



MINNESOTA
DEPARTMENT OF
COMMERCE

85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
mn.gov/commerce/
651.296.4026 FAX 651.297.1959
An equal opportunity employer

April 18, 2013

MARK HAMER
HAMER LAW OFFICE PLLC
2710 NORTH DODGE STREET SUITE 5
IOWA CITY, IA 52245

Re: F-4509
EXPENSE REDUCTION ANALYSTS INC
EXPENSE REDUCTION ANALYSTS INC (UNIT) FRANCHISE AGREEMENT

Dear Mr. Hamer:

The Annual Report has been reviewed and is in compliance with Minnesota Statute Chapter 80C and Minnesota Rules Chapter 2860.

This means that there continues to be an effective registration statement on file and that the franchisor may offer and sell the above-referenced franchise in Minnesota.

The franchisor is not required to escrow franchise fees, post a Franchise Surety Bond or defer receipt of franchise fees during this registration period.

As a reminder, the next annual report is due within 120 days after the franchisor's fiscal year end, which is December 31, 2013.

Sincerely,

MIKE ROTHMAN
Commissioner

By:

Daniel Sexton
Commerce Analyst Supervisor
Registration Division
(651) 296-4520

MR:DES:dlw

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
REGISTRATION DIVISION
(651) 296-6328

IN THE MATTER OF THE REGISTRATION OF:
EXPENSE REDUCTION ANALYSTS INC (UNIT) FRANCHISE AGREEMENT
By EXPENSE REDUCTION ANALYSTS INC

ORDER AMENDING
REGISTRATION

WHEREAS, an application to amend the registration and
amendment fee have been filed,

IT IS HEREBY ORDERED that the registration dated
February 4, 2003, is amended as of the date set forth below.

A handwritten signature in black ink, reading "Mike Rothman", written in a cursive style. The signature is positioned above a horizontal line.

MIKE ROTHMAN
Commissioner
Department of Commerce
85 7th Place East, Suite 500
St Paul, MN 55101

Date: April 18, 2013

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
REGISTRATION AND LICENSING DIVISION

This is submitted for (Check only one):

Application for Registration (Franchise)

()

Annual Report

(x)

Amendment of Registration of _____

()

(date)

(For use by the Department of Commerce)

File No.:

F-4509

Fee: \$300

Fee Paid: _____

Receipt No.: _____

Initial Review: _____

Date of Application:

Effective Dates: _____

April 15, 2013

Orders Issued: _____

Examiners Initials: _____

Name, address and telephone number of person to whom questions concerning this statement should be directed:

MARK T. HAMER
HAMER LAW OFFICE, PLLC
2710 N. DODGE STREET, SUITE 5
IOWA CITY, IOWA 52245
TELEPHONE: 319-248-4870 FAX: 319-338-0834
EMAIL: markh@hamerlawoffice.com

4-17-13

A/R

Ames

12/31

2-4-03

1. Full legal name of franchisor.

EXPENSE REDUCTION ANALYSTS, INC

2. Name of the franchise offering.

EXPENSE REDUCTION ANALYSTS

3. Franchisor's principal business address.

**EXPENSE REDUCTION ANALYSTS, INC.
BENT TREE TOWER II
16479 NORTH DALLAS PARKWAY
SUITE 240
ADDISON, TEXAS 75001**

4. Name and address of Franchisor's agent in this state authorized to receive process.

**MINNESOTA DEPARTMENT OF COMMERCE
85 7TH PLACE EAST, SUITE 500
ST. PAUL, MINNESOTA 55101-2198
(651) 296-4026**

5. The states in which this application is or will be shortly on file:

**CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MINNESOTA, NEW YORK,
NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, MICHIGAN,
WASHINGTON AND WISCONSIN**

6. Name, address and telephone number of person to whom communications regarding this application should be directed.

**MARK T. HAMER
HAMER LAW OFFICE, PLLC
2710 N. DODGE STREET, SUITE 5
IOWA CITY, IOWA 52245
TELEPHONE: 319-248-4870 FAX: 319-338-0834
EMAIL: markh@hamerlawoffice.com**

9

Hamer Law Office, PLLC
2710 N. Dodge Street, Suite 5
Iowa City, IA 52245
WWW.HAMERLAWOFFICE.COM

State of Minnesota
Dept. of Commerce

APR 17 2013

Rec'd \$ 300

Mark T. Hamer
markh@hamerlawoffice.com

Telephone: 319-248-4870
Fax: 319-338-0834

April 15, 2013

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
Attn: Daniel Sexton

Re: Expense Reduction Analysts, Inc.
File No: F-4509

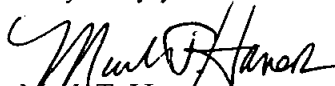
Dear Mr. Sexton,

Recently I was retained to represent Expense Reduction Analysts. I am now the counsel in charge of franchise registration matters. In this connection, enclosed for filing as a franchise registration renewal application are the following:

1. Check for the filing fee of \$300
2. Uniform Franchise Registration Application
3. Disclosure Verification
4. Uniform Consent to Service of Process
5. Corporate Acknowledgment
6. Franchisor's Costs and Source of Funds form
7. Sales Agent Disclosure forms
8. Auditor's consent letter
9. Red-lined complete copy of the UFDD denoting revisions and all exhibits

Please date stamp the enclosed copy of this letter and return to my office in the envelope provided for your convenience. Should you require any further information regarding this application, please feel free to contact me.

Very truly yours,


Mark T. Hamer

DISCLOSURE VERIFICATION

I certify and swear under penalty of law that I have read and know the contents of this application including the Franchise Disclosure Document with an issuance date of March 28, 2013 attached as an exhibit, and that all material facts stated in all those documents are accurate and those documents do not contain any material omissions. I further certify that I am duly authorized to make the certification on behalf of the Franchisor and that I do so upon my personal knowledge.

Signed at 16479 N. Dallas Pkwy. on April 2, 2013.
#240
Addison, TX 75001

Expense Reduction Analysts, Inc.
A California Corporation

By: M. Nick

Name: Michael Nicholas

Title: CEO

State of Texas)

County of Dallas)

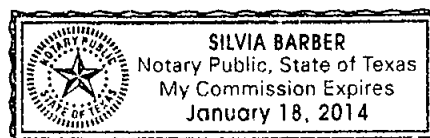
Before me, the undersigned notary public, on April 2, 2013, personally appeared Michael Nicholas (name), who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument

I certify under PENALTY OF PERJURY under the laws of the state of Texas that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Silvia Barber
Notary Public

(seal)



CONSENT TO SERVICE OF PROCESS

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, Expense Reduction Analysts, Inc., (a corporation organized under the laws of the state of California) for the purpose of complying with the Minnesota Statutes, 1973 Supplement, chapter 80C, relating to franchises hereby irrevocably appoints the commissioner of commerce, and the successors in such office, its attorney in the state of Minnesota upon whom may be served any notice, process or pleading in any civil action or proceeding against it, its successor, executor or administrator which arises under the aforesaid laws of said state or any rule or order thereunder; and the undersigned does hereby consent that any action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue within said state by service of process upon said officer with the same effect as if the undersigned, its successor, executor or administrator had personally been served with process in said state.

It is requested that a copy of any notice process or pleading served hereunder be mailed to:

Mark T. Hamer
Hamer Law Office, PLLC
2710 N. Dodge Street, Suite 5
Iowa City, IA 52245

Dated April 2, 2013

By M. Nickolas Michael Nickolas
Title CEO
By —
Title —

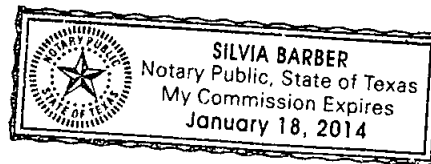
Subscribed and sworn to before me this

2nd day of April, 20 13,

Silvia Barber

Notary Public, 128148921 County Dallas

My Commission expires: 1-18-2014



CORPORATE ACKNOWLEDGEMENT

State of Texas)

County of Dallas)

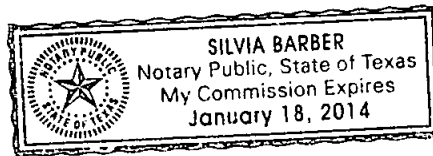
Before me, the undersigned notary public, on April 2, 2013, personally appeared Michael Nicholas (name), who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument

I certify under PENALTY OF PERJURY under the laws of the state of Texas that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Silvia Barber
Notary Public

(seal)



FRANCHISOR'S COSTS AND SOURCE OF FUNDS

1. Disclose the Franchisor's total costs for performing its pre-opening obligations to provide goods or services in connection with establishing each franchised business, including real estate, improvements, inventory, training and other items stated in the offering:

Category	Costs
Real Estate	\$_____
Improvements	\$_____
Equipment	\$_____
Inventory	\$_____
Training	<u>\$4,000</u>
Other Items (Describe)	
<u>Materials</u>	<u>\$2,200</u>
_____	\$_____
Total:	<u>\$6,200</u>

2. The source of these funds is the operating cash flow and working capital of the corporation.

HINZMAN & ASSOCIATES

A PROFESSIONAL CORPORATION • CERTIFIED PUBLIC ACCOUNTANTS

6339 Nancy Ridge Drive • Suite 200

San Diego, California 92121

Phone: (858) 535-1600

Fax: (858) 535-1649

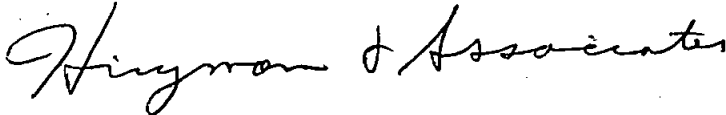
April 3, 2013

Dear Sir or Madam:

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

We consent to the use in the Franchise Disclosure Document by Expense Reduction Analysts, Inc. (Franchisor) to be issued on March 28, 2013 as it may be amended, of our report dated March 11, 2013 relating to the financial statements of Franchisor for the year ended December 31, 2012.

Yours truly,

A handwritten signature in cursive script that reads "Hinzman & Associates".

HINZMAN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Corporation

**Expense Reduction
Analysts**

REGIONAL

PROSPECTIVE FRANCHISEE (Individual)

Printed Name

Title (If signing as an Individual – leave blank)

Printed Name

Title (If signing as an Individual – leave blank)

PROSPECTIVE FRANCHISEE (Corp., LLC or Partnership)

Legal Name of Franchisee Entity

Jurisdiction of Formation

Corporation, LLC or Partnership

Regional Licensee's rights with respect to the Marketing Area are set forth as attached.

Regional Franchise Disclosure, Agreement & Exhibits

The issuance date of this Franchise Disclosure Document is March 28, 2013, unless otherwise noted on the State Effective Dates page inside this document.

find extra profit

www.expensereduction.com

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

A California corporation
~~5050 Avenida Encinas~~
~~Suite 200 Bent Tree Tower II~~
~~16479 North Dallas Parkway~~
~~Suite 240~~
~~Carlsbad, California 92008~~ Addison, Texas 75001
Telephone: ~~(760) 712-3600~~ (469) 310-2970
Fax: ~~(469) 461-1199~~ (760) 712-3700
URL: www.expensereduction.com
URL: www.findextraprofit.com



**Expense Reduction
Analysts**

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

The total investment necessary to begin operation of an Expense Reduction Analyst Consulting Practice ranges from \$66,100 - \$88,250. This amount includes \$59,900 which must be paid directly to the franchisor.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact ~~James Schmitt, 5050 Avenida Encinas, Suite 200, Carlsbad, California 92008, JSchmitt@expensereduction.com~~ Michael Nicholas, 16479 North Dallas Parkway, Suite 240, Addison, Texas 75001, mnicholas@expensereduction.com.

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

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

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS MARCH ~~15~~²⁸, 2013, ~~2~~ AS AMENDED
ON JULY 12, 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 THIS FRANCHISE WITH A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrator listed on Exhibit A-1 for information about the franchisor, or about franchising in your state.

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

Please consider the following Risk Factors before you buy this franchise:

~~ITEM 1.~~ THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

~~ITEM 2.~~ ANY VOLUME, PROFIT AND POSSIBLE SUCCESS ARE PRIMARILY DEPENDENT ON YOUR ABILITY AND EFFORTS AS AN INDEPENDENT BUSINESS OPERATOR, YOUR SALES ABILITY, AS WELL AS THE DEGREE TO WHICH YOU FOLLOW THE EXPENSE REDUCTION ANALYSTS SYSTEM.

~~ITEM 3.~~ 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 may pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Dates: See the next page for state effective dates.

STATE EFFECTIVE DATES

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

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

California	April 24, 2012, as amended on _____, 2012
Hawaii	March 20, 2012, as amended on _____, 2012
Illinois	March 27, 2012, as amended on _____, 2012
Indiana	April 9, 2012, as amended on _____, 2012
Maryland	April 13, 2012, as amended on _____, 2012
Michigan	May 16, 2012, as amended on _____, 2012
Minnesota	March 28, 2012, as amended on _____, 2012
New York	April 4, 2012, as amended on _____, 2012
Rhode Island	April 27, 2012, as amended on _____, 2012
South Dakota	March 28, 2012, as amended on _____, 2012
Virginia	April 9, 2012, as amended on _____, 2012
Washington	April 6, 2012, as amended on _____, 2012
Wisconsin	March 19, 2012, as amended on July 27, 2012

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of March 15, 2012, as amended on July 12, 2012.

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EXHIBITS:

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

ATTACHMENTS:

- 1: Area
 - 2: Authorization Agreement for Prearranged Payment
 - 3: Nondisclosure and Noncompetition Agreements
 - 4: Assignment of Telephone Numbers
 - 5: Software License
 - 6: Personal Guaranty and Subordination Agreement
 - 7. Special Release of Claims
- D-1: Franchisees and Area Franchisees
 - D-2: Company-Related Consulting Practices
 - D-3: Former Franchisees
 - E: Statement of Prospective Franchisee.
 - F: Receipts

EXPENSE REDUCTION ANALYSTS FRANCHISE DISCLOSURE DOCUMENT

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

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

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

Our parent company is Montgomery Investment Co SA a Luxembourg corporation with a registered office at 50 Esplanade, L-9227 Diekirch, Luxembourg ("Montgomery"). Through an administration process effective January 25, 2011, Montgomery acquired certain assets of Expense Reduction Analysts International, Ltd. ("ERAI"), London, United Kingdom with a principal business address at Suite 24, 40 Churchill Square, Kings Hill, West Malling, Kent, ME19 4YU, United Kingdom. Montgomery is now the holding company for us and our affiliates. Neither Montgomery nor ERAI has ever offered Franchises or franchises.

Our intermediate parent company is Evercertain Limited, a UK company: Company number- 04473131, incorporated on 29 June 2002 with a registered office at Suite 24, 40 Churchill Square, Kings Hill, West Malling, Kent, ME19 4YU, United Kingdom. Evercertain Limited has never offered franchises.

Our affiliate, Expense Reduction Analysts Consultants, Inc. ("ERAC") was incorporated in California on March 15, 2004. Our principal business address is 16479 Dallas Parkway, Suite 240, Addison, TX 75001~~5050 Avenida Encinas, Suite 200, Carlsbad, CA 92008~~. Our secondary business address is ~~260 33rd Avenue SW, Suite J, Cedar Rapids, IA 52404~~. ERAC's principal business address is 5050 Avenida Encinas, Suite 200, Carlsbad, CA 92008~~16479 Dallas Parkway, Suite 240, Addison, TX 75001~~. The name and address of our agent for service of process in this state are stated in Exhibit A-2 to this Disclosure Document. ERAC has never offered franchises for sale.

Our affiliate, Expense Reduction Analysts Global Insurance Consulting Services Inc, (formerly Expense Reduction Analysts Insurance, Inc.) ("ERAGICS") was incorporated in Delaware on December 3, 2007. ERAGICS's principal business address is ~~5050 Avenida Encinas, Suite 200, Carlsbad, California 92008~~Bent Tree Tower II, 16479 North Dallas Parkway, Suite 240, Addison, Texas 75001. The name and address of our agent for service of process in this state are stated in Exhibit A-2 to this Disclosure Document. It is anticipated that commencing in January 2008, ERAGICS will provide specialized services in the field of expense reduction in the field of insurance and operates throughout the United States. ERAGICS has never offered Franchises or franchises.

Our affiliate, Southwest Cost Strategies LLC ("SCS") was incorporated in Texas on February 10, 2012. Our principal business address is Bent Tree Tower II, 16479 North Dallas Parkway, Suite 240, Addison, Texas 75001~~5050 Avenida Encinas, Suite 200, Carlsbad, CA 92008~~. SWS's address is the same. The name and address of our agent for service of process in this state are stated in Exhibit A-2 to this Disclosure Document. SWS is our Area Developer for North Texas. SWS has never offered franchises.

Our affiliate, SDCO, LLC was incorporated in California on July 20, 2007. The principal business address is Bent Tree Tower II, 16479 North Dallas Parkway, Suite 240, Addison, Texas 75001. SDCO's address is the same. The name and address of our agent for service of process in this state are stated in Exhibit A-2 to this Disclosure Document. SDCO is our Area Developer for the San Diego Area. SDCO has never offered franchises.

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

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

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

The business you will operate under the Franchise Agreement is a Consulting Practice that helps client organizations reduce on-going business expenses, such as those incurred for printing, freight, equipment maintenance, courier service, telecommunications, janitorial service and office supplies. The primary market for the Consulting Practice is companies with annual gross revenues below \$250 million. Your principal competitors will be independent consultants offering advice on cost reduction. Other competitive factors may include cost reduction services offered by the vendors of the expense category under review or the possible lack of co-operation of such vendors.

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

ITEM 2. BUSINESS EXPERIENCE

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

Charles Frederick Marfleet has been our Chairman since April of 2007. Prior to that he had been our Chief Executive Officer since May of 2006 and our executive chairman and a director since we were formed in September 2002. He is based in London, England. In January of 2011 he was named Chairman of Montgomery Investment Co S. Before that from November of 2005 to January 2011 he was Chairman of Expense Reduction Analysts International, Ltd., London, United Kingdom. He was also executive chairman of Expense Reduction Analysts Group Pty Ltd, North Sydney, Australia ("ERA Australia"), from August 1999 through August 2011. Before that, from January 1993 through July 1999, he was managing director of Expense Reduction Analysts, Ltd. ("ERA"), London, United Kingdom.

Ronnie Clucas, Chief Financial Officer

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

James C. Schmitt, Michael Nicholas, Managing Director CEO

Michael Nicholas was appointed as our Chief Executive Officer in February, 2013. Michael is based in Dallas, Texas and he has responsibility for the day to day running of our business operations including Franchise sales in the United States of America. Most recently, from September 2009 through to December 2012 Michael has been employed as the Managing Director of Expense Reduction Analysts Group Pty Ltd (ERA Australia) our affiliated entity located in Sydney, Australia. Michael first joined ERA Australia in May 2007 as the National Training Manager responsible for the training and support of the Australian network and he held that position until April 2008 when he was promoted to National Operations Manager of ERA Australia to September 2009. Prior to joining ERA, Michael owned and operated a franchise called the Coffee Club, from 2002 to 2007.

Jim Schmitt was appointed Managing Director on November 3, 2011. Jim is based in Cedar Rapids, Iowa and he has responsibility for our business in the United States of America. Jim has been an Expense Reduction Analysts Area Developer for Iowa, Nebraska, Wisconsin, North Dakota and South Dakota, since November 2004, Minnesota since 2005, certain counties in the Upper Michigan Peninsula since 2006, and the State of

Illinois since September 2007. Jim will retain a minority interest in those businesses. From November 2004 through November 2011, Jim was the Managing Director for JRK Investments, LLC based in Cedar Rapids, Iowa and from November 2004 through November 2011, Jim was Managing Director of ERA—ILIN, LLC. In addition, since September 2007, Jim has served on the Advisory Board of One Source Distributors LLC in Oceanside, California.

Dianna Ludlow-Arreola, Director of Operations and Compliance

Dianna Ludlow-Arreola has served as our Director of Operations and Compliance since March, 2012. From August 19, 2009 to March, 2012, she served as our Director of Training. From January, 2008 through August, 2009, Dianna was the Managing Director of CORE Group Enterprises, LLC, located in Carlsbad, California. From October, 2004 through January 2008, Dianna operated as an Independent Contractor providing business leadership and business development strategies, marketing and administration to small business owners.

Lycia Rettig, Franchise Recruitment Manager

Lycia Rettig was appointed as our Franchise Recruitment Manager effective August 22, 2011. Before that, from July 2010 to August 2011 she served as Director for one of our franchisees, Barler Enterprises, LLC dba Expense Reduction Analysts located in Cumming, GA. From October 2007 until June 2010, she was Director for Barler Enterprises, LLC Expense Reduction Analysts, located in Mechanicsville, VA. From December 2000 to April 2008, she was employed by Capital One in Richmond, VA, where she most recently served as the Chief of Staff for the Corporate Affairs Department.

Jennifer Fish, Professional Development Program Manager

Jennifer Fish was appointed Professional Development Program Manager on January 1, 2012. Jennifer is based in Cedar Rapids, Iowa and she has responsibility for our ongoing franchisee training programs in the United States of America. Previously Jennifer was employed during the Mercer acquisition phase as Senior Leader, Work and Staff Allocation and Operation Management at Mercer Health and Benefits Administration LLC in Iowa City, Iowa from March 2011, through July 2011. Before that, Jennifer was Senior Leader, Online Enrollment Operations and Bundled Solutions Service Delivery at Mercer Health and Benefits Administration LLC in Iowa City, Iowa from March 2009, through March 2011. Jennifer's employment at Mercer Administration (formerly known as Marsh Advantage America) commenced on March 2001 through March 2009 where she was an Internal Operations Manager in Iowa City, Iowa.

ITEM 3. LITIGATION

Expense Reduction Analysts, Inc. v. Triumph Expense Reduction Analysts, Inc. et al. United States District Court for the Eastern District of Michigan, a civil action numbered 4:11-cv-12478-MAG-MKM (the "Action"). ERA-USA commenced the Action against Triumph Expense Reduction Analysts, Inc. ("TERA"), and its principal Mr. Gupta. The Complaint alleged federal claims for trademark infringement, trademark dilution and unfair competition under the Lanham Act and state law claims for unfair trade practices, common law trademark infringement, misappropriation of trade secrets, unjust enrichment, and conversion.

In a Settlement Agreement dated July 8, 2011 Gupta and TERA agreed to immediately and permanently cease all use of: (i) "Triumph Expense Reduction Analysts, Inc.", "Triumph Expense Reduction Analysts", "TERA", "tera.com", or any other term including "Expense Reduction Analysts", "ERA" or "-era.com", including use in or as a trademark, logo, trade name, domain name or corporate name or portion thereof and (ii) any proprietary trade secret material in any way and in any channel of distribution, throughout the world. In addition Gupta and TERA agreed to pay ERA-USA the sum of \$4,800 in monthly installments of \$200. The matter was dismissed on July 7, 2011.

Other than this one action, no litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

Australia

On July 7, 2010 pursuant to Section 436A of the Australian Corporations Act, administrators were appointed to administer the affairs of ERA Insurance Services Pty Ltd (Administrators appointed) ACN 109 873 010 ("ERAIS Australia") care of Taylor Woodings Chartered Accountants of Level 15, 50 Pitt Street Sydney NSW 2000, Australia. ERAIS Australia is a foreign affiliate of Franchisor.

At a meeting of Creditors held on August 18, 2010 where the Creditors resolved that ERAIS Australia enter into a Deed of Company Arrangement, (the "DOCA"), and (ii) contemporaneously with the execution of the DOCA, Expense Reduction Analysts Group Pty Ltd ACN 008 852 926, (the "Deed Proposer") another foreign affiliate and a creditor of ERAIS Australia, proposed a Deed of Deferral, deferring its rights to payment of sums due from ERAIS Australia.

At a meeting held on August 18, 2010, (i) the creditors of ERAIS Australia resolved that newly appointed Administrators to be responsible for administering the DOCA, and (ii) the Deed Proposer and other deferred creditors (all affiliated with ERAIS Australia) contemporaneously entered into a Deed of Deferral.

Under the terms of the DOCA, arrangements have been made to either settle with all creditors dependent on their respective status or, failing such resolution within the parameters of the DOCA, to liquidate ERAIS Australia. At the date of this franchise disclosure document, the DOCA is being implanted in accordance with its terms.

United Kingdom

Effective January 25, 2011 our prior parent company, ERAI and our affiliated company, Expense Reduction Analysts Global Insurance Consulting Services Limited, ("ERAGICS UK") both United Kingdom companies and both with a principal business address at 60 Churchill Square, Kings Hill, West Malling, Kent, ME19 4YU, United Kingdom, were parties to an administrative proceeding and both companies have now ceased to operate. Montgomery Investment Co SA a Luxembourg corporation with a registered office at 50 Esplanade, L-9227 Diekirch, Luxembourg acquired all of the assets of ERAI through the administrative proceeding except for the shares of ERAGICS UK. On January 25, 2011 ERAI filed a notice of appointment of administrator in the High Court of Justice Manchester District Registry in the United Kingdom under case number 119/2011 and ERAGICS UK filed a notice of appointment of administrator in the High Court of Justice Manchester District Registry in the United Kingdom under case number 129/11.

In November 2012, the French subsidiary of ERA Global Management Ltd entered into a liquidation process. The forty-six French franchise agreements were terminated as a consequence of this action. In November 2012 we reorganized our European company structure and created a separate UK company for each country where we operate. All of our European franchise agreements not previously assigned to a country-specific subsidiary were assigned from ERA Global Management Ltd to the relevant new subsidiary. After this process was completed, in December 2012, we placed ERA Global Management Ltd into administration.

Other than the above matters, no bankruptcies are required to be disclosed in this Item.

ITEM 5. INITIAL FEES

When you sign a Franchise Agreement, you will pay us a lump sum initial franchise fee of \$59,900 in immediately accessible funds. The initial franchise fee is not refundable. It is uniform for all franchises currently being granted.

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ITEM 6. OTHER FEES

NAME OF FEE ¹	AMOUNT OR FORMULA	WHEN DUE	REMARKS
Management Service Fees	See formula below. ²	Monthly	
Marketing Fund Contributions	3% of Gross Receipts	Monthly	We will calculate and deduct your monthly marketing fund contribution from your Gross Receipts on the 20 th of each month.
Renewal Fee	\$5,000	Upon signing renewal agreement	
Transfer Fee	\$5,000	With notice of intent	If we do not approve the transfer, we will return all but \$1,000 to you.
Interest On Late Payments	18% per year	Upon invoice	
Knowledge Management Software License Fee	\$1,000 per user	Semi-Annually, i.e. \$500 payments twice a year. (see FA section 5.8, 7.6.3)	
Training Fee for additional Professional Services Employees ³	\$2,000 per course per person	Before training	If you are replacing or are permitted to add a Professional Services Employee in accordance with the Franchise Agreement you must pay \$2,000 per person per course for each additional analytics trainee and \$2,000 per person

NAME OF FEE ¹	AMOUNT OR FORMULA	WHEN DUE	REMARKS
			for each additional sales trainee.
Training Fee for additional or alternate Designated Principal	\$15,000 per course per person	Before training	A fee of \$15,000 for your initial training program is included in your initial franchise fee. If you send anyone else to training, either at the time you complete the program or later, you must pay \$15,000 per person per week for each additional trainee.
Training Fee on Transfer	\$15,000	Before Training	Payable to train a Designated Principal transferee whom we have not previously trained
National Meeting Registration	\$1,000 plus out-of-pocket travel related expenses and lodging at the designated hotel	Upon registration	Franchise Agreement Article 6.10.
Training and Annual Meeting Costs	Incidental costs for transportation, lodging and meals	As incurred	You and your Designated Principal must attend our Annual Meeting, at your sole cost and expense
Our Cost Of Audit	Our out-of-pocket expense	Upon invoice	You pay our cost of audit only if the audit showed an underpayment of more than 3% or if the audit was necessary because you did not submit required financial reports to us.

1. Unless otherwise noted, all fees are uniformly imposed and payable to us. Payments to us are not refundable. Whether payments to others are refundable depends on the arrangements you make

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with them.

2. For the first six months of the Term Franchisee may elect to participate in the Initial Special Marketing Program on the terms and subject to the conditions of the that program as set out in Attachment 9 to the Franchise Agreement (the "ISMP Amendment") . If Franchisee chooses to sign the ISMP Amendment, Franchisee will invest \$500 per month in a marketing program approved by ERA and the \$500.00 Minimum Monthly Management Service Fee payable to Franchisor, pursuant to section 6.3.2 of the RLA shall be waived provided Franchisee complies with the Terms of the ISMP Amendment

A. Percentage of Gross Receipts

The Monthly Management Service Fee is the greater of fifteen percent (15%) of Gross Receipts or the then-applicable Monthly Management Service Fee.

B. Monthly Minimum Management Service Fee

The relevant Monthly Minimum Management Service Fee shall apply for any month or any part of any month in your Consulting Business.

The Monthly Minimum Management Service Fee ("MMMSF") is as follows:

Months 1 through 12 inclusive	\$500
Year 2	\$1,000
Year 3 and all subsequent years	\$1,500

of the franchise term.

(C) Payment of Monthly Management Service Fees

You must establish a checking account in which you maintain a balance at least as great as your Minimum Monthly Management Service Fee and sign an agreement in the form of Attachment 2 or in any other form required by the bank to enable us to withdraw funds from and deposit funds to the account by ACH/EFT transfer.

Monthly Minimum Management Service Fees accrue on the first day of every month in advance and are due on or before the 8th day of each month in advance. On the first business day of every month, or on any other day that we elect, we will deliver to you a courtesy notice of intent to debit all Monthly Management Service Fees currently due. We will withdraw the Monthly Management Service Fees currently due from your bank account seven business days after delivery of the Intent to Debit Notice.

(D) Monthly Reconciliation of Gross Receipts

On the twentieth (20) day of each month, or on any other day that we designate in writing, we will calculate and your Gross Receipts for the then current month and deduct the 15% Monthly Management Service Fee. If the Monthly Management Service Fees deducted from your Gross Receipts for the current month exceed the cash payment of MMMSFs for that current month then we will refund to your bank account the amount equal to any cash over payment of MMMSFs. In the Operations Manual this process is referred to as "Smoothing".

