in which you intend to open the Franchised Business. You are cautioned to allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs. All fees and payments described in this Item 7 are non-refundable, unless otherwise stated or permitted by the payee.

¹⁰ Figures May Vary. This Estimated Initial Investment Item 7 includes our estimates of your initial startup expenses and funds for additional inventory and additional funds for the operation of the Franchised Business. These expenses include payroll costs. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the Franchised Business. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market demand for your services; the prevailing wage rate; competition; and the sales level reached during the initial period.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Franchised Business in conformance with our methods, standards, and specifications which we prescribe in our confidential operating manual and various other confidential manuals and writings prepared for use by you in operating a Outlet (collectively the “Manual”), and which we may change in our discretion. The Manual covers nearly all aspects of your Franchised Business’s operations, such as processes and procedures, teaching techniques and the administration of classes and programs. The Manual does not cover aspects that are solely your responsibility as an independent operator of your Franchised Business, such as legal, accounting, employment, and geographic or jurisdiction-specific issues that may affect or apply to your

Franchised Business. You are also required to adhere to the standards and specifications established from time to time by us with respect to insurance, office supplies and forms, operating procedures, computer programs, and advertising materials used in the operation of the Franchised Business.

Required Purchases

You may only offer products developed by us or any products and services approved for sale by us in or from your Franchised Business (the “Products”). All Products that we approve must meet our standards and specifications. In order to: (i) better assure the quality of the Products; (ii) assure the supply or quality of the Products; and/or (iii) enable us, in our sole discretion to take advantage of marketplace efficiencies, we may require that you purchase Products and services from us or our supplier. Presently, we do not require you to purchase any Products from us other than an iPad application, which costs \$50.

We do not require you to purchase any initial inventory of Products from us.

You must not offer, promote or sell any services or products not authorized by us in writing. You must purchase certain supplies, equipment, materials and services required for the operation of the Franchised Business from suppliers designated in writing by us; from suppliers selected by you and approved by us; and/or, in accordance with our written specifications. You must use only information processing, computer systems and communications systems, electronic or otherwise, authorized or supplied by us.

Lastly, in order to maintain uniform quality standards, you must purchase certain supplies, equipment, materials, and services required for the operation of the Franchised Business from suppliers designated in writing by us; from suppliers selected by you and approved by us; and/or in accordance with our written specifications. You must purchase or obtain computer hardware and software meeting the specifications that we will give to you. In addition, you must require each Associate that you hire or retain to obtain or purchase computer hardware and computer software meeting the specifications designated in Item 11.

We may offer and sell to you nonproprietary products and services required to be purchased by you at prices we determine and establish at the time of sale in the Manual or otherwise. You are not obligated to purchase any non-proprietary products from us.

There are currently no purchasing or distribution cooperatives. We do not currently negotiate purchase arrangements with suppliers for the benefit of franchisees, but we reserve the right to do so on behalf of the System as a whole (and not on behalf of or for the specific benefit of individual franchisees). We do not provide any material benefits to you (for example, renewal or granting additional franchises) based upon your use of approved suppliers.

Approved Suppliers

To enhance the inter-brand competitiveness of the FocalPoint system, to enable the System to take advantage of mass purchasing and/or economies of scale, and, in order to guarantee uniformity of concept and quality, we may determine, in our discretion, to enter into system-wide supply contracts with one or more vendors of products and/or services.

If we enter into such a contract, then within a reasonable time, you and all other franchisees within the U.S. will be obligated to purchase the specified product(s) and or service(s) only from the specified vendor(s). However, if at the time of notification, you are a party to a non-terminable preexisting supply contract with another vendor for the product or service in question, then your obligation to purchase from the designated supplier will not start until the scheduled expiration (or earlier termination) of your pre-existing agreement. We have the right to modify or discontinue any exclusive supply arrangements and/or substitute the designated vendor(s). In some cases, we will not consider any other supplier where it has system-wide price agreements.

We are not currently the only approved suppliers for all goods and services that you must purchase for use by you or for resale to your clients. We are the only approved supplier of the iPad application. We may designate other approved suppliers for certain products and services. Also, if you decide to use telemarketing to promote and sell services offered by you, then you must retain the services of a telemarketing company that we have approved (see Supplier Approvals, below). We do not provide material benefits to you based on your use of designated or approved sources.

Other than their ownership in us, FocalPoint Coaching, Inc., and our affiliate, International, none of our officers own any interest in any of our approved suppliers.

Supplier Approvals

We must approve all sources of supply before you use them. We base our supplier approvals on our determination of product quality, value and appearance. We formulate and modify our System Standards based on the market for business coaching services in general, as well as competitive and economic conditions, based upon the collective experience of our franchisees and our principals.

We may issue product and service specifications in manuals or directives, in writing or orally, and we may modify them at any time. We have the right, under the Franchise Agreement, to change the standards and specifications applicable to operation of your Franchised Business, including standards and specifications for products, signs, furnishings, supplies, fixtures, inventory and equipment by written notice to you or through changes in the Manual. You may incur an increased cost to comply with these changes at your own expense; however, no change will materially alter your fundamental rights under the Franchise Agreement.

You must submit a written request to us for approval of a supplier. The supplier must demonstrate to our reasonable satisfaction that it is able to supply a product or service to you meeting our specifications. The supplier must demonstrate to our reasonable satisfaction that it is in good standing in the business community with respect to its financial soundness and the reliability of its product or service.

Presently, we have no written criteria for supplier approval. We have the right to require, as a condition of our approval and review, that our representatives be permitted to inspect the facilities of the proposed supplier and that the proposed item(s) be delivered to us, or to our designee, for inspection and testing. You, or your proposed supplier, will be required to pay our costs of inspection and testing, but we do not charge a fee for approving a proposed supplier.

We may require suppliers to provide us with certain information before we approve them. We also may require a proposed supplier to sign a confidentiality agreement, a Franchise Agreement or a quality guarantee agreement. We will give you written notice of our approval or disapproval within a reasonable time.

We are not required to approve any particular supplier. We may base our approval of any proposed item or supplier on considerations relating not only directly to the item or supplier, but also indirectly to the uniformity, efficiency, and quality of operation we deem necessary or desirable in our System as a whole. We will notify you of our approval or disapproval of a proposed supplier, product, or service within 30 days of receiving all requested information. If we revoke our approval of a supplier, then we will give you written notice. We may revoke our approval of particular products or suppliers when we determine, in our sole discretion, that such products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease purchasing products from such supplier.

We reserve the right to add a markup on all Products you purchase from us. We expect that this markup will range from 15% to 20% of the wholesale cost that we pay. We also expect to generate revenue selling advertising and telemarketing related services that you purchase through us. We expect that the markup for services purchased through us will be 15% to 20% of our costs for these services. We may also derive revenue through reasonable license fees, commissions, promotional fees, advertising allowances, rebates or other monies paid by approved suppliers.

We will generate revenue from the iPad application you purchase from us. We have not previously sold the iPad application to franchisees; as a result we cannot yet disclose the precise basis by which we or our affiliates will or may derive revenue from those required purchases. Other than the revenue we expect to derive from the sales of the iPad application, we do not currently derive revenue or any other material consideration from required purchases or leases by our franchisees.

Amount of Required Purchases

We estimate that your initial required purchases of Products and services from us or suppliers approved by us will be approximately 5% of your total expenses in establishing your Franchised Business and between 2.5% and 7.5% of your total expenses in operating your Franchised Business.

We may establish relationships with independent companies for the benefit of you. We will not have any type of ownership in these companies, and we will not receive any revenue from these companies. We may enter into arrangements with these companies so that you may have access to certain products and services. If the companies we establish these relationships with sell products that you must purchase, then you will have the option to decide whether you want to purchase their products and services.

Advertising Materials

All advertising and promotion by you, in any manner or medium, must be conducted in a dignified manner and must conform to our standards and specifications. You are responsible for all costs of such advertising and promotion. You must submit to us, at least 15 days prior to your planned publication or use, samples of all advertising and promotional plans and materials that you desire to use that have not been prepared or previously approved by us. We will notify you in writing within 10 business days of our receipt of any such materials whether we approve or disapprove of them. If we do not approve or disapprove the materials within 10 days of our receipt, the materials will be deemed approved.

You must display the Marks in the manner required by us on all signs and other advertising and promotional materials used in the Outlet. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

Insurance

You must carry insurance covering the risks and meeting the minimum coverage conditions that we prescribe in the Manual protecting you and naming us as an additional insured. See Item 6 of this Disclosure Document. We require you to purchase broad form comprehensive general liability coverage and broad form contractual liability insurance of at least \$2,000,000 aggregate per policy year, which may not have a deductible or self-insured retention of over \$5,000. If any vehicle is operated in connection with your Franchised Business you must purchase automobile liability coverage in the greater of (i) the amount required by all applicable state and federal laws, or (ii) \$1,000,000 for each person killed or injured, and, subject to that limit for each person, a total minimum liability of \$2,000,000 for any number of persons injured or killed in one accident, and a minimum limit of \$300,000 for injury, destruction or loss of use of property of third persons as the result of any one accident. You must also purchase worker’s compensation and employer’s liability insurance (in statutory amounts), unemployment insurance and state disability insurance (as required by governing law), for your employees. You must also purchase insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations (see Item 6 of this Disclosure Document and Sections 18.2 and 20.1 of the Franchise Agreement). If the Outlet is located in a commercial office, we also require you to purchase Fire and Extended Coverage Insurance, and builder’s or contractor’s insurance (if applicable) and performance and completion bonds in forms and amounts acceptable to us in connection with any construction, refurbishment or remodeling of the Outlet.

