

## **Item 14.**

### **Patents, Copyrights and Proprietary Information**

You do not receive the right to use an item covered by a patent or copyright, but you can use the proprietary information in Our Confidential Operations Manual. Although We have not filed an application for a copyright registration for the Confidential Operations Manual, We claim a copyright and the information is proprietary. The use of this manual is limited only to You and Your employees. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information as We think appropriate. We will indemnify You for losses brought by a third party concerning Your use of this information.

## **Item 15.**

### **Obligation to Participate in the Actual Operation of the Franchise Business**

If You are an individual, You must directly perform or supervise operations of the franchise unless We consent otherwise. If We agree that You need not personally perform or supervise the franchise, the franchise must be directly supervised by an individual who has successfully completed Our training program. The manager need not have an ownership interest in a corporate or partnership franchisee. The manager must sign a written agreement to conform with the covenants not to compete described in Item 17. You or any manager supervising Your franchise cannot have an interest or business relationship with any of Our competitors. If You are a corporation, direct, on-site supervision must be done by a designated shareholder who meets with Our approval, an "operating principal". If You are a corporation, Your principal shareholders must sign a guaranty assuming and agreeing to pay all monetary obligations under the Franchise Agreement.

## **Item 16.**

### **Restrictions on What the Franchisee May Sell**

You must offer and sell only the goods and services which conform to Our standards and specifications (see Item 8).

You must offer all goods and services that We designate as required for all franchisees. We restrict these required services to providing thirty minute and weight-loss services and to offering for sale weight-loss related products, as specified in the Confidential Operations Manual, and in the changes thereto as may be periodically given to You.

We have the right to add additional authorized services and equipment that You must offer. There are no limits on Our right to do so although We have no present plans to do so.

You must comply with all applicable laws and regulations and obtain all appropriate governmental approvals for the franchise. You must operate in conformity with the methods, standards and specifications We prescribe to maintain uniformity within Our system and to provide the highest degree of quality and service. You must not deviate from Our standards and specifications without Our prior written consent.

We limit or restrict You (and other franchisees) to the territory on "Exhibit A" of the Franchise Agreement in offering, selling or advertising Your goods and services but We do not otherwise limit or restrict Your solicitation of customers.

**Item 17.**

**Renewal, Termination, Transfer, and Dispute Resolution**

**THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.**

<i>Provision</i>	<i>Section in franchise or other agreement</i>	<i>Summary</i>
a. Length of the franchise term	Franchise Agreement - Section 2	Term is 5 years.
b. Renewal or extension of the term	Franchise Agreement - Section 2	We can grant or deny You a renewal. If We grant a renewal and You accept it, You must sign a new Franchise Agreement for a term of 5 additional years; however, You do not have a right to renew.
c. Requirements for franchisee to renew or extend	Franchise Agreement - Section 2	You cannot be in default with any provision of the current Agreement. You must give Us written notice as required by the current Agreement of Your desire to renew. You must sign a new Agreement that may be materially different as to the terms and conditions from Your original Agreement, including a possible adjustment to Your territory. You must update Your location site to comply with the then current standards. You must sign a general release.
d. Termination by franchisee	Franchise Agreement - Sections 13, 16 and 18	By mutual agreement with Us, by sale of the franchise, or if We open a <i>Curves®</i> franchise in Your territory.
e. Termination by franchisor without cause	None.	We cannot