(E) Annual Reconciliation of Gross Receipts

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We will conduct an annual review of Gross Receipts. We will compare your year to date Monthly Minimum Management Service Fee payments and your year to date payments of Management Service Fee on Gross Receipts and any refunds made to you in any relevant month. If the year to date payments of Management Service Fees on Gross Receipts exceed your cumulative year to date Minimum Management Service Fee payments, plus refunds then we will refund any over payments. If the year to date payments of Management Service Fees on Gross Receipts are less your cumulative year to date Minimum Management Service Fee payments, plus refunds then we will provide Notice of Intent to Debit and withdraw the funds required to cover the deficit sum.

For the purposes of this explanation the term "year to date" shall mean the Franchisor's calendar year for the term of this Agreement.

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

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

3. You may employ or engage additional Professional Service Employees also referred to within the System as "Seatholders" to your Consulting Practice in accordance with the provisions of the Franchise Agreement Section 5. The addition of any Professional Services Employee is conditional upon your compliance with the Franchise Agreement and our then current expansion criteria for approval of additional Professional Services Employees, which may include your then current and historic levels of Gross Receipts. Each analytics training course is \$2,000. Each Sales training course is \$2,000. Usually Professional Service Employees attend one or the other. The same Professional Service Employee may attend both trainings at a total cost of \$4,000.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE¹	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee ²	\$59,900	Single Payment	At agreement signing	Us
Permits And Licenses	\$100 - \$500	Varies	Before opening	Government Agencies
Computer Hardware And Software ²	\$0 - \$3,000	As incurred	Before opening	Suppliers

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Furniture And Equipment	\$0 - \$3,000	As incurred	Before opening	Suppliers
Utility And Equipment Deposits	\$0 - \$350	Varies	Before opening	Utilities
Supplies Inventory	\$100 - \$1,000	As arranged	Before opening	Suppliers
Insurance	\$1,500 - \$3,500	Varies	Varies	Broker and Insurer
Organizational Expenses ³	\$0 - \$5,000	Varies	Before opening	Attorney and Accountant

Training Expenses ⁴	\$2,500 \$3,000 <u>\$3,100</u> <u>\$3,500</u>	As incurred	Before, during and after training	Hotels, carriers, restaurants
Additional Funds (for 3 months) ⁵	\$2,000 - \$9,000	Varies	Varies	Employees, Others
TOTAL	\$66,100 \$88,250			

FIGURES ARE ONLY ESTIMATES

1. Item 7 shows estimated expenses through the third month of operation. We assume that you will operate from a home office, and that you already own a vehicle that you will use in the operation of your Consultancy Practice, at least initially, and we have made no allowance for rent or build out. If, for some reason, you choose not to operate out of your home, you may locate in any space that will accommodate your desk, telephone and computer equipment and where you have access to a fax/copier/printer. None of these expenses is refundable, except for insurance, which may be partially refundable, and deposits. We do not offer direct or indirect financing for any of the expenses listed above.

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

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

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

You must employ at least one Professional Services Employee, who may be the Designated Principal, (as defined in the Franchise Agreement) and you may employ up to two additional Professional Services Employees as long as you are in Good Standing and meet our then current expansion criteria for approval of additional Professional Services Employees (Franchise Agreement Section 5) . We will not charge a fee for the initial training program for you or your Designated Principal at the inception of the franchise term. However, if you later replace your Designated Principal, you will pay a training fee of \$15,000 and if you later transfer your franchise to someone we have not previously trained we will charge a transfer training fee of \$15,000.

If you ask us to train an alternate or additional Professional Services Employee who will perform professional services for your clients, we will charge a training fee of two thousand dollars (\$2,000) per person per course. The analytics training course is \$2,000 and the sales training course is \$2,000. .

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

New businesses (franchised or not) often have larger expenses than revenues. As with most businesses, your costs will depend on factors such as how much you follow our recommended systems, your

technical, marketing and general business skills, local economic conditions, the local market for your business, competition, local cost factors, location and the sales levels achieved by you. This is only an estimate, and we do not guarantee that the amounts specified will be adequate. You will need substantial additional funds during the 3 months of initial operation (and perhaps for longer periods). The 3-month period from beginning business covers the time by which most Franchisees are fully in operation, but does not necessarily mean that you will have reached "break-even" or any other financial position by that time. In addition, the estimates presented relate only to costs associated with the Franchised Business and do not cover any personal, "living" or other expenses you may have.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We require our Franchisees to ~~buy-license~~ our Knowledge Management software from us for an annual fee of \$1,000 per user. This is the only goods or services we require our franchisees to obtain from us. ~~In the period ending December 31, 2012, we received less than \$277,649 or 208,733 or 5.684.72% of our total revenue of \$4,888,420,897-665 from purchases of these types.~~

We require our Franchisees to purchase certain items using our logo (including their business cards, letterhead, ERA customized marketing materials, and corporate gifts) from our designated suppliers. Our designated suppliers are Zuza MAM and Image Innovators. Zuza Mam's principal business address is Carlsbad Research Center, 2304 Faraday Avenue, Carlsbad, CA 92008. Image Innovator's principal business address is 741 Vanderperren Way, Green Bay, WI 54304. In order to insure consistency and maintain the negotiated volume pricing for our franchisees and ourselves, we do not allow alternative suppliers for these items. We do not receive any rebates from these purchases.

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

Aside from the Knowledge Management software, you do not have to buy or lease anything from us or from approved or designated suppliers. All marketing and promotion that you undertake must be approved by us and purchased from a designated supplier.

We estimate that the one required purchase is less than 2.5% of your purchases and leases in establishing your Consulting Practice and less than ~~4.62~~% of your ongoing costs of operation.

We don't condition providing benefits (such as the award of a renewal or additional franchise) on use of designated or approved sources. However, failure to use approved items and suppliers might, like other matters, be a default under the Franchise Agreement and, in general, any Franchisee in default would not be awarded a renewal or additional franchise and might even be subject to termination.

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

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

You must purchase and maintain a policy or policies of comprehensive public liability insurance covering all Consulting Practice assets, personnel, and activities on an occurrence basis with a combined single limit for bodily injury, death, or property damage of not less than \$1,000,000. We may increase the minimum coverage requirement annually if necessary to reflect inflation or other changes in circumstances. You may also carry (1) casualty insurance in a minimum amount equal to the replacement value of your interest in your Consulting Practice furniture, fixtures, and equipment, and (2) business interruption insurance

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

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

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

We do not negotiate purchase arrangements with suppliers. We have negotiated with an insurance company to provide a professional liability insurance policy to you at your election. This insurance company is not a mandated supplier of this type of insurance and if you elect to acquire the policy there is no benefit to us.

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

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Not Applicable	11
b. Pre-opening purchases/leases	Not Applicable	5, 8
c. Site development and other pre-opening requirements	Not Applicable	11
d. Initial and ongoing training	7.2.1	11
e. Opening	7.2.2	11
f. Fees	Article 6	5, 6, 7
g. Compliance with standards and policies/Operating	7.2.3	8, 11, 16

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
Manual		
h. Trademarks and proprietary information	7.1	13, 14, 15
i. Restrictions on products/services offered	4.4, 7.2.4	16
j. Warranty and customer service requirements	7.2.6	Not Applicable
k. Territorial development and sales quotas	4.2, 4.6	12
l. Ongoing product/service purchases	4.6.2	8
m. Maintenance, appearance and remodeling requirements	7.2.7, 7.2.9	17
n. Insurance	7.7	7, 8
o. Advertising	7.1.4	11
p. Indemnification	8.5	Not Applicable
q. Owner's participation/management/staffing	7.4	15
r. Records/reports	7.5	Not Applicable
s. Inspections/audits	6.4, 7.2.9	6
t. Transfer	Article 9	17
u. Renewal	4.5.2	17
v. Post-termination obligations	10.3	17
w. Noncompetition covenants	8.6., Attachment 3A and 3B	17
x. Dispute resolution	11.7 - 11.11	17

ITEM 10. FINANCING

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

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

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

Preopening Services

1. Initial Training

Before the opening of your consulting practice, we will conduct an initial training program in the operation of your Consulting Practice under the EXPENSE REDUCTION ANALYSTS® System for you. You and, if you are an entity, your Designated Principal must attend and successfully complete the training program to our satisfaction before you may open. The professional services to clients may only be performed by a person who has successfully completed our Professional Services Employee sales and or analytics training program a "Professional Services Employee". (Franchise Agreement, Section 5.1). Only Professional Service Employees who successfully completed our Professional Services Employee sales training program may solicit new business.

2. We will grant you the right to own and operate a Consulting Practice in a designated Area and to use our Trade Name, Marks and System. (Franchise Agreement, Section 4.1)

3. We will loan you a copy of our Manual. The Manual contains our standards and methodologies for the business. We will revise the manual periodically to reflect the development of our business and will notify you of updated materials electronically via email or our internal or external websites and intranet. To be in Good Standing under this Agreement, you must comply with the Manual. (Franchise Agreement, Section 5.3)

Post opening Services

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

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

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

4. We will pay Your Share, as defined in Article 3 of the Franchise Agreement, to you within thirty (30) days of receiving payment. We will give you monthly statements showing our application of the amounts received from ~~your~~ clients. (Franchise Agreement §5.7). If you are in breach of your reporting obligations pursuant to Section 7.5.2 of the Franchise Agreement then we may withhold payments of Gross Receipts to you unless and until you have completed and posted all reports to the Knowledge Management software as required in Section 7.5.2 and the Manual.

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

Training

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

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Setting Up: Overview And Detail	5	0	The next available
Categories, Process and Auditing	35	0	The next available
Sales And Marketing	35	0	The next available
Knowledge Management	5	0	The next available
TOTAL	80	0	

The initial training program will take place at the next available location which may be in ~~Carlsbad CA, or in Kent in the United Kingdom or in Cedar Rapids Iowa~~ or any other location where we are then currently holding initial franchise training. ~~The entire training program consists of ten nine days, in two one week programs, of pre-opening training over a period of two weeks, with a two day weekend in the middle.~~ We anticipate that it will be presented bi-monthly. Professional Services Employee training may be in ~~Kent in the United Kingdom or in Dallas, Texas Carlsbad CA, or in Cedar Rapids Iowa~~ or any other location where we are then currently holding Professional Services Employee training.

The primary instructional material for the initial training program will be the EXPENSE REDUCTION ANALYSTS® Manual, supplemented by audio-visual aids. There will be no additional charge for training material. Training will be conducted by Robert M. McConkey, Ph.D. and Chris Wilgehof. Robert M. McConkey is the Global Director of Performance Development. He has 25 years conducting various trainings, doing curriculum design, and also public speaking professionally on a global basis. Robert has four years experience with ERA Europe. Chris Wilgehof is the European Training Manager. He has been with ERA for 7+ years and has conducted training for 5 years. Dianna Arreola is the Director of Training. She has one year of hands-on experience in our business and manages a group of instructors in the fields that are relevant to ERA Regional Disclosure Document – 03.20137.2012

~~the subject taught. These experts have the appropriate training skills and subject matter expertise to convey the material to our franchisees. Jim Schmitt will also participate in the training for Area Developers. Jim has 7 years of experience as an Area Developer. Jim will also contribute to the overall training plan for all franchisees.~~

The \$15,000 fee for your initial training program is included in your initial franchise fee. If you send an alternate Designated Principal to training the Fee will be \$15,000. If you later transfer your franchise to someone we have not previously trained we will charge a transfer training fee of \$15,000. If you ask us to train an alternate or additional Professional Services Employee who will perform professional services for your clients, we will charge a training fee of two thousand dollars (\$2,000) per person per course. The analytics training course is \$2,000 and the sales training course is \$2,000. You must pay your and your ~~employee's~~ employee's incidental costs, such as lodging, travel and meals, for any training we offer. We will not pay you or your employees for any work performed during training.

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

Manual

Our Manual is the collection of electronic materials which describe and outline our confidential processes, procedures, tools, resources, information, financial forms and document as we require that you use from time to time for the establishment and operation of a Consulting Practice and for use of our Trade Name and Marks. Access to the Manual will be provided via internal and external websites and direct emails. Access to the Manual and the library of downloadable materials as updated from time to time is available to you on loan during the term of the Franchise Agreement. We will revise the manual periodically to reflect the development of our business and will notify you of updated materials electronically via email or our internal or external websites and intranet. To be in Good Standing under this Agreement, you must comply with the Manual. (Franchise Agreement §3.16 and 5.3.

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

Computer Equipment and Software

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

- X Pentium 4 processor
- X 4 GB SDRAM
- X 100 GB hard drive
- X CD ROM 32x speed
- X Laptop/Desktop

- X 15" Monitor
- X Fax/copier/printer
- X High speed Internet access
- X Microsoft Office 2007
- X Windows XP Professional SP3
- X Microsoft Internet Explorer browser 6.0
- X Anti-Virus Software

~~You must license our proprietary Knowledge Management software from us or our designated supplier. We price it at our cost. We require our Franchisees to license their use of our Software from us at an annual fee of \$1000 (this fee is also referred to as the IT fee). See Franchise Agreement. Attachment 5 Software License Agreement.~~

You will use the computer system to manage leads, contacts, appointments, accounts and work-in-progress, to access our Knowledge Management system and to communicate with other members of the Franchise Network (as defined in the Franchise Agreement). It will collect and generate client information, client projects, work projects, projections, evaluations and reports. You must give us access to your computer and all other electronic media where you have any records at all that relate to the System and the franchised business. (Franchise Agreement §7.5.2)

| You must keep your business equipment clean and in excellent repair. Periodically, we may instruct you to upgrade your equipment to meet our currently effective standards and to accommodate any upgrades to the Knowledge Management system or other software that we require you to use. You must promptly comply with any such requests at your cost. (Franchise Agreement, §7.2.7)

There is no contractual limit on the cost or frequency of the obligation, but we expect to change our minimum specifications only when necessary to enable you to function within our Franchise Network.

We may conduct periodic quality assurance inspections of your Consulting Practice including your books and records, your tax returns, your computer and other electronic records in any medium, during normal business hours. You will cooperate with our representatives during inspections including providing any and all passwords and access keys as necessary to allow a full and complete inspection of all records stored in any electronic media. Aside from licensing the Knowledge Management software to you, we do not provide or help you obtain your computer system or other office equipment.

The estimated cost of the computer system is \$0 - \$3,000. The estimated cost of annual upgrades or a maintenance contract is approximately \$150-\$300.

Site Approval

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

Advertising Services

We will administer the Marketing Fund (Franchise Agreement § 5.4.1). The primary purpose of the Marketing Fund is to produce high quality collateral material and marketing programs that assist you in securing new clients within your Marketing Area. We expect that we will use an advertising agency to prepare the programs, but some of the programs may be prepared in-house or by outside services. We may use the fund to pay for (i) market research, advertising materials, media space and time for a national or regional marketing program, a referral program and public relations activities and (ii) for the development of collateral and advertising materials and brochures, internet and web-based downloads, (iii) salaries of employees in the corporate support center to manage and approve marketing items or (iv) for any other purpose we believe would benefit the Franchise Network. There is a Marketing Advisory Council ("MAC"), an advisory council composed of four Franchisees, to advise us regarding the management of the marketing fund (Franchise Agreement § 3.15). Two of its member are elected by the other Franchisees, one is appointed by Us and one is appointed by a "Franchisee Advisory Council" ("FAC") whose officers are ERA-USA's Franchisees in Good Standing. The appointee from the FAC must be a member of the FAC. The majority are elected by majority vote of ERA-USA Franchisees. (Franchise Agreement §3.11). The balance of FAC's officers are appointed by ERA-USA. We will give preference to marketing fund projects that are system wide in scope, but we may allocate some Marketing Fund money to regional groups of Franchisees or individual Franchisees when we consider it desirable. Subject to the non-binding advice of the MAC on matters that we elect to refer to it, we

reserve the unqualified right to decide, in our sole discretion, where, when and how marketing fund money will be spent. (Franchise Agreement §5.4.2).

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

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

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

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

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

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

During the period January 1, 2011 through December 31, 2011, the Marketing Fund spent 48.71% of its available funds as follows: 29% of its funds on the production of advertisements, promotions and promotional materials, and 3.7% for media placement and 26% for general and administrative expenses. 51.29% of the funds are available for future programs.

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Other Post-opening Services

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

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

~~_____ We will bill your clients for all services you provide and will receive all payments from your~~

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

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

~~If you are in breach of your reporting obligations pursuant to Section 7.5.2 of the Franchise Agreement then we may withhold payments of Gross Receipts to you unless and until you have completed and posted all reports to the Knowledge Management system as required in Section 7.5.2 and the Manual.~~

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

ITEM 12. TERRITORY

We do not grant you an exclusive Area. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We intend to establish other franchisees within your Area. The maximum number of franchisees we establish within an Area depends upon the number of prospects (businesses with annual gross revenue under \$250,000,000 in the Area.

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

You may solicit business from prospects and serve clients in your Area with annual sales of \$250,000,000 or less. Your Area Franchisee may invite you to participate in working with clients in your Area with annual sales of \$250,000,000 to \$1,000,000,000. You may not solicit business from prospects or serve clients with annual sales of more than \$250,000,000 unless you do so under the direction of your Area Franchisee. You may not solicit business from prospects or serve clients with annual sales of more than \$1,000,000,000 unless you do so under the direction of ERAC and according to its terms of engagement. You must refer any unsolicited business from companies with annual sales between \$250,000,000 and \$1,000,000,000 to ERA-USA and you must refer any unsolicited business from companies with annual sales of more than \$1,000,000,000 to ERAC. You will receive compensation for doing so at ERA-USA or ERAC's then current rate.

We reserve the exclusive right to use alternative channels of distribution including conducting or controlling Internet promotion and marketing of the System and our products and services. We reserve all other rights not expressly granted to you in the Franchise Agreement. Generally speaking, we have the right to Franchise other Consulting Practices inside and outside your Area and, by signing the Franchise Agreement, you waive any objection to our free exercise of this right.

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

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

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

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

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

You are required to operate your Consultancy Practice at a location within your Area. (Franchise Agreement §4.2) There is no requirement that we approve the site of your Consulting Practice, which may be in your home. We have no procedure for relocation. Normally, we would not approve your relocation of your Consulting Practice to a different Area. If you would like to move to a different place, we would expect you to Transfer your Consulting Practice to another franchisee and then purchase a new or existing Consulting Practice in the new place.

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

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

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


ITEM 13. TRADEMARKS

We license the EXPENSE REDUCTION ANALYSTS Marks and System from Montgomery Investment Co SA, as successor in title to Expense Reduction Analysts International Ltd. The license is perpetual. Your sublicense to use the Marks may not be terminated until your EXPENSE REDUCTION ANALYSTS franchise is terminated. Otherwise, no agreement limits our right to use or license the use of our trademarks or trade name.

Montgomery Investment Co SA as successor in title to Expense Reduction Analysts International Limited has also registered the figurative wordmark and logo "Expense Reduction Analysts" for International Registration under the Madrid Agreement and Protocol: Registration number 960559: Registration date February 9, 2008.

Montgomery Investment Co SA as successor in title to Expense Reduction Analysts International, Ltd. has also registered the following marks on the principal register of the United States Patent and Trademark Office:

the words "EXPENSE REDUCTION ANALYSTS" and logo, which claims priority from British Trade Mark Application No. 2462394 dated the 26th of July 2007, registration number 3,526,731 on November 4, 2008

the Design Logo,  which claims priority from British Trade Mark Application No. 2462393 dated the 26th of July 2007, registration number 3,526,732 on November 4, 2008.

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

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

or any pending material litigation involving the principal trademarks.

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

We have filed all required affidavits.

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

We filed the following lawsuit which was settled as described below:

Expense Reduction Analysts, Inc. v. Triumph Expense Reduction Analysts, Inc. et al. United States District Court for the Eastern District of Michigan, a civil action numbered 4:11-cv-12478-MAG-MKM (the "Action"). ERA-USA commenced the Action against Triumph Expense Reduction Analysts, Inc. ("TERA"), and its principal Mr. Gupta. The Complaint alleged federal claims for trademark infringement, trademark dilution and unfair competition under the Lanham Act and state law claims for unfair trade practices, common law trademark infringement, misappropriation of trade secrets, unjust enrichment, and conversion.

In a Settlement Agreement dated July 8, 2011 Gupta and TERA agreed to immediately and permanently cease all use of: (i) "Triumph Expense Reduction Analysts, Inc.", "Triumph Expense Reduction Analysts," "TERA," "tera.com", or any other term including "Expense Reduction Analysts", "ERA" or "-era.com", including use in or as a trademark, logo, trade name, domain name or corporate name or portion thereof and (ii) any proprietary trade secret material, in any way and in any channel of distribution, throughout the world. In addition Gupta and TERA agreed to pay ERA-USA the sum of \$4,800 in monthly installments of \$200. The matter was dismissed on July 7, 2011.

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

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We have not registered any patents or copyrights, nor do we have any pending patent applications that are material to the franchise. We claim common law copyright protection for our promotional materials and Manual. You may use our copyrighted materials only in your operation of a Consulting Practice and only in the manner we instruct. The Franchise agreement does not impose obligations on us or on you to protect our copyrights. We do not know of any infringements of our copyrights.

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

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

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

You must employ or engage at least one Professional Services Employee, who may also be the Designated Principal, and you may employ up to two additional Professional Services Employees under Section 5 of the Franchise Agreement. A Professional Services Employee is defined as:

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

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

The addition of any Professional Services Employee is conditional upon your compliance with the Franchise Agreement and our prior written approval in accordance with our then current expansion criteria as described in the Manual. (Franchise Agreement Section 7.4.1)

Each Professional Services Employee occupies One Professional Services Seat referred to herein as a "PS Seat".

Each Professional Service Employee must sign a Form substantially similar to the Non Disclosure and Non Competition Agreement attached to the Franchise Agreement as Attachment 3B, before performing services for clients. If your Professional Services Seat is held by an independent contractor, that individual must also sign a form of Non Disclosure and Non Competition Agreement which is available from us on request. You must ensure that your employees preserve good client relations and comply with the Franchise Agreement and the Manual.

Under Section 5 of the Franchise Agreement, you may employ a maximum of three Professional Services Employees (including the Designated Principal) who render professional services to clients. Each of these Professional Services Employees must satisfactorily complete either the analytics or sales Professional Services Employee training program, for the training fee specified in Article 6 of the Franchise Agreement, before performing services for clients. You must see that all your employees preserve good client relations and comply with the Franchise Agreement and the Manual. Each of your employees and the Designated Principal must sign a nondisclosure and noncompetition agreement, in the form of Attachment 3-B to the Franchise Agreement (or the independent contractor version of the form available from us on request)

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

the form of Attachment 6 to the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT YOU MAY SELL

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

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

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

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

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

PROVISION	SECTION IN AGREEMENT	SUMMARY
a. Length of the franchise term	4.5.1	Term is 10 years
b. Renewal or extension of the term	4.5.2	If you meet conditions, you can add consecutive five-year terms
c. Requirements for you to renew or extend	4.5.2 (a) - (g)	Upon renewal, sign new agreement, be in Good Standing, give timely

PROVISION	SECTION IN AGREEMENT	SUMMARY
		notice, upgrade all equipment and software, pay fee and sign release. You may be asked to sign a new then current franchise agreement that contains terms and conditions materially different from those in your previous franchise agreements.
d. Termination by you	10.1	May be terminated by the written agreement of both parties.
e. Termination by ERA-USA without cause	None	Not Applicable
f. Termination by ERA-USA with cause	10.2	We can terminate only upon uncured or noncurable material default
g. "Cause" defined – curable defaults	10.2.2 and 10.2.3	You have 5 days to cure non-payment defaults; you have 30 days to cure other curable defaults
h. "Cause" defined – non-curable defaults	10.2.2 and 10.2.3	Noncurable defaults include failure to successfully complete initial training, misuse of marks, interest in operation of like business, unauthorized assignment, misrepresentation in securing franchise, abandonment, repeated defaults, unapproved transfer, insolvency, conviction of a felony of criminal misconduct relevant to the operation of your Consulting Practice, and competition with Franchise Networking
i. Your obligation on termination/ nonrenewal	10.3 and 10.4 and 10.5	Complete de-identification, discontinue using Marks, payment of amounts due, honoring option to purchase or lease, assigning phone numbers, maintain records, assign interest in outstanding contracts; if termination due to your non-renewal, you must assign interest in existing client contracts and income generated by them.
j. Assignment of contract by ERA-USA	9.7	May assign to company that assumes obligations
k. "Transfer" by you - definition	3.26	Includes transfer of agreement or sale of assets or ownership change

PROVISION	SECTION IN AGREEMENT	SUMMARY
l. ERA-USA's approval of your Transfer	9.3	We have the right to approve all Transfers but will not unreasonably withhold approval
m. Conditions for ERA-USA's approval of Transfer	9.4, 11.13	Notice, new franchisee qualifies, Transfer and training fee paid, defaults cured, purchase agreement approved, training completed, mutual release and guarantee signed, and new franchisee signs current agreement,
n. ERA-USA's right of first refusal to buy your business	9.3	We have the right to match any offer to buy your business
o. ERA-USA's option to buy your business	10.4	We have an option to buy any of the assets of your business upon termination
p. Your death or permanent disability	9.6	Heirs must qualify within 60 days or have six months to sell
q. Noncompetition covenants during term of franchise	7.4, 8.6, Attachment 3	No involvement in any competing business
r. Noncompetition covenants after franchise is terminated or expires	8.6, 8.7, Attachment 3	No involvement in competing business for two years located within any area where you operated or solicited your Consulting Practice
s. Modification of the agreement	11.4	Modification of agreement only by written agreement of parties; Manual may change from time to time
t. Integration/merger clause	11.6	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	11.7 - 11.11	Mediation and/or binding arbitration will be conducted by AAA in San Diego County, California
v. Choice of forum	11.7.4, 11.8	Mediation and/or arbitration will be conducted by AAA in San Diego County, California.
w. Choice of law	11.2	Subject to state law, the laws of California apply, but Federal Arbitration Act preempts. Trademark rights governed by

PROVISION	SECTION IN AGREEMENT	SUMMARY
		Lanham Act.

ITEM 18. PUBLIC FIGURES

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

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Controller, ~~James Schmitt~~ Terri Lane, 5050 Avenida Encinas Bent Tree Tower II, 16479 North Dallas Parkway, Suite 240, Addison, Texas 75001, Suite 200, Carlsbad, California 90028, Telephone: (760) 469-310-2972 712-3600, ~~terrilane@expensereduction.com~~ ~~JSchmitt@expensereduction.com~~, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION (REGIONAL FRANCHISEES)

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2010 TO *FEBRUARY 2013
FOR YEARS 2009 TO 2012*

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE* (+ or -)
Franchised	2010	242	213	-29
	2011	213	210	-3
	2012	210	182	-28
	2013	182	179	-3
Company Owned	2010	4	4	+0
	2011	4	5	+1
	2012	5	4	-1
	2013	4	4	+0
Total Outlets	2010	246	217	-29

	2011	217	215	-3
	2012	215	186	-29
	2013	186	183	-3
OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE* (+ or -)
Franchised				
	2009	233	248	+15
	2010	248	219	-29
	2011	219	215	-4
Company Owned	2012	215	201	-14
	2009	5	5	+0
	2010	5	5	+0
	2011	5	6	+1
	2012	6	6	+0
Total Outlets				
	2009	238	253	+15
	2010	253	224	-29
	2011	224	221	-3
	2012	221	207	-14

* In column 5, state the net change, and indicate whether the change is positive or negative, for each type of outlet during each fiscal year.