Premiums depend on the insurance carrier’s charges, terms of payment, and your history. All insurance policies must name us as an additional insured party.

ITEM 9

FRANCHISEE’S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement 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 Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Article 2	Items 6, 7, and 11
(b) Pre-opening purchases/leases	Articles 6, 11, and 20	Items 6, 7 and 8
(c) Site development and other pre-opening requirements	Article 2	Item 6, 7 and 11

Obligation	Section in Franchise Agreement	Disclosure Document Item
(d) Initial and ongoing training	Articles 5 and 6	Item 11
(e) Opening	Articles 2 and 6	Item 11
(f) Fees	Articles 4, 5, 9, 10, 14, and 15	Items 5, 6 and 7
(g) Compliance with standards and policies/Operating Manual	Articles 5, 6, 10 and 11	Items 8 and 11
(h) Trademarks and proprietary information	Articles 7 and 12	Items 13 and 14
(i) Restrictions on products/services offered	Articles 6 and 12	Items 8 and 16
(j) Warranty and customer service requirements	No provision	Item 11
(k) Territorial development and sales quotas	Article 2 and Exhibit A	Item 12
(l) Ongoing product/service purchases	Articles 5, 6 and 11	Item 8
(m) Maintenance, appearance and space requirements	Articles 6, 10, and 11	Item 11
(n) Insurance	Article 20	Items 6 and 7
(o) Advertising	Articles 5, 6, and 10	Item 11
(p) Indemnification	Articles 19 and 20	Item 6
(q) Owner's participation/management/staffing	Article 6	Items 11 and 15
(r) Records and reports	Articles 6 and 13	Item 6
(s) Inspections and audits	Article 23	Item 6 and 11
(t) Transfer	Article 15	Item 17

Obligation	Section in Franchise Agreement	Disclosure Document Item
(u) Renewal	Articles 3 and 16	Item 17
(v) Post-termination obligations	Article 17	Item 17
(w) Non-competition covenants	Article 19	Item 17
(x) Dispute resolution	Article 21	Item 17
(y) Other	Not applicable	Not applicable

ITEM 10

FINANCING

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

ITEM 11

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

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

Before you open the Outlet, we will:

1. Provide you with the Initial Training Program that you (if an individual) or your Business Manager (if you are an entity) must attend and successfully complete. In general, we require that a training class have a minimum of 4 licensed participants. We describe the Training Program later in this Item. (Franchise Agreement, Section 5.1);
2. At your request, after the date the Initial Training Program ends and subject to our availability, we will discuss over the telephone your operational challenges and any reports required under our System Standards. (Franchise Agreement, Section 5.2);
3. Loan you 1 copy of the Manual. (Franchise Agreement, Section 5.3(c));
4. You are permitted to operate your Outlet from your home office if you wish to do so. If you wish to locate your Outlet in a commercial office, we will not unreasonably withhold our acceptance of a site that meets our requirements. We must approve or disapprove your site within a reasonable time after we receive from you notice of the site's location. We describe the site selection process later in this Item. (Franchise Agreement, Section 2.3);

5. Provide you with access to the FocalPoint Website (Franchise Agreement, Section 4.4).

We do not provide any supervision, assistance or services before you open your Franchised Business other than those mentioned above.

Time to Open

We estimate that it will take approximately one to three months to open your Franchised Business. The time it takes to open your Franchised Business will depend on various factors (e.g., how quickly after signing the Franchise Agreement you begin your training in the Initial Training Program). If you wish to lease a space for your Outlet, factors such as your ability to obtain a lease, financing or building permits, zoning and local ordinances, weather conditions, shortages, or delayed installation of tenant improvements, fixtures, furniture, equipment, and signs can also affect this length of time. There is no deadline for opening the Franchised Business; however, you must begin paying Royalty Fees to us beginning in the fourth month in the term of your franchise.

During the operation of the Outlet, we will:

1. If you request, provide input to you from time to time, in the form of advice, studies, data or written materials and answer your questions at no charge to you in order to assist you with developing your operation of the Franchised Business. (Franchise Agreement, Section 5.2);
2. Provide telephone consultation to you from time to time, as we deem necessary in our sole discretion, for the purpose of helping you sell Products and services. (Franchise Agreement, Section 5.2);
3. Provide recommended and required pricing on Products and services (Franchise Agreement, Section 6.10).
4. At our sole discretion, provide to you additional training at locations designated by us. You will be responsible for all travel and living expenses related to your attendance at the additional training, plus any reasonable fees established by us. (Franchise Agreement, Section 6.5);
5. At our sole discretion, conduct one (1) annual national conference and one (1) regional conference at such places as shall be designated by us. Attendance by you or your Business Manager is required. You must pay a reasonable registration fee to us for each participant and you will be responsible for other costs associated with attending the conferences such as travel, lodging and meals. (Franchise Agreement, Section 6.7);
6. Approve or disapprove samples of local advertising and promotional materials not prepared or previously approved by us which are submitted by you, provided that if we do not respond to you within 10 business days of receiving those materials, they will be deemed approved. (Franchise Agreement, Section 10.4);
7. Institute, maintain and administer a central advertising account (the "Advertising Fund") for such advertising or public relations programs, as we, in our sole discretion, may deem appropriate to promote the

System and Marks nationally. We describe the Advertising Fund later in this Item. (Franchise Agreement, Section 10.3).

8. Let you use our confidential information. (Franchise Agreement, Articles 2 and 7).
9. Let you use our Marks. (Franchise Agreement, Section 2.1).

Advertising and Marketing

Advertising and Marketing Fund. You must pay us a monthly Advertising Fund Fee of one hundred fifty dollars (\$150), which we will deposit into an advertising fund (“Advertising Fund”). We will spend monies contributed to the Advertising Fund on local, regional and national advertising. We do not guarantee that we will spend any amount of money on a particular advertising campaign program. (Franchise Agreement, Sections 10.2 and 10.3). We do not operate any company-owned FocalPoint Coaching Businesses, and we do not contribute to the Advertising Fund on the same basis as our franchisees. All of our franchisees contribute to the Advertising Fund at the same rate. If you are in the territory operated by an FocalPoint Area Representative, we will reimburse your Area Representative for advertising your Area Representative conducts within its territory, up to 50% of all Advertising Fund Fees paid by all unit franchisees in your Area Representative’s territory.

We, and, if applicable, your Area Representative will decide where and how the Advertising Fund money is spent, provided, however, that we will make a good faith effort to expend the Advertising Fund monies that are not reimbursed to your Area Representative (if applicable) in the general best interests of the System on a national or regional basis. The Advertising Fund may be used to meet any and all costs of placing and paying for local, regional or national advertising and employing public relations firms and advertising agencies to assist in these activities, including fees to have print or broadcast advertising placed by an agency and all other advertising agency fees. (Franchise Agreement, Section 10.3) We do not receive payment for providing goods or services to the Advertising Fund. The media in which advertisements may be disseminated include direct mail, print ads, radio and television and may be conducted on a regional or national basis. We intend to use an advertising agency to create and place advertising, but we may also use our own internal resources to conduct advertising activities.

We have the right to retain 15% of the Advertising Fund for any reasonable administrative costs and overhead that we may incur in activities reasonably related to the administration or direction of the Advertising Fund and advertising programs for franchisees and for reimbursement of salaries of our employees who are engaged in advertising and promotional programs; and for new product development and research, including conducting market research; preparing marketing and advertising materials; preparing and maintaining of World Wide Web pages and sites; other activities related to advertising and promotion via the Internet and/or other public computer networks; and, collecting and accounting for the Advertising Fund Fees.

We and, if applicable, your Area Representative are not required to spend any amount on advertising specifically in the area where your Franchised Business is located. We, your Area Representative (if applicable) and our designees are not required to make expenditures for you which are equivalent or proportional to your payment of fees, to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising or to ensure that any advertising impacts or penetrates your Franchised Business. (Franchise Agreement, Section 10.3).

If all fees paid into the Advertising Fund are not spent in the fiscal year when they accrue, we can use the remaining amounts during the following fiscal year. If we expend an amount greater than the amount available in the Advertising Fund in any fiscal year, we will be entitled to reimburse ourselves from the Advertising Fund during the next fiscal year for all excess expenditures made during the fiscal year. (Franchise Agreement, Section 10.3).

There is no requirement that the Advertising Fund be audited. We will maintain the sums of money in the Advertising Fund in a separate account from our other funds. We will prepare an annual statement of the Advertising Fund's operations and make it available to you upon request. While we do not anticipate that any part of Advertising Fund contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to include a notation in any advertisement indicating "Franchises Available." (Franchise Agreement, Section 10.3).

We may terminate and resume the Advertising Fund periodically during the term of the Franchise Agreement, however, any decision to terminate or resume the Advertising Fund will apply to all franchisees equally. We will not terminate the Advertising Fund before making arrangements to spend or rebate any balance in the Advertising Fund after payment of all expenses. If we resume the Advertising Fund, we will give you at least 30 days written notice before Advertising Fund Fees become due again and we will collect Marketing and Advertising Fees at the original rate in the Franchise Agreement. Anyone who buys or bought a FocalPoint Coaching Business after or before you do and signs or signed a different form of Franchise Agreement may pay a different rate of Advertising Fund Fees than you do, but all franchisees purchasing a FocalPoint Coaching Business at the same time that you do will pay the same Advertising Fund Fees that you do. (Franchise Agreement, Section 10.3).

During fiscal year ending December 31, 2011, the Advertising Funds that were operated by International and by us had contributions of \$33,224.97. The total amounts expended in fiscal year 2011 were \$10,258.37. At the end of 2011, the Advertising Fund had a balance of \$24,186.60. Of that amount, \$17,780.09 has been assigned to us by our licensor, International, to administer and use in the operation of the Advertising Fund.

Advertising rebates or benefits from vendors will be added to the Advertising Fund or used in another manner that benefits all licensees or area representatives.

There are no advertising cooperatives. The Franchise Agreement does not give us the power to require advertising cooperatives to be formed, changed, dissolved or merged. We do not have an advertising council comprised of franchisees.

Your Advertising Obligation. You must only advertise your Franchised Business in accordance with written guidelines (the "Guidelines") established in the Manual. With our advance written approval, you may also use promotional or marketing materials that you prepare which do not conform to the Guidelines and which make reference to the System and the Marks. You must submit to us copies of all advertising materials that you propose to use at least 15 business days before the first time they are broadcast or published. We will review the materials within 10 business days and provide written notice to you whether modification is necessary or whether we reject them. You may not use any portion of any advertising materials that we have rejected. You may make all necessary corrections at your cost and expense so that the proposed advertising materials conform to our standards and are otherwise suitable. No portion of the advertising material that is rejected by us may be

used by you unless the corrections are made to this advertising material and the corrections are approved by us in writing. (Franchise Agreement, Section 10.4).

You may use advertising and promotional materials that you prepare at your own expense, provided that before you use the materials, we have approved them in writing. You may not advertise in any fashion on any websites or through any electronic media without our express written consent.

We have no advertising council nor are there any advertising funds other than those described above.

You may not maintain a Web Site under the Marks, as defined below, or otherwise maintain a presence or advertise using any public computer network with your Franchised Business other than on the Web Site hosted by us or as permitted by us in writing or through the Manual. "Web Site" means any part of the Internet used as a commercial computer network by the public, whether now existing or developed after the date of your Franchise Agreement, that enables the public to purchase services or goods by means of electronic commerce. Notwithstanding the foregoing, we will permit you to promote your business on certain social networks (such as LinkedIn and Twitter) as determined by us in our sole discretion, and as set forth in the Manual or otherwise in writing.

Manual

We will loan you one copy of the Manual after you sign the Franchise Agreement. You must comply with all policies and procedures in the Manual. We may modify them at any time. The Table of Contents of the Manual as of the date of this Disclosure Document is attached as Exhibit C to this Disclosure Document. The total number of pages in the Manual is 756. The number of pages devoted to each topic is reflected in the Table of Contents. We will notify you if there are any changes made to the policies or procedures so that you can comply. You must update your copy of the Manual, as instructed by us. If you lose your copy of the Manual, we will charge you a \$1,000 manual replacement fee. (Franchise Agreement, Section 5.3).

Site Selection

We do not select the location of your Outlet or approve an area in which you select the location of your Office. We do not own the premises for your Office and lease it to you. Finding a suitable office location that conforms to local ordinances and building codes is your responsibility. Your Outlet may be located in your home (if permitted by state and local law, zoning codes and applicable community covenants) or it may be located in commercial office space approved by us prior to opening the Franchised Business. We cannot predict, represent, or warrant success, suitability, or income levels for any location.

If your Outlet will be in a commercial space, then we must approve the location of your Outlet prior to your selecting a site. To seek our approval of a site that you locate, you must advise us in writing of the street address of the proposed location of your Outlet and provide us with a copy of any demographic information that you possess on the location. Some of the factors that we will consider in approving a location for your Outlet include demographics, visibility, condition of the premises, accessibility, and our subjective judgment as to whether a location is appropriate. We will approve or disapprove your proposed site within 30 days after you present the information described above to us. If you and we disagree about the proposed location, you must locate another acceptable site for your Franchised Business; otherwise, you must operate your Outlet from your home. (Franchise Agreement, Section 2.3).

Training Program

You (if you are an individual) or your Business Manager (if you are an entity) must pay the fees for and attend the Initial Training Program within 90 days after the signing of the Franchise Agreement. You cannot open or operate your Office until after you or your Business Manager attends the Initial Training Program. We have the right to approve your Business Manager who will attend this Initial Training Program. You or your Business Manager must complete the Initial Training Program to our satisfaction.

If we reasonably conclude that you or your Business Manager have failed to attend or successfully complete the Initial Training Program, the person who failed can re-enroll in our next scheduled Initial Training Program at no additional charge. We can terminate the Area Representative Agreement if the person fails to successfully complete the Initial Training Program again. If we do so, we will return the Initial Franchise Fee less \$10,000.

The Initial Training Program will take place for approximately 6 days at our training center in San Diego, California or such other location as we determine. The Initial Training Program will consist of reviewing our distinctive methods and plans for the establishment, operation and promotion of FocalPoint Coaching Businesses (collectively, “Franchised Methods”) and System and any relevant techniques, procedures and methods of offering and selling FocalPoint Products, operations, consulting, financial management techniques, outlet responsibilities, hiring practices, advertising, sales, promotion and marketing plans, customer relations, quality standards and practical experience in the operation of the System and the Franchised Methods. We do not provide any on-the job training. We do not have a regular schedule for the Initial Training Program, but instead will schedule it on an “as-needed” basis. Generally speaking, we require that we have at least 4 participants before we conduct an Initial Training Program.

We do not currently maintain a separate training staff to conduct the Initial Training Program. The following table summarizes our Initial Training Program that must be completed to our satisfaction by you or your Business Manager before you open your Franchised Business.

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Overview	2	0	San Diego, California
The Foundation	3 ½	0	San Diego, California
DISC	2 ¾	0	San Diego, California
Coaching Technique	6 ¼	0	San Diego, California
Prospecting	3 ½	0	San Diego, California
Presenting & Selling	9	0	San Diego, California
Technology	2	0	San Diego, California

The minimum experience of the instructors that is relevant to the subject taught and our operations is from 3 to 20 years. In certain cases, Brian Tracy may provide some instruction during the Initial Training Program, but we cannot guarantee that he will take part in the Initial Training Program. The materials used during training

are the Manual, our specialized PowerPoint presentations and role-playing.

Dominic Rubino is responsible for overseeing all aspects of our Initial Training Program, and is involved in instruction in each subject. Mr. Rubino is our Executive Vice President, a position he has held since September 2006. From October 2005 to October 2006, Mr. Rubino was President of Fulcrum Agency in Vancouver, Canada. From September 2001 to October 2005 Mr. Rubino was Vice President of World Wide Exports d/b/a Canada Pharmacy in Langley, Canada. From May 1999 to June 2004, Mr. Rubino was a Business Coach for Action International in Vancouver and Calgary, Canada.

Ian Hayman is part of the Coach Support team, providing training and support to the Coaches in our system. He is known as a coach who can not only bring on clients, but also keep them. Ian is skilled at increasing performance levels with all who interface with him on both the business and personal level. He is a unique individual with experience in Manufacturing, Operations, and Engineering. He has participated and led initiatives in QS9000, and ISO Certification support. As our Support Coach, he performs 2 critical roles; he trains our coaches on how to succeed quickly and consistently and he teaches them how to implement the FocalPoint Coaching System™ with their clients.

You must pay us a training fee of \$9,950 for you and, if applicable, your business manager who we approve (“Business Manager”), to attend our Initial Training Program. You may also (with our prior consent) bring additional non-coaching personnel to the Initial Training Program, in which case you will be required to pay to us an additional training charge of \$3,500 per person. You are required to pay us an additional fee for training replacement Business Managers of \$9,950 per person. You must pay all expenses incurred by you, your Business Manager, and any additional people you bring to the Initial Training Program in connection with training, including transportation costs, and other expenses incurred in traveling to and from the Initial Training Program, but we will pay all food and lodging expenses of your attendees while participating in the Initial Training Program. You or your Business Manager must complete the Initial Training Program to our satisfaction.

To assist you in operating your Franchised Business, we may offer additional training programs (“Additional Training”) and/or refresher courses to you, your Business Manager, and/or your employees. We have the right to charge our reasonable fee, as published in our Manuals, which is currently \$500 per day, for this Additional Training. After your Franchised Business opens, you must attend Additional Training if we require it in order to ensure you remain educated about changes in the Products, the Franchised Methods and the System. You must pay all travel and living expenses related to attendance of additional training, plus any reasonable fees established by us as published in our Manual.

Within 5 days after you hire an Associate, you must pay an Associate training fee of \$9,950 plus applicable taxes to us in order for us, or our designee, to provide a training program to the Associate (the “Associate Training Program”) at or near our corporate offices, at a time to be determined by us. The Associate must be responsible for all travel and living expenses incurred as a result of traveling to and from the Associate Training Program. We will pay all food and lodging expenses of the Associate during the Associate Training Program.