Figures are current as of June 30, 2012

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR
or AN AFFILIATE)
FOR YEARS 2009 TO 2012*

STATE	YEAR	NUMBER OF TRANSFERS**
AZ		
	2009	1
	2010	0
	2011	0
	2012	0
CA		
	2009	1
	2010	0
	2011	1
	2012	0
STATE	YEAR	NUMBER OF TRANSFERS
CO		
	2009	0
	2010	1
	2011	0
	2012	0
IA		
	2009	0
	2010	0
	2011	2
	2012	0
MN		
	2009	0
	2010	1
	2011	0
	2012	0
NY		
	2009	0
	2010	0
	2011	0
	2012	1
TX		
	2009	0
	2010	0
	2011	0
	2012	1

STATE	YEAR	NUMBER OF TRANSFERS
OK	2009	1
	2010	0
	2011	0
	2012	0
OR	2009	1
	2010	0
	2011	0
	2012	0
WA	2009	1
	2010	0
	2011	1
	2012	2
Total Outlets	2009	5
	2010	2
	2011	4
	2012	4

*Figures are current as of June 30, 2012

**TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR
or AN AFFILIATE)
FOR YEARS 2010 TO *FEBRUARY 2013**

STATE	YEAR	NUMBER OF TRANSFERS**
CA	2010	0
	2011	1
	2012	0
	2013	0
CO	2010	1
	2011	0
	2012	0
	2013	0
D.C.	2010	0
	2011	0
	2012	1
	2013	0
IA	2010	0
	2011	2
	2012	0
	2013	0
MN	2010	1
	2011	0
	2012	1
	2013	0
NJ	2010	0
	2011	0
	2012	1

	2013	0
NY	2010	0
	2011	0
	2012	1
	2013	0
TX	2010	0
	2011	0
	2012	1
	2013	0
WA	2010	0
	2011	1
	2012	1
	2013	0
Total Outlets		
	2010	2
	2011	4
	2012	6
	2013	0

**** Each change in ownership should be reported only once in the table. If more than one transfer in ownership occurred for an outlet, list the event that occurred last in time. If a single outlet changed ownership 2 or more times during the same fiscal year, use footnotes to describe the types of changes and the order in which they occurred.**

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2009 TO 2012*

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS -OTHER REASONS	OUTLETS AT END OF THE YEAR
AK		2009	0	1	0	0	0	0	1
		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	1	0
AZ	NM/TX	2012	0	0	0	0	0	0	0
									6
		2009	6	2	0	0	0	2	6
		2010	6	1	3	0	0	0	4
CA		2011	4	1	1	0	0	0	4
		2012	4	0	0	0	0	0	4
		2009	24	8	0	0	0	6	26
		2010	26	8	6	0	0	1	27
		2011	27	4	5	0	0	1	26
CO	NV/UT	2012	25	0	3	0	0	2	22
		2009	10	5	0	0	0	0	15
		2010	15	1	6	0	0	1	9
		2011	9	1	0	0	0	0	10
		2012	10	0	2	0	0	0	8
CT	NY/RI								
		2009	14	1	0	0	0	0	15
		2010	16	1	0	0	0	0	17
		2011	17	0	2	0	0	0	16
FL		2012	15	0	0	0	0	0	15
		2009	23	0	0	0	0	3	20
		2010	20	0	5	0	0	0	15
		2011	15	1	3	0	0	0	13
		2012	13	0	4	0	0	0	9

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STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT END OF THE YEAR
GA									
		2009	9	2	0	0	0	3	8
		2010	8	3	1	0	0	0	10
		2011	10	1	3	0	0	0	8
		2012	8	0	0	0	0	0	8
IL	**								
		2009	7	3	0	0	0	2	8
		2010	8	0	3	0	0	0	5
		2011	6	2	0	0	0	0	7
		2012	7	0	0	0	0	0	7
IA	MINN NE SD WI IL MN **								
		2009	12	1	0	0	0	2	11
		2010	11	1	0	0	0	0	12
		2011	12	2	1	0	0	2	11
		2012	11	0	1	0	0	0	10
IN	IL								
		2009	3	3	0	0	0	0	6
		2010	6	0	1	0	0	0	5
		2011	5	1	0	0	0	0	6
		2012	6	0	0	0	0	0	6
KY	TN								
		2009	11	2	2	0	0	1	10
		2010	10	0	3	0	0	0	7
		2011	7	0	1	0	0	0	6
		2012	6	0	0	0	0	0	6
MA									
		2009	6	1	0	0	0	0	6
		2010	6	0	1	0	0	0	5
		2011	5	1	0	0	0	1	5
		2012	5	0	0	0	0	0	5

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT END OF THE YEAR
MI		2009	7	4	0	0	0	1	10
		2010	10	1	2	0	0	0	9
		2011	9	1	2	0	0	0	8
		2012	8	0	1	0	0	0	7
MN	MINN-NE SD WI-IL IA*	2009	5	0	0	0	0	2	3
		2010	3	0	0	0	0	0	3
		2011	3	0	0	0	0	0	3
		2012	3	0	0	0	0	0	3
MO		2009	10	4	0	0	0	2	12
		2010	12	1	3	0	0	0	10
		2011	10	1	3	0	0	0	8
		2012	8	0	0	0	0	0	8
MS	AL LA	2009	4	0	0	0	0	3	1
		2010	1	0	0	0	0	0	1
		2011	1	1	0	0	0	0	2
		2012	2	0	0	0	0	0	2
NC	SC	2009	15	4	1	0	0	4	14
		2010	14	0	2	0	0	1	11
		2011	11	0	1	0	0	0	10
		2012	10	0	0	0	0	0	10
NH	ME NY VT	2009	9	1	0	0	0	0	10
		2010	10	0	1	0	0	0	9
		2011	9	0	0	0	0	0	9
		2012	9	0	1	0	0	0	8

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRE D BY FRANCHISO R	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF THE YEAR
NJ	NY	2009	11	2	0	0	0	0	13
		2010	13	1	3	0	0	0	11
		2011	11	0	1	0	0	0	10
		2012	10	0	1	0	0	0	9
NY		2009	4	1	0	0	0	2	3
		2010	3	2	0	0	0	0	5
		2011	5	1	0	0	0	0	6
		2012	6	0	0	0	0	0	6
OH		2009	9	1	0	0	0	3	7
		2010	7	1	1	0	0	0	7
		2011	7	1	0	0	0	1	7
		2012	7	0	0	0	0	0	7
OK	AZ	2009	3	1	0	0	0	1	3
		2010	3	0	1	0	0	0	2
		2011	2	0	0	0	0	1	1
		2012	1	0	0	0	0	0	1
OR	CA	2009	1	0	0	0	0	1	0
		2010	0	0	0	0	0	0	0
		2011	0	0	0	0	0	0	0
		2012	0	0	0	0	0	0	0
PA	DE	2009	6	2	0	0	0	1	7
		2010	7	0	2	0	0	0	5
		2011	5	0	0	0	0	0	5
		2012	5	1	0	0	0	0	6

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF THE YEAR
TX		2009	10	4	0	0	0	0	14
		2010	14	2	2	0	0	0	14
		2011	14	1	4	0	0	0	11
		2012	11	1	0	0	0	0	11
VA	WV-NC								
		2009	3	0	0	0	0	0	3
		2010	3	0	0	0	0	1	2
		2011	2	1	0	0	0	0	3
		2012	3	0	0	0	0	0	3
WA	ID-MT WY-OR								
		2009	1	5	0	0	0	1	5
		2010	5	3	0	0	0	0	8
		2011	8	6	0	0	0	1	13
		2012	13	0	2	0	0	0	11
D.C.	MD-VA								
		2009	10	1	0	0	0	1	10
		2010	10	0	5	0	0	0	5
		2011	5	1	0	0	0	0	6
		2012	6	0	0	0	0	0	6
Total Outlets		2009	233	59	3	0	0	41	248
		2010	248	26	51	0	0	4	219
		2011	219	28	27	0	0	5	215
		2012	215	1	0	15	0	0	201

* Figures are current as of June 30, 2012

** See Item 2. Our Managing Director, James C. Schmitt has a minority interest in these Franchises.

**STATUS OF FRANCHISED OUTLETS
FOR YEARS 2010 TO *FEBRUARY 2013**

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	REACQUIRED BY FRANCHISOR	TERMINATIONS	NON-RENEWALS	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF THE YEAR
<u>AK</u>	<u>AK merged with WA on 1-1-11</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
		<u>2012</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		<u>2013</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>AZ</u>	<u>NM TX</u>	<u>2010</u>	<u>6</u>	<u>1</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>4</u>
		<u>2011</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>4</u>
		<u>2012</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>3</u>
		<u>2013</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>CA</u>		<u>2010</u>	<u>26</u>	<u>8</u>	<u>0</u>	<u>6</u>	<u>0</u>	<u>1</u>	<u>27</u>
		<u>2011</u>	<u>27</u>	<u>4</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>1</u>	<u>25</u>
		<u>2012</u>	<u>25</u>	<u>0</u>	<u>0</u>	<u>6</u>	<u>0</u>	<u>2</u>	<u>17</u>
		<u>2013</u>	<u>17</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>16</u>
<u>CO</u>	<u>NV UT</u>	<u>2010</u>	<u>15</u>	<u>1</u>	<u>0</u>	<u>6</u>	<u>0</u>	<u>1</u>	<u>9</u>
		<u>2011</u>	<u>9</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
		<u>2012</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>8</u>
		<u>2013</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>7</u>
<u>CT</u>	<u>MA NY RI</u>	<u>2010</u>	<u>16</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17</u>
		<u>2011</u>	<u>17</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>15</u>
		<u>2012</u>	<u>15</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>13</u>
		<u>2013</u>	<u>13</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>
<u>FL</u>		<u>2010</u>	<u>20</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>15</u>
		<u>2011</u>	<u>15</u>	<u>1</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>13</u>
		<u>2012</u>	<u>13</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>9</u>
		<u>2013</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>
<u>GA</u>		<u>2010</u>	<u>8</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>10</u>
		<u>2011</u>	<u>10</u>	<u>1</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>8</u>
		<u>2012</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>7</u>
		<u>2013</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	REACQUIRED BY FRANCHISOR	TERMINATIONS	NON- RENEWALS	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF THE YEAR
<u>IL</u>		2010	8	0	0	3	0	0	5
		2011	5	2	0	0	0	0	7
		2012	7	0	0	0	0	1	6
		2013	6	0	0	0	0	0	6
<u>IA</u>	<u>MI ND</u> <u>NE SD</u> <u>WI IL</u> <u>MN</u>	2010	11	1	0	0	0	0	12
		2011	12	2	0	1	0	2	11
		2012	11	0	0	1	0	0	10
		2013	10	0	0	0	0	0	10
<u>IN</u>	<u>IL</u>	2010	6	0	0	1	0	0	5
		2011	5	1	0	0	0	0	6
		2012	6	0	0	0	0	0	6
		2013	6	0	0	0	0	0	6
<u>KY</u>	<u>TN</u>	2010	10	0	0	3	0	0	7
		2011	7	0	0	1	0	0	6
		2012	6	0	0	1	0	0	5
		2013	5	0	0	0	0	0	5
<u>MA</u>	<u>CT, RI</u> <u>NY</u>	2010	5	0	0	1	0	0	4
		2011	4	0	0	0	0	0	4
		2012	4	0	0	0	0	0	4
		2013	4	0	0	0	0	0	4
<u>MI</u>	<u>Lower</u> <u>Peninsula</u>	2010	10	1	0	2	0	0	9
		2011	9	1	0	2	0	0	8
		2012	8	0	0	1	0	2	5
		2013	5	0	0	0	0	0	5
<u>MN</u>	<u>MI ND</u> <u>NE SD</u> <u>WI IL IA</u>	2010	3	0	0	0	0	0	3
		2011	3	0	0	0	0	0	3
		2012	3	0	0	0	0	0	3
		2013	3	0	0	0	0	0	3
<u>MO</u>	<u>KS</u>	2010	12	1	0	3	0	0	10
		2011	10	1	0	3	0	0	8
		2012	8	0	0	0	0	0	8
		2013	8	0	0	0	0	0	8
<u>MS</u>	<u>AL LA</u>	2010	1	0	0	0	0	0	1
		2011	1	1	0	0	0	0	2
		2012	2	0	0	0	0	0	2
		2013	2	0	0	0	0	0	2

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	REACQUIRED BY FRANCHISOR	TERMINATIONS	NON- RENEWALS	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF THE YEAR
<u>NC</u>	<u>SC</u>	2010	14	0	0	2	0	1	11
		2011	11	0	0	1	0	0	10
		2012	10	0	0	0	0	0	10
		2013	10	0	0	0	0	0	10
<u>NH</u>	<u>ME NY VT</u>	2010	10	0	0	1	0	0	9
		2011	9	0	0	0	0	0	9
		2012	9	0	0	3	0	0	6
		2013	6	0	0	0	0	0	6
<u>NJ</u>	<u>NY</u>	2010	13	1	0	3	0	0	11
		2011	11	0	0	1	0	0	10
		2012	10	2	0	1	0	2	9
		2013	9	0	0	0	0	0	9
<u>NY</u>	<u>CT, RI, MA</u>	2010	2	2	0	0	0	0	4
		2011	4	1	0	0	0	0	5
		2012	5	0	0	0	0	0	5
		2013	5	0	0	0	0	0	5
<u>OH</u>		2010	7	1	0	1	0	0	7
		2011	7	1	0	0	0	1	7
		2012	7	0	0	1	0	0	6
		2013	6	0	0	0	0	0	6
<u>OK</u>	<u>AR</u>	2010	3	0	0	1	0	0	2
		2011	2	0	0	0	0	1	1
		2012	1	0	0	0	0	0	1
		2013	1	0	0	0	0	0	1
<u>PA</u>	<u>DE</u>	2010	7	0	0	2	0	0	5
		2011	5	0	0	0	0	0	5
		2012	5	1	0	0	0	0	6
		2013	6	0	0	0	0	0	6
<u>TX</u>		2010	14	2	0	2	0	0	14
		2011	14	1	0	4	0	0	11
		2012	11	2	0	0	0	1	12
		2013	12	0	0	0	0	0	12

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	REACQUIRED BY FRANCHISOR	TERMINATIONS	NON- RENEWALS	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF THE YEAR
VA	WV NC	2010	3	0	0	0	0	1	2
		2011	2	1	0	0	0	0	3
		2012	3	0	0	0	0	0	3
		2013	3	0	0	0	0	0	3
WA	ID MT WY OR IAK added 1-1-11	2010	5	3	0	0	0	0	8
		2011	8	6	0	0	0	1	13
		2012	13	1	0	2	0	2	11
		2013	11	0	0	0	0	0	11
D.C.	MD VA	2010	9	0	0	5	0	0	4
		2011	4	1	0	0	0	0	5
		2012	5	2	0	0	0	0	7
		2013	7	0	0	0	0	1	6
Total Outlets		2010	242	26	0	51	0	4	213
		2011	213	28	0	25	0	6	210
		2012	210	8	0	25	0	11	182
		2013	182	0	0	2	0	1	179

**** If a single outlet changed ownership 2 or more times during the same fiscal year, use footnotes to describe the types of changes and the order in which they occurred. If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.**

TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 2009 TO 2012*

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
CA							
	2009	2	0	0	0	0	2
	2010	2	0	0	0	0	2
	2011	2	0	0	0	0	2
	2012	2	0	0	0	0	2
NY & Virgin Islands							
	2009	4	0	0	0	0	4
	2010	4	0	0	0	0	4
	2011	4	0	0	0	0	4
	2012	4	0	0	0	0	4
WA							
	2009	4	0	0	0	0	4
	2010	4	0	0	0	0	4
	2011	4	0	0	0	0	4
	2012	4	0	0	0	0	4
D.C., MD, VA							
	2009	4	0	0	0	0	4
	2010	4	0	0	0	0	4
	2011	4	0	0	0	0	4
	2012	4	0	0	0	0	4
Total Outlets							
	2009	5	0	0	0	0	5
	2010	5	0	0	0	0	5
	2011	5	0	0	0	0	5
	2012	5	0	0	0	0	5

*Figures are current as of June 30, 2012

STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 2010 TO FEBRUARY, 2013

<u>STATE</u>	<u>YEAR</u>	<u>OUTLETS AT START OF YEAR</u>	<u>OUTLETS OPENED</u>	<u>OUTLETS REACQUIRED FROM FRANCHISEE</u>	<u>OUTLETS CLOSED</u>	<u>OUTLETS SOLD TO FRANCHISEE</u>	<u>OUTLETS AT END OF THE YEAR</u>
<u>CA</u>	<u>2010</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2011</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2012</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2013</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>MA</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>NY & Virgin Islands</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>D.C., MD, VA</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2012</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2013</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total Outlets</u>							
	<u>2010</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2011</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2012</u>	<u>5</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2013</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>

TABLE NO. 5
PROJECTED OPENINGS AS OF JUNE 30 ~~MARCH 28, 2013~~

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLET IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY- OWNED OUTLETS IN THE NEXT FISCAL YEAR
AZ	0	02	0
CA	0	22	0
CT	0	02	0
FL	0	02	0
IL	0	02	0
IA	0	02	0
MA	0	02	0
MI	0	02	0
MO	0	1	0
NC	0	02	0
NH	0	02	0
NJ	0	02	0
NY	0	12	0
OH	0	12	0
OR	0	02	0
TX	0	82	0
WA	0	12	0
DC	0	1	0
Total	0	1532	0

(AREA DEVELOPERS)

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2009 TO 2012*

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE* (+ or -)
Franchised				
	2009	28	30	+2
	2010	30	30	+0
	2011	30	30	+0
	2012	30	30	+0
Company Owned				
	2009	3	3	+0
	2010	3	3	+0
	2011	3	4**	+1
	2012	4	4	+0
Total Outlets				
	2009	34	33	+2
	2010	33	33	+0
	2011	33	34**	+0
	2012	34	34	34

*Figures are current as of June 30, 2012

**North TX acquired by Franchisor February 2012 and is included in this total.

FOR YEARS 2010 TO FEBRUARY 2013

<u>OUTLET TYPE</u>	<u>YEAR</u>	<u>OUTLETS AT THE START OF THE YEAR</u>	<u>OUTLETS AT THE END OF THE YEAR</u>	<u>NET CHANGE* (+ or -)</u>
<u>Franchised</u>	<u>2010</u>	<u>29</u>	<u>29</u>	<u>+0</u>
	<u>2011</u>	<u>29</u>	<u>30</u>	<u>+1</u>
	<u>2012</u>	<u>30</u>	<u>27</u>	<u>-3</u>
	<u>2013</u>	<u>27</u>	<u>26</u>	<u>-1</u>
<u>Company Owned</u>	<u>2010</u>	<u>5</u>	<u>5</u>	<u>+0</u>
	<u>2011</u>	<u>5</u>	<u>4</u>	<u>-1</u>
	<u>2012</u>	<u>4</u>	<u>7</u>	<u>+3</u>
	<u>2013</u>	<u>7</u>	<u>8</u>	<u>+1</u>
<u>Total Outlets</u>	<u>2010</u>	<u>34</u>	<u>34</u>	<u>+0</u>
	<u>2011</u>	<u>34</u>	<u>34</u>	<u>-1</u>
	<u>2012</u>	<u>34</u>	<u>34</u>	<u>+3</u>
	<u>2013</u>	<u>34</u>	<u>34</u>	<u>+3</u>

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

FOR YEARS 2009 TO 2012*

STATE	YEAR	NUMBER OF TRANSFERS
GA	2009	1
	2010	0
	2011	0
	2012	0
IL	2009	0
	2010	0
	2011	0
	2012	0
MA	2009	0
	2010	0
	2011	1
	2012	1
NC	2009	0
	2010	0
	2011	0
	2012	0
STATE	YEAR	NUMBER OF TRANSFERS
NY	2009	1
	2010	0
	2011	0
	2012	0
TX	2009	0
	2010	0
	2011	0
	2012	0
Total Outlets	2009	2
	2010	0
	2011	1
	2012	1

***Figures are current as of June 30, 2012
FOR YEARS 2010 TO FEBRUARY 2013**

STATE	YEAR	NUMBER OF TRANSFERS**
MA	2010	0
	2011	0
	2012	0
	2013	0
TX	2010	0
	2011	0
	2012	0

	<u>2013</u>	<u>0</u>
<u>Total Outlets</u>	<u>2010</u>	<u>0</u>
	<u>2011</u>	<u>0</u>
	<u>2012</u>	<u>0</u>
	<u>2013</u>	<u>0</u>

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS

STATUS OF FRANCHISED OUTLETS
FOR YEARS 2009 TO 2012*

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF THE YEAR
AZ	NM TX	2009	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
CA	HA	2009	2	2	0	0	0	0	4
		2010	4	0	0	0	0	0	4
		2011	4	0	0	0	0	0	4
		2012	4	0	0	0	0	0	4
CO	NV UT	2009	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
CT	NY RI	2009	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
FL		2009	2	0	0	0	0	0	2
		2010	2	0	0	0	0	0	2
		2011	2	0	0	0	0	0	2
		2012	2	0	0	0	0	0	2

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS— OTHER REASONS	OUTLETS AT END OF YEAR
GA		2009	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
IA	MN-NE	2009	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
IL		2009	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
IN	IL	2009	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
KY	TN	2009	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
MA		2009	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS— OTHER REASONS	OUTLETS AT END OF YEAR
MI									
		2009	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
MN		2012	1	0	0	0	0	0	1
		2009	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
MO	KS	2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
		2009	1	0	0	0	0	0	1
MS	LA	2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
NC	SC	2009	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
NH	ME NY VT								
		2009	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS— OTHER REASONS	OUTLETS AT END OF YEAR
NJ	NYC								
		2009	4	0	0	0	0	0	4
		2010	4	0	0	0	0	0	4
		2011	4	0	0	0	0	0	4
		2012	4	0	0	0	0	0	4
NY									
		2009	4	0	0	0	0	0	4
		2010	4	0	0	0	0	0	4
		2011	4	0	0	0	0	0	4
		2012	4	0	0	0	0	0	4
OH									
		2009	4	0	0	0	0	0	4
		2010	4	0	0	0	0	0	4
		2011	4	0	0	0	0	0	4
		2012	4	0	0	0	0	0	4
PA	DE								
		2009	4	0	0	0	0	0	4
		2010	4	0	0	0	0	0	4
		2011	4	0	0	0	0	0	4
		2012	4	0	0	0	0	0	4
TX									
		2009	2	0	0	0	0	0	2
		2010	2	0	0	0	0	0	2
		2011	2	0	0	0	0	0	2
		2012	2	2	0	0	0	2	2
VA	VA NC								
		2009	4	0	0	0	0	0	4
		2010	4	0	0	0	0	0	4
		2011	4	0	0	0	0	0	4
		2012	4	0	0	0	0	0	4

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF THE YEAR
WA	ID MT WY								
		2009	4	0	0	0	0	0	4
		2010	4	0	0	0	0	0	4
		2011	4	0	0	0	0	0	4
		2012	4	0	0	0	0	0	4
D.C.	MD VA								
		2009	4	0	0	0	0	0	4
		2010	4	0	0	0	0	0	4
		2011	4	0	0	0	0	0	4
		2012	4	0	0	0	0	0	4
Total Outlets									
		2009	28	2	0	0	0	0	30
		2010	30	0	0	0	0	0	30
		2011	30	0	0	0	0	0	30
		2012	30	2	0	0	0	2	30

*Figures are current as of June 30, 2012

FOR YEARS 2010 TO FEBRUARY 2013

STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF THE YEAR
AZ	NM TX	2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
		2013	1	0	0	0	0	0	1
CA	HI	2010	4	0	0	0	0	0	4
		2011	4	0	0	0	0	0	4
		2012	4	0	0	0	1	0	3
		2013	3	0	0	0	1	0	2
CO	NV UT	2010	1	0	0	0	0	0	1

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		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
		2013	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
CT	NY RI MA	2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
		2013	1	0	0	0	0	0	1
		2010	1	0	0	0	0	0	1
FL		2010	2	0	0	0	0	0	2
		2011	2	0	0	0	0	0	2
		2012	2	0	0	0	0	0	2
		2013	2	0	0	0	0	0	2
GA		2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
		2013	1	0	0	0	0	0	1
IA	MN NE ND SD WI	2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
		2013	1	0	0	0	0	0	1
STATE	ALSO OPERATE IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF THE YEAR
IL	IN	2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
		2013	1	0	0	0	0	0	1
IN	IL	2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
		2013	1	0	0	0	0	0	1
KY	TN	2010	1	0	0	0	0	0	1
		2011	1	0	0	0	0	0	1
		2012	1	0	0	0	0	0	1
		2013	1	0	0	0	0	0	1
MA	CT RI	2010	0	0	0	0	0	0	0

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	<u>NY</u>	<u>2011</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>MI</u>	<u>Lower Peninsula</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>MN</u>	<u>IA NE SD ND WI</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>MO</u>	<u>KS</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>MS</u>	<u>LA</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
		<u>2013</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>STATE</u>	<u>ALSO OPERATE IN</u>	<u>YEAR</u>	<u>OUTLETS AT START OF YEAR</u>	<u>OUTLETS OPENED</u>	<u>TERMINATIONS</u>	<u>NON-RENEWALS</u>	<u>REACQUIRED BY FRANCHISOR</u>	<u>CEASED OPERATIONS- OTHER REASONS</u>	<u>OUTLETS AT END OF THE YEAR</u>
<u>NC</u>	<u>SC</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>NH</u>	<u>ME NY VT</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>NJ</u>	<u>NYC</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>NY</u>	<u>CT RI</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>

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	<u>MA</u>	<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>OH</u>		<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>PA</u>	<u>DE</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>TX</u>		<u>2010</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
		<u>2011</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
		<u>2012</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>
		<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>VA</u>	<u>VA NC</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>STATE</u>	<u>ALSO OPERATE IN</u>	<u>YEAR</u>	<u>OUTLETS AT START OF YEAR</u>	<u>OUTLETS OPENED</u>	<u>TERMINATIONS</u>	<u>NON-RENEWALS</u>	<u>REACQUIRED BY FRANCHISOR</u>	<u>CEASED OPERATIONS- OTHER REASONS</u>	<u>OUTLETS AT END OF THE YEAR</u>
<u>WA</u>	<u>ID MT WY AK</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>D.C.</u>	<u>MD VA</u>	<u>2010</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2011</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2012</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		<u>2013</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Total Outlets</u>		<u>2010</u>	<u>29</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>29</u>
		<u>2011</u>	<u>29</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30</u>
		<u>2012</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>27</u>
		<u>2013</u>	<u>27</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>26</u>

TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 2009 TO 2012*

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISE E	OUTLETS AT END OF THE YEAR
CA	2009	1	0	0	0	0	1
	2010	1	0	0	0	0	1
	2011	1	0	0	0	0	1
	2012	1	0	0	0	0	1
MA	2009	1	0	0	0	0	1
	2010	1	0	0	0	0	1
	2011	1	0	0	0	1	0
	2012	0	0	0	0	0	0
NY & Virgin Islands	2009	1	0	0	0	0	1
	2010	1	0	0	0	0	1
	2011	1	0	0	0	0	1
	2012	1	0	0	0	0	1
TX	2009	0	0	0	0	0	0
	2010	0	0	0	0	0	0
	2011	0	0	1*	0	0	1*
	2012	1	0	0	0	0	1
D.C., MD & VA	2009	0	0	0	0	0	0
	2010	0	0	0	0	0	0
	2011	0	0	0	0	0	0
	2012	0	0	0	0	0	0
Total Outlets	2009	3	0	0	0	0	3
	2010	3	0	0	0	0	3

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	2011	3	0	1**	0	0	4**
	2012	4	0	0	0	0	4

*Figures are current as of June 30, 2012

**North TX acquired by Franchisor February 2012 and is included in this total.

FOR YEARS 2010 TO FEBRUARY 2013

STATE	ALSO OPERATES IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISOR	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
CA		2010	2	0	0	0	0	2
		2011	2	0	0	0	0	2
		2012	2	0	1	0	0	3
		2013	3	0	1	0	0	4
MA		2010	1	0	0	0	0	1
		2011	1	0	0	0	1	0
		2012	0	0	0	0	0	0
		2013	0	0	0	0	0	0
MS	LA	2010	0	0	0	0	0	0
		2011	0	0	0	0	0	0
		2012	0	0	1	0	0	1
		2013	1	0	0	0	0	1

STATE	ALSO OPERATES IN	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISOR	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
OK	AR	2010	1	0	0	0	0	1
*ERAJ		2011	1	0	0	0	0	1
		2012	1	0	0	0	0	1
		2013	1	0	0	0	0	1
TX		2010	0	0	0	0	0	0
		2011	0	0	0	0	0	0

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		2012	0	0	1	0	0	1
		2013	1	0	0	0	0	1
NY	Virgin Islands	2010	1	0	0	0	0	1
		2011	1	0	0	0	0	1
		2012	1	0	0	0	0	1
		2013	1	0	0	0	0	1
Total Outlets								
		2010	5	0	0	0	0	5
		2011	5	0	0	0	1	4
		2012	4	0	3	0	0	7
		2013	7	0	1	0	0	8

TABLE NO. 5
PROJECTED OPENINGS AS OF ~~JUNE 30, 2012~~ MARCH 28, 2013

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLET IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
ALLMD	0	40	0
Total	0	40	0

The tables above give the status of both Expense Reduction Analysts' Franchised Consulting Practices and Area Developers in each state where we had Consulting Practices and Area Developers at the end of our last three fiscal years.

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

Attached as Exhibit D-1 is a list of names, addresses and telephone numbers of all of our current Regional Franchisees as of June 30, 2012.

Attached as Exhibit D-2 is a list of names, addresses and telephone numbers of all of our current Area Franchisees as of June 30, 2012.

Attached to this Disclosure Document as Exhibit D-3 is a list of the addresses of all company-owned Consulting Practices as of June 30, 2012.

Attached as Exhibit D-4 is a list containing the name, city and state and the current business telephone number (or if unknown, the last known home telephone number) of Franchisees who have had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or have not communicated with us within ten weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

There are no independent trademark-specific franchisee organizations associated with the franchise system being offered that have asked to be included in this Disclosure Document.

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ITEM 21. FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit B are our audited financial statements for the fiscal years ending December 31, 201~~009~~⁰⁹, December 31, 201~~10~~¹⁰, and December 31, 201~~21~~²¹ and our unaudited interim financial statements for the period January 1, 2012 through June 30, 2012. Our fiscal year end is December 31.

ITEM 22. CONTRACTS

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

ITEM 23. RECEIPTS

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

ADDENDUM TO DISCLOSURE DOCUMENT: SPECIFIC STATE DISCLOSURES

California

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

California Business and Professions Code §§ 20034 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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

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

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

The Franchise Agreement requires binding arbitration for disputes not resolved by negotiation or mediation. The arbitration will occur in San Diego, California with the costs being shared equally by the parties.

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

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Profession Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

OUR WEBSITE ADDRESS IS [HTTP://WWW.EXPENSEREDUCTION.COM](http://WWW.EXPENSEREDUCTION.COM). OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT WWW.CORP.CA.GOV.

OUR WEBSITE ADDRESS IS [HTTP://WWW.FINDEXTRAPROFIT.COM](http://WWW.FINDEXTRAPROFIT.COM). OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT WWW.CORP.CA.GOV.

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

Illinois

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

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

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

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

Section 705/4 of the Illinois Franchise Disclosure Act of 1987 (the "Act") provides that any provision in the Franchise Agreement which designates venue outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois; however, the Agreement may provide for arbitration in a forum outside of Illinois.

The conditions under which your franchise can be terminated and your rights upon renewal may be affected by Illinois law, 815 ILCS 705/1 to 705/44.

Maryland

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

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

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

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

Date: _____

FRANCHISOR:
EXPENSE REDUCTION ANALYSTS, INC.

By: _____

5050 Avenida Encinas, Suite 200 Bent Tree Tower II
16479 North Dallas Pkwy, Suite 240
Carlsbad, CA 92008 Addison, Texas 75001

Sign here if Regional Franchisee is an individual:

REGIONAL FRANCHISEE

Signature: _____
Print Name: _____
Print Address: _____

Sign here if Regional Franchisee is a company:

REGIONAL FRANCHISEE

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

DISCLOSURES REQUIRED BY MICHIGAN LAW

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

- (a) A prohibition on the right of a franchisee to join an association of franchisees.**
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or 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 30 days, to cure such 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 franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 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 6 months advance notice of the franchisor's intent not to renew the franchise.**
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.**
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.**
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:**
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.**
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.**

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of 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 subdivision (c).

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Michigan law provides that a franchisor whose most recent statements are unaudited and which show a net worth of less than \$100,000 shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow. In the event that an escrow is so established, the escrow agent shall be a financial institution authorized to do business in the State of Michigan. The escrow agent may release to the franchisor those amounts of the escrowed funds applicable to a specific franchisee or subfranchisor upon presentation of an affidavit executed by the franchisee and an affidavit executed by the franchisor stating that the franchisor has fulfilled its obligation to provide real estate, improvements, equipment, inventory, training, or other items. This portion of the Michigan law does not prohibit a partial release of escrowed funds upon receipt of affidavits of partial fulfillment of the franchisor's obligation.

SHOULD THE PROSPECTIVE FRANCHISEE HAVE ANY QUESTIONS REGARDING THE NOTICE OF THIS FILING WITH THE ATTORNEY GENERAL, SUCH QUESTIONS SHOULD BE ADDRESSED TO:

Department of the Attorney General
Consumer Protection Division
Antitrust and Franchise Section
PO Box 30213
Lansing, MI 48909
(517) 373-7117

Minnesota

The Franchise Agreement requires binding arbitration for disputes not settled by negotiation or mediation. The arbitration will occur in a state other than Minnesota, with costs being borne equally by both parties. Under Minnesota Statutes § 80C.21 and Minnesota Rule Part 2860.4400J, this provision may not in any way invalidate or reduce any of the franchise owner's rights that are listed in Chapter 80C of the Minnesota Statutes.

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

Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota requiring waiver of a jury trial, or requiring the franchisee to consent to liquated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or agreements can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Franchise Agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

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

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

Injunctive Relief

Minn. Rule 2860.4400J prohibits us from requiring a franchisee to consent to a franchisor obtaining injunctive relief. We may seek injunctive relief. In addition, a court will determine if a bond is required.

Date: _____

FRANCHISOR:
EXPENSE REDUCTION ANALYSTS, INC.

By: _____

5050 Avenida Encinas, Suite 200 Bent Tree Tower II
Carlsbad, CA 92008 16479 Dallas Parkway, Suite

240

Addison, Texas 75001

Sign here if Regional Franchisee is an individual:

REGIONAL FRANCHISEE

Signature: _____
Print Name: _____
Print Address: _____

Sign here if Regional Franchisee is a company:

REGIONAL FRANCHISEE

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

New York

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

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

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

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

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.

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

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

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

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

Date: _____

FRANCHISOR:
EXPENSE REDUCTION ANALYSTS, INC.

By: _____

_____	<u>Bent Tree Tower II</u>
_____	<u>16479 Dallas Parkway, Suite 240</u>
_____	<u>Addison, Texas 75001</u>
<u>5050 Avenida Encinas, Suite 200</u>	_____
_____	<u>Carlsbad, CA 92008</u>

Sign here if Regional Franchisee is an individual:

REGIONAL FRANCHISEE

Signature: _____
Print Name: _____
Print Address: _____

Sign here if Regional Franchisee is a company:

REGIONAL FRANCHISEE

Print Company Name: _____

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

North Dakota

In North Dakota, the Disclosure Document is amended as follows to conform to North Dakota law:

Item 17 (c) is revised to omit any requirement that a general release be signed as a condition of renewal.

Item 17 (r) is amended to add the following: "To the extent that covenants not to compete apply to periods after the term of the franchise, contrary to Section 9-08-06, N.D.C.C, they are generally considered unenforceable in the State of North Dakota."

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

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

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

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

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

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

Section 12.9 of the Franchise Agreement is amended as follows:

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

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

In North Dakota, provisions of the Franchise Agreement which unreasonably limit the statute of limitations or remedies under the North Dakota Franchise Investment Law, such as the right to jury trial, may not be enforceable.

Provisions of the Franchise Agreement requiring a franchisee to consent to liquidated damages or termination penalties, requiring a franchisee to consent to a limitation of claims or requiring a franchisee pay all of Franchisor's costs and expenses incurred in enforcing the agreement may not be enforceable under North Dakota law.

Rhode Island

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

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

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

South Dakota

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

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

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

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

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

Virginia

The Disclosure Document is amended as follows:

1. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or other agreements does not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or other agreements does not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

|

Washington

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

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

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

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

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

EXHIBIT A-1

STATE ADMINISTRATORS

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

~~Department of Corporations:
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505~~

~~Commissioner of Corporations
Department of Corporations
One Sansome Street, Suite 600
San Francisco, California 94104
(866) 275-2677 (415) 972-8559~~

~~Commissioner of Securities Business Registration
Division
Department of Commerce & Consumer Affairs
King Kalakaua Building
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722~~

~~Chief
Franchise Bureau
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-1090 4465~~

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

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

~~Franchise Administrator
Consumer Protection Division
Antitrust and Franchise Unit
Michigan Dept. of Attorney General
670 Law Building G. Mennen Williams Building
525 W. Ottawa Street
Lansing, Michigan 48933 43
(517) 373-7117~~

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

~~Assistant Attorney General New York State
Department of Law
Bureau of Investor Protection and Securities
New York State Department of Law
23rd Floor
120 Broadway, 23rd Floor
New York, New York 10271
(212) 416-8211 8000~~

~~North Dakota Securities Department Office of the
Securities Commissioner
600 East Boulevard Avenue, Fifth Floor
Department 414
Bismarck, North Dakota 58505-0510
(701) 328-4712 2910~~

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

~~Director, Securities Division~~
~~State of Rhode Island~~
Department of Business Regulation in the Service
of Process
–Disclosure Document and State Administrators
Sections
Bldg. 69, First Floor
John O. Pastore Complex
1511 Pontiac Avenue, ~~Bldg. 69, First Floor~~
Cranston, ~~Rhode Island~~ 02910
(401) ~~462-95222-304888~~

~~Franchise Administrator~~Department of Labor and
Regulation
Securities Division
~~118 West Capitol~~445 E. Capitol Avenue
Pierre, South Dakota 57501
(605) 773-4013~~013~~

| State Corporation Commission
Division of Securities and Retail Franchising
Ninth Floor
1300 E. Main Street
Richmond, Virginia 23219
| (804) 371-~~9054~~9672

| ~~Administrator~~
Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Tumwater, Washington 98501
(360) 902-8760

| ~~Franchise Administrator~~
Securities and Franchise Registration
Wisconsin Securities Commission
| ~~345 W. Washington Ave., 4th Floor~~345 W.
Washington Ave, 4th floor
Madison, Wisconsin 53703
| (608) ~~266-8557~~261-9555

EXHIBIT A-2

AGENTS FOR SERVICE OF PROCESS

Corporations Commissioner
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505
(866) 275-2677

Commissioner of Corporations
Department of Corporations
One Sansome Street, Suite 600
San Francisco, California 94104
(866) 275-2677

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Regulation-Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Franchise Bureau
Illinois Attorney General Office
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana Secretary of State
Securities Division-Charlie White
302 West Washington Street E-111
Indianapolis, IN 46204
317-232-6690/6681

Maryland Securities Commissioner
Office of the Attorney General
Division of Securities
200 Saint Paul Place
Baltimore, Maryland 21202-2020

Michigan Department of Consumer and Industry
Services
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

Commissioner of Commerce
State of Minnesota
Department of Commerce
Registration Division
85 Seventh Place East, Suite 500
St. Paul, Minnesota 55101

(651)296-4026

Secretary of State of New York
41 State Street
Albany, New York 11231
(518) 474-4750

Office of the Securities Commissioner
State Capitol, 5th Floor
600 East Boulevard Avenue
Department 414
Bismarck, North Dakota 58505
(701) 328-2910

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97310
(503) 378, 4387

State of Rhode Island
Director, Department of Business Regulation
State of Rhode Island
Securities Division
John O. Pastore Complex
1511 Pontiac Avenue, Bldg. 69-1
Cranston, RI 02924-04407
(401) 462-9588

Director, Department of Financial Institutions
-of the Division of Securities
State Capitol Building
914445 E. Capitol Avenue East Sioux Street
Pierre, South Dakota 57501
(605) 773-4013

NRAI Corporate Services
16055 Space Center
Suite 235 Houston TX 77062

Clerk, State Corporation Commission
1300 East Main Street, First Floor
Richmond, Virginia 23219
(804) 371-9672

Director, Administrator of Securities
Department of Financial Institutions
General Administration Building
Securities Division-Division

150 Israel Road S.W.
Tumwater, Washington 98501
(360) 902-8760

~~Commissioner of Securities~~_____

~~Office of the Commissioner of Securities~~Securities
and Franchise Registration
Wisconsin Securities Commission
345 W. Washington Ave., 4th Floor
Madison, Wisconsin 53703

EXHIBIT B
FINANCIAL STATEMENTS OF EXPENSE REDUCTION ANALYSTS, INC.

EXPENSE REDUCTION ANALYSTS, INC.

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

For the years ended December 31, 2012 and 2011

EXPENSE REDUCTION ANALYSTS, INC.

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Consolidated Statement of Changes in Stockholders' Equity	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7

6339 Nancy Ridge Drive • Suite 200

San Diego, California 92121

Phone: (858) 535-1600

Fax: (858) 535-1649

INDEPENDENT AUDITOR'S REPORT

March 11, 2013

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Expense Reduction Analysts, Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

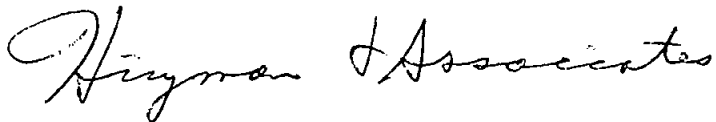
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Expense Reduction Analysts, Inc. and its subsidiaries as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Hinzman & Associates".

HINZMAN & ASSOCIATES
Certified Public Accountants
A Professional Corporation

Expense Reduction Analysts, Inc.
Consolidated Balance Sheet
December 31, 2012 and 2011

Assets

	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents	\$ 951,298	\$ 533,077
Accounts receivable, net	258,537	281,671
Prepaid assets	53,699	31,375
Short term deferred income tax asset	333,000	327,000
Total current assets	<u>1,596,534</u>	<u>1,173,123</u>
 Property and equipment, net	 181,600	 152,018
Intangible assets	4,060,000	4,060,000
Deposits	11,131	6,924
Deferred income tax asset	5,000	196,000
	<u><u>\$ 5,854,265</u></u>	<u><u>\$ 5,588,065</u></u>

Liabilities and Stockholders' Equity

Current liabilities:		
Accounts payable	172,241	237,126
Accrued expenses	532,850	630,911
Due to marketing campaign	649,616	330,797
Current portion of capital lease	6,544	-
Total current liabilities	<u>1,361,251</u>	<u>1,198,834</u>
 Capital lease payable, net of current portion	 6,996	 -
Payable to related parties	<u>991,026</u>	<u>1,062,149</u>
 Stockholders' equity:		
Common stock, par value \$.001 per share, 100,000,000 share authorized, 18,777,777 shares issued and outstanding	18,778	18,778
Additional paid in capital	4,209,422	4,209,422
Retained earnings	(744,763)	(914,798)
Total Expense Reduction Analysts, Inc. shareholder's equity	3,483,437	3,313,402
Noncontrolling interests in subsidiaries	11,555	13,680
	<u>3,494,992</u>	<u>3,327,082</u>
	<u><u>\$ 5,854,265</u></u>	<u><u>\$ 5,588,065</u></u>

Expense Reduction Analysts, Inc.
Consolidated Statement of Operations
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Franchise income:		
Franchise fees	\$ 119,800	\$ 479,200
Royalty fees	4,151,533	3,958,107
Client management fee	45,976	108,130
Management software fees	208,733	277,649
Other income	49,337	65,611
	<u>4,575,379</u>	<u>4,888,697</u>
 General and administrative expenses	 <u>4,216,818</u>	 <u>5,381,609</u>
 Income (loss) before income taxes	 358,561	 (492,912)
 Interest expense	 (1,127)	 -
 Income tax provision	 <u>(189,524)</u>	 <u>161,630</u>
 Net income (loss)	 167,910	 (331,282)
 Add: (gain) loss attributable to the noncontrolling interests in subsidiaries	 <u>2,125</u>	 <u>(14,888)</u>
Net income attributable to		
Expense Reduction Analysts, Inc.	<u><u>170,035</u></u>	<u><u>\$ (346,170)</u></u>

Expense Reduction Analysts, Inc.
Consolidated Statement of Changes in Stockholders' Equity
For the Years Ended December 31, 2012 and 2011

	Common Stock Shares	Amount	Additional Paid-in Capital	Retained Earnings	Noncontrolling Interests	Total
Balances, December 31, 2010	18,777,777	\$ 18,778	\$ 4,209,222	\$ (568,628)	\$ (1,208)	\$ 3,658,164
Contribution	-	-	200	-	-	200
Net income for the year ended, December 31, 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>(346,170)</u>	<u>14,888</u>	<u>(331,282)</u>
Balances, December 31, 2011	18,777,777	18,778	4,209,422	(914,798)	13,680	3,327,082
Net income for the year ended, December 31, 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,035</u>	<u>(2,125)</u>	<u>167,910</u>
Balances, December 31, 2012	<u>18,777,777</u>	<u>\$ 18,778</u>	<u>\$ 4,209,422</u>	<u>\$ (744,763)</u>	<u>\$ 11,555</u>	<u>\$ 3,494,992</u>

Expense Reduction Analysts, Inc.
Consolidated Statement of Cash Flows
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Net income (loss)	\$ 170,035	\$ (346,170)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	101,517	130,616
Allowance for doubtful accounts	(5,000)	(15,000)
Deferred income taxes	185,000	(170,000)
Accrued rent	-	(26,927)
Minority interest in subsidiaries' losses	(2,125)	14,888
(Increase) decrease in:		
Accounts receivable	28,134	(11,575)
Prepaid expenses	(22,324)	(3,326)
Accounts payable	(64,887)	(122,235)
Accrued expenses	(98,061)	(56,525)
Due to marketing campaign	318,819	228,040
Deposit	(4,207)	-
Net cash provided (used) by operating activities	<u>606,901</u>	<u>(378,214)</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(111,426)</u>	<u>(89,327)</u>
Net cash provided (used) by investing activities	<u>(111,426)</u>	<u>(89,327)</u>
Cash flow from financing activities		
Advances from (payments to) related parties	(71,123)	497,303
Repayment of capital lease obligation	(6,131)	-
Additional paid-in capital	-	200
Net cash provided (used) by financing activities	<u>(77,254)</u>	<u>497,503</u>
 Net increase (decrease) in cash	 418,221	 29,962
Cash, beginning of year	533,077	503,115
Cash, end of year	<u>\$ 951,298</u>	<u>\$ 533,077</u>
 Supplemental information:		
Assets acquired with capital lease	<u>\$ 19,672</u>	<u>\$ -</u>
Interest paid in cash	<u>\$ 1,127</u>	<u>\$ -</u>
Income taxes paid in cash	<u>\$ 4,524</u>	<u>\$ 8,370</u>

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the years ended December 31, 2012 and 2011

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Expense Reduction Analysts, Inc. (the Company) was incorporated in California on September 12, 2002, with the purpose of becoming the U.S. Master Licensee of Expense Reduction Analysts International, Ltd. (ERAI), an international consultancy firm that engages in implementing cost reduction strategies for corporations. The Company licenses both Area Development licenses and Regional licenses throughout the United States. The Company is a subsidiary of Evercertain Ltd, which is based in the United Kingdom. On January 25, 2011, the assets of ERAI were acquired by Montgomery Investment Company SA (MIC), which is based in Luxemburg. MIC is the ultimate group holding company and shareholder of Evercertain Ltd.

Principles of consolidation

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

ERAI provides specialty support to licensees undertaking insurance and risk management projects. SDCO provides area developer services only in the San Diego county area. ERAC provides services similar to those offered by the Company's other licensees, but only to companies with annual gross receipts over \$1 billion.

Basis of accounting

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

Concentration of credit risk

The Company maintains bank accounts at financial institutions in San Diego, California. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2012 and 2011, the Company had approximately \$664,500 and \$568,000 of uninsured cash based on actual bank balances. Management believes the Company is not exposed to any significant credit risk with respect to its cash and cash equivalents.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the years ended December 31, 2012 and 2011

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

Cash and cash equivalents

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

Accounts receivable

The Company provides for estimated losses on accounts receivable based upon a review of existing receivables. The Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific franchisees, historical trends, and other information. Accounts receivable are written off when they are determined to be uncollectible. The allowance for doubtful accounts was \$30,000 and \$35,000 at December 31, 2012 and 2011, respectively.

Property and equipment

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

Intangible assets

Intangible assets, which consists of license rights, are considered to have indefinite useful lives, are not amortized but are subjected to annual impairment tests to evaluate whether the value of the assets have been impaired. As of December 31, 2012 and 2011, the Company considers license rights to have indefinite lives and the value of the assets have not been impaired. Consequently, no amortization expenses have been recognized during years ended December 31, 2012 and 2011.

Franchise agreement

The Company's regional franchise agreement requires an initial non-refundable fee of \$59,900 per franchise. Area development franchises are also available and require an initial non-refundable fee of approximately \$250,000. Initial franchise and area development fees are primarily intended to compensate the Company for the granting of the franchise, the right to use the Company's trademark and to offset the costs of developing training programs and the operations manual. The term of the initial franchise and area development agreement is 10 years. Options to renew the agreement for additional 5 years terms are available for \$5,000 each.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the years ended December 31, 2012 and 2011

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

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

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

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

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

Income taxes

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

FASB ACS 740, Income Taxes, provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state tax returns are more likely than not to be sustained upon examination.

The Company's tax returns are subject to examination by federal and state taxing authorities for three years after they were filed.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the years ended December 31, 2012 and 2011

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

Advertising

It is the Company's policy to expense advertising costs as they are incurred. Advertising expense totaled \$37,325 and \$62,551 during the year ended December 31, 2012 and 2011, respectively.

Estimates

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

Impairment of long-lived assets

Management of the Company monitors the carrying value of long-lived assets for potential impairment on an on-going basis. Potential impairment would be determined by comparing the carrying value of these assets with their expected future net cash flows. Should the sum of the expected future net cash flows be less than the carrying value, management would recognize an impairment loss, measured as the amount by which the carrying value of the asset exceeds its fair value.

2. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2012 and 2011 consisted of the following:

	2012	2011
Computers and equipment	\$ 65,872	\$ 150,321
Leasehold improvements	-	29,835
Furniture and fixtures	15,716	53,671
Software	319,095	700,836
Vehicle	43,803	-
	<u>444,486</u>	<u>934,663</u>
Less accumulated depreciation	<u>(262,886)</u>	<u>(782,645)</u>
	<u>\$ 181,600</u>	<u>\$ 152,018</u>

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the years ended December 31, 2012 and 2011

3. INTANGIBLE ASSETS

Intangible assets as of December 31, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Insurance license rights	\$ 60,000	\$ 60,000
Franchise license rights	4,000,000	4,000,000
	<u>\$ 4,060,000</u>	<u>\$ 4,060,000</u>

In February 2013, the Company commissioned an independent valuation of the franchise license rights which resulted in a valuation significantly greater than the value reported in the financial statements.

4. INCOME TAXES

Current deferred income tax assets totaled \$333,000 and \$327,000 at December 31, 2012 and 2011, respectively, which represented temporary differences related to the current portion of federal net operating loss carry forwards and royalties. Non-current deferred income tax assets totaled \$5,000 and \$196,000 at December 31, 2012 and 2011, respectively, which represented temporary differences related to depreciation of fixed assets. A valuation allowance of \$640,000 was recorded at December 31, 2012 since management estimates that the California net operating losses will not be utilized in future years since Company headquarters are moving to Texas in 2013. The Company's provision for income taxes differs from applying the statutory U.S. federal income tax rate to income before income taxes. The primary differences result from providing for state income taxes and from deducting certain expenses for financial statements purposes but not for income tax purposes.

The income tax provision consisted of the following for the year ended December 31, 2012:

	<u>2012</u>		
	Current	Deferred	Total
Federal	\$ -	\$ 96,000	\$ 96,000
State	4,524	89,000	93,524
	<u>\$ 4,524</u>	<u>\$ 185,000</u>	<u>\$ 189,524</u>

	<u>2011</u>		
Federal	\$ 3,212	\$ (154,000)	\$ (150,788)
State	5,158	(16,000)	(10,842)
	<u>\$ 8,370</u>	<u>\$ (170,000)</u>	<u>\$ (161,630)</u>

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the years ended December 31, 2012 and 2011

4. INCOME TAXES (continued)

At December 31, 2012, the Company had federal net operating loss carry forwards of approximately \$700,000. These federal net operating loss carry forwards will begin to expire in 2026.

5. RELATED PARTIES

In September 2002 the Company and certain related parties entered into an agreement with ERAI, which specifies the terms surrounding the rights to the Expense Reduction Analysts license. In January 2011 the assets of ERAI were acquired by Montgomery Investment Co SA (MIC) (see Note 1). The details of the agreement are summarized as follows:

License rights

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

Other related parties

During 2006 the Company received a loan from MIC totaling \$734,000. The note bore interest at 1.75% per annum and contained no fixed repayment terms, and the loan was repaid during 2008. The Company owed MIC a total of \$90,681 for accrued interest payable at December 31, 2012 and 2011. The Company also owes MIC a total of \$445,294 at December 31, 2012 and 2011 for other advances.

MIC provides consulting and management services to the Company through a wholly owned subsidiary ERA Associates (Europe) Ltd. (ER Associates), a UK registered associate company. During 2012 and 2011 the Company expensed a total of \$45,000 and \$348,000, respectively, to ER Associates for these services.

The Company utilizes the services of a regional franchisee to provide training and mentoring services to new area and regional franchisees. A total of \$100,000 was paid to the franchisee during both 2012 and 2011.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the years ended December 31, 2012 and 2011

5. RELATED PARTIES (continued)

During 2011 the Company terminated the employment contract of the president and COO. The regional franchise license issued in connection with this employment contract was cancelled in 2011.

In 2008, ER Associates acquired the rights to 3 area developer territories and 3 regional licenses from two existing licensees of the Company. Two of the area developer territories were subsequently sold, but as of December 31, 2012, ER Associates retained the rights to one quarter of an area developer territory and two regional licenses. The Company managed the area developer territories while they were owned by ER Associates and therefore ER Associates waived its rights to its share of revenues from those territories, totaling \$0 and \$25,635 for the years ending December 31, 2012 and 2011, respectively.

The Company provides significant technology support and development functions for ER Associates. The Company recorded revenue totaling \$25,000 and \$75,000 during the years ended December 31, 2012 and 2011, respectively, to reflect these costs and resources to the Company in developing and maintaining these systems.

The Company also provides other services to affiliates in other countries. The Company was owed \$81,261 and \$44,287 for services provided to MIC and affiliates during the year ending December 31, 2012, and 2011, respectively.

Author royalties

The Company has agreed to pay MIC a royalty of 2% on selected revenues. MIC waived this royalty for 2012. Royalty expense was \$0 and \$86,411 for the years ended December 31, 2012 and 2011, respectively. The Company owed MIC a total of \$432,066 at December 31, 2012 and 2011 for unpaid royalties.

6. NONCONTROLLING INTERESTS

Effective January 1, 2009 the Company adopted the provisions of ASC 810 (previously known as FASB Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements*). For consolidated subsidiaries that are less than wholly owned, the third-party holdings of equity interests are referred to as non-controlling interests. The portion of net income attributable to non-controlling interests for such subsidiaries is presented as net income (loss) attributable to non-controlling interests on the consolidated statements of operations, and the portion of shareholders' equity of such subsidiaries is presented as non-controlling interests on the consolidated balance sheet.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the years ended December 31, 2012 and 2011

7. COMMITMENTS AND CONTINGENCIES

Capital Lease

During 2012, the Company became obligated under capital leases for equipment through December, 2014. The lease obligations are payable in monthly installments of \$605 with interest at 5-18%. The equipment collateralizing this obligation had an original cost of \$19,672 and accumulated depreciation of \$6,556 as of December 31, 2012.

The following is a schedule of minimum lease payments required under the capital lease as of December 31, 2012:

Year ended December 31, 2013	\$ 7,259
December 31, 2014	<u>7,259</u>
Total minimum lease payments	14,518
Less amount representing interest	<u>978</u>
Present value of minimum lease payments	<u><u>\$ 13,540</u></u>

Capital lease obligations are included on the accompanying balance sheet as follows:

Current portion	\$ 6,544
Long-term portion	<u>6,996</u>
	<u><u>\$ 13,540</u></u>

Operating Lease

The Company is leasing its new office facilities in Texas under an operating lease expiring March, 2016.

Future minimum lease payments under this lease are as follows:

Year ended	December 31, 2013	\$ 36,812
	December 31, 2014	47,555
	December 31, 2015	49,932
	December 31, 2016	<u>10,517</u>
		<u><u>\$ 144,816</u></u>

Rent expense totaled \$85,091 and \$129,082 for the years ended December 31, 2012 and 2011, respectively.

EXPENSE REDUCTION ANALYSTS, INC.
Notes to Consolidated Financial Statements
For the years ended December 31, 2012 and 2011

7. COMMITMENTS AND CONTINGENCIES (continued)

Other Matters

The Company is involved in various legal matters in the ordinary course of business. In the opinion of management, these matters are not anticipated to have a material adverse effect on the results of operations, financial position or liquidity of the Company.

8. FRANCHISE INFORMATION

Franchise statistics include:

	<u>Regional</u>	<u>Area Developer</u>
Franchises in operation at beginning of year	221	33
New franchises granted	2	-
Franchises cancelled	<u>(41)</u>	<u>(6)</u>
Franchises in operation at end of year	<u>182</u>	<u>27</u>
Franchisor-owned operations at end of year	<u>4</u>	<u>7</u>

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 11, 2013, the date the financial statements were available to be issued.

The Company moved its administrative offices from San Diego to Dallas in early 2013, all expenses related to the move were expensed in 2012.

EXHIBIT C
REGIONAL FRANCHISE AGREEMENT



**EXPENSE REDUCTION ANALYSTS, INC.
REGIONAL FRANCHISE AGREEMENT
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ERA Regional Franchise Agreement –

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1. Area
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3. Nondisclosure and Noncompetition Agreement
4. Assignment of Telephone Numbers
5. Software License
6. Personal Guaranty and Subordination Agreement
7. Special Release of Claims
8. Pre- Existing Business Disclosure
9. Initial Special Marketing Development Program Amendment

EXPENSE REDUCTION ANALYSTS® FRANCHISE AGREEMENT

1. PARTIES

This Agreement is signed on _____ [date], between Expense Reduction Analysts, Inc. ("ERA-USA," "we" or "us"), a California corporation with its principal office in ~~Carlsbad, California~~ Addison, Texas, and _____ [Franchisee's legal name] ("Franchisee, you, or your, and _____ Guarantor(s)").

2. RECITALS

2.1. Ownership of System

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

2.2. Objectives of Parties

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

3. DEFINITIONS

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

3.1. Agreement

"The Agreement" or "this Agreement" means "this Franchise Agreement."

3.2. Area

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

3.3. Area Franchisee

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

3.4. Authorized Deductions

"Authorized Deductions" means "the total of the deductions that we are authorized by this Agreement to take from Gross Receipts." These include Management Service Fees and marketing fund contributions, software license fees and any other sums due under this Agreement.

3.5. Consulting Practice

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

3.6. Designated Principal

"Designated Principal" means "you in your role as professional operator of an EXPENSE REDUCTION ANALYSTS® Consulting Practice or, if you are an entity, the person whom you have appointed and we have certified as professional operator of your Consulting Practice". An individual may only be the Designated Principal for either one ERA-USA Consulting Practice or Area Franchised Business.

3.7. ERAC

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

3.8. ERA-USA

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

3.9. Good Standing

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

3.10. Gross Receipts

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

3.11. FAC

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

3.12. Franchise

"Franchise" means "a franchise to operate a Consulting Practice."

3.13. Franchisee

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

3.14. Franchise Network

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

3.15. Knowledge Management System "KMS"

"Knowledge Management System" or "KMS" means "the database of proprietary and confidential information including certain Manuals, branding information, client data, reports and notices and updates from franchisees to franchisor and from franchisor to franchisees which is contained, stored and supported by our proprietary Knowledge Management Software".

3.16. MAC

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

3.17. Manual

"Manual" means "the collection of electronic materials which describe and outline our confidential processes, procedures, tools, resources, information, financial forms and document as we require that you use from time to time for the establishment and operation of an EXPENSE REDUCTION ANALYSTS® Consulting Practice and for use of our Trade Name and Marks. The Manual currently includes the Operations Manual and the Quality Assurance Manual and the practices and policies as stored in the KMS. Access to the Manual will be provided via internal and external websites and direct emails. Access to the Manual and the downloadable materials as updated from time to time is available to you on loan during the term of this Agreement.

3.18. Marks

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

3.19. Performance Rate

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

3.20. Related Party

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

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

3.21. Start Date

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

3.22. System

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

3.23. Termination

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

3.24. Trade Name

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

3.25. Transfer

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

3.26. You

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

3.27. Your Share

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

4. LICENSED RIGHTS

4.1. Granting Clause

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

4.2. Area

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

4.2.1 Either the area in which you wish to provide service is not included in the area of any area franchisee or the area franchisee for the area has given written consent to your operation in the area.

4.2.2 You may not explicitly direct any marketing efforts to clients outside your Area unless you can completely discontinue these marketing efforts on fourteen (14) days' notice or less.

4.2.3 When the external area is granted to an area franchisee, you agree to immediately stop soliciting or accepting new business there unless the area franchisee consents to your continued operation in writing. If the area franchisee does not consent, you must turn over your list of prospects in the external area to the area franchisee without seeking or accepting any compensation for doing so. You must immediately discontinue any marketing efforts you have directed to clients in the area.

4.2.4 You agree to immediately stop soliciting or accepting new business in the external area if we withdraw our consent to your operating there. We may withdraw our consent for any reason or for no reason at all.

4.3. Limitations on Prospects - Annual Sales

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

4.4. Rights Reserved

We have the right to establish, franchise or license other Consulting Practices inside and outside your Area and, by signing this Agreement, you waive any objection to our free exercise of this right. We reserve the exclusive right to use alternative channels of distribution, including conducting or controlling Internet promotion and marketing of the System and our products and services. We reserve all other rights not expressly granted to you in this Agreement. We reserve all other rights not expressly granted to you in the Franchise Agreement. We have the right to franchise other Consulting Practices inside and outside your Area and, by signing this Agreement, you waive any objection to our free exercise of this right.