We may, in our discretion, hold one annual national conference and one annual regional conference at location(s) to be selected by us. We shall determine the topics and agenda for the conference to serve the purpose among other things, of updating franchisees on new developments affecting franchisees, exchanging information between franchisees and our personnel regarding Outlet operations and programs, and recognizing

franchisees for their achievements. You will be required to attend each of the annual conferences and to pay our reasonable then-current registration fee, as published in the Manual or otherwise. All expenses, including you, your Business Manager, and/or employees' transportation to and from the annual conferences, and lodging, meals, and salaries during the annual conference, are your sole responsibility. We may use contributions from the Advertising Fund for purposes related to the annual conferences, including costs related to productions, programs, and materials.

Computer, Equipment, Software and Communications Systems

You must purchase computer hardware and software we require at your expense and in accordance with our specifications, as set forth below. (Franchise Agreement, Section 6.6). You are not required to purchase any specific brand of computer hardware or communications systems.

Currently, we require that you, and each of your Associates, have a laptop computer and the following minimum attributes:

Category	Operating Requirements
Operating System and Software*	Microsoft Windows XP Professional (note: operating system is incompatible with Microsoft Home Edition) Microsoft Office Professional 2003 Norton Antivirus Software Adobe Acrobat 7.0
Processor / Speed	At least 2.8 GHz with one of the following processors: Intel Core™ 2 Extreme Intel Core™ 2 Quad Intel Core™ 2 Duo Intel Pentium D Intel Pentium 4 Intel Celeron AMD Phenom AMD Athlon 64 AMD Athlon
Memory	At least 1 GB
Hard Drive	At least 120 GB
Removable Media	Integrated DVD-RW/CD-RW drive
Connectivity	2 USB 2.0 ports Installed mobile connectivity hardware and software (WIFI)
Printer / Fax / Scanner	All in One Color Laser (HP Suggested)
Communications	2 business lines 1 fax line Integrated microphone in Laptop Computer
Internet	DSL or Broadband connection
Presentations	Minimum XG resolution with 1000 lumens Laptop / projector connectivity

*or latest current edition

During the term of the Franchise Agreement, and in accordance with our written instructions, you must maintain, update all upgrade hardware, software and other communications systems at your expense. We will notify you regarding any new requirements that we have for your computer, equipment, software and communications systems through the Manual or through written notice. You will be required to comply with the computer, equipment, software and communications systems requirements as set forth in the Manual within a reasonable time after publication or notice of the change.

You or your Business Manager must, at your expense, keep your computer system in good maintenance and repair and ensure that each of your Associates, if any, is doing the same. In addition, we reserve the right to require you to sign software licensing contracts in order to be permitted to use the software that we require you to use. You must input and maintain on your computer system all data and information which we prescribe in the Manual, in your proprietary software programs and otherwise. We estimate that the cost of the computer system and other equipment listed above is between \$1,500 and \$3,000.

We have no obligation to provide or assist you with obtaining any hardware or software. Neither we nor any third party software provider, has any obligation to provide any ongoing maintenance, repairs, upgrades or updates to any of the software or hardware that we currently require you and your Associates to use. Also, there are no limitations on the frequency of any updates or upgrades of the software and hardware we require you and your Associates to use and there is no limitation on the cost of these updates and upgrades.

The contact management software will operate in a networked environment that will give us independent access to the information that will be generated by or stored in your computer system, including your entire customer and client database. We may also use your information and communications systems to give us access to any other information we deem necessary, desirable or appropriate. There are no contractual restrictions or limitations on our right to access your databases used in association with your Franchised Business. (Franchise Agreement, Section 6.6). The software is used for collecting contact management and client information.

Neither we, nor any affiliate or third party, will be obligated to provide ongoing maintenance, repairs, upgrades or updates for the computer system. We currently do not require that you purchase a maintenance, repair, upgrade or update service contract for the computer system, but we reserve the right to do so in the future. The current annual cost of a service contract is about \$1,500.

Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date related problems and attacks by hackers and other unauthorized intruders (“E-Problems”). We have taken reasonable steps so that E-Problems will not materially affect our business. We do not guarantee that information or communication systems that we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify that your suppliers, lenders, landlords, customers, and governmental agencies on which you rely, have reasonable protection from E-problems. This may include taking reasonable steps to secure your systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems.

We may suspend your participation in any service or program we offer, including our intranet and Website, while you are in default under your Franchise Agreement.

ITEM 12

TERRITORY

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 will grant you the non-exclusive right, during the term of the Franchise Agreement, to develop your Franchised Business from a specified location. We do not grant areas of protection or exclusive / protected territories. We have the right to conduct any of the activities specified in this Item 12 regardless of its proximity to the location of your Franchised Business.

You must obtain our approval for the location of your Franchised Business if you will not be operating your Franchised Business from your residence. We can use and allow others to use the Marks and our Products regardless of their proximity to your Franchised Business.

You will only have the rights to operate your Franchised Business under the terms and conditions of the Franchise Agreement, and we reserve all other rights to ourselves and our affiliates. We and our affiliates have the following rights:

- (a) We, our Master Franchisees, and our affiliates have the right to own, operate and situate FocalPoint Coaching Businesses, regardless of the proximity to the location of your Franchised Business, as we, our Master Franchisees, and our affiliates consider appropriate. The locations of these FocalPoint Coaching Businesses may be immediately proximate to, adjacent to or abutting the location of your Franchised Business.
- (b) We, our Master Franchisees, and our affiliates have the right to grant franchises for the operation of FocalPoint Coaching Businesses using the System, regardless of the proximity to the location of your Franchised Business, as we, our Master Franchisees, and our affiliates consider appropriate. The locations of these FocalPoint Coaching Businesses may be immediately proximate to, adjacent to or abutting the location of your Franchised Business.
- (c) We, our Master Franchisees, and our affiliates have the right to purchase, merge, acquire, be acquired by or affiliate with an existing franchise network, chain or any other business regardless of the location of that network's, chain's or business's facilities.
- (d) We and our affiliates have the right, regardless of proximity to the location of your Franchised Business, to offer and sell products and services that are not part of the FocalPoint System through any distribution method, exploiting our and our affiliates' Marks, name, reputation and know-how.
- (e) Regardless of the proximity to the location of your Franchised Business, we and our affiliates have the right to offer and sell System services and products at retail to National/Regional and Institutional Accounts. "National/Regional and Institutional Accounts" are organizational or institutional customers whose presence is not confined to the area in which your Franchised Business is located, federal, state, and local governmental and quasi-governmental agencies,

branches or facilities; and, any other customer. Only we will have the right to enter into contracts with National/Regional and Institutional Accounts. In our sole and absolute discretion, you may be given the opportunity to service any outlets or locations of National/Regional and Institutional Accounts that are geographically close to the location of your Franchised Business at the price we agree on with the National/Regional and Institutional Account. We are not required to give you the opportunity to service any outlets or locations of National/Regional and Institutional Accounts that are geographically close to the location of your Franchised Business at the price we agree on with the National/Regional and Institutional Account. If, for any reason, you do not desire to service a National/Regional and Institutional Account that we give you the opportunity to service, or if you cannot service the Account for any reason, or if the National/Regional and Institutional Account desires for any reason to deal exclusively with us, our affiliates or another franchisee, and not with you, then we, our affiliates or any other franchisee may service the National, Regional and/or Institutional Account, and you will not be entitled to any compensation in connection with this service. The procedures governing the National/Regional and Institutional Accounts program will be in the Manual.

- (f) We and our affiliates have the right to use the Marks in alternative methods of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing sales, regardless of the proximity of use or any potential clients to your location.

We are not required to pay you if we exercise any of the rights specified above. You are not granted any exclusive territory, and we are not required to pay any compensation to you for soliciting or accepting orders from any location, regardless of its proximity to you.

All FocalPoint Coaching franchisees may solicit, service, advertise and offer their Products and services to any individual or entity anywhere. We do not restrict you from soliciting or accepting business from outside your area, but you do not have the right to use other channels of distribution (such as the Internet, catalog sales, telemarketing, or other direct marketing) to perform services or sell Products anywhere.

Although we and our affiliates have the right to do so (as described above), we and our affiliates have not operated or franchised, and have no plans to operate or franchise, other businesses selling or leasing similar products or services under different trademarks. If we or our affiliates, purchase, merge, acquire, are acquired by or affiliate with an existing competitive franchise network, chain or any other business, then we or our affiliates will have the right to operate, franchise or license those businesses and/or facilities as FocalPoint Coaching Businesses regardless of their proximity to your Franchised Business.

If you operate your Franchised Business from a commercial office, and not your home, and if you desire to change the location of your Franchised Business, then the new location of your Franchised Business must be approved in writing by us prior to your moving the Franchised Business to the new commercial location. We may permit you to acquire additional franchises but you have no contractual rights to do so and the decision whether to grant additional franchises to you is entirely ours.

General

Under a License Agreement dated as of December 31, 2004 (the “Tracy/Fraser License Agreement”) between International (“International”) (as assignee of FP Franchising LP) and Tracy and Fraser (collectively,

“Licensor”), Licensor granted International (i) an exclusive license to use, sublicense, sell, copy, promote, modify, lend, develop and franchise all present and future materials created for or provided to International for the exclusive use by International, its Master Licensees, Area Representatives and Licensees, including seminars (excluding live coaching seminars provided by Tracy and/or Campbell) and related programs, materials, manuals, promotional materials, software programs and video and audio cassette programs created, improved or developed by, or with the cooperation of Licensor (collectively, the “FocalPoint Materials”), in the United States and (ii) a non-exclusive license to sell and promote the certain Brian Tracy Materials (as defined in the Tracy/Fraser License Agreement) in the United States.