You will use only the email address and/or URL we designate for you in connection with your Consulting Practice and communicate using only such identifiers. We will own the rights in and to any such email address and/or URL as described in this Agreement. We will manage and maintain your URL, which may include monitoring your email, as a subsection of our website to maintain a uniform and consistent appearance and quality control. No other URLs may be maintained by you related to your Consulting Practice. You understand and agree that we own all telephone numbers, domain names, Internet addresses/sites and/or other communications services links (collectively, the "Numbers"), and any related directory listings/advertising, used in connection with the operation of your Consulting Practice. Your use of the Internet, World Wide Web, and other electronic means of marketing and distribution of goods and/or services is restricted by us. You will not market or sell through such venue(s) or any channel of distribution not expressly permitted by this Agreement.

4.5. Term and Renewal

4.5.1. Initial Term

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

4.5.2. Renewal

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

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

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

5. OUR SERVICES

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

5.1. Initial Training

5.1.1 Designated Principal

Before the opening of your consulting practice, we will conduct an initial training program in the operation of your Consulting Practice under the EXPENSE REDUCTION ANALYSTS® System for you. You and, if you are an entity, your Designated Principal must attend and successfully complete the training program to our satisfaction before you may open. The initial training program for Designated Principals will include Professional Services Employee training.

5.1.2 Professional Services Employee also referred to as a "Seat Holder"

The professional services to clients may only be performed by a person who has successfully completed either our Professional Services Employee sales training program or our Professional Services Employee analytics training program a "Professional Services Employee". The solicitation of new business may only be performed by a person who has successfully completed our Professional Services Employee sales training. A Professional Services Employee will either be your employee or engaged by you as an independent contractor. You must comply with all applicable insurance and employment requirements and our confidentiality requirements including those as set out in Section 7.4.1 below.

In the Operation of your Consulting Practice you must employ at least one Professional Services Employee and, if you meet our then current expansion criteria for approval of additional Professional Services Employees as set out in the Manual, and which may include your then current and historic levels of Gross Receipts, you may employ or engage up to three (including yourself) Professional Services Employees. A Professional Services Employee is defined as:

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

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

5.1.3 Each Professional Services Employee occupies One Professional Services Seat referred to herein as a "Seat".

5.2. Consultation

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

5.3. Manual

Access to the Manual will be provided via the KMS, internal and external websites and direct emails. Access to the Manual and its library of downloadable materials, as updated from time to time, is available to you on loan during the term of this Agreement. The Manual contains our standards and methodologies for the business. We will revise the manual periodically to reflect the development of our business and will notify you of updated materials electronically via email or our internal or external websites and intranet. To be in Good Standing under this Agreement, you must comply with the Manual.

5.4. Marketing Fund

5.4.1. Administration

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

5.4.2. Allocation of Expenditures

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

5.4.3. Repayment of Advances

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

5.5. Administrative Services

Subject to your participation and compliance with all reporting requirements we will give you administrative support in operating your Consulting Practice. We will record your client receivables, joint venture credits and debits and client payments in a database to which you will have electronic access.

5.6. Billing and Collections

We will bill your clients for all services you provide and will receive all payments from your clients on your behalf. You must use your best efforts to collect these billings employing the procedures

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

5.7. Payment of Your Share

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

5.8. Proprietary Knowledge Management Software

We will license to you, for the fee stated in Article 6, our designated supplier's proprietary Knowledge Management software to enable you to use our administrative services, designate prospects and clients, and facilitate numerous aspects of your operations. You will execute the Software License attached hereto as Attachment 5. If any additional Professional Services Employee is to have access to the KMS you will execute an additional Software License and pay an additional annual fee.

5.9. Special Certification Programs

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

6. YOUR PAYMENTS

6.1. Initial Franchise Fee

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

6.2 Marketing Fund Contributions

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

6.3 Management Service Fees

For the first six months of the Term Franchisee may elect to participate in the Initial Special Marketing Development Program on the terms and subject to the conditions of the that program as set out in the Franchise Agreement Amendment attached hereto as Attachment 9 (the "ISMP Amendment"). If You execute the ISMP Amendment, You will invest \$500 per month in a marketing program approved by us and the \$500.00 Minimum Monthly Management Service Fee payable to us pursuant to section 6.3.2 of this Agreement shall be waived provided you comply with the Terms of the ISMP Amendment.

6.3.1 % of Gross Receipts

The Monthly Management Service Fee is the greater of fifteen percent (15%) of Gross Receipts, or the then-applicable Monthly Minimum Management Service Fee.

6.3.2 Monthly Minimum Management Service Fee

The relevant Monthly Minimum Management Service Fee ("MMMSF") shall apply for any month or any part of any month in your Consulting Business.

The Monthly Minimum Management Service Fees you shall pay are as follows:

Months 1 through 12 inclusive	\$500
Year 2	\$1,000
Year 3 and all subsequent years of the franchise term:	\$1,500

6.3.3 Payment of Monthly Management Service Fees

You must establish a checking account in which you maintain a balance at least as great as your Minimum Monthly Management Service Fee and sign an agreement in the form of Attachment 2 or in any other form required by the bank to enable us to withdraw funds from and deposit funds to the account by ACH/EFT transfer.

Monthly Minimum Management Service Fees accrue on the first day of every month in advance and are due on or before the 8th day of each month in advance. On the first business day of every month, or on any other day that we elect, we will deliver to you a courtesy notice of intent to debit all Monthly Management Service Fees currently due. We will withdraw the Monthly Management Service Fees currently due from your bank account seven business days after delivery of the Intent to Debit Notice.

6.3.4 Monthly Reconciliation of Gross Receipts

On the twentieth (20) day of each month, or on any other day that we designate in writing, we will calculate your Gross Receipts for the then current month and deduct the 15% Monthly Management Service Fee. If the Monthly Management Service Fees deducted from your Gross Receipts for the current month exceed the cash payment of MMMSFs for that current month then we will refund to your bank

account the amount equal to any cash over payment of MMMSFs. In the Operations Manual this process is referred to as "Smoothing".

6.3.5 Annual Reconciliation of Gross Receipts

We will conduct an annual review of Gross Receipts. We will compare your year to date Monthly Minimum Management Service Fee payments and your year to date payments of Management Service Fee on Gross Receipts and any refunds made to you in any relevant month. If the year to date payments of Management Service Fees on Gross Receipts exceed your cumulative year to date Minimum Management Service Fee payments, plus refunds then we will refund any over payments. If the year to date payments of Management Service Fees on Gross Receipts are less your cumulative year to date Minimum Management Service Fee payments, plus refunds then we will provide Notice of Intent to Debit and withdraw the funds required to cover the deficit sum.

For the purposes of this explanation the term "year to date" shall mean the Franchisor's calendar year for the term of this Agreement.

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

Any revenues received by any Related Parties as a result of operations of any business in breach of the covenants not to compete as set out in Attachment 3 and in section 8.6 below shall be subject to the payment of Management Service Fees and penalties for late payment and interest.

6.4 Audit

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

6.5 Training Fees

We will not charge a fee for the initial training program at which we train you or your Designated Principal at the inception of the franchise term. The initial training fee of \$15,000 is included in your initial franchise fee. However, if you later replace your Designated Principal, (who may also be

your first Professional Services Employee), we will charge a training fee of fifteen thousand dollars (\$15,000). If you later transfer your franchise to someone we have not previously trained we will charge a transfer training fee for Designated Principal training of fifteen thousand dollars (\$15,000).

If you later replace, or ask us to train an additional, Professional Services Employee who will perform professional services for your clients, we will charge a training fee of two thousand dollars (\$2,000) per person per course. The analytics training course is \$2,000 and the sales training course is \$2,000.

6.6 Training Costs

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

6.7 Knowledge Management Software License Fees

You must pay a \$1,000 annual Knowledge Management software license fee in semi-annual installments of five hundred dollars (\$500) per user to us on or before December 31 and June 30 of each year. If the Start Date is on any day other than January 1 or July 1, we will prorate the initial license fee(s) based on the number of complete months from the Start Date to the earlier of December 31 or June 30. If you add an additional Professional Services Employee who will have access to the KMS you will be required to pay for an additional Knowledge Management software license for that additional individual.

6.8 Renewal Fee

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

6.9 Transfer Fee

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

6.10 Annual Meeting Registration Fee

We will charge a registration fee of no more than one thousand dollars (\$1,000) for each person attending the Expense Reduction Analysts® Annual Meeting. Payment is due at least one (1) week before the Meeting begins. You will bear all other costs of attendance, including your pro-rata share of all hotel rooms "block-booked" for franchisees. Your attendance at the Expense Reduction Analysts® Annual Meeting, which includes staying at the hotel location, (and/or any other meeting where attendance is designated by us as required) is especially important for you to stay up-to-date on competitive challenges and opportunities, new programs and techniques, to learn about best practices as developed by us and other the Expense Reduction Analysts® Franchisees and to establish beneficial relationships with approved suppliers, among other things, and is, therefore, mandatory. We may excuse you from attendance on a meeting-by-meeting basis in our reasonable discretion and we will excuse you in the following cases: You or a member of your immediate family is in the hospital or gravely ill, a death in your family, cancelled airline flights with no reasonable alternative transportation arrangements being available

or a natural disaster making your attendance impossible. You must be in Good Standing in order to attend conferences. You must attend all mandatory meetings on behalf of your Consulting Practice. Failure to attend such mandatory meetings will be a breach of this Agreement.

6.11 Interest on Late Payments

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

6.12 Application of Payments

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

6.13 Our Right to Withhold Gross Receipts

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

6.14 Our Right to Collect Sums Due

If you are in breach of any payment obligations under this Agreement we have the right to offset any sums due against payments of Gross Receipts and, or to deliver a Notice of Intent to Deduct and to take such sums directly from your bank account.

7. YOUR OBLIGATIONS

7.1. Use of Trade Name and Marks

7.1.1. Representation and Warranty

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

7.1.2. Context

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

7.1.3. Changes in Trade Name and Marks

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

7.1.4. Marketing Materials and Signs

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

7.1.5. Legal Protection

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

7.1.6. Works For Hire

You agree that any and all designs, plans, reports, writings, specifications, drawings, inventions, processes, software tools and other information or items (the "Works") produced by Franchisee and its employees and consultants and Related Parties during the term of this Agreement in the operation and development of the Franchise shall be works for hire and shall be assigned to Us as the sole and exclusive property of Franchisor and Franchisor's assigns, nominees, and successors, along with any copyrights, patents or trademarks obtained by You in relation to the Works. You will promptly make a full disclosure to Us, and hold in trust for the sole right and benefit of Us, any and all Works which You or your employees, consultants or Related Parties may solely or jointly conceive, write, develop, reduce to practice; or cause to be conceived, written, developed, or reduced to practice, during any part of the Term of this Agreement. You hereby assign and agree to assign to Us, all of Your right, title and

interest in and to any and all Works, if any, and agree, during and subsequent to this Agreement to execute and deliver to Us, ownership, title and exclusive rights therein, all without charge. You agree to obtain the individual written agreement of each of your employees, consultants and Related Parties to the provisions of this section in the form of Attachment 3B to this Agreement.

7.2. Quality Assurance

7.2.1. Initial Training Program

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

7.2.2. Beginning Operation

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

7.2.3. Compliance with Manual

You must buy and maintain, according to our specifications in the Manual, a computer running the software we designate, telephone system, fax machine, color printer and high-speed digital access to your computer. You must operate your Consulting Practice in total compliance with the standards and specifications stated in the Manual. We may make changes in our standards and specifications, when, in our reasonable discretion, change is needed for the continued success and development of the Franchise Network. Such changes may require the purchase of new equipment, supplies, software or other goods, completion of additional training or other cost to you. You must promptly conform to the modified standards and specifications at your own expense. If there is any dispute as to the requirements of the Manual at any point in time, the terms of our dated timed notifications of changes of the Manual will control.

7.2.4. Services Offered

Under this Agreement, we authorize you to act as our agent for the limited purpose of entering into service agreements with designated clients using forms that we provide and in performing professional services, according to procedures stated in the Manual, for these clients. You may recommend to clients only those suppliers that we have authorized you to recommend. You must offer

and provide all the services and you may offer only the services that we have authorized you to provide. You may not receive any brokerage fees or any other form of compensation from suppliers you are recommending to our clients.

7.2.5. Our Right to Pre-Approve Reports

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

7.2.6. Client Satisfaction Program

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

7.2.7. Maintenance and Upgrades

You must keep your business equipment clean and in excellent repair. Periodically, we may instruct you to upgrade your equipment to meet our currently effective standards and to accommodate any upgrades to the Knowledge Management system or other software that we require you to use. You must promptly comply with any such requests at your cost.

7.2.8. Professional Conduct

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

7.2.9. Inspections

We will conduct periodic quality assurance inspections of your Consulting Practice including your books and records, your tax returns, your computer and other electronic records in any medium, during normal business hours. You will cooperate with our representatives during inspections including providing any and all passwords and access keys as necessary to allow a full and complete inspection of all records stored in any electronic media. We may make quality assurance inspections with or without prior notice. You must promptly correct any deficiencies in your operation of which we advise you. If you do not take immediate, effective steps to bring your operation up to our standards, your failure to do so

will be a material breach of this Agreement. You will permit us and/or our representatives to enter your Premises or home-office at any time during normal business hours upon reasonable notice, for purposes of conducting inspections. If you chose to install signage at your place of business, we have the right to approve or disapprove the design and location of any such sign. The inspections will be performed in a manner that minimizes interference with the operation of your Consulting Practice. You will cooperate fully with us and/or our representatives in inspections by rendering assistance as they may reasonably request and by permitting them, at their option, to observe how you are selling the products and rendering the services, to monitor sales volume, to confer with your employees and customers and to remove copies of any records in amounts reasonably necessary to return to our office for inspection and record-keeping. We and/or you may videotape the inspections. Upon notice from us, and without limiting our other rights under this Agreement, you will take all steps necessary to correct immediately any deficiencies detected during inspections, including immediately stopping use of any equipment, advertising, materials, products, supplies or other items that do not conform to our then-current requirements. If you fail or refuse to correct any deficiency, we have the right, without any claim to the contrary by you, to enter your Premises or home - office without being guilty of trespass or any other tort, for the purposes of making or causing to be made all corrections as required, at your expense, payable by you upon demand.

7.2.10. Notification of Complaints

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

7.3. Attendance at Meetings

We hold a National Meeting at least once each year to provide updates, offer continuing education, and encourage discussion of topics of importance to the Franchise Network. You or your Designated Principal must attend at your own expense and stay in the hotel that we designate (see Article 6.10). We may charge a registration fee of \$1,000 per person for attendance at the National Meetings. In addition, you must attend at least seventy-five percent (75%) of the meetings, if any, called by your Area franchisee each year. Your Designated Principal must attend all monthly meetings. You will not be asked to attend more than twelve (12) meetings each year. With the exception of the Annual Meeting which you or your Designated Principal must attend in person, you may attend the meetings referred to in this section by teleconference or telephone call.

7.4. Personnel

7.4.1 You must devote full time and effort to the management and operation of your Consulting Practice. In the Operation of your Consulting Practice you must employ at least one Professional Services Employee, who may be the Designated Principal. Subject to our prior written approval, in accordance with our then current expansion criteria for approval of additional Professional Services Employees as set out in the Manual and which may include your then current and historic levels of Gross Receipts, you may employ up to two additional Professional Services Employees. A Professional

Services Employee as defined in Section 5.1 above. Each Designated Principal and all Professional Services Employee and other employees must (a) satisfactorily complete the applicable training program, for the applicable training fee as specified in section 6.6 of this Agreement, and (b) execute a Form substantially similar to the Non Disclosure and Non Competition Agreement attached hereto as Attachment 3B, as reviewed by your local counsel for applicability in your State, before performing services for clients. If any Professional Services Seat is held by an independent contractor, that individual must also sign a form of Non Disclosure and Non Competition Agreement, which is available from us on request, as reviewed by your local counsel for applicability in your State. You must see that your employees and independent contractors preserve good client relations and comply with this Agreement and the Manual.

7.4.2 You and we have expressly bargained and agreed that it is your obligation under this Agreement to ensure the compliance of You and each of the Related Parties with the in term and post term restrictions described in this Agreement.

7.4.3 If at the date of executing this Agreement You operate a Pre-Existing Business as fully disclosed to us in Attachment 8 to this Agreement, you acknowledge and agree that the obligations and restrictions of this Section, Section 8.6 and Attachment 3 will apply to all Pre-Existing Business. In addition you hereby warrant and represent to us that at no time during the term of this Agreement will You or your Related Parties be engaged in or have an economic interest in any business that reflects materially and unfavorably on the goodwill associated with the Trade Name, Marks or the System,.

7.5. Financial Information

7.5.1. Records

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

7.5.2. Reports

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

7.6. Prospects and Clients and Maintenance and Sharing of Knowledge Management Data

7.6.1. Pre-Designation of Prospects and Designation of Clients

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

7.6.2. Joint Venture Agreements

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

7.6.3. Client Data Management

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

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

7.7. Insurance

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

responsibility, designate us as an additional named insured and be satisfactory to us in form, substance, and coverage. You must deliver a certificate of the issuing insurance company evidencing each policy to us as soon as the policy is issued or renewed.

7.8. Financial and Legal Responsibility

7.8.1. Compliance with Law

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

7.8.2. Payment of Indebtedness

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

8. RELATIONSHIP OF PARTIES

8.1. Interest in Marks and System

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

8.2. Independent Status

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

8.3. Display of Statement

Purchase order forms, leases, tax returns, and other documents you use in your business dealings with suppliers, lessors, government agencies, and employees must clearly identify you as an

independent legal entity operating under an EXPENSE REDUCTION ANALYSTS® franchise. You must use the client agreement forms we provide to you. All client engagement agreements must be approved by ERA. You will only be entitled to Your Share if the Gross Receipts were generated from approved written client engagements using our client agreement forms.

8.4. Confidentiality

8.4.1 System Confidentiality:

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

8.4.2 Client Confidentiality

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

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

8.5. Indemnification

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

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

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

8.6. Covenant Not to Compete

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

8.7. Non-Solicitation

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

9. TRANSFER OF FRANCHISE

9.1. Purpose of Conditions for Approval of Transfer

We grant this franchise in reliance on your integrity, ability, experience, and financial resources. You may not sell the franchise or your Consulting Practice unless you have first obtained our written consent which in the best interests of the System as a whole we may withhold in our sole discretion. . To ensure that no Transfer jeopardizes the Trade Name, Marks, or our interest in the successful operation of your Consulting Practice, we will consent to a Transfer only if you comply with the provisions of Sections 9.2 through 9.4 of this Agreement.

9.2. Notice of Intention to Transfer

If you would like to Transfer this franchise, you must submit to us: (a) the form of franchise purchase application we currently use, completed by the prospective transferee, (b) a written notice, describing all the terms and conditions of the proposed Transfer, and (c) the Transfer fee described in Article 6 of this Agreement. If we do not approve the Transfer, we will return the Transfer fee to you after

deducting one thousand dollars (\$1,000) as compensation for our expenses in connection with the proposed Transfer.

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

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

9.4. Conditions for Consent to Transfer

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

- (a) In exercising our good faith business judgment, we will consider skills and qualifications of the prospective transferee which are of business concern to us, including without limitation the following (i) entrepreneurial and managerial abilities; (ii) financial and operational skills; (iii) qualifications, financial resources, reputation and character of the prospective transferees; (iv) the ability of the prospective transferee(s) to fully and faithfully conduct the Consulting Practice as contemplated by this Agreement; and (v) the effect that the Transfer and the prospective transferees will have or may reasonably be expected to have on the reputation or business operations of the Consulting Practice, the System, us or any of our affiliated corporations and other standards that we customarily apply to new franchisees at the time of Transfer.
- (b) Payment of all your outstanding debts to us and our Related Parties,
- (c) Cure of all defaults under the Franchise Agreement, any other agreement(s) between us and you or your Related Party, and the Manual,
- (d) At our sole option, signing by the transferee of an assumption of the rights and obligations of this Franchise Agreement or signing by the transferee of the then-current form of franchise agreement, and personal guarantee and our then current form of Personal Guarantee and signing by the transferee's Related Parties of required ancillary agreements in the forms attached to the applicable franchise agreement,
- (e) Your payment of the Transfer fee described in Article 6 of this Agreement,
- (f) Payment for and completion by the transferee of the EXPENSE REDUCTION ANALYSTS® initial training program to our satisfaction unless the transferee has already completed the training program, and
- (g) Signing by you and any Related Parties that are guarantors to this Agreement of a mutual release of claims with us and our Related Parties in a form satisfactory to us with respect to past dealings between the parties which may be similar to that form attached hereto as Attachment 7 and by this reference incorporated herein.

We have the right but not the obligation to withhold our consent to a transfer if we determine, based on our review of the proposed purchase agreement or notice, that the agreement and any financing of the

sale will not give the buyer a reasonable chance to succeed as an EXPENSE REDUCTION ANALYSTS® franchisee.

9.5. Changes of Ownership Not Considered To Be Transfers

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

9.5.1 Any Trustee, Guardian, Executor, or Conservator for the account and benefit of a spouse, ancestor, or descendent,

9.5.2 Any of your employees under any employee stock option plan or stock purchase plan, if any share certificate distributed in connection with a plan of this type is marked with a legend describing the restrictions and conditions of Transfer required by this Agreement,

9.5.3 Any business entity if the beneficial ownership of the franchisee immediately after the assignment is the same and in the same proportions as the beneficial ownership immediately before the assignment. For the assignment to be effective, you, if you are an individual franchisee, or each of your owners, if you are not, must (1) first sign and deliver a personal guaranty to us, (2) submit to us information on any change of this type in the equity ownership of the franchisee, the percentage of ownership, and the address where business records are maintained and (3) enter into a new franchise agreement, amended to eliminate the initial franchise fee and shorten the term to the remainder of the original agreement's term.

9.6. Change of Ownership Upon Death or Total Disability

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

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

9.7. Assignment by ERA-USA

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

10. TERMINATION OF FRANCHISE

10.1. Termination by the Parties

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

10.2. Termination by ERA-USA

10.2.1. Notice of Default

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

10.2.2. Acts of Default

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

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

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

10.3 Cross-Defaults. Any default by you (or any of your Related Parties) under this Agreement may be regarded by us as a default under any other agreement between us (or any of our Related Parties) and you (or any of your Related Parties). Similarly, any default under any other agreement or any other obligation between us (or any of our Related Parties) and you (or any of your Related Parties) may be regarded as a default under this Agreement. Any default by you (or any of your Related Parties) under any agreement, lease, sublease, loan agreement, or security interest relating to the Consulting Practice may be regarded as a default under this Agreement, regardless of whether or not any such agreements are between you (or any of your Related Parties) and us (or any of our Related Parties).

10.4 Rights and Obligations After Termination

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

10.4.1 We may stop performing our obligations under this Agreement,

10.4.2 You must give us a final accounting for your Consulting Practice, pay us within thirty (30) days after Termination all payments due to us, and return all documents downloaded and copied from the Manual, marketing materials, proprietary forms, software, videotapes and any other

property belonging to us or our Related Party or containing proprietary information. In addition the Audit rights as specified in section 6.4 above shall survive termination.

10.4.3 Upon our written request, you must immediately and permanently stop using the Marks or any confusingly similar marks, the System, and any advertising, signs, stationery, or forms that bear identifying marks or colors that might give others the impression that you are operating a Consulting Practice,

10.4.4 You must promptly sign any documents and take any steps that in our judgment are necessary to delete your listings from classified telephone directories, disconnect or, at our option, assign to us any telephone numbers that have been used in connection with your Consulting Practice, and terminate all other references that suggest you are or ever were associated with us. By signing this Agreement, and Attachment 4 hereto you irrevocably appoint us your attorney-in-fact to take the actions described in this paragraph if you do not do so yourself within seven (7) days after this Agreement is terminated,

10.4.5 You must maintain all records we require you to maintain under this Agreement for not less than six (6) years after final payment of any money you owe to us when this Agreement is terminated.

10.4.6 We have an option to buy some or all of the assets of the Franchised Business from you, during thirty (30) days following the effective date of Termination, upon the following terms:

- (a) We must send written notice to you within thirty (30) days after Termination of this Agreement if we elect to exercise the option to purchase.
- (b) The physical assets of your Consulting Practice, including its equipment, supplies and inventory and any Works as defined in section 7.1.6 will be valued at the lower of depreciated cost or fair market value. If the parties do not agree on a price for the physical assets within the option period, the option period may be extended for up to fifteen (15) business days to permit an appraisal by an independent appraiser who is mutually satisfactory to the parties. If the parties fail to agree on an appraiser within the specified period, each must appoint an appraiser and the two appraisers thus appointed must agree on a third appraiser within ninety (90) days after Termination who must determine the price for the physical assets of your Consulting Practice according to the standards specified above. This determination will be final and binding on both us and you.

10.3.7 Upon our request, you must give us copies of the leases for any equipment used in your Consulting Practice and allow us the opportunity, at a mutually satisfactory time, to inspect the leased equipment. We must advise you of our wish to assume any equipment lease within fifteen (15) days after we have received the information and/or inspected the equipment. We may assume any equipment lease in consideration of our assumption of future obligations under the lease. Upon our exercise of this option,

we will indemnify you against future rents and other future liabilities under the equipment lease, but not from any debts to the lessor that already exist on the date when we assume the lease.

10.4.8 We will assume responsibility for continued service under the existing client contracts and may reassign them to other members of our Franchise Network or perform the work ourselves.

10.4.9 Upon our written election to buy the Consulting Practice, we have the right to immediate possession and may seek provisional relief from any court of competent jurisdiction to enforce this right. Until such time as the purchase price for the business has been determined as described above and the purchase has been concluded, we will operate the Consulting Practice on your behalf. During any such interim period, we have the right to use the proceeds of the business to pay a reasonable salary to the subcontractor we employ, to meet your payroll obligations and to pay trade debts as they arise. If there is any dispute between the parties regarding the purchase and the rights and obligations described in this subsection, the prevailing party will be entitled to costs incurred in resolving the dispute, as determined by the arbitrator.

10.4.10 If the franchise granted in this Agreement is terminated because of either party's material default, the rights described in this section may not necessarily be the injured party's exclusive remedies, but will instead supplement any other equitable or legal remedies available.

10.4.11 Termination of this Agreement will not end any obligation of either party that has come into existence before Termination. All obligations of the parties that by their terms or by reasonable implication are to be performed in whole or in part after Termination will survive Termination.

11. MISCELLANEOUS PROVISIONS

11.1. Construction of Contract

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

11.2. Governing Law

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

11.3. Notices

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

To ERA-USA:

Expense Reduction Analysts, Inc.
16479 Dallas Parkway, Suite 240
Addison, Texas 75001

5050 Avenida Encinas, Suite 200
Carlsbad, California 92008

To Franchisee:

11.4. Amendments

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

11.5. Waiver

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

11.6. Integration

This Agreement and any exhibits or attachments to it are the entire agreement between the parties concerning the franchise it grants. All other agreements and representations, other than the representations in the disclosure document, are superseded by it. The parties hereto acknowledge and agree that all provisions relating to the dispute resolution, confidentiality and covenants not to compete and all provisions relating to the protection of Intellectual Property, Marks and the System are hereby incorporated into the joint venture agreement referred to in Section 7.6.2 above. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim representations we made to you in the Franchise Disclosure Document or in any related document that we heretofore furnished to you.

11.7. Negotiation and Mediation

11.7.1. Agreement to Use Procedure

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

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

11.7.2. Initiation of Procedures

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

11.7.3. Direct Negotiations

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

11.7.4. Mediation

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

11.8. Arbitration

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

11.9. Limitation of Actions

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

11.10. Individual Dispute Resolution

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

11.11. No Attorney Fees

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

11.12. Severability

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

11.13. Approval and Guaranties

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

11.14. Acceptance by ERA-USA

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

11.15. Disclaimer of Representations

YOU AGREE THAT WE HAVE MADE NO REPRESENTATIONS OR PROMISES OF ANY KIND TO INDUCE YOU TO SIGN THIS AGREEMENT EXCEPT THOSE SPECIFICALLY STATED IN THE FRANCHISE DISCLOSURE DOCUMENT THAT HAS BEEN DELIVERED TO YOU. YOU

ACKNOWLEDGE THAT NEITHER WE NOR ANY OTHER PERSON HAS GUARANTEED THAT YOU WILL SUCCEED IN THE OPERATION OF THE EXPENSE REDUCTION ANALYSTS® CONSULTING PRACTICE OR HAS PROVIDED ANY SALES OR INCOME PROJECTIONS OF ANY KIND TO YOU OTHER THAN THOSE, IF ANY, INCLUDED IN THE DISCLOSURE DOCUMENT. YOU HAVE MADE AN INDEPENDENT INVESTIGATION OF ALL IMPORTANT ASPECTS OF THE BUSINESS YOU WILL OPERATE UNDER THE FRANCHISE. YOU UNDERSTAND THAT WE ARE NOT A FIDUCIARY AND HAVE NO SPECIAL RESPONSIBILITIES BEYOND THE NORMAL RESPONSIBILITIES OF A SELLER IN A BUSINESS TRANSACTION. **WE HAVE ADVISED YOU TO CONSULT AN ATTORNEY TO REVIEW THIS AGREEMENT AND ADVISE YOU UPON IT AND WE HAVE GIVEN YOU SUFFICIENT TIME WITHIN WHICH TO DO THIS.**

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

FRANCHISOR
EXPENSE REDUCTION ANALYSTS, INC.