The Tracy/Fraser License Agreement also allows International to sell master licenses and licenses throughout the United States, and International has granted us an exclusive license to sell FocalPoint Coaching Business franchises throughout the United States. The Tracy/Fraser License Agreement has an initial term of 20 years, and, assuming International is not in default, International has the right to renew the Tracy/Fraser License Agreement for an additional period of 20 years. The Tracy/Fraser License Agreement may be terminated if International breaches the terms of the Tracy/Fraser License Agreement, including failure to pay license fees.


Upon termination of the Tracy/Fraser License Agreement, you and your Licensees will have the right to use the Marks and the Focal Point Materials and the Brian Tracy Materials for the remaining term of your Area Representative Agreement or Unit License Agreement, provided you or they comply with the terms of the Tracy/Fraser License Agreement.


Tracy and Fraser have the right to sell performance training and coaching products and services, including live coaching seminars, in the United States through distribution methods other than franchising. As a result, Tracy and Fraser may compete with the products and services you will sell under your Franchise Agreement.

ITEM 13

TRADEMARKS

We have the right to license the following trademarks and design marks:

Trademark	Application Number Application Date	Registration Number Registration Date	International Class of Goods
 <p>(Design)</p>	<p>78978014 April 13, 2004</p>	<p>3238427 May 1, 2007</p>	<p>35</p>

Trademark	Application Number Application Date	Registration Number Registration Date	International Class of Goods
 <p>(Design)</p>	<p>76669995 December 6, 2006</p>	<p>3396886 March 18, 2008</p>	<p>35</p>

All required affidavits have been filed regarding the above marks, which have been registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”).

The “Marks” means the symbols, trademarks, service marks, logotypes and trade names which we will license to you under the Franchise Agreement and includes the design mark and word marks shown above. The Marks are owned by Brian Tracy and Campbell Fraser and have been licensed to us.

Under the Tracy/Fraser License Agreement between International and Licensor dated December 31, 2004, Licensor granted International (i) an exclusive license to use, sublicense, sell, copy, promote, modify, lend, develop and franchise all the FocalPoint Materials, in the United States and (ii) a non-exclusive license to sell and promote the certain Brian Tracy Materials (as defined in the Tracy/Fraser License Agreement) in the United States.

The Tracy/Fraser License Agreement also allows International to sell master licenses and licenses throughout the United States, and International has granted us an exclusive license to sell FocalPoint Coaching Business franchises throughout the United States. The Tracy/Fraser License Agreement has an initial term of 20 years, and, assuming International is not in default, International has the right to renew the Tracy/Fraser License Agreement for an additional period of 20 years. The Tracy/Fraser License Agreement may be terminated if International breaches the terms of the Tracy/Fraser License Agreement, including failure to pay license fees, but cannot be modified without mutual consent of the parties. Upon termination of the Tracy/Fraser License Agreement, you will have the right to continue to use the Marks for the remaining term of your Franchise Agreement, and we will continue to fulfill our obligations to you. There are no other agreements that limit our right to use or license the Marks.

We will grant you the right to use the Marks in accordance with the terms and conditions of the Franchise Agreement. You may not use any of the Marks as part of your business name or Internet domain name or online address.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving our principal Marks. There are no pending infringements, opposition or cancellation proceedings or any pending material litigation involving our principal Marks. All required affidavits pertaining to this registration have been filed. There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

We will 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 a FocalPoint Coaching Business infringes their intellectual property rights or misappropriates their trade secrets. However, you must immediately provide written notice to us of any possible infringement or illegal use of the Marks by any person, or trademarks the same as or substantially similar to the Marks which may come to your attention. You must defend the Marks if we determine that this is necessary for the continued protection and quality control of the Marks and Franchised Methods. We will bear the cost of this action, including reasonable attorneys' fees, and will reasonably cooperate with you in any litigation. In the event of any litigation relating to your use of the Marks, you are required to sign all documents and assist us, as we deem necessary, to carry out the defense or prosecution including, without limitation, becoming a nominal party to any legal action. We have the right to control any administrative proceedings or litigation involving your use of the Marks. If we, in our sole discretion, determine that you have not used the Marks in accordance with the Franchise Agreement, you will be required to pay for the defense or to reimburse us for costs we incurred in providing the defense, including the cost of any judgment or settlement.

You must not institute any action on account of any possible infringement or illegal use of the Marks without first obtaining our prior written consent. We have the right to control any prosecution of any action. You must not institute any action on any possible infringement or illegal use of the Marks without our prior written consent. If you become a party to a legal proceeding in connection with a claim of this type and we decide to hire attorneys to protect our interests, then we may defend you at our own expense or settle the case. At any time we may settle the case and you will be bound by any settlement negotiated by us.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of the principal trademarks in the state where your Franchised Business is to be located.

We have the right to modify or discontinue the Marks, or to develop additional or substitute Marks upon written notice to you in our sole judgment. Within 120 days after receiving notice from us, you must, at your sole expense, take action as may be necessary to comply with modification, discontinuation, addition, or substitution of the Marks. You must cause all of your Associates to modify, substitute or discontinue the use of any Marks, and additional Marks in accordance with our notice. We are not required to reimburse you for the costs you incur in changing the Marks.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents are material to the franchise. We claim copyright protection of the Manual and related materials and other brand identity/marketing/advertisement/promotional materials, including all our books, products, tapes, CDs, DVDs, systems, software, marketing plans, business development strategies, and web pages, although such materials have not been registered with the United States Copyright Office (the "Copyrighted Materials"). These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement. We reserve the right to register any of our copyrighted materials at any time we deem appropriate.

There currently are no effective determinations of the Patent and Trademark Office, the Copyright Office (Library of Congress), or any court regarding any of the Copyrighted Materials. There are no agreements in

effect that significantly limit our right to use or license the Copyrighted Materials. There are no infringing uses actually known to us, which could materially affect your use of the Copyrighted Materials in any state. We are not required by any agreement to protect or defend any patent, trademark, or copyright. We do not know of any copyright infringement that could materially affect you.

We may periodically modify the Copyrighted Materials or add to or discontinue using all or part of the Copyrighted Materials, in our discretion. We will notify you of all changes and you must conform to them at your expense. You must not contest our interest in the Copyrighted Materials, proprietary information or trade secrets. You must follow our rules when you use the Copyrighted Materials, including using special notices of registration that we designate.

We possess certain confidential information including the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of the System (the “Confidential Information”). We will disclose certain of the Confidential Information to you during the training programs, seminars and conventions, in the Manual and in guidance furnished to you during the term of the Franchise Agreement.

You must not, during the term of the Franchise Agreement or subsequently, divulge or use any Confidential Information for the benefit of any other person, corporation, partnership, proprietorship, association, or other entity, nor will you directly or indirectly permit disclosure of, imitate or aid any third party to imitate any of the Confidential Information. You and your Associates (if any), officers, directors, shareholders, management, officers, directors, shareholders, management, Business Manager(s), sales personnel and employees may only use and divulge Confidential Information as is necessary to operate the Franchised Business, and then only on a “need to know” basis, to those of your Associates (if any), officers, directors, shareholders, sales personnel, employees, management personnel, agents or independent contractors who need access to it for this purpose. In addition, any of your Associates, directors, officers, employees, partners, agents, attorneys, professional advisors or others you authorize or retain who have a need to know the contents of the Manual or any of our confidential information must sign confidentiality agreements covering all of our proprietary information (see Exhibit B to the Franchise Agreement in this Disclosure Document). You must comply with the Manual, which we have the right to change. If we change the Manual, you must comply with the revised requirements.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must personally and directly supervise the operation of the Franchised Business, unless we otherwise permit in writing. You must devote the amount of your time, attention and best efforts to the performance of your duties under the Franchise Agreement that is necessary for the proper and effective operation of the Franchised Business.

If you are an individual, you must either serve as or designate a Business Manager. If you are an entity, then you must designate a Business Manager. You must inform us in writing of the identity of your Business Manager and any successor Business Managers. Each Business Manager must receive our advance written approval. Your Business Manager will have day-to-day management responsibility for the Franchised Business, exercise on-premises supervision and personally participate in the direct operation of the Franchised

Business. The Business Manager must devote all of his or her business time to the management of the Franchised Business. Each Business Manager must complete our Initial Training Program to our satisfaction.

If you are an entity, then all your directors and officers and any individual that owns a 5% or greater interest in you or the Franchise Agreement must sign a guarantee agreement assuming and agreeing to be personally responsible for all of the obligations of the Franchise Agreement, which means that all of our Franchise Agreement’s provisions (Exhibit 2) will apply to your owners. A copy of the guarantee agreement is Exhibit C to the Franchise Agreement (Exhibit 2) in this Disclosure Document. In addition, if you are an entity, the on-premises supervisor must have 5% equity interest in the Franchised Business.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell Products and coaching services in a manner consistent with our standards and specifications as we may establish. You must follow our qualification standards in the offering, selling, performing and promotion of Products and coaching services. We have the right to change authorized products and services.

You may use only the legal agreements that we approve for use in soliciting and coaching prospective clients.