By: _____

16479 Dallas Parkway, Suite 240
Addison, Texas 75001

5050 Avenida Encinas, Suite 200
Carlsbad, California 92008

Sign here if Franchisee is an individual:

FRANCHISEE

Signature: _____

Print Name: _____

Print Address: _____

Sign here if Franchisee is a company:

FRANCHISEE

Print Company Name: _____

Signature: By: _____

Print Name: _____

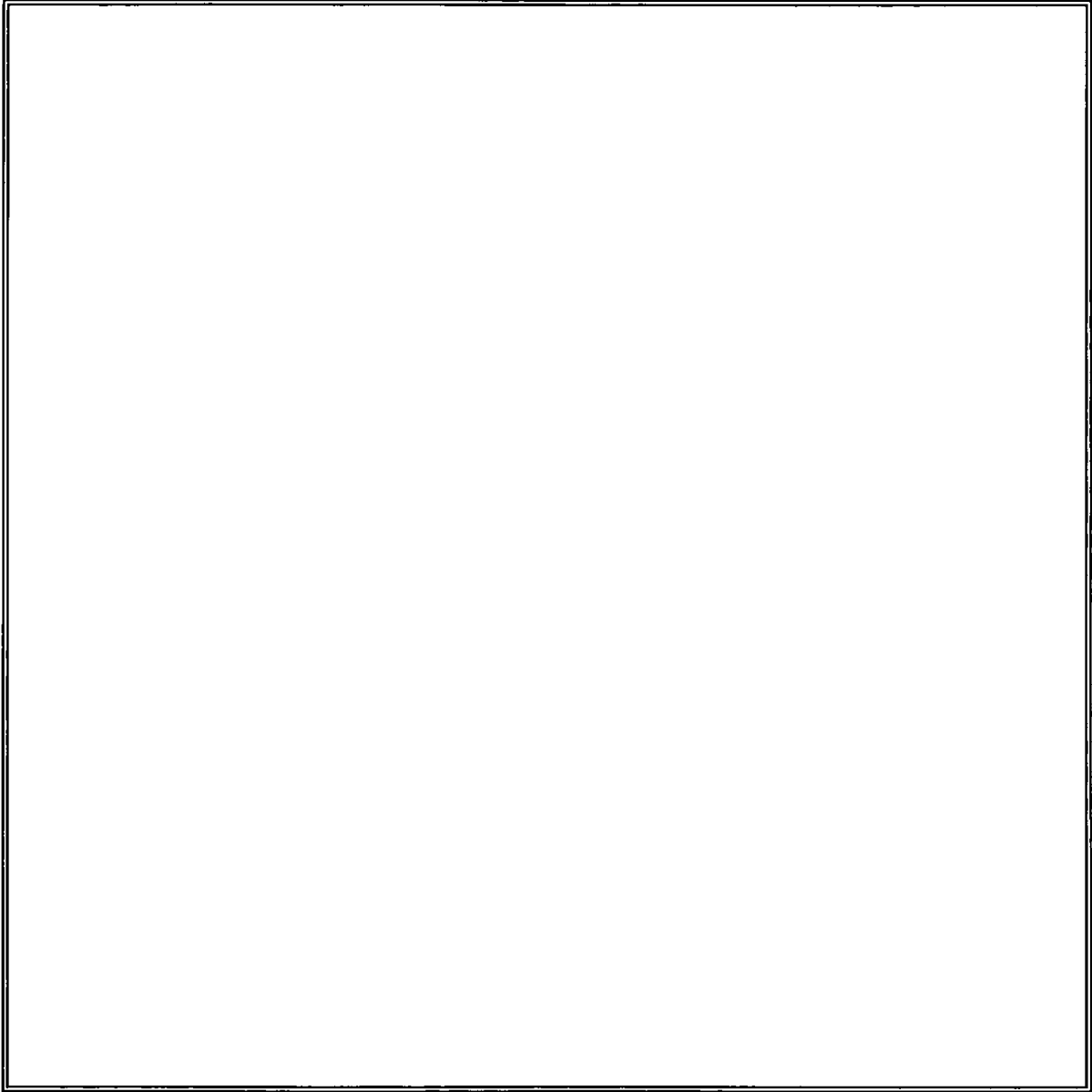
Print Title:

Print Address:

ATTACHMENT 1

AREA

The Area is as follows:



ATTACHMENT 2

**AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENT (DIRECT DEBIT)
Direct Debit/Credit (ACH/EFT) Authorizations**

The undersigned authorizes Expense Reduction Analysts, Inc. ("ERA-USA") to Directly Debit / Credit via ACH/EFT through the checking and/or savings account(s) indicated below.

I acknowledge that the origination of the ACH transactions to and from my account must comply with the provisions of U.S. law. This authority will remain in effect until I or ERA-USA has cancelled it in writing in such time and manner as to afford your company and Financial Institution a reasonable opportunity to act on it.

***All Debit transaction will take place 7 business days after notification of "Intent to Debit". The "Intent to Debit" must include, Date of Debit and Amount of Debit. All Notifications will be made via e-mail at your "expensereduction.com" address.

Bank Name

Name on the Account

Bank - Street Address, City, State, Zip Code

Bank Transit/ABA Number

Account Number

Franchisee Signature

Printed Name

Date

ATTACHMENT 3

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

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

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

1. Nondisclosure of Trade Secrets and Confidential Information

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

2. Definition of Trade Secrets and Confidential Information

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

3. Return of Proprietary Materials

Upon termination or expiration of franchise ownership or employment by ERA-USA or an EXPENSE REDUCTION ANALYSTS® franchisee, Confidant must surrender to ERA-USA all materials

considered proprietary by ERA-USA, technical or nontechnical, whether or not copyrighted, that relate to a Trade Secret, Confidential Information, or conduct of the operations of ERA-USA. Confidant expressly acknowledges that any such materials of any kind given to him or her are and will remain the sole property of ERA-USA.

4. Solicitation of Clients

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

5. Solicitation of Employees

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

6. Noncompetition

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

7. Saving Provision

Confidant agrees and stipulates that the agreements and covenants not to compete contained in the preceding paragraph are fair and reasonable in light of all the facts and circumstances of the relationship between Confidant and ERA-USA. However, Confidant and ERA-USA are aware that in certain circumstances courts have refused to enforce certain agreements not to compete. Therefore, in furtherance of the provisions of the preceding paragraph, Confidant and ERA-USA agree that if a court or arbitrator should decline to enforce the provisions of the preceding paragraph, that paragraph must be

considered modified to restrict Confidant's competition with ERA-USA to the maximum extent, in both time and geography, which the court or arbitrator finds enforceable.

8. Irreparable Harm to ERA-USA

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

9. Cost of Training

Confidant understands and agrees that ERA-USA is the Franchisor of the only EXPENSE REDUCTION ANALYSTS® System, and that no franchisee of ERA-USA or any other entity may sell or offer to sell a EXPENSE REDUCTION ANALYSTS® franchise. Confidant represents and warrants to ERA-USA that Confidant has not paid a fee to any ERA-USA franchisee to attend this training. The costs of this training have either been paid for by the franchisee who has hired or engaged Confidant or by ERA-USA if Confidant has been hired or engaged by ERA-USA.

10. Binding Effect

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

11. Applicable Law

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

CONFIDANT(S)

[Signature of Confidant]

[Signature of Confidant]

ATTACHMENT 3B

FRANCHISEE - EMPLOYEE

**NONDISCLOSURE AND
NONCOMPETITION AGREEMENT**

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

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

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

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

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

4) By virtue of my employment by the Franchisee, the Employee will or may have access to Confidential Information. Employee acknowledges that (i) Franchisee has no rights to subfranchise, license or to grant any rights to the Confidential Information to Employee, (ii) Employee has not paid any

fee to Franchisee, (iii) Employee has no rights to the Confidential Information and may use Confidential Information only in the course of Employee's employment with Franchisee as set out in this Agreement.

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

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

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

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

d) During the period of my employment by the Franchisee, I will take all necessary steps to safeguard and maintain the secrecy and confidentiality of the Confidential Information in my possession or control, including (by way of illustration and not limitation) (i) securing the Confidential Information in locked or otherwise secured files; (ii) refraining from forwarding or communicating the Confidential Information in any electronic medium including but not limited to email, YouTube, twitter, facebook and may other form of existing of future social media, and (iii) refraining from making copies or reproductions of the Confidential Information or any portions thereof, unless necessary for the carrying out of my employment responsibilities, or if first expressly authorized to do so by a superior or an officer of the Franchisee.

e) Upon the termination of my employment by the Franchisee, I will immediately return to the Franchisee any and all Confidential Information and all copies thereof, which may have been entrusted to me or which I may have generated or copied, in any format including physical paper copies and electronic files, as well as any physical property of the Franchisee, including books, tapes, equipment, CD's, DVDs, mp3 files, laptops, cell phones and the like, whether proprietary or not, which I may have in my possession or control.

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

6) All inventions, discoveries, developments, improvements, innovations, and writings, whether or not eligible for patent and/or copyright protection (hereinafter collectively referred to as "Innovations" or "Inventions" as may be appropriate), conceived or made by me either solely or in concert with others, during the period of my employment by the Franchisee (including, but not limited to, any period prior to the date of this Agreement) whether or not made or conceived during working hours, which (a) relate in any manner to the existing or contemplated business, or the development of activities, of the Franchisee and/or the Franchisor, or (b) are suggested by, or result from, my work for the Franchisee, or (c) result from my use of the Franchisee's time, materials, or facilities, will be the sole and exclusive property of the Franchisor. Any Inventions made by me, or disclosed by me to a third party, or described in a patent application of mine, within 9 months following the period of my employment by the Franchisee, will be

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

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

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

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

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

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

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

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

the foregoing sentence will not preclude the Franchisee or the Franchisor from seeking actual money damages from me or any other party in the event of a breach or threatened breach of this Agreement.

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

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

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

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

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

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

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

21) The Franchisee and the Employee agree that this Agreement supersedes any prior oral agreement and/or written agreement by and between them relating generally to the subject matter of this Agreement; the Employee represents and warrants that there are no such prior oral agreement and/or written agreement.

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

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

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

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

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

Dated _____, 20____ at _____, _____
City State

FRANCHISEE:

EMPLOYEE:

By: _____

Employee's signature

Its: _____

Employee's name

ATTACHMENT 4
ASSIGNMENT OF TELEPHONE NUMBERS, EMAIL ADDRESS AND URL'S AND SPECIAL POWER
OF ATTORNEY

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

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

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

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

Dated: _____

Sign here if Franchisee is an individual:

FRANCHISEE

Signature: _____

Print Name: _____

Print Address: _____

Sign here if Franchisee is a company:

FRANCHISEE

Print Company Name: _____

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

ATTACHMENT 5

**SOFTWARE
LICENSE AGREEMENT**

SOFTWARE LICENSE AGREEMENT

1. License

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

2. Payment

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

3. Proprietary Information

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

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

4. Software Support

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

5. Software "As Is"

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

6. Termination

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

ERA Regional Franchise Agreement –03.2012

Copyright © Expense Reduction Analysts, Inc. Regional Franchise Agreement 03.2012

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

7. Changes

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

8. Consequential Damages

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

9. Severability

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

10. Assignment

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

11. Waiver

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

12. Taxes

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

13. Accumulation of Remedies

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

14. Applicable Law

This Agreement will be governed by the laws of California.

15. Incorporation by Reference

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

16. Notices

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

To ERA-USA:

Expense Reduction Analysts, Inc.
16479 Dallas Parkway, Suite 240
Addison, Texas 75001

~~5050 Avenida Encinas, Suite 200~~
~~Carlsbad, California 92008~~

To Franchisee:

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

17. Entire Agreement

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

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

Date: _____

FRANCHISOR:
EXPENSE REDUCTION ANALYSTS, INC.

By: _____

16479 Dallas Parkway, Suite 240
Addison, Texas 75001

~~5050 Avenida Encinas, Suite 200~~

~~Carlsbad, CA 92008~~

(SIGNATURES CONTINUE ON FOLLOWING PAGE)

Sign here if Franchisee is an individual:

FRANCHISEE

Signature:

Print Name:

Print Address:

Sign here if Franchisee is a company:

FRANCHISEE

Print Company Name:

Signature: By:

Print Name:

Print Title:

Print Address:

ATTACHMENT 6

PERSONAL GUARANTY AND SUBORDINATION AGREEMENT

To induce Expense Reduction Analysts, Inc. ("Franchisor") to enter into or permit assignment of an EXPENSE REDUCTION ANALYSTS® Franchise Agreement with _____ [franchisee's full legal name] ("Franchisee"), signed on the same date as the date of this Guaranty, the undersigned ("Guarantor(s)") unconditionally, jointly and severally, personally guaranty to Franchisor, its Related Parties, its successors, or its assignees for the term of the Agreement, and for any renewal franchise term, and thereafter as provided in the Franchise Agreement, that (a) he/she will not divulge or convey in any manner to any individual, corporation, firm, partnership, entity or third party at any time any of Franchisor's proprietary property, intellectual property, manuals or methods of expense reduction, including any Works as defined in the License Agreement and (b) he/she will non breach any of the covenants of non competition and non solicitation and (c) will perform the covenants relating to Works for Hire.

This agreement will remain in effect throughout the term of this agreement and any and all renewals and for ten (10) years after any termination, sale, or if the Franchisee has otherwise left then system, unless such information has otherwise been made public.

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

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

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

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

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

GUARANTOR(S)

[Signature of guarantor]

[Signature of guarantor]

ATTACHMENT 7

SPECIAL RELEASE OF CLAIMS

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

RECITALS

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

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

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

—OR—

B. Franchisee would like to renew the License Agreement.

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

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

RELEASE

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

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

3. This Release extends to and includes any and all claims, liabilities, injuries, damages, and causes of action that the parties do not presently anticipate, know, or suspect to exist, but that may develop, accrue, or be discovered in the future. **RELEASOR EXPRESSLY WAIVES ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of signing the release, which if known**

by him must have materially affected his settlement with the debtor." The parties hereby represent and warrant to each other that they have each considered the possibility that claims, liabilities, injuries, damages, and causes of action that each of them do not presently know or suspect to exist in their respective favor may develop, accrue, or be discovered in the future, and that each party voluntarily assumes that risk as part of the consideration received for this Release.

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

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

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

FRANCHISOR:

EXPENSE REDUCTION ANALYSTS, INC.

By: _____

16479 Dallas Parkway, Suite 240
Addison, Texas 75001

5050 Avenida Encinas, Suite 200

Carlsbad, CA 92008

Sign here if Franchisee is an individual:

FRANCHISEE

Signature: _____

Print Name: _____

Print Address: _____

Sign here if Franchisee is a company:

FRANCHISEE

Print Company Name: _____

Signature: By: _____

Print Name: _____

Print Title: _____

Print Address: _____

ATTACHMENT 8

PRE EXISTING BUSINESS DISCLOSURE

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

2. Franchisee represents and warrants to Franchisor as follows:

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

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

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

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

2.5 there is no existing litigation or other actions or proceedings pending in relation to the Pre - Existing Business and Franchisee knows or no causes or conditions would could lead to any such proceedings, and

2.6 the Pre - Existing Business does not engage in conduct that could in any way reflect materially and unfavorably on the goodwill associated with the Trade Name, Marks or the System, and

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

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

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

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

2.8 Franchisee acknowledges and agrees that the non compete covenants of sections 7, and 8.6 of the Franchise Agreement and the non compete provisions of Attachment 3 which apply to all individual Related Parties shall apply to the Pre-Existing Business (es), and

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

2.10any and all existing and future business that is business carried out or to be carried out by Expense Reduction Analysts franchisees and is operated using the System or any part of the System from time to time is Franchised Business that will be operated by the Franchisee, and

2.11Franchisee agrees that any business currently operated or to be operated by any affiliate of Franchisee outside of the Franchised Business which later becomes a part of the Franchised Business shall be folded into the Franchised Business, and

2.12Franchisee shall indemnify, defend and hold harmless Franchisor and its Related Parties, against all losses, costs , proceedings, judgments, liabilities, expenses, court costs, and reasonable fees of attorneys and other professionals, arising out of or resulting from any breach of the representations and warranties set out in this Attachment 8 or in connection with any willful or negligent act or omission of Franchisee or Franchisee's employees or agents, including but not limited to such act or omission that contributes to any economic, bodily injury, sickness, disease or death. This indemnity shall survive termination of this Agreement.

Franchisee(s)

ATTACHMENT 9

INITIAL SPECIAL MARKETING DEVELOPMENT PROGRAM REGIONAL FRANCHISE AMENDMENT

This Initial Special Marketing Development Program Agreement Amendment to your Regional Franchise ("Amendment") will clarify and/or modify certain provisions of the Regional Franchise Agreement (the "RFA") dated _____, 20____ by and between Expense Reduction Analysts, Inc. ("ERA", "we or us"), a California corporation with our principal office in San Diego, California, and _____(Franchisee Company Name), with a current mailing address at _____Current Mailing Address ("Franchisee") and _____(Franchisee Name) with a mailing address at _____(Franchisee Mailing Address) ("Owner"). Initially capitalized terms not defined herein are used as defined in the RFA.

RECITALS

- A. ERA and Franchisee have entered into a Regional Franchise Agreement ("RFA") whereby you have been granted certain rights subject to certain obligations to use and develop the proprietary System for the operation of EXPENSE REDUCTION ANALYSTS® Consulting Practices in the Territory of the counties of *Counties or State*.
- B. Franchisee has requested to participate in the Initial Special Marketing Development Program and ERA is willing grant Franchisee permission to participate in the Initial Marketing Development Program.

NOW THEREFORE for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Representations and Warranties

We and you represent and warrant to each other that the recitals above are true and accurate.

2. Minimum Monthly Management Service Fees

2.1 The Initial Special Marketing Development Program Agreement shall commence immediately and shall continue for the first six months of the Term of the RFA (the "ISMP Term"). During the ISMP Term Franchisee shall invest \$500 per month in a marketing program approved by ERA and your Mentor. During the ISMP Term, the \$500.00 Minimum Monthly Management Service Fee payable to ERA pursuant to section 6.3.2 of the RLA shall be waived provided the RL:

- 3.1.1 completes a Business Success Plan that is approved by ERA and your Mentor.
- 3.1.2 actively participates in a formal monthly review of the approved Business Success Plan
- 3.1.3 on a monthly basis achieves the activities required in the Business Success Plan
- 3.1.4 invests \$500.00 per month in an approved marketing program

2.2 If at any time during the ISMP Term the ISMP Mentor determines that Franchisee is not wholly participating in the ISMP Program then the ISMP Program may be terminated by the Mentor and the Franchisee shall immediately resume payment of the \$500 per month Monthly Minimum Management Service Fee to ERA.

3. Limit of Modifications

To the extent not expressly modified by this Amendment, all other terms of the Agreement remain in full force and effect.

4. Confidentiality and Disclosure

We deem this Amendment to be confidential between us and you, and accordingly it shall not be disclosed to any third person without our express written consent.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed, sealed and delivered this Amendment the day and year first above written.

EXPENSE REDUCTION ANALYSTS, INC.

By: _____

FRANCHISEE

Franchisee's Company Name

By: _____

Franchisee's Name, Title

OWNER / GUARANTOR

By: _____

Franchisee's Name, Personally

RECEIPT FOR FRANCHISE AGREEMENT

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

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

Date You Received Franchise Agreement: _____

FRANCHISEE

Signature: _____

Print Name: _____

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

Thank you for your careful attention to this matter.

**EXHIBIT D
ROSTER OF FRANCHISEES**

CURRENT THROUGH ~~JUNE 30, 2012~~MARCH 28, 2013

EXHIBIT D-1
ROSTER OF FRANCHISEES

Alaska – (added to the WA region effective 1/1/11)

Arizona

Southwest Cost Reduction Specialists, LLC
Patrick J. Garr and Jeffrey Travis Cantrell sign date 3/31/08
10215 Sand Sage Drive NW
Albuquerque, NM 87114
505-792-8065
pgarr@expensereduction.com
Franchisee also for New Mexico and West Texas

VERITAS GROUP CORPORATION

John S. Baragar sign date 4/30/08
James Edward Baird
8270 E. Wood Drive
Scottsdale, AZ 85260
480-656-1990
jbaragar@expensereduction.com
Franchisee also for New Mexico and West Texas

Expense Reduction Analysts / Southwest LLC

Ken Cost sign date 5/13/11
16681 S. 18th Way
Phoenix, AZ 85048
602-315-8159
kcost@expensereduction.com
Franchisee also for New Mexico and West Texas

California

Expense Recovery Group, LLC
Barry Bowles sign date 6/22/04
Bent Tree Tower II
16479 North Dallas Parkway, Suite 240
Addison, TX 75001
469-310-2980
bbowles@expensereduction.com
Franchisee for San Diego, Orange, Riverside, San Bernardino counties

Anil Nanda & Associates

Anil Nanda sign date 6/22/04
10608 Aspen Glen
Escondido, CA 92026
720-712-3613
ananda@expensereduction.com
Franchisee for San Diego, Orange, Riverside, San Bernardino counties

Tygar & Associates LLC

Marylou Garcia sign date 4/22/05
4733 Torrance Boulevard #122
Torrance, CA 90503
310-791-5570
mgarcia@expensereduction.com
Franchisee for South Los Angeles and North Orange counties

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

KAL Distributing dba KAN Consulting
Brian Lorber sign date 2/21/06
23679 Calabasas Road, Suite 247
Calabasas, CA 91302
818-222-0552
blorber@expensereduction.com
Franchisee for North Los Angeles and surrounding counties

John R. Reese
John R. Reese [Wilson License sign date 7/27/07 – and acquired by J.R. 9/1/09]
956 Vernal Avenue
Mill Valley, CA 94941
415-380-0753-Reese
jreese@expensereduction.com
Franchisee for the Marin, San Francisco, Contra Costa, Alameda, San Mateo, Santa Cruz, Sonoma, Napa, Solano, Sacramento and Santa Clara counties

Three Star Holdings, Inc
Gregory A. Brown sign date 12/08/08
13250 Sundance Ave.
San diego, CA 92129
858-538-0462
gbrown@expensereduction.com
Franchisee for San Diego, Orange, Riverside, San Bernardino counties

CKI Enterprises, LLC
Ken Ingram sign date 2/26/09
1732 Rosewood Way
Upland, CA 91784
909-694-0450
kingram@expensereduction.com
Franchisee for San Diego, Orange, Riverside, San Bernardino counties

Cornerstone Analysts, Inc.
Stephen Jardon sign date 3/30/09
9 Woodhaven Lane
Irvine, CA 92620
714-368-0020
sjardin@expensereduction.com
Franchisee for San Diego, Orange, Riverside, San Bernardino counties

Vasquez Consulting Group, LLC
William Vasquez sign date 4/30/09
801 South Grand Avenue
Los Angeles, CA 90017
562-429-7546
wvasquez@expensereduction.com
mgelormino@expensereduction.com
Franchisee for South Los Angeles and North Orange counties

CKI Enterprises, LLC
Ken Ingram sign date 7/24/09
1732 Rosewood Way
Upland, CA 91784
909-694-0450
strowbridge@expensereduction.com
Franchisee for North Los Angeles and surrounding counties

Group 7 Expense Consulting, LLC
Rodney D. Suckel sign date 11/12/09
12 Charmony
Laguna Niguel, CA 92677
949-661-4476
rsuckel@expensereduction.com
Franchisee for San Diego, Orange, Riverside, San Bernardino counties

Jumbo Duck Advisors, Inc.
Jon-David Choy sign date 1/6/11
4618 Exbury Court
San Diego, CA 92130
858-736-4454
jchoy@expensereduction.com
Franchisee for San Diego, Orange, Riverside, San Bernardino counties

DS Group, LLC
Matthias Droste sign date 5/13/11
1908 Hazelnut Court
Agoura Hills, CA 91301
206-262-7777
mdroste@expensereduction.com
Franchisee for Northern Los Angeles

Execute Operations, LLC
John R. Reese sign date 5/13/11
Peter and Elaine Thorne
956 Vernal Avenue
Mill Valley, CA 94941
415-380-0753-Reese
415-381-3953-Thorne
jreese@expensereduction.com
Franchisees for the Entire state of Hawaii and the following California Counties Marin, San Francisco, Contra Costa, Alameda, San Mateo, Santa Cruz, Sonoma, Napa, Solano, Sacramento and Santa Clara counties

Straight Current, LLC
David Sundstrom sign date 6/1/2011
29 Maryland
Irvine, CA 92606
949-878-8840
dsundstrom@expensereduction.com
Franchisee for South Los Angeles and North Orange counties

Colorado

Martin J. Widger LLC

Martin J. Widger sign date 8/19/04

15 Red Fox Lane

Littleton, CO 80127

720-981-0775

mwidger@expensereduction.com

Franchisee for Colorado, Utah & Nevada

Paul A. Lit, LLC

Paul A. Lit sign date 2/2/07

501 South Cherry Street

Suite 1040

Denver, CO 80246

303-321-1050

plit@expensereduction.com

Franchisee for Colorado, Utah & Nevada

Karen A. McLeod, LLC

Karen A. McLeod sign date 3/14/07

2984 W Long Dr. B

Littleton, CO 80120

303-797-0422

kmcleod@expensereduction.com

Franchisee for Colorado, Utah & Nevada

Metro Consulting LLC

John Jordan and Mark Drummond sign date 1/15/09

Chase Bank Tower

333 W. Hampden Avenue, Suite 605

Englewood, CO 80110

720-222-9678 ext. 101

jjordan@expensereduction.com

mdrummond@expensereduction.com

Franchisees for Colorado, Utah & Nevada

Mountain Desert Analysts, Inc.

Victoria Bartz and Curtis M. Cooper sign date 10/22/09

Bartz:

3620 Twisted Oak Circle

Colorado Springs, CO 80904

719-685-2343

vbartz@expensereduction.com

Cooper:

6790 Sandpebble Street

Pahrump, NV 89061

775 751-9545

ccooper@expensereduction.com

Franchisees for Colorado, Utah & Nevada

Analytical Operations, Inc.

Sailiata Fano, Jr. sign date 11/30/10

850 E 65 S

American Fork, UT 84003

801-836-4269

sfano@expensereduction.com

Franchisee for Colorado, Utah & Nevada

Expense Management Consulting, Inc.

Raymond Arthur Kennedy sign date 3/23/10 – Transferred from OH to NV 12/1/11

9304 Cactus Wood Drive

Las Vegas, NV 89134

702-659-4413

rkenndey@expensereduction.com

Connecticut

Colony Road Ventures, Inc.

Brian Jersey sign date 1/5/04

30 Post Road East

Westport, CT 06880

203-571-1122

bjersey@expensereduction.com

Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island

Westport Expense Management Group, LLC

Arthur Buckman sign date 8/19/04

7 North Ridge Road

Westport, CT 06880

203-255-7744

abuckman@expensereduction.com

Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island and added Massachusetts in 2011

Dave Lehman sign date 7/20/05

15 Windham Drive

Simsbury, CT 06070

203-257-3278

dlehman@expensereduction.com

Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island and added Massachusetts in 2011

SARAC Enterprises, LLC

David P. Finkel sign date 9/13/05

1979 Post Road

Fairfield, CT 06824

203-227-4575

dfinkel@expensereduction.com

Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island and added Massachusetts in 2011

Renovo Management, LLC

John Lauchnor sign date 3/1/06 RI and 3/20/06 NY

41 Crossroads Plaza, Box 159

West Hartford, CT 06117

800-656-7270

jlauchnor@expensereduction.com

Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island and added Massachusetts in 2011

Haske Consulting LLC

Linda Haske sign date 1/30/07

60 Newtown Road PMB 84

Danbury, CT 06810

203-300-9988

lhaske@expensereduction.com

Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island and added Massachusetts in 2011

Operations Solutions, Inc.

Ann H. Cornell-Bell sign date 7/9/08

55 Stevenstown Road

Westbrook, CT 06498

860-399-9619

acornell-bell@expensereduction.com

Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island and added Massachusetts in 2011

Kirby Consulting Corporation

John Kirby sign date 7/29/08

36 Orchard Avenue

Rye, NY 10580

914-305-1397

jkirby@expensereduction.com

Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island and added Massachusetts in 2011

PI Financial Solution International, Inc.

Simon Silverleaf and Dina Silverleaf sign date 9/30/08

293 Dundee Road

Stamford, CT 06903

203-550-0974

ssilverleafe@expensereduction.com

dkaye@expensereduction.com

Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island and added Massachusetts in 2011

Joel Potter, LLC

Joel F. Potter sign date 10/27/08

380 Lenox Avenue, Suite 7J

New York, NY 10027

917-409-0143

jpotter@expensereduction.com

Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island and added Massachusetts in 2011

Mine Hill Ventures, LLC

Ken Nelson sign date 11/21/08

500 Mine Hill Road

Fairfield, CT 06824

203-259-5756

knelson@expensereduction.com

Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island and added Massachusetts in 2011

T. Broadbent & Company

Thomas Broadbent sign date 2/10/09

126 Morningside Drive South

Westport, CT 06880

203-254-0850

tbroadbent@expensereduction.com

Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island and added Massachusetts in 2011

Kenneth Bento sign date 5/13/09

8 Noah Place, Suite 4

Newburgh, NY 12550

800-656-7270 x103

kbento@expensereduction.com

Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island and added Massachusetts in 2011

Florida

Stephan Enterprises Florida LLC

M. Y. Stephan sign date 11/16/04

340 South Palm Avenue, Suite 141

Sarasota, FL 34236

941-587-0862

jstephan@expensereduction.com

License for South Florida

JASH, LLC

J.D. Heiden sign date 4/18/05

3942 S.W. 59th Avenue

Miami, FL 33155

786-552-4268

jheiden@expensereduction.com

Franchisee for South Florida

TTP, LLC

Thomas Stefanos sign date 9/20/06

5024 Hawks Hammock Way

Sanford, FL 32771

407-215-4823

tstefanos@expensereduction.com

Franchisee for North Florida and Alabama

JAMBCO Enterprises, Inc.

Jim Agnew sign date 11/13/06

1716 Roberts Landing Road

Windermere, FL 34786

407-299-8845

jagnew@expensereduction.com

Franchisee for North Florida and Alabama

SCG Enterprises LLC

Sonia C. Gamache sign date 12/18/06

10305 Lyons Ave

Lithia, FL 33547

813-737-1634

sgamache@expensereduction.com

Franchisee for South Florida

MBA Enterprises, LLC
Terence & Shelagh Bitter sign date 6/29/07
5101 Lady Rose Court
Lutz, FL 33558
813-425-4537
tbitter@expensereduction.com
sbitter@expensereduction.com
Franchisees for South Florida

Marsh Enterprises of South Florida, Inc.
Rachelé Marsh sign date 7/27/07
773 18th Avenue South
Naples, FL 34102
239-643-5223
rmarsh@expensereduction.com
License for South Florida

RU Investment, LLC
Richard Ungaro sign date 5/13/08
5413 Shingle Creek Drive
Orlando, FL 32821
407-276-5312
rungaro@expensereduction.com
Franchisee for North Florida and Alabama

Donald A. Harris and Associates, Inc.
Donald A. Harris sign date 5/13/11
Janie Harris
3126 Winding Pine Trail
Longwood, FL 32779
407-804-9222
dharris@expensereduction.com
Franchisee for North Florida and Alabama

Georgia
OFOS Partners, LLC
Robert W. Johnston sign date 11/10/04
6905 Hardwood Trail
Gainesville, GA 30506
678-557-5057 x106 (RJ)
rjohnston@expensereduction.com

D & W Investments, LLC
Bradly Davidson sign date 8/22/04
3330 Cobb Parkway 17-270
Acworth, GA 30101
888-557-5057 ext 101
bdavidson@expensereduction.com

Profit Improvement Consultants, Inc.
Mark Rehl sign date 11/18/05
2295 Towne Lake Parkway #116, Suite 200
Woodstock, GA 30189
678-296-5010
mrehl@expensereduction.com

Kaplan Group, LLC
Craig Kaplan sign date 12/14/06
2300 Brookhurst Drive
Atlanta, GA 30338
770-458-3995
ckaplan@expensereduction.com

Billro Associates, Inc.
Bill Kazer sign date 8/6/08
12280 Edenwilde Drive
Roswell, GA 30075
770-751-1299
bkazer@expensereduction.com

Masston Profits LLC
James M. Massengale sign date 5/15/09
Zachary Taylor
137 B Commerce Avenue #360
LaGrange, GA 30241
888-557-5057 x 111
jmassengale@expensereduction.com

JMH Group, Inc.
Jeff Dimock sign date 5/19/10
5304 Chaversham Lane
Norcross, GA 30092
770-582-1517
jdimmock@expensereduction.com

Illinois
Brightstar Consulting Corporation
Martin Leiter sign date 8/9/05
1122 Johnson Avenue
Naperville, IL 60540
630-416-7086
mleiter@expensereduction.com
Franchisee for Northern Illinois

The Lemayo Group, LLC
Mitchell Levine sign date 11/5/07
5750 Old Orchard Road, Suite 100
Skokie, IL 60077
847-686-0505
mlevine@expensereduction.com
Franchisee for Northern Illinois

Linda Zager & Partners, LLC
Linda Zager sign date 8/27/08
111 E. Wacker Drive, Suite 325
Chicago, IL 60601
312-949-5690
lzager@expensereduction.com
Franchisee for Northern Illinois

Cost Reduction Professional Services, Inc.
Walt Mauder and Bruno Pytel sign date 8/31/09
24133 Hampshire Lane
Plainfield, IL 60585
630-219-1810 – Walt
630-904-5910 - Bruno
wmauder@expensereduction.com
bpytel@expensereduction.com
Franchisees for Northern Illinois

Shermer Valley Inc.
Paul J. Zaleski sign date 4/26/11
1124 Cedar Lane
Northbrook, IL 60062
847-480-9899
pzaleski@expensereduction.com
Franchisee for Northern Illinois

ERA-ILIN, LLC sign date 5/19/11
James Schmitt
Eric Flasck
Eric Striegel
Robert H. Peterson
1009 Longfellow Drive
Hiawatha, IA 52233
319-393-1824
jschmitt@expensereduction.com
eflasck@expensereduction.com
estriegel@expensereduction.com
rpeterson@expensereduction.com
Franchisees for Northern Illinois

Indiana
Stapleton Incorporated
William Stapleton sign date 11/23/07
964 Winslow Court
Greenwood, IN 46143
317-885-9660
rstapleton@expensereduction.com
Franchisee also for Southern Illinois

GOLDPOINT Inc.
Carlos Hood sign date 4/9/08
8888 Keystone Crossing, Suite 1300
Indianapolis, IN 46240
317-774-0362
rstapleton@expensereduction.com
Franchisee also for Southern Illinois

WMJ Holdings, LLC
William Jenkins sign date 6/30/08
105 Magnolina Lane
Noblesville, IN 46060
317-804-9317
bjenkins@expensereduction.com
Franchisee for Indiana and Southern Illinois

Reagle Consulting Services, Inc.
Richard Ringlespaugh sign date 4/23/09
25 East 54th Street
Indianapolis, IN 46220
317-255-0994
rringlespaugh@expensereduction.com
Franchisee for Indiana and Southern Illinois

Partners in Profit Holdings, Inc.
Timothy Richards sign date 8/21/09
15308 Baroness Place
Leo, IN 46765
260-402-1957
trichards@expensereduction.com
Franchisee for Indiana and Southern Illinois

MONYILIN Enterprises, Inc.
Steven E. Henson sign date 5/13/11
18738 Tillamook Run East
Noblesville, IN 46062
317-674-8201
shenson@expensereduction.com
Franchisee also for Southern Illinois

Iowa
JRK Investments LLC sign date 11/12/04
James C. Schmitt
Eric Striegel
Robert H. Peterson
1009 Longfellow Drive
Hiawatha, IA 52233
319-393-1824
jschmitt@expensereduction.com
estriegel@expensereduction.com
rpeterson@expensereduction.com
Franchisees also for Minnesota, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

LESK Enterprises, Inc
Eric and Lori Striegel sign date 1/21/05
1009 Longfellow Drive
Hiawatha, IA 52233
319-393-1824
estriegel@expensereduction.com
Franchisees also for Minnesota, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

4TD Ventures, Inc.
Doug Dickel sign date 3/24/06
4749 12th Avenue South
Minneapolis, MN 55407
888-827-0036
ddickel@expensereduction.com
Franchisees also for Minnesota, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

Trotter & Robinson LLC

Michael Trotter sign date 4/29/06

1009 Longfellow Drive

Hiawatha, IA 52233

319-393-1824

mtrotter@expensereduction.com

trobenson@expensereduction.com

Franchisees also for Minnesota, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

ERA Holdings, LLC

Mark A. Ross sign date 11/2/07

2520 Buckingham Avenue

Bettendorf, IA 52722

Ross: 563-529-0322

mross@expensereduction.com

Franchisees also for Minnesota, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

Great Lakes ERA, Inc.

Jeffery Bartlett sign date 11/22/08

333 East Juniper Court

Mequon, WI 53092

414-916-0633

jbartlett@expensereduction.com

Franchisee also for Minnesota, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

Hauser-Schmitt Associates, LLC

Marlys Schmitt sign date 11/30/09

2595 Hackberry Drive

Hastings, MN 55033

651-319-0009

mschmitt@expensereduction.com

Franchisee also for Minnesota, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

ERA-Central States, LLC

Deonna Fritz sign date 8/6/10

237 Clark Drive

Cedar Falls, IA 50613

319-240-1919

dfritz@expensereduction.com

Franchisee also for Minnesota, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

JRK Investments LLC sign date 2/1/11 [Transfer from Scho]

James C. Schmitt

Eric Striegel

Robert H. Peterson

1009 Longfellow Drive

Hiawatha, IA 52233

319-393-1824

jschmitt@expensereduction.com

estriegel@expensereduction.com

rpeterson@expensereduction.com

Franchisees also for Minnesota, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

Gold Mine ERA, LLC

Michael C. Jordan sign date 2/1/11

2150 W. Hidden Reserve Circle

Mequon, WI 53092

262-643-4395

mjordan@expensereduction.com

Franchisees also for Minnesota, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

Kentucky

Expense Reduction Analysts of
Kentucky, LLC

Richard Mills sign date 6/30/04

11501 Plantside Drive

Suite 10

Louisville, KY 40299

502-500-9520

rmills@expensereduction.com

Sepetys & Associates, LLC

George Sepetys sign date 8/1/07

1725 Bastante Court

Nolensville, TN 37135

615-776-1390

gsepetys@expensereduction.com

also Franchisee for Tennessee

The Smith Group Consulting, Inc.

Larry R. Smith sign date 9/9/08

133 Evergreen Rd.

Louisville, KY 40243

502-608-9805

lsmith@expensereduction.com

also Franchisee for Tennessee

Colette Monier-Ridge sign date 12/15/08

10660 War Admiral Drive

Union, KY 41091

859-384-8082

cmonierridge@expensereduction.com

also Franchisee for Tennessee

John Tangney & Associates, LLC
John Tangney sign date 1/26/09
1246 Viola Lane
Erlanger, KY 41018
859-342-4013
jtangney@expensereduction.com
also Franchisee for Tennessee

Massachusetts

Rubicon Holdings, LLC
Sean M. Reilly sign date 8/19/04
200 Friberg Parkway, Suite 2004
Westborough, MA 01581
508-616-0794
sreilly@expensereduction.com
Franchisees for Massachusetts and later added Rhode Island, N. NYC Suburbs in 2011

Merrimack Valley Partners, LLC
Marc Gilman sign date 12/29/06
17 Commerce Drive, Suite 7
Bedford, NH 03110
603-669-1900
mgilman@expensereduction.com

Expense Control, Inc.
David Dylewicz sign date 11/19/07
73 Beaver Road
Ware, MA 01082
413-303-0842
ddylewicz@expensereduction.com
Franchisee for Massachusetts and later added Rhode Island, N. NYC Suburbs in 2011

Stephen Bergmann sign date 11/17/08
15 Bryant Rd
Lexington, MA 02420
781-652-8005
sbergmann@expensereduction.com
Franchisee for Massachusetts and later added Rhode Island, N. NYC Suburbs in 2011

Michigan

LaLonde & Associates, Inc.
Michael LaLonde sign date 12/30/05
22010 Worcester Drive
Novi, MI 48374
248-347-1097
mlalonde@expensereduction.com
Franchisee for the Lower Peninsula

Becker and Associates, Inc.
Michael Becker sign date 12/12/08
1347 Springwood Lane
Rochester Hills, MI 48309
248-630-1262
mbecker@expensereduction.com
Franchisee for the Lower Peninsula

KRK Consulting LLC
Kenneth R. Kish sign date 2/24/09
1023 Bishop Road
Grosse Pointe Park, MI 48230
313-332-0807
kkish@expensereduction.com
Franchisee for the Lower Peninsula

Holley Enterprises, LLC
Carlton Ray Holley sign date 8/31/10
29064 Glenbrook Drive
Farmington Hills, MI 48331
248-324-0749
cholley@expensereduction.com
Franchisee for the Lower Peninsula

True Course Consulting LLC
Wesley Thompson sign date 5/13/11
20750 Glenhill Court
Beverly Hills, MI 48025
248-593-8981
wthompson@expensereduction.com

Minnesota

WIMI, LLC
James C. Schmitt and Eric Striegel sign date 9/30/05
1009 Longfellow Drive
Hiawatha, IA 52233
319-393-1824
jschmitt@expensereduction.com
estriegel@expensereduction.com
Franchisees also for Iowa, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

ExRe, LLC
Claus Wich sign date 1/30/08
2150 River Bend Road
Plover, WI 54467
715-254-0859
cwich@expensereduction.com
Franchisee also for Iowa, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

SCOPE MANAGEMENT LLC
Scott Knop sign date 6/26/08
2110 Skyline Drive
West Bend, WI 53090
414-640-7283
sknop@expensereduction.com
Franchisee also for Iowa, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

Mississippi

Alpha Consult, LLC

Klaus Jeschke sign date 8/21/06

945 Savannah Place

Gulfport, MS 39507

800-283-1062

kjeschke@expensereduction.com

Licenses also for Alabama & Louisiana

Claiborne Resource Management, LLC

Jack Hightower sign date 5/13/11

P.O. Box #143

1178 Miller Drive

Haynesville, LA 71038

318-624-3004

jhightower@expensereduction.com

Franchisee also for Louisiana

Missouri

Greg Pollard Enterprises, LLC

Greg Pollard sign date 11/10/04

4745 West 136th Street

Leawood, KS 66224

913-402-6050

gpollard@expensereduction.com

Franchisee also for Kansas

Cattron Enterprises, Inc.

Steve Cattron sign date 2/5/04

4745 West 136th Street, Suite 41

Leawood, KS 66224

913-402-6050

scattron@expensereduction.com

Franchisee also for Kansas

DNB Enterprises, Inc.

Denise Miano sign date 5/31/07

15009 Manchester Road #198

Ballwin, MO 63011

636-220-7672

dmiano@expensereduction.com

Franchisee also for Kansas

Brookside Business Ventures, Inc.

Charles Warren sign date 9/28/07

6024 Brookside Boulevard

Kansas City, MO 64113

816-523-2288

cwarren@expensereduction.com

Franchisee also for Kansas

J.E. Hall Consulting, LLC
John E. Hall sign date 1/12/09
571 Huntley Heights Drive
Ballwin, MO 63021
636-527-9776
jhall@expensereduction.com
Franchisee also for Kansas

LJ Pizzo Enterprises, Inc.
Linda Pizzo sign date 4/17/09
726 Summer Top Circle
St. Louis, MO 63026
314-610-1647
lpizzo@expensereduction.com
Franchisee also for Kansas

Business Change Advisors, LLC
David Page sign date 3/20/10
4950 Karington Place Drive
St. Louis, MO 63129
314-894-8099
dpage@expensereduction.com
Franchisee also for Kansas

Only Solutions Inc.
David C. Daniels sign date 2/3/11
7012 Hickory Hollow Street
Kansas City, MO 64152
816-891-9264
ddanielsen@expensereduction.com
Franchisee also for Kansas

New Hampshire
Gilman Partners LLC, a New Hampshire Corporation
Marc Gilman sign date 11/17/04
17 Commerce Drive, Suite 7
Bedford, NH 03110
Bedford, NH 03110
603-669-1900
mgilman@expensereduction.com
Franchisee also for Vermont, Maine and Upstate New York

Expense Consultants, Inc.
Rudolph J. Bazelmans sign date 11/3/06
47 Spindlewick Drive
Nashua, NH 03062
603-669-1900 x104
rbazemans@expensereduction.com
Franchisee also for Vermont, Maine and Upstate New York

TAG Ventures Inc.
Gary J. Grant sign date 11/30/06
10 Hawthorne Woods Court
Skaneateles, NY 13152
315-685-0194
ggrant@expensereduction.com
Franchisee also for Vermont, Maine and Upstate New York

Cliffside Technologies, Inc.
Fred W. Muhleman sign date 11/2/07
108 Cliffside Drive
Canandaigua, NY 14424
800-783-9072
fmuhleman@expensereduction.com
Franchisee also for Vermont, Maine and Upstate New York

Ernst Bachofner sign date 9/1/08
12 Brentwood Drive
Cumberland Foreside, ME 04110
207-846-1216
ebachofner@expensereduction.com
Franchisee also for Vermont, Maine and Upstate New York

JGC Enterprise Solutions, LLC
James G. Caldwell sign date 9/21/09
2 Medinah Circle
Falmouth, ME 04105
866-830-8139
ebachofner@expensereduction.com
Franchisee also for Vermont, Maine and Upstate New York

New Jersey

Blackburn Consulting Partners, LLC
Richard Halperin sign date 6/2/03
301 Holcombe Way
Lambertville, NJ 08530
908-580-1826
rhalperin@expensereduction.com
Franchisee for New Jersey

Jarzach Ventures, LLC
Barry Simon sign date 1/18/05
598 Lafayette Avenue, Back Building
Hawthorne, NJ 07506
973-427-0331
bsimon@expensereduction.com
Franchisee for New Jersey

R. DeLuca Associates LLC
Richard DeLuca sign date 12/14/06
35 Kipp Avenue
Hasbrouck, NJ 07604
201-288-0364
rdeluca@expensereduction.com
Franchisee for New Jersey

DPM Ventures LLC
Daniel P. McHugh sign date 10/18/07
69 Wyckoff Avenue
Wyckoff, NJ 07481
201-389-3123
dmchugh@expensereduction.com
Franchisee for New Jersey

Beyda Consulting LLC
Abraham Beyda sign date 5/14/08
18 Lady Bess Drive
Deal, NJ 07723
732-531-2470
abeyda@expensereduction.com
Franchisee for New Jersey

Opex Advisors, Inc.
Rob Kenny sign date 12/17/08
214 West Main St., Suite 108
Moorestown, NJ 08057
856-266-9520
rkenny@expensereduction.com
Franchisee for New Jersey

Bartners Partners LLC
Craig Bartner sign date 4/22/09
21 North Point Drive
Colts Neck, NJ 07722
732-380-9440
cbartner@expensereduction.com
Franchisee for New Jersey

Krulewski Consulting, Inc.
John Krulewski sign date 5/26/09
215 Morning Glory Drive
Monroe Twp, NJ 08831
609-336-7478
jkrulewski@expensereduction.com
Franchisee for New Jersey

EJF Consulting, Inc. sign date 7/31/12
Edward J. Flanagan
236 Lamplighter Lane
Huntingdon Valley, PA 19006
215-792-6364
eflanagan@expensereduction.com
Franchisee for New Jersey

New York

Mullan Enterprises, Inc. sign date 6/11/08
Sheila Mullan
127 W 79th Street #17PHA
New York, NY 10024
917-841-4537
smullan@expensereduction.com
New York City – Manhattan and Staten Island, Rhode Island, N. NYC Suburbs, Manhattan and Staten Island and added Massachusetts in 2011

TEK Venture Enterprises, LLC sign date 3/2/10
Eddy Faltings
29 Woody Lane
Northport, NY 11768
631-239-1715
efaltings@expensereduction.com
Franchisee for Long Island and the Bronx

RJG Associates LLC
Rodney J. Ganis sign date 11/30/10
RJG Associates, LLC
6 Sparrow Court
Glen Cove, NY 11542
516-280-3999
rganis@expensereduction.com
New York City – Manhattan and Staten Island

TCD Capital LLC
Gary DiGiuseppe sign date 5/13/11
Ron Timmerman
4 Susan Court
Holtsville, NY 11742
631-223-3093 DiGiuseppe
631-790-0552 Timmerman
gdigiuseppe@expensereduction.com
rtimmerman@expensereduction.com
New York City – Manhattan and Staten Island

KPM Associates, LLC sign date 5/1/12 (Transferred from Weisel in 2012)
John Kirby
Joel Potter
Sheila Mullan
458 Boulder Drive
Morganville, NJ 07751
732-685-4247
tkirby@expensereduction.com
jpotter@expensereduction.com
smullan@expensereduction.com
Franchisee for Long Island and the Bronx

North Carolina
Profit Research, Inc
Robert Barth sign date 5/31/06
6317 Ashley Ridge Drive
Raleigh, NC 27612
919-606-3080
rbarth@expensereduction.com
Franchisee for Western N. Carolina and South Carolina

DLW Ventures, LLC
Deanna Waters sign date 9/20/07
7408 Amaris Lane
Raleigh, NC 27612
919-830-1155
dwaters@expensereduction.com
Franchisee for Western N. Carolina and South Carolina

Etat-V, LLC
Edward Vahan sign date 12/27/07
9121 Sam Furr Rd., Suite 108
PMB 101
Huntersville, NC 28078
888-723-4777 x106
tvahan@expensereduction.com
Franchisee for Western N. Carolina and South Carolina

Expense Sense, Inc.
Amy Hankins sign date 4/22/08
717 Hampshire Hill Road
Matthews, NC 28105
888-723-4777 Ext. 109
ahankins@expensereduction.com
Franchisee for Western N. Carolina and South Carolina

DGC Enterprises, Inc. sign date 5/27/08
Charlie Rumble
3406 Taviston Drive
Waxhaw, NC 28173
888-723-4777 Ext. 115
crumble@expensereduction.com
Franchisee for Western N. Carolina and South Carolina

JRW Solutions, LLC
James (Rick) White sign date 6/3/08
8421 Dorchester Rd., Ste. 109/318
North Charleston, SC 29420
888-723-4777 x114
rwhite@expensereduction.com
Franchisee for Western N. Carolina and South Carolina

JMW Enterprises, LLC sign date 7/30/08
Mark Will
315 Water Mill Road
Greer, SC 29650
888-723-4777 x103
mwill@expensereduction.com
Franchisee for Western N. Carolina and South Carolina

New ERA Expense Consulting Group, Inc. sign date 2/14/09
Kurt Rundle
504 Wescott Ridge Drive
Holly Springs, NC 27540
888-723-4777 x116
krundel@expensereduction.com
Franchisee for Western N. Carolina and South Carolina

Ralph W. Owens Business Enterprises Inc.
Ralph W. Owens sign date 8/12/09
930 Murifield Court
Sumter, SC 29150
803-795-4991
rowens@expensereduction.com
Franchisee for Western N. Carolina and South Carolina

Nameloc, Inc.
Troy Coleman sign date 9/21/09
9515 Numenore Drive, Suite 100
Charlotte, NC 28269
888-723-4777 Ext 117
tcoleman@expensereduction.com
Franchisee for Western N. Carolina and South Carolina

Ohio

Hering Inc.

Gary Hering sign date 11/27/06

3639 Elmbrook Drive

Broadview Heights, OH 44147

440-526-4232

ghering@expensereduction.com

Procurement Advisors, LLC

Robert G. Pohl sign date 7/26/07

7899 Woodview Court

Maineville, OH 45039

513-492-7388

mpohl@expensereduction.com

PGN Consulting, LLC

Peter G. Nowell sign date 2/29/08

8008 Inistork Drive

Dublin, OH 43017

614-389-2384

pnowell@expensereduction.com

TRM Consulting, Inc.

Timothy R. Malarkey sign date 4/18/08

36383 Derby Downs Drive

Solon, OH 44139

440-349-5780

tmalarkey@expensereduction.com

Stephens Expense Reduction Ltd

Jerry R. Stephens sign date 1/12/09

4595 Helston Court

Columbus, OH 43220

614-321-7837

jstephens@expensereduction.com

AEM High, LLC

Michael Reid Webb sign date 5/13/11

3815 Drakewood Drive

Cincinnati, OH 45209

513-386-9802

mwebb@expensereduction.com

Oklahoma

Cris & Mike, LLC sign date 8/10/07

Michael J. Moe

9001 North 127th East Avenue

Owasso, OK 74055

918-272-7709

mmoe@expensereduction.com

also Franchisee for Arkansas

Pennsylvania

Stephen Bunker and Kerry Bunker A General Partnership sign date 5/17/04

Steve Bunker and Kerry Johnson

71 Bissell Road

Lebanon, NJ 08833

215-325-1819

sbunker@expensereduction.com

Franchisees also for Delaware

Noar Ventures LLC

Scott and Patricia Noar sign date 11/11/07

104 Colwick Road

Cherry Hill, NJ 08002-1210

856-630-7912

snoar@expensereduction.com

pnoar@expensereduction.com

Franchisees also for Delaware

Keystone Expense Consulting LLC

Michael D. Rodino sign date 9/29/08

1245 Ritters Road

Reading, PA 19606

610-777-6221

mrodino@expensereduction.com

Franchisee also for Delaware

Valorem Group, Inc. sign date 1/28/09

John Sylvia

1111 Robin Road

Galdwyn, PA 19035

610-525-4013

jsylvia@expensereduction.com

Franchisee also for Delaware

EJF Consulting, Inc. sign date 4/14/09

Edward J. Flanagan

236 Lamplighter Lane

Huntingdon Valley, PA 19006

215-792-6364

eflanagan@expensereduction.com

Franchisee also for Delaware

JTF Consulting, LLC sign date 5/30/12

John T. Fallock

115 Bora Vu Drive

Northampton, PA 18067-1052

610-657-0255

jfallock@expensereduction.com

Franchisee also for Delaware

Texas

DES Holdings, Inc. sign date 6/30/04

Peter Diamond

Joshua Diamond

5700 Granite Parkway, Suite 200

Plano, TX 75024

469-742-0249 (JD)

pdiamond@expensereduction.com

jdiamond@expensereduction.com

Franchisees for Northeast Texas

Veteran Business Consulting, LLC

Forrest James sign date 9/23/05

19240 Redland Rd, Suite 100

San Antonio, TX 78259

210-313-0145

fjames@expensereduction.com

Franchisee for Southeast Texas

Etz Chaim Enterprises, Inc.

Johannes Stronck sign date 10/31/06

5606 Indigo Street

Houston, TX 77096

713-271-3299

hstronck@expensereduction.com

Franchisee for Southeast Texas

SME Solutions, LLC

Carl W. Crawford sign date 6/29/07

3613 Dumond Place, Suite 100

Plano, TX 75025

214-295-4249

ccrawford@expensereduction.com

Franchisees for Northeast Texas

Sokoni Associates, Inc. sign date 10/31/07

Rene Ford

14535 Besinger Way

San Antonio, TX 78254

210-368-2203

rford@expensereduction.com

Franchisee for Central and Southeast Texas

Janian & Associates LLC

Greg Janian sign date 10/30/08

4673 Quincy Lane

Plano, TX 75024

972-618-4333

gjanian@expensereduction.com

Franchisee for Northeast Texas

Emerald Circle Consulting Group, LLC sign date 12/10/08

Mark Graber

11622 Aucuba Lane

Houston, TX 77095

281-758-0000

mgrab@expensereduction.com

Franchisee for Southeast Texas

ESL Ventures, LLC sign date 12/12/08

Edward S. Leitch

66 Schubach Drive

Sugar Land, TX 77479

713-429-1876

tleitch@expensereduction.com

Franchisee for Southeast Texas

Strategic Profit Solutions, Inc. sign date 9/08/09

Gary Barone

2834 State Street

Dallas, TX 75204

877-255-4901

gbarone@expensereduction.com

Franchisee for Northeast Texas

D R Mack Partners of Texas, Inc.

Dennis R. Mackay sign date 9/25/07 (Transferred License to Texas in 2010)

30 Versante Court

Houston, TX 77070

281-970-1411

rmackay@expensereduction.com

Franchisee for Southeast Texas

Etz Chaim Enterprises, Inc. *Second RL License [Transferred from Bartholomew RL 2012]

Johannes Stronck sign date 6/28/12

5606 Indigo Street

Houston, TX 77096

713-271-3299

hstronck@expensereduction.com

Franchisee for Southeast Texas

Crystal Cove Associates, Inc.

Raymond Vander Veur sign date 10/10/12

10503 Crystal Cove Drive

Magnolia, TX 77354

281-259-8418

rvanderveur@expensereduction.com

Franchisee for Southeast Texas

Virginia

Robert Katzman sign date 8/23/07

15413 Houndmaster Terrace

Midlothian, VA 23112

804-221-2379

rkatzman@expensereduction.com

Franchisee also for West Virginia and Eastern North Carolina

Wright Financial Consultants
Viveca Wright sign date 10/6/08
2370 Castlebridge Road
Midlothian, VA 23113
804-594-7286
vwright@expensereduction.com
Franchisee also for West Virginia and Eastern North Carolina

GCC Consulting Group Inc.
Gary Williams sign date 5/13/11
9105 Whispering Drive
Toano, VA 23168
757-741-2164
garywilliams@expensereduction.com
also Franchisee also West Virginia and Eastern North Carolina

Washington
PAE Management Group, Inc. – License #1
Peter Emsky sign date 3/31/09
7507 Lake Alice Rd SE
Fall City, WA 98024
425-441-8459
pemsky@expensereduction.com
Franchisee for Washington, Idaho, Wyoming, Oregon, Montana and Alaska

Craig M. Norris sign date 5/20/09
3057 43rd Ave W.
Seattle, WA 98199
206-453-5206
cnorris@expensereduction.com
Franchisee for Washington, Idaho, Wyoming, Oregon, Montana and Alaska

MCM Solutions, Inc.
Michael C. McAlexander sign date 9/30/09
2013 NE 193rd Court
Vancouver, WA 98684
360-844-5430
mmcalexander@expensereduction.com
Franchisee for Washington, Idaho, Wyoming, Oregon, Montana and Alaska

Alpha Omega Ventures, Inc.
Nadine and Duane Stewart sign date 11/27/09
5423 NE 6th Street
Renton, WA 98059
425-277-4084
nstewart@expensereduction.com
dstewart@expensereduction.com
Franchisees for Washington, Idaho, Wyoming, Oregon, Montana and Alaska

New Harbor Ventures LLC
Joseph A. Brown sign date 5/28/10
4633 175th Avenue SE
Bellevue, WA 98006
425-765-6269
jbrown@expensereduction.com
Franchisee for Washington, Idaho, Wyoming, Oregon, Montana and Alaska

Creative Training Solutions sign date 10/29/09

L. David Hamner

303 2nd Avenue, PO Box 3665

Seward, AK 99664

dhammer@expensereduction.com

Franchisee for Alaska [AK added to the WA region effective 1/1/11]

David L. Thorpe sign date 6/1/11

26013 NE 25th Street

Redmond, WA 98053

425-836-8417

dthorpe@expensereduction.com

Franchisee for Washington, Idaho, Wyoming, Oregon, Montana and Alaska

Cheri A. Zimmerman sign date 6/28/11

990 SW Borland Road

West Linn, OR 97068

503-638-5099

czimmerman@expensereduction.com

Franchisee for Washington, Idaho, Wyoming, Oregon, Montana and Alaska

Deborah J.R. Caruso sign date 9/23/11

9514 Stone Avenue North, Suite 601

Seattle, WA 98103

206-523-3380

dcaruso@expensereduction.com

Franchisee for Washington, Idaho, Wyoming, Oregon, Montana and Alaska

Strategic Growth Management, LLC

Peter M. Thomas sign date 10/18/11

61043 Snowbrush Drive

Bend, OR 97702

541-647-8185

pthomas@expensereduction.com

Franchisee for Washington, Idaho, Wyoming, Oregon, Montana and Alaska

PAE Management Group, Inc. – License #2 (Acquired 2nd license dated 8/11/10 effective 1/1/2012 via Transfer)

Peter Emsky sign date 1/1/12

7507 Lake Alice Rd SE

Fall City, WA 98024

425-441-8459

pemsky@expensereduction.com

Franchisee for Washington, Idaho, Wyoming, Oregon, Montana and Alaska

Washington D.C.

144 Investors, LLC

Philip Gross and George Wolfand sign date 7/19/05

12014 Chase Crossing Cir., Ste. 102

Rockville, MD 20852

301-467-4832

pgross@expensereduction.com

gwolfand@expensereduction.com

Franchisees also for Maryland and Northern Virginia counties bordering

Washington D.C.

The Reid Austin Group, LLC
Denis Michael Reid sign date 4/24/06
Heather Austin Reid
234 Temple Drive
Bel Air, MD 21015
410-207-3421
mreid@expensereduction.com
Franchisees also for Maryland and Northern Virginia counties bordering
Washington D.C.

Kreyn Technology, Inc.
Alex Kreyn sign date 12/03/08
1933 Londontowne Dr.
Hagerstown, MD 21740
817-564-6823
akreyn@expensereduction.com
Franchisee also for Maryland and Northern Virginia counties bordering
Washington D.C.