You are not limited in the persons to whom you may sell Products or coaching services except as described above, and except that you will not have the right to use other channels of distribution (such as the Internet, catalog sales, telemarketing, or other direct marketing) to make sales anywhere. We do not restrict the prices at which you sell any Products or services.

You must not offer, promote or sell any services or products, not expressly authorized by us in writing. However, if you propose to offer, conduct or utilize any services, products, materials, forms, items or supplies for use in connection with or sale through the Franchised Business which are not previously approved by us as meeting our specifications, you must first notify us in writing requesting approval, which approval will be at our sole option.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

This table lists important provisions of the Franchise Agreement and related agreements. You should read these provisions in the Agreements in Exhibit B in this Disclosure Document.

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.1	7 years.
	Article 15,	You can renew for 5 additional consecutive terms of 5

Provision	Section in Franchise Agreement	Summary
b. Renewal or extension of the term	Section 3.1	years each if you have complied with the conditions and procedures for renewal in the Franchise Agreement.
c. Requirements for you to renew or extend	Sections 15.1 and 15.2	<p>You will be permitted to obtain a successor franchise so long as you fulfill the following conditions:</p> <ol style="list-style-type: none"> (1) Sign then-current form of renewal Franchise Agreement (“Renewal Agreement”), which may contain materially different terms and conditions from your original Franchise Agreement; (2) Notify us between 180 and 240 days before expiration; (3) Fully perform, be in compliance with, and not be in default of your obligations under the Franchise Agreement; (4) Refurbish, redesign and remodel your Franchised Business, if the Outlet is located in a commercial office; (5) Satisfy all monetary obligations to us or our affiliates, and have met these obligations on time throughout the Initial Term; (6) Non-receipt of two or more Notices of Default within 2 years of the expiration date of the initial term of the Franchise Agreement; (7) Sign a General Release of all claims against us, our affiliates, etc., under the Franchise Agreement (but not releasing you from future claims under the Renewal Agreement); (8) Comply with then-current qualification and training requirements; and (10) Pay a Renewal Fee of \$5,000, plus applicable taxes. (see State Addenda to Disclosure Document and State Amendments to Franchise Agreement) <p>If you seek to acquire a successor franchise at the expiration of the term, you may be asked to sign a new area representative agreement that contains terms and conditions materially different from those in your previous franchise agreement.</p>
d. Termination by you	No provision	The Franchise Agreement does not contain such a provision.
e. Termination by us without cause	No provision	The Franchise Agreement does not contain such a provision.
f. Termination by us with "cause"	Article 16	We may terminate your Franchise Agreement if you default. Depending on the reason for termination, we may not provide you with an opportunity to cure. See Item 17(g) and (h) for description.
g. "Cause" defined - curable defaults	Section 16.3	<p>You have 30 days to cure if you:</p> <ol style="list-style-type: none"> (1) Fail, refuse, or neglect to pay promptly pay money it owes us (or our affiliates) or fail to submit required reports; (2) Do not maintain any of the standards or follow required procedures; (3) An individual who is a director or officer of you and any individual who owns a 5% or greater interest in the license granted under the Franchise Agreement fails to sign and return the Guarantee to us within 5 days from the Effective Date of the Franchise Agreement; (4) Do not pay employee taxes or third party obligations; (5) Fail to participate in programs related to advertising and sales promotion; (6) Do not indemnify us;

Provision	Section in Franchise Agreement	Summary
		<p>(7) Default under an agreement with us or the lessor of the Franchised Business (if the Franchised Business is located in a commercial space), and the default is not cured;</p> <p>(8) Engage in conduct reflecting materially and unfavorably on the Franchised Business, us, or the System;</p> <p>(9) Do not maintain and operate your Franchised Business in a good, clean and sound manner, in strict compliance with our standards of quality, cleanliness, and maintenance;</p> <p>(10) Do not make timely payments on any obligation to us or obligation guaranteed by us;</p> <p>(11) Following your death or disability, continued operation of the Franchised Business or an approved assignment not made within the time specified in the Franchise Agreement;</p> <p>(12) Do not comply with any other lawful provision, Franchise Agreement requirement or other business requirement or any specification, standard or operating procedure required by us (except for defaults described in h; below);</p> <p>(13) Do not maintain the records required by the Franchise Agreement;</p> <p>(14) Refuse to complete and submit performance reports and annual reports;</p> <p>(15) Do not cure any default under the Franchise Agreement which materially impairs the goodwill associated with our Marks following delivery of written notice to cure at least 72 hours in advance;</p> <p>(16) Repeatedly fail to comply with one or more requirements of the Franchise Agreement, whether or not corrected after notice;</p> <p>(17) Fail, refuse or neglect to obtain our prior written approval where consent is required by the Franchise Agreement;</p> <p>(18) Do not devote the amount of your time and attention and best efforts to the performance of your duties under the Franchise Agreement necessary for the proper and effective operation of the Franchised Business;</p> <p>(19) Do not maintain at all times adequate reserve and working capital in the form of cash deposits and/or lines of credit sufficient for you to fully and faithfully fulfill all of your obligations under the Franchise Agreement;</p> <p>(20) Do not purchase or maintain any insurance required by the Franchise Agreement; and</p> <p>(21) Do not designate a successor or acting Business Manager under the circumstances described in the Franchise Agreement.</p>
h. "Cause" defined – non-curable defaults	Sections 16.1 and 16.2	<p>Automatic, without notice: bankruptcy or insolvency.</p> <p>On notice to you if:</p> <p>(1) You fail to commence operation of your Franchised Business in 90 days following successful completion of the Initial Training Program;</p> <p>(2) You omitted or misrepresented any material fact in the information you furnished to us in connection with your decision to enter into the Franchise Agreement;</p> <p>(3) We and you agree in writing to terminate;</p> <p>(4) You are convicted of a felony, fraud, misdemeanor, or a “crime of moral turpitude”;</p> <p>(5) A threat or danger to public health or safety results from your continued operation of the Franchised Business;</p>

Provision	Section in Franchise Agreement	Summary
		<p>(6) You make an unauthorized transfer;</p> <p>(7) You fail to comply with the in-term covenant not to compete or the confidentiality covenant or fail to obtain execution of similar covenants from persons required under the Franchise Agreement;</p> <p>(8) Before the start of operations of the Franchised Business, we determine that you and/or your Business Manager (as applicable) failed to attend or successfully complete the Initial Training Program;</p> <p>(9) You knowingly submit any false report to us;</p> <p>(10) You refuse permission for us to inspect or conduct an operational audit of the Franchised Business;</p> <p>(11) You take for your own use any funds withheld from wages of employees;</p> <p>(12) You received 2 previous notices of default, and commit the same default again within 12 months;</p> <p>(13) You make a willful misrepresentation or fail to make a material disclosure required by any governmental authority affecting your Franchised Business;</p> <p>(14) You interfere with our contractual relations with others;</p> <p>(15) You interfere with our ability to license others to use the Marks and System, or make any unauthorized use of the Marks;</p> <p>(16) You fail for 10 days after notice to comply with any law or regulation applicable to operation of the Franchised Business;</p> <p>(17) You offer or sell any unapproved program, service or product;</p> <p>(18) You use or duplicate our System, services, programs or Products in an unauthorized manner;</p> <p>(19) You or any of your Representatives or Associates contact Brian Tracy or Campbell Fraser, or any of their employees, agents or affiliates, without our written permission; and</p> <p>(20) You breach advertising standards and fail to cure within 3 days following written notice of breach by us.</p>
i. Franchisee's obligations on termination/non-renewal	Section 17.1	<p>(1) Immediately pay all sums owing to us or our affiliates, and third parties;</p> <p>(2) Stop using our Marks, confidential information, trade secrets and Manual;</p> <p>(3) If we terminate the Franchise Agreement for your default or through failure to make payment following notice to cure (see section d; above), pay all losses and expenses incurred as a result of the default or termination;</p> <p>(4) Immediately deliver to us all training or other manuals furnished to you (including the Manual), and items which bear the Marks;</p> <p>(5) Stop using the telephone numbers listed in telephone directories under the name "FocalPoint Coaching" or any confusingly similar name;</p> <p>(6) Strictly comply with post-termination/post-expiration covenants not to compete and continue to abide by restrictions on the use of confidential information, trade secrets and know how;</p> <p>(7) Redecorate and remodel your Franchised Business to distinguish it from a licensed FocalPoint Coaching Business or facility; and</p> <p>(8) Assign all customer lists to us.</p>
j. Assignment of contract by us	Section 14.6	We will have the right to assign the Franchise Agreement. If the assignment results in the performance by the assignee of our functions under the Franchise Agreement, the assignee must be financially