Chesapeake Profit Solutions, LLC
Terrence Butler sign date 6/15/09
210 Spring Race Court
Annapolis, MD 21401
410-573-1296
tbutler@expensereduction.com
Franchisee also for Maryland and Northern Virginia counties bordering
Washington D.C.

SPV LLC - sign date 5/13/11
Phil Gross, George Wolfand and added David Anderson on 6/10/10
12014 Chase Crossing Cir., Ste. 102
Rockville, MD 20852
301-467-4832
pgross@expensereduction.com
gwolfand@expensereduction.com
also Franchisees for Maryland and five Northern Virginia counties bordering
Washington D.C.

Anderson TrueNorth, LLC sign date 9/1/12
David Anderson
3000 State Route 97 #214
Glenwood, MD 21738
danderson@expensereduction.com
also for Maryland and Northern Virginia counties bordering
Washington D.C.

Socrates Yakoumatos sign date 9/29/12
11535 Jamestown Court
Laurel, MD 20784
301-602-2908
syakoumatos@expensereduction.com
Franchisees also for Maryland and Northern Virginia counties bordering
Washington D.C.

ROSTER OF AREA FRANCHISEES

Arizona

Expense Reduction Analysts / Southwest LLC

Ken Cost sign date 7/26/07

16681 S. 18th Way

Phoenix, AZ 85048

602-315-8159

kcost@expensereduction.com

Area Franchisee also for New Mexico and West Texas

California

Tygar & Associates LLC

Marylou Garcia sign date 4/22/05

4733 Torrance Boulevard #122

Torrance, CA 90503

310-791-5570

mgarcia@expensereduction.com

Area Franchisee for South Los Angeles and North Orange counties

DS Group, LLC

Matthias Droste sign date 08/13/09

1908 Hazelnut Court

Agoura Hills, CA 91301

206-262-7777

mdroste@expensereduction.com

Area Franchisee for Northern Los Angeles

Colorado

Martin J. Widger LLC

Martin J. Widger sign date 8/19/04

15 Red Fox Lane

Littleton, CO 80127

720-981-0775

mwidger@expensereduction.com

Area Franchisees also for Utah and Nevada

Connecticut

Colony Road Ventures, Inc.

Brian Jersey sign date 1/5/04

30 Post Road East

Westport, CT 06880

203-571-1122

bjersey@expensereduction.com

Area Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island

Florida

Stephan Enterprises Florida LLC

M.Y. Stephan sign date 11/16/04

340 South Palm Avenue, Suite 141

Sarasota, FL 34236

941-587-0862

jstephan@expensereduction.com

Area Franchisee - South Florida

Donald A. Harris and Associates, Inc.
Donald A. Harris sign date 12/12/08
3126 Winding Pine Trail
Longwood, FL 32779
407-804-9222
dharris@expensereduction.com
Area Franchisee for North Florida and Alabama

Georgia

Koala Enterprises, Inc.
Robert Johnston sign date 8/13/09
6905 Hardwood Trail
Gainesville, GA 30506
678-557-5057 x106
rjohnston@expensereduction.com

Illinois

ERA-ILIN, LLC sign date 10/2/07
James C. Schmitt
Eric Flasck
Eric Striegel
Robert H. Peterson
1009 Longfellow Drive
Hiawatha, IA 52233
319-393-1824
jschmitt@expensereduction.com
eflasck@expensereduction.com
estriegel@expensereduction.com
rpeterson@expensereduction.com
Area Franchisees for Northern Illinois

Indiana

MONYILIN Enterprises, Inc.
Steven E. Henson sign date 4/8/08
18738 Tillamook Run East
Noblesville, IN 46062
317-674-8201
shenson@expensereduction.com
Area Franchisee also for Southern Illinois

Iowa

JRK Investments LLC sign date 11/12/04
James C. Schmitt
Eric Streigel
Robert H. Peterson
1009 Longfellow Drive
Hiawatha, IA 52233
319-393-1824 (JS)
515-440-0614 (RP)
jschmitt@expensereduction.com
rpeterson@expensereduction.com
Area Franchisees also for Minnesota, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

Kentucky

Expense Reduction Analysts of
Kentucky, LLC

Richard Mills sign date 6/30/04

11501 Plantside Drive

Suite 10

Louisville, KY 40299

502-500-9520

rmills@expensereduction.com

Area Franchisees also for Tennessee

Massachusetts

Colony Road Ventures, Inc.

Brian Jersey sign date 12/1/11

30 Post Road East

Westport, CT 06880

203-571-1122

bjersey@expensereduction.com

Michigan

Expense Reduction Analysts-Michigan LLC

Wesley Thompson sign date 5/30/08

20750 Glenhill Court

Beverly Hills, MI 48025

248-593-8981

wthompson@expensereduction.com

Minnesota

WIMI, LLC sign date 9/30/05 and on 12/21/06 (West Illinois added)

James C. Schmitt

Eric Striegel

Robert H. Peterson

1009 Longfellow Drive

Hiawatha, IA 52233

319-393-1824

jschmitt@expensereduction.com

estriegel@expensereduction.com

Area Franchisees for Northern Minnesota and also for Wisconsin, the Upper Peninsula of Michigan,
Central and Western Nebraska, South Dakota, North Dakota and Northwest Illinois

Missouri

Cattron Enterprises, Inc.

Steve Cattron sign date 2/5/04

4745 West 136th Street, Suite 41

Leawood, KS 66224

913-402-6050

scattron@expensereduction.com

Area Franchisee also for Kansas

New Hampshire

Gilman Partners LLC, a New Hampshire Corporation

Marc Gilman sign date 11/17/04

17 Commerce Drive, Suite 7

Bedford, NH 03110

603-669-1900

mgilman@expensereduction.com

Area Franchisee also for Vermont, Maine and Upstate New York

New Jersey

Blackburn Consulting Partners, LLC

Richard Halperin sign date 6/2/03

301 Holcombe Way

Lambertville, NJ 08530

908-580-1826

rhalperin@expensereduction.com

also includes NYC (Manhattan & Staten Island, NY)

New York

TCD Capital LLC

Gary DiGiuseppe sign date 2/5/09

Ron Timmerman

4 Susan Court

Holtsville, NY 11742

631-223-3093 DiGiuseppe

631-790-0552 Timmerman

gdigiuseppe@expensereduction.com

rtimmerman@expensereduction.com

Bronx, Kings, Nassau, Queens, Suffolk also includes NYC (Manhattan & Staten Island, NY)

North Carolina

Profit Research, Inc

Robert Barth sign date 5/31/06

6317 Ashley Ridge Drive

Raleigh, NC 27612

919-606-3080

rbarth@expensereduction.com

Area Franchisee for Western N. Carolina and South Carolina

Ohio

AEM High, LLC

Michael Reid Webb sign date 3/28/07

3815 Drakewood Drive

Cincinnati, OH 45209

513-386-9802

mwebb@expensereduction.com

Pennsylvania

Stephen Bunker and Kerry Bunker a

General Partnership sign date 5/17/04

Steve Bunker and Kerry Johnson

71 Bissell Road

Lebanon, NJ 08833

215 325-1819 or 908-758-0777

sbunker@expensereduction.com

Area Franchisees also for Delaware

Texas

KHD Ventures, LLC

Johannes Stronck sign date 6/28/12

5606 Indigo Street

Houston, TX 77096

713-271-3299

hstronck@expensereduction.com

Area Franchisee for Southeast Texas

Virginia

GCC Consulting Group Inc.

Gary Williams sign date 4/14/08

9105 Whispering Drive

Toano, VA 23168

757-741-2164

garywilliams@expensereduction.com

also Area Franchisee also West Virginia and Eastern North Carolina

Washington

New Harbor Ventures, LLC

Jack Squires and Joe Brown sign date 12/31/07

701 5th Ave., Suite 4200

Seattle, WA 98104

206-262-7777

jsquires@expensereduction.com

jbrown@expensereduction.com

Area Franchisees also for Idaho, Wyoming, Montana, Oregon and Alaska

Washington D.C.

Expense Reduction Analysts Global Management Ltd. aka SPV LLC

dba G&P Enterprises, LLC sign date 8/25/08

Phil Gross, George Wolfand and added David Anderson on 6/10/10

12014 Chase Crossing Cir., Ste. 102

Rockville, MD 20852

301-467-4832

pgross@expensereduction.com

gwolfand@expensereduction.com

also Area Franchisees for Maryland and five Northern Virginia counties bordering Washington D.C.

EXHIBIT D-2
COMPANY-RELATED AREA OFFICES

Expense Reduction Analysts, Inc.
Bent Tree Tower II
16479 North Dallas Parkway, Suite 240
Addison, TX 75001
469-310-2980

Expense Reduction Analysts Global Insurance Consulting Services, Inc. sign date 3/19/08
Bent Tree Tower II
16479 North Dallas Parkway, Suite 240
Addison, TX 75001
469-310-2980

**Note: Corporate change of name effective July 2009 (designated territory OK, AR)

California

AREA

SDCo, LLC

Bent Tree Tower II
16479 North Dallas Parkway, Suite 240
Addison, TX 75001
469-310-2980

Area Franchise for San Diego, Orange, Riverside, San Bernardino counties, California

REGIONAL

SDCo, LLC

Bent Tree Tower II
16479 North Dallas Parkway, Suite 240
Addison, TX 75001
469-310-2980

San Diego, Orange, Riverside, San Bernardino counties, California

AREA

Expense Reduction Analysts Global Management Ltd.
aka SW Cost Strategies, LLC

Bent Tree Tower II
16479 North Dallas Parkway, Suite 240
Addison, TX 75001
469-310-2980

Central California – (Originally purchased 7/22/09 - Reacquired by Franchisor 10/1/12)

AREA

Expense Reduction Analysts Global Management Ltd.
aka SW Cost Strategies, LLC

Bent Tree Tower II
16479 North Dallas Parkway, Suite 240
Addison, TX 75001
469-310-2980

S.F. Bay Area, California – (Originally purchased 6/23/06 - Acquired by Execute Operations, LLC (J. Reese in 2008, and purchased by SW Cost Strategies February 28, 2013)

Massachusetts

REGIONAL

Expense Reduction Analysts Global Management Ltd.

Bent Tree Tower II

16479 North Dallas Parkway, Suite 240

Addison, TX 75001

469-310-2980

Mississippi

AREA

Expense Reduction Analysts Global Management Ltd. Aka

Bent Tree Tower II

SW Cost Strategies, LLC

Bent Tree Tower II

16479 North Dallas Parkway, Suite 240

469-310-2980

also for Louisiana (Originally purchased 12/15/08 - Reacquired by Franchisor 9/7/12)

New York

AREA

Expense Reduction Analysts Global Management Ltd.

Bent Tree Tower II

Bent Tree Tower II

16479 North Dallas Parkway, Suite 240

469-310-2980

NYC & Virgin Islands (Originally purchased 6/16/04 - Reacquired by Franchisor 2008, now shared with Jersey, Halperin DiGiuseppe/Timmerman)

REGIONAL

Expense Reduction Analysts Global Management Ltd.

Bent Tree Tower II

16479 North Dallas Parkway, Suite 240

469-310-2980

NYC & Virgin Islands (Originally purchased 6/16/04 - Reacquired by Franchisor 2008, now shared with Jersey, Halperin DiGiuseppe/Timmerman)

Texas

AREA-Rights

Expense Reduction Analysts Global Management Ltd. Aka

SW Cost Strategies, LLC

Bent Tree Tower II

16479 North Dallas Parkway, Suite 240

469-310-2980

Northeast, TX (Originally purchased 6/30/04 - Reacquired by Franchisor 1/1/12)

EXHIBIT D-3

**CANCELLED, TERMINATED, SUSPENDED
and TRANSFERRED FRANCHISEES**

TERMINATED FRANCHISEES 2013

John C. West – Tel: 925-485-9670
Pleasanton, CA

Gary Michaud – Tel: 801-444-3968
Layton, UT 84040

TERMINATED FRANCHISEES 2012

Jerry Hagen – Tel: 866-985-9998
Lancaster, NY

Emily Gonzales – Tel: 305-460-5767
Miami Beach, FL

Marshall Jones – Tel: 818-735-0031
Oak Park, CA

Bradley W. Grove – Tel: 616-844-0505
Grand Haven, MI

Renee B. Klein – Tel: 407-344-8470
Kissimmee, FL

Robert L. Mesenbrink – Tel: 303-421-4024
Arvada, CO

Frank Fonda – Tel: 561-793-4444
Wellington, FL

John Albert Winder – Tel: 509-592-0970
Pullman, WA

Alina Okun – Tel: 201-505-4951
Montvale, NJ

Alex Sacharoff – Tel: 407-542-4277
Oviedo, FL

Ro Davies - Tel: 801-770-2622
Saratoga Springs, UT

David and Joanne Orenski - Tel: 310-649-4612
Los Angeles, CA

David P. Gaiser – Tel: 651-797-2168
Eagan, MN

Loren (Kirk) French – Tel: 503-512-8944
Gresham, OR

Daniel L. Pearlman – Tel: 310-600-9580
Santa Monica, CA

Stephen Smith – Tel: 513-280-3535
Cincinnati, OH

Robert Silva – Tel: 603-669-1900
Windham, NH

Robert B. McLoone - Tel: 480-994-6820
Scottsdale, AZ

Anthony Stracquadanio – Tel: 415-928-5556
Joan E. Stracquadanio
San Francisco, CA

Ryoichi Osawa - Tel: 747-777-3722
Simi Valley, CA

Robert Roy - Tel: 800-656-7270
Cumberland, RI

Alexander A. Courtney, Jr. – Tel: 518-456-9998
Albany, NY

Henry Jackson Johnson – Tel: 888-557-5057
Atlanta, GA

David Moody – Tel: 901-682-6687
Memphis, TN

Scott Winkler – Tel: 650-941-1707
Los Altos, CA 94022

SUSPENDED LICENSES 2012

Calvin Browne sign date 5/23/08 – Suspended until 1/1/2013
27193 Cambridge Ln.
Farmington Hills, MI 48331
248-888-8103
cbrowne@expensereduction.com
Franchisee for the Lower Peninsula

Lanuti Consulting, Inc.
Daniel J. Lanuti sign date 1/19/09 – Suspended until 4/1/2013
3142 Baylis Drive
Ann Arbor, MI 48108
734-677-5986
dlanuti@expensereduction.com
Franchisee for the Lower Peninsula

Ophidian Advisors Inc.
André E. Stokes sign date 8/18/10 – Suspended until 8/1/2013
1457 Butler Avenue, Apt. #6
Los Angeles, CA 90025
877-372-9201
astokes@expensereduction.com
Franchisee for North Los Angeles and surrounding counties

CKT Enterprises
Tim Ballenger sign date 4/9/10 – Suspended until 4/1/2013
21 Marblehead Place
Laguna Niguel, CA 92677
949-429-5970
tballenger@expensereduction.com
Franchisee for San Diego, Orange, Riverside, San Bernardino counties

Ed and Peggy Sanford sign date 8/28/08 – Suspended until further notice from Franchisee
152 Hillspoint Road
Westport, CT 06880
800-656-7270
esanford@expensereduction.com
Franchisee also for Rhode Island, N. NYC Suburbs, Manhattan and Staten Island and added Massachusetts in 2011

The Lemayo Group, LLC
Mitchell Levine sign date 12/12/07 [Second IL License Purchased] – Suspended until 4/1/2013
5750 Old Orchard Road, Suite 100
Skokie, IL 60077
847-686-0505
mlevine@expensereduction.com
Franchisee for Northern Illinois

TRANSFERRED

Execute Operations, LLC (Transferred **Area Rights** in 2013 to Expense Reduction Analysts Global Management Ltd. Aka SW Cost Strategies, LLC)
John R. Reese sign date 3/30/07
Peter and Elaine Thorne
956 Vernal Avenue
Mill Valley, CA 94941
415-380-0753-Reese
415-381-3953-Thorne
jreese@expensereduction.com
Area Franchisees for the Entire state of Hawaii and the following California Counties Marin, San Francisco, Contra Costa, Alameda, San Mateo, Santa Cruz, Sonoma, Napa, Solano, Sacramento and Santa Clara counties

Grove Technology Partners LLC (Transferred **Area Rights** in 2012 to Expense Reduction Analysts Global Management Ltd. Aka SW Cost Strategies, LLC)
Amaury Gallisa and George Lula sign date 7/22/09
1001 Bridgeway #112
Sausalito, CA 94965
800-460-3554
agallisa@expensereduction.com
glula@expensereduction.com
Area Franchisee for Central California

Bartholomew Consulting, LLC sign date 1/23/08 (Transferred **Area** license in 2012 to Hans Stronck)
John and Suzanne Bartholomew
1201 Red Ranch Circle
Cedar Park, TX 78613
512-996-9737
jbartholomew@expensereduction.com
Franchisee for Central and Southeast Texas

Bartholomew Consulting, LLC sign date 5/13/11 (Transferred **Regional** license in 2012 to Hans Stronck)
John and Suzanne Bartholomew
1201 Red Ranch Circle
Cedar Park, TX 78613
512-996-9737
jbartholomew@expensereduction.com
Area Franchisee for Central and Southeast Texas

PMW Consulting LLC sign date 2/5/09 (Transferred **Regional** License in 2012)
Paul Weisel
458 Boulder Drive
Morganville, NJ 07751
732-685-4247
pweisel@expensereduction.com
Franchisee for Long Island and the Bronx

Sandra and Neil Keenan sign date 8/11/10 (Transferred **Regional** License in 2012)
18214 146th Avenue NE
Woodinville, WA 98072
425-486-0907
skeenan@expensereduction.com
nkeenan@expensereduction.com
Franchisee for Washington, Idaho, Wyoming, Oregon, Montana and Alaska

DES Holdings, Inc. sign date 6/30/04 (Transferred **Area** Rights in 2012 to Expense Reduction Analysts
Global Management Ltd. Aka SW Cost Strategies, LLC)
Peter Diamond
5700 Granite Parkway, Suite 200
Plano, TX 75024
469-742-0249 (JD)
pdiamond@expensereduction.com
Area Franchisees for Northeast Texas

EJF Consulting, Inc. sign date 7/31/12
A. Perez Group, LLC (Transferred **Regional** License in 2012)
Alfonso Perez sign date 9/24/07
30 Essex Road
Chatham, NJ 07928
973-635-3622
aperez@expensereduction.com
Franchisee for New Jersey

Expense Reduction Analysts Global Management Ltd. (Transferred **Regional** License in 2012 David Anderson – Anderson TrueNorth LLC)

Bent Tree Tower II

16479 North Dallas Parkway, Suite 240

469-310-2980

also for Maryland and five Northern Virginia counties bordering Washington D.C.

Opportunities Realized Inc. (Transferred **Regional** License in 2011)

Michele and Thomas Garfin sign date 12/20/06

1171 Meadowbrook Lane

River Falls, WI 54022

715-425-9135

mgarfin@expensereduction.com

tgarfin@expensereduction.com

Franchisees also for Minnesota, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

Lee Schoneman sign date 12/7/08 (Transferred **Regional** License 2011)

38 South Deep Lake Road

North Oaks, MN. 55127

651-765-4811

lschoneman@expensereduction.com

Franchisee also for Minnesota, Nebraska, Wisconsin, North Dakota, South Dakota and the Upper Peninsula of Michigan

South Bay Regional Associates, Inc. (Transferred **Regional** License in 2011)

David Frederick sign date 3/29/10

400 Esplanade #1

Redondo Beach, CA 90277

310-540-9629

dfrederick@expensereduction.com

Franchisee for South Los Angeles and North Orange counties

MagHope Corp. (Transferred **Regional** License in 2011)

Kerry Kou sign date 5/25/10

606 108th Avenue SE

Bellevue, WA 98004

425-241-4511

kkou@expensereduction.com

Franchisee for Washington, Idaho, Wyoming, Oregon, Montana and Alaska

Expense Reduction Analysts Global Management Ltd. (Transferred **Area** License in 2011)

Bent Tree Tower II

16479 North Dallas Parkway, Suite 240

Addison, TX 75001

469-310-2980

Massachusetts Area License

Operational Insights Inc. (Transferred **Regional** License in 2010)

Charlie Smith sign date 11/30/06

9475 N. Canyon Heights Drive

Cedar Hills, UT 84062

801-443-1084

csmith@expensereduction.com

Franchisee for Colorado, Utah & Nevada

EXHIBIT E

EXPENSE REDUCTION ANALYSTS, INC. STATEMENT OF PROSPECTIVE FRANCHISEE

**[Note: Dates and Answers Must Be Completed
in the Prospective Franchisee's Own Handwriting.]**

Since the Prospective Franchisee (also called "me," "our," "us," "we" and/or "I" in this document) and EXPENSE REDUCTION ANALYSTS, INC. (also called the "Franchisor", "ERA", "you" or "your") both have an interest in making sure that no misunderstandings exist between them, and to verify that no violations of law might have occurred, and understanding that the Franchisor is relying on the statements I/we make in this document, I/we assure the Franchisor as follows:

A. The following dates and information are true and correct:

- | | |
|--|---|
| 1. _____, 20____

Initials _____ | The date of my/our first face-to-face meeting with any person to discuss the possible purchase of an ERA-USA Franchise. |
| 2. _____, 20____

Initials _____ | The date on which I/we received a Disclosure Document about an ERA-USA Franchise. |
| 3. _____, 20____

Initials _____ | The date when I/we received a fully completed copy (other than signatures) of the Franchise Agreement and all other documents I/we later signed. |
| 4. _____, 20____

Initials _____ | The earliest date on which I/we signed the Franchise Agreement or any other binding document (not including any Letter or other Acknowledgment of Receipt.) |
| 5. _____, 20____

Initials _____ | The earliest date on which I/we delivered cash, check or other consideration to the Franchisor, or any other person or company. |

B. Representations and Other Matters:

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side deals," options, rights-of-first-refusal or otherwise of any type (collectively, the "representations"), including, but not limited to, any which expanded upon or were inconsistent with the Disclosure Document, the Franchise Agreement or any other written documents, have been made to or with me/us with respect to any matter (including, but not limited to, advertising, marketing, site location and/or development, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise) nor have I/we relied in any way on any such representations, except as expressly set forth in the Franchise Agreement or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: _____

2. No oral, written, visual or other claim, guarantee or representation (including, but not limited to, charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise), which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, was made to me/us by franchisor, its affiliates or agents/representatives, nor have I/we relied in any way on any such, except for information (if any) expressly set forth in the Franchisor's Disclosure Document (or an exhibit referred to therein), except as follows:

(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: _____

3. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including, but not limited to, the Prospective Franchisee obtaining any financing, the Prospective Franchisee's selection, purchase, lease or otherwise of a location, any operational matters or otherwise) or the Prospective Franchisee fully performing any of the Prospective Franchisee's obligations, nor is the Prospective Franchisee relying on the Franchisor or any other entity to provide or arrange financing of any type, nor have I/we relied in any way on such, except as expressly set forth in the Franchise Agreement, or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: _____

4. The individuals signing for the "Prospective Franchisee" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Prospective Franchisee and each of such individuals has received the Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement, each written Addendum and any Personal Guarantees.

Prospective Franchisee's Initials: _____

5. I/we have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and the Franchisor has strongly recommended that I/we obtain such independent professional advice. I/we have also been strongly advised by the Franchisor to discuss my/our proposed purchase of, or investment in, an ERA-USA Franchise with existing ERA-USA Franchisees prior to signing any binding documents or paying any sums and I/we have been supplied with a list of existing ERA-USA Franchisees.

Prospective Franchisee's Initials: _____

6. I confirm that, as advised, I've spoken with past and/or existing ERA-USA Franchisees, and that I made the decision as to which, and how many, ERA-USA Franchisees to speak with, although I understand that as a new Franchise System, few, if any, Franchisees are available to speak with.

Prospective Franchisee's Initials: _____

7. I/we understand that: entry into any business venture necessarily involves some unavoidable risk of loss or failure, the purchase of an ERA-USA Franchise (or any other) is a speculative investment, an investment beyond that outlined in the Disclosure Document may be required to succeed, there exists no guaranty against possible loss or failure in this or any other business and the most important factors in the success of any ERA-USA Franchise, including the one to be operated by me/us, are my/our personal business,

marketing, sales, management, judgment and other skills.

Prospective Franchisee's Initials: _____

If there are any matters inconsistent with the statements in this document, or if anyone has suggested that I sign this document without all of its statements being true, correct and complete, I/we will (a) **immediately** inform the Franchisor's attorney (949-388-9651) and an officer of the Franchisor and (b) make a written statement regarding such next to my signature below so that the Franchisor may address and resolve any such issue(s) at this time and before either party goes forward.

I/we understand and agree that the Franchisor does not furnish or endorse, or authorize its salespersons or others to furnish or endorse, any oral, written or other information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, that such information (if any) not expressly set forth in the Franchisor's Disclosure Document (or an exhibit referred to therein) is not reliable and that I/we have not relied on it, that no such results can be assured or estimated and that actual results will vary from unit to unit, Franchise to Franchise, and may vary significantly.

Prospective Franchisee's Initials: _____

I/we understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

Date: _____

PROSPECTIVE FRANCHISEE (Individual)

Signature

Printed Name

Signature

Printed Name

PROSPECTIVE FRANCHISEE (Corp., LLC or Partnership) - Must be accompanied by appropriate personal guarantee(s)

Legal Name of Entity

a _____
Jurisdiction of Formation Corporation, LLC or Partnership

By: _____
Name

Signature

Title: _____

PRINCIPALS

All of the above is true, correct and complete to the best of my knowledge:

Franchise Marketing Representative

Reviewed by: ERA-USA FRANCHISE CORPORATION

President

Franchise Agreement Number

EXHIBIT F
RECEIPTS

RECEIPT

This Disclosure Document summarizes provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If Expense Reduction Analysts, Inc. offers you a franchise, Expense Reduction Analysts, Inc. must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

New York, Oklahoma and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever comes first.

If Expense Reduction Analysts, Inc. does not deliver this disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency Identified on Exhibit A-1.

The franchisor is Expense Reduction Analysts, Inc., located at Bent Tree Tower II, 16479 North Dallas Parkway, Suite 240, Addison, Texas 75001.

Issuance Date: March 28, 2013.

The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Michael Nicholas, Bent Tree Tower II, 16479 North Dallas Parkway, Suite 240, Addison, Texas 75001, Telephone: (469) 310-2984.

We authorize the agents listed in Exhibit A-2 to receive service of process for us.

I have received a Franchise Disclosure Document dated March 28, 2013. This Disclosure Document includes the following exhibits: The franchisor is Expense Reduction Analysts, Inc., located at 5050 Avenida Encinas, Suite 200, Carlsbad, California 92008.

~~Issuance Date: March 15, 2012, as amended on July 12, 2012.~~

~~The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Lucia Rettig and James Schmitt, 5050 Avenida Encinas, Suite 200, Carlsbad, California 92008, Telephone: (760) 712-3600.~~

~~We authorize the agents listed in Exhibit A-2 to receive service of process for us.~~

~~I have received a Franchise Disclosure Document dated March 15, 2012, as amended on July 12, 2012. This Disclosure Document includes the following exhibits:~~

Exhibits:

- A-1: State Administrators
 - A-2: Agents for Service of Process
 - B: Financial Statements
 - C: Franchise Agreement
- Attachments:
- 1: Area
 - 2: Nondisclosure and Noncompetition Agreement

- 3: Personal Guaranty and Subordination Agreement
- 4: Special Release of Claims
- D-1: Roster of Franchisees
- D-2: Company-Related Area Offices
- D-3: Former Franchisees and Transferred Franchises
- E: Statement of Prospective Franchisee
- F: Receipt

DATE: _____

PROSPECTIVE FRANCHISEE (Individual) PROSPECTIVE FRANCHISEE (Corp., LLC or Partnership)

Printed Name

Legal Name of Franchisee Entity

Signature

a _____
Jurisdiction of Formation

Corporation, LLC or Partnership

KEEP THIS COPY FOR YOUR RECORDS. THIS DISCLOSURE DOCUMENT IS ALSO AVAILABLE IN PDF FORMAT ON OUR WEBSITE: www.expensereduction.com

RECEIPT

This Disclosure Document summarizes provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If Expense Reduction Analysts, Inc. offers you a franchise, Expense Reduction Analysts, Inc. must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

New York, Oklahoma and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever comes first.

If Expense Reduction Analysts, Inc. does not deliver this disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency Identified on Exhibit A-1.

The franchisor is Expense Reduction Analysts, Inc., located at ~~5050 Avenida Encinas, Suite 200, Carlsbad, California 92008~~ Bent Tree Tower II, 16479 North Dallas Parkway, Suite 240, Addison, Texas 75001.

Issuance Date: ~~March 15, 2012, as amended on July 12, 2012~~ 28, 2013.

The name, principal business address and telephone number of each Franchise Seller offering the Franchise: ~~Lycia Rettig, and James Schmitt, 5050 Avenida Encinas, Suite 200, Carlsbad, California 92008, Telephone: (760) 712-3600.~~
Michael Nicholas, Bent Tree Tower II, 16479 North Dallas Parkway, Suite 240, Addison, Texas 75001, Telephone: (469) 310-2984.

We authorize the agents listed in Exhibit A-2 to receive service of process for us.

I have received a Franchise Disclosure Document dated March ~~28, 2013~~ 15, 2012, as amended on July 12, 2012. This Disclosure Document includes the following exhibits:

EXHIBITS:

- A-1: State Administrators
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- D-2: Company-Related Area Offices
- D-3: Former Franchisees and Transferred Franchises
- E: Statement of Prospective Franchisee
- F: Receipt

DATE: _____

PROSPECTIVE FRANCHISEE (Individual)

PROSPECTIVE FRANCHISEE (Corp., LLC or Partnership)

Printed Name

Legal Name of Franchisee Entity

Signature

a _____
Jurisdiction of Formation

Corporation, LLC or Partnership

PLEASE SIGN THIS COPY OF THE RECEIPT, DATE YOUR SIGNATURE, AND RETURN IT TO:

Expense Reduction Analysts, Inc., Bent Tree Tower II, 16479 North Dallas Parkway, Suite 240,
Addison, Texas 75001~~**Expense Reduction Analysts, Inc., 5050 Avenida Encinas, Suite 200, Carlsbad, CA**~~
~~**92008, Attn: Jim Schmitt**~~
, Attn: Michael Nicholas.