Provision	Section in Franchise Agreement	Summary
		responsible and economically capable of performing our obligations under the Franchise Agreement, and agree to perform these obligations. If the Franchise Agreement is assigned to a Master Franchisee, you agree to continue to pay certain fees to us and the Master Franchisee, as described in the Franchise Agreement.
k. "Transfer" by you – defined	Section 14.1	The transfer or redemption of: more than 25% of the capital stock or voting power of a corporate franchisee; more than 25% of a partnership or proprietorship interest in a partnership or proprietorship Franchisee; or, more than 25% of the voting power of any general partner or a limited partnership who is not (i) already a shareholder, partner or proprietor, (ii) the spouse of any of those persons, etc. You must immediately report to us all transfers of ownership, even if less than 25%.
l. Our approval of transfer by you	Sections 14.1, 14.2, and 14.3	No transfer without our written consent, except as provided in the Franchise Agreement (for example, transfer to a corporation you form for convenience)
m. Conditions for franchisor approval of transfer	Section 14.3	<p>(1) You must comply with our right of first refusal;</p> <p>(2) The person to whom you propose to transfer must apply to and be accepted by us;</p> <p>(3) The proposed franchisee (or its officers, shareholders and directors, if a corporation) must demonstrate the qualifications, ethics, economic resources, etc. necessary, in our reasonable judgment, to conduct the Franchised Business and to fulfill obligations to us;</p> <p>(4) The proposed franchisee or its proposed Business Manager(s) must attend and successfully complete Initial Training Program before assignment (and other training if we wish), at transferee's expense;</p> <p>(5) You must cure any existing defaults and satisfy your outstanding monetary and other obligations;</p> <p>(6) The proposed franchisee must sign a separate Franchise Agreement (but need not pay another Initial Franchise Fee);</p> <p>(7) If the proposed franchisee is purchasing part of an interest in a corporate or partnership franchisee, the proposed franchisee must sign a guarantee;</p> <p>(8) You must sign a general release;</p> <p>(9) You must pay us a transfer fee of 15% of the total amount payable to you by the assignee, with a maximum of twenty thousand dollars (\$20,000);</p> <p>(10) You must furnish us a copy of the proposed contract of assignment and a copy of the signed assignment contract;</p> <p>(11) Transferee must upgrade the Franchised Business (if located in a commercial space) to conform to our then current standards;</p> <p>(12) You must remain liable for all obligations to us before the effective date of the transfer, and sign all documents we reasonably request; and</p> <p>(13) You must comply with the post-term covenant not to compete, starting with the effective date of the assignment. (see State Addenda to Disclosure Document and State Amendments to Franchise Agreement).</p>
n. Our right of first refusal to acquire your business	None.	The Franchise Agreement does not contain such a provision.

Provision	Section in Franchise Agreement	Summary
o. Our option to purchase your business	None	The Franchise Agreement does not contain such a provision.
p. Your death or disability	Section 14.4	On your death or disability your rights pass to your “Estate”. The Estate may continue operating the Franchised Business if it provides an acceptable Business Manager. This Business Manager must successfully complete our next Initial Training Program and assume full time operation of the Franchised Business within 180 days of your death or disability. From the date of your death or disability until a Business Manager assumes full time control, we can operate your Franchised Business, but need not do so. Instead of the Business Manager’s assuming control, the Estate may sell the Franchised Business in accordance with requirements described in m. above
q. Non-competition covenants during the term of the franchise	Section 19.1	For the term of the Franchise Agreement, you must not, directly or indirectly, at any place within fifty miles of the location of the Franchised Business, engage in or participate as an owner, officer, partner, member, director, agent, license sales agent, employee or otherwise, or loan money to or give advice to, in any other business which engages in, or licenses or franchise others to engage in, a business which is the same as or substantially similar to the Franchised Business or a FocalPoint Coaching Business, including any outlets specializing or deriving more than 20% of their gross receipts from the provision of services similar to the services provided by FocalPoint franchisees or distribution of products similar to the Products, without having first obtained our prior written consent.
r. Non-competition covenants after the franchise is terminated or expires	Section 19.1	For a period of two years after the term of the Franchise Agreement, you must not, directly or indirectly, at any place within fifty miles of the location of the Franchised Business, engage in or participate as an owner, officer, partner, member, director, agent, license sales agent, employee or otherwise, or loan money to or give advice to, in any other business which engages in, or licenses or franchises others to engage in, a business which is the same as or substantially similar to the Franchised Business, including without limitation, any businesses specializing or deriving more than 20% of their gross receipts from the provision of services similar to the services provided by FocalPoint franchisees or distribution of products similar to the Products, without having first obtained your prior written consent.
s. Modification of the agreement	Section 23.1	Modification only on signing of written agreement with parties.
t. Integration/merger clause	Section 23.2	Only the terms of the Franchise Agreement are binding (subject to state law). Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Sections 21.1 and 21.2	Subject to federal and your state’s law, all disputes, except as explicitly set forth in the Franchise Agreement, must be submitted to mediation and, if unsuccessful in resolving the dispute, must be submitted to binding arbitration in accordance with the commercial arbitration rules of the Judicial Arbitration and Mediation Service. Any cause of action between the parties arising from this Agreement must be conducted on an individual basis, and not as part of a consolidated, common or class action.
v. Choice of forum	Section 21.6	Litigation or arbitration must be in the courts of the state of Nevada located in Las Vegas, Nevada, and the United States District Court for the District of Nevada (subject to your state’s law; see any state-specific addendum attached hereto in “ Exhibit 13. ”)
w. Choice of law	Section 21.5	Nevada law applies, subject to state law. If any court determines that the Franchise Agreement’s designation of Nevada law is void, voidable or otherwise unenforceable, then all disputes under the Franchise Agreement must be governed by the laws of the state where our current principal place of business is situated.

ITEM 18

PUBLIC FIGURES

We use the endorsement of Brian Tracy in our advertising. You will also have the right to use Brian Tracy’s endorsement in your advertising with our prior written approval. Brian Tracy was the developer of the FocalPoint Coaching System. He is widely recognized for his many business and civic accomplishments. Brian Tracy has not invested in us and he has no managerial control. We pay Brian Tracy an amount equal to 8.25% of all the initial franchise fees paid by franchisees in the United States, and 8.25% of all royalty fees from our franchisees in the United States. Mr. Tracy is not involved in our management or control.

You are not prohibited by the Franchise Agreement from using the name of a public figure or celebrity in your own promotional efforts or advertising; however, all advertising requires our prior approval.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

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 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 our management by contacting Steve Thompson, 2831 St. Rose Parkway, Suite 234, Las Vegas, NV 89119, Tel: (877) 433-6225, email: sthompson@focalpointcoaching.com, the Federal Trade Commission and any appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1.

TABLE NO. 1-A

System-wide Outlet Summary for Years 2009 through 2011

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2009	50	78	+28
	2010	78	80	+2
	2011	80	91	+11
Company-Owned	2009	0	0	0
	2010	0	0	0
	2011	0	0	0
Total Outlets	2009	50	78	+28
	2010	78	80	+2
	2011	80	91	+11

TABLE NO. 2-A

Transfers of Outlets from Franchisees to New Owners (Other than Franchisor or an Affiliate) for Years 2009 through 2011

State	Year	Number of Transfers
Florida	2009	0
	2010	1
	2011	0
Ohio	2009	0
	2010	1
	2011	0
Total	2009	0

	2010	2
	2011	0

TABLE NO. 3-A

Status of Franchised Outlets for Years 2009 through 2011

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Alaska	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Arizona	2009	1	3	0	0	0	0	4
	2010	4	1	1	0	0	0	4
	2011	4	1	2	0	0	0	3
Arkansas	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
California	2009	0	4	0	0	0	0	4
	2010	4	2	0	0	0	0	6
	2011	6	1	0	0	0	0	7
Colorado	2009	2	0	0	0	0	0	2
	2010	2	0	0	0	1	0	1
	2011	1	0	0	0	0	0	1
Connecticut	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
Delaware	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Florida	2009	5	1	0	0	0	0	6
	2010	6	1	0	0	1	0	6
	2011	6	0	0	0	0	0	6

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Georgia	2009	3	0	0	0	0	0	3
	2010	3	1	0	0	2	0	2
	2011	2	0	0	0	0	0	2
Hawaii	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Idaho	2009	2	0	0	0	1	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Illinois	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	2	0	0	0	0	2
Indiana	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Iowa	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Kansas	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Kentucky	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Louisiana	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
Maine	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Maryland	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Massachusetts	2009	0	1	0	0	0	0	0
	2010	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2011	1	0	0	0	0	0	1
Michigan	2009	2	0	0	0	0	0	2
	2010	2	1	0	0	0	0	3
	2011	3	1	1	0	0	0	3
Minnesota	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
Mississippi	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Missouri	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	1	0	0
	2011	0	0	0	0	0	0	0
Montana	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Nebraska	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Nevada	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
New Hampshire	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
New Jersey	2009	2	0	0	0	0	0	2
	2010	2	0	0	0	0	0	2
	2011	2	1	0	0	0	0	3
New Mexico	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
New York	2009	1	1	0	0	0	0	2
	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
North Carolina	2009	3	0	0	0	1	0	2

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
North Dakota	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Ohio	2009	5	2	0	0	0	0	7
	2010	7	2	0	0	2	0	7
	2011	7	1	0	0	0	0	6
Oklahoma	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Oregon	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Pennsylvania	2009	1	1	0	0	0	0	2
	2010	2	1	0	0	0	0	3
	2011	3	0	0	0	0	0	3
Puerto Rico	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	1	0	0	0	0
Rhode Island	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
South Carolina	2009	0	1	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
South Dakota	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Tennessee	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Texas	2009	7	1	0	0	2	0	6
	2010	6	1	0	0	1	0	4
	2011	4	1	0	0	0	0	5

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Utah	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Vermont	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Virginia	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Washington	2009	1	0	0	0	0	0	1
	2010	1	0	1	0	0	0	0
	2011	0	0	0	0	0	0	0
West Virginia	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Wisconsin	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	1	0	0	0	0	2
Wyoming	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Canada	2009	9	12	2	0	0	0	19
	2010	19	8	1	0	0	0	26
	2011	26	7	5	0	0	0	28
Indonesia	2009	1	5	0	0	0	0	6
	2010	6	2	0	0	0	0	8
	2011	8	0	0	0	0	0	8
Ireland	2009	0	2	0	0	0	0	2
	2010	2	0	0	0	0	0	2
	2011	2	1	0	0	0	0	3
Mexico	2009	0	0	0	0	0	0	0
	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Total Outlets	2009	50	34	2	0	4	0	78
	2010	78	21	3	0	8	0	80

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2011	80	20	9	0	0	0	91

TABLE 4-A

Status of Company-Owned Outlets for Years 2009 through 2011

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
N/A*	2009	0	0	0	0	0	0
	2010	0	0	0	0	0	0
	2011	0	0	0	0	0	0

*We do not have any Company-owned outlets.

TABLE 5-A

Projected Openings for the Upcoming Fiscal Year

State	Franchised Agreements Signed But Not Opened	Projected New Franchised Outlets in the next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Alaska	0	1	0
Arizona	0	1	0
Arkansas	0	1	0
California	0	1	0
Colorado	0	1	0
Connecticut	0	1	0
Delaware	0	0	0
Florida	0	1	0
Georgia	0	1	0
Hawaii	0	1	0
Idaho	0	1	0
Illinois	0	1	0
Indiana	0	1	0
Iowa	0	1	0
Kansas	0	1	0
Kentucky	0	1	0
Louisiana	0	1	0
Maine	0	1	0
Maryland	0	1	0
Massachusetts	0	1	0

Michigan	0	1	0
Minnesota	0	1	0
Mississippi	0	1	0
Missouri	0	1	0
Montana	0	1	0
Nebraska	0	1	0
Nevada	0	1	0
New Hampshire	0	1	0
New Jersey	0	1	0
New Mexico	0	1	0
New York	0	1	0
North Carolina	0	1	0
North Dakota	0	0	0
Ohio	0	1	0
Oklahoma	0	1	0
Oregon	0	1	0
Pennsylvania	0	1	0
Puerto Rico	0	1	0
Rhode Island	0	1	0
South Carolina	0	1	0
South Dakota	0	0	0
Tennessee	0	1	0
Texas	0	1	0
Utah	0	1	0
Vermont	0	1	0
Virginia	0	1	0
Washington	0	1	0
West Virginia	0	1	0
Wisconsin	0	1	0
Wyoming	0	1	0
Canada	0	10	0
Indonesia	0	0	0
Ireland	0	0	0
Mexico	0	0	0
Nigeria	0	0	0
Totals	0	58	0

System wide Area Representative, Master Franchisees and Area Developers:

TABLE NO. 1-B

**System wide Area Representative, Master Franchisees and Area Developers:
Summary for Years 2009 through 2011**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2009	12	0	+1
	2010	13	0	+1
	2011	14	0	0
Company-Owned	2009	0	0	0
	2010	0	0	0
	2011	0	0	0
Total Outlets	2009	12	0	+1
	2010	13	0	+1
	2011	14	0	0

TABLE NO. 2-B

Transfers of Businesses from System wide Area Representative, Master Franchisees and Area Developers: to New Owners (Other than Franchisor or an Affiliate) for Years 2009 through 2011

State	Year	Number of Transfers
N/A	2009	0
	2010	0
	2011	0
Total	2009	0
	2010	0
	2011	0

TABLE NO. 3-B

Status of System wide Area Representative, Master Franchisees and Area Developers for Years 2009 through 2011

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
Arizona	2009	1	0	0	0	0	0	0
	2010	1	0	0	0	0	0	0
	2011	1	0	0	0	0	0	0
California	2009	0	0	0	0	0	0	0
	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0		1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
Colorado	2009	1	0	0	0	0	0	0
	2010	1	0	0	0	0	0	0
	2011	1	0	0	0	0	0	0
Florida	2009	2	0	0	0	0	0	0
	2010	2	0	0	0	0	0	0
	2011	2	0	0	0	0	0	0
Georgia	2009	1	0	0	0	0	0	0
	2010	1	0	0	0	0	0	0
	2011	1	0	0	0	0	0	0
Idaho	2009	1	0	0	0	0	0	0
	2010	1	0	0	0	0	0	0
	2011	1	0	0	0	0	0	0
Nebraska	2009	1	0	0	0	0	0	0
	2010	1	0	0	0	0	0	0
	2011	1	0	0	0	0	0	0
North Carolina	2009	1	0	0	0	0	0	0
	2010	1	0	0	0	0	0	0
	2011	1	0	0	0	0	0	0
Ohio	2009	1	0	0	0	0	0	0
	2010	1	0	0	0	0	0	0
	2011	1	0	0	0	0	0	0
Texas	2009	1	0	0	0	0	0	0
	2010	1	0	0	0	0	0	0
	2011	1	0	0	0	0	0	0
Utah	2009	1	0	0	0	0	0	0
	2010	1	0	0	0	0	0	0
	2011	1	0	0	0	0	0	0
Canada	2009	1	0	0	0	0	0	0
	2010	1	0	0	0	0	0	0
	2011	1	0	0	0	0	0	0
Ireland	2009	1	0	0	0	0	0	0
	2010	1	0	0	0	0	0	0
	2011	1	0	0	0	0	0	0
Indonesia	2009	1	0	0	0	0	0	0
	2010	1	0	0	0	0	0	0
	2011	1	0	0	0	0	0	0
Mexico	2009	0	0	0	0	0	0	0
	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
Totals	2009	12	0	0	0	0	0	0
	2010	13	0	0	0	0	0	0
	2011	14	0	0	0	0	0	0

TABLE 4-B

Status of Company-Owned Systemwide Area Representative, Master Franchisees and Area Developers for Years 2009 through 2011

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
(None)	2009	0	0	0	0	0	0
	2010	0	0	0	0	0	0
	2011	0	0	0	0	0	0

TABLE 5-B

Projected New AR Businesses for the Upcoming Fiscal Year

State	AR Agreements Signed But Not Opened	Projected New AR Outlets in the next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Alaska	0	0	0
Arizona	0	0	0
Arkansas	0	0	0
California	0	0	0
Colorado	0	0	0
Connecticut	0	0	0
Delaware	0	0	0
Florida	0	0	0
Georgia	0	0	0
Hawaii	0	0	0
Idaho	0	0	0
Illinois	0	0	0
Indiana	0	0	0
Iowa	0	0	0
Kansas	0	0	0
Kentucky	0	0	0
Louisiana	0	0	0

Maine	0	0	0
Maryland	0	0	0
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Mississippi	0	0	0
Missouri	0	0	0
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	0	0
New Hampshire	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
New York	0	0	0
North Carolina	0	0	0
North Dakota	0	0	0
Ohio	0	0	0
Oklahoma	0	0	0
Oregon	0	0	0
Pennsylvania	0	0	0
Puerto Rico	0	0	0
Rhode Island	0	0	0
South Carolina	0	0	0
South Dakota	0	0	0
Tennessee	0	0	0
Texas	0	0	0
Utah	0	0	0
Vermont	0	0	0
Virginia	0	0	0
Washington	0	0	0
West Virginia	0	0	0
Wisconsin	0	0	0
Wyoming	0	0	0
Totals	0	0	0

Exhibit 5 lists the names of all of our operating franchisees and the addresses and telephone numbers of their FocalPoint Coaching Businesses as of the effective date of this Franchise Disclosure document. Exhibit 6 lists the name, city, and state of every Franchisee who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement as of the end of our most

recently completed fiscal year. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

The names, addresses and telephone number of all Area Representatives and Master Franchisees and their territories as of the end of our most recently completed fiscal year are attached as Exhibits 7 and 10, respectively, to this Disclosure Document. Exhibits 8 and 11, respectively, list the name, city, and state of every Franchisee who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Area Representative Agreement or Master Franchise Agreement.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experiences with us. You may wish to speak with former franchisees, but be aware that not all such franchisees will be able to communicate with you.

None of our franchisees have failed to communicate with us in the ten weeks prior to the date that we updated this Franchise Disclosure Document, May 1, 2012. However, one of our Master Licensees, Craig Cochran, has failed to communicate with us during that period of time.

ITEM 21

FINANCIAL STATEMENTS

Our audited financial statements for the period ended December 31, 2011 are attached to this Disclosure Document as Exhibit A. We have also attached our unaudited, compiled financial statements for the period ended December 31, 2010 and December 31, 2009.

We have also attached unaudited financial statements dated August 10, 2012 for the period ending June 30, 2012. THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.

ITEM 22

CONTRACTS

Attached is a copy of all agreements proposed for use in this state with the offer and sale of the Outlet. Those agreements are as follows:

Exhibit B: Franchise Agreement

Exhibit A: Franchised Area,

Exhibit B: Confidentiality/Noncompetition Agreement

Exhibit C: Personal Guarantee

Exhibit D: Form of General Release

Exhibit E: Authorization to Initiate Debit Entries for Franchise Fees

Exhibit F: Acknowledgements and Representations

Exhibit L: Electronic Funds Transfer Authorization

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this Franchise Disclosure Document are attached to this Franchise Disclosure Document as Exhibit N. Please complete both copies, detach and return the copy marked “Our Copy” to us and keep the other copy in the Franchise Disclosure Document for your own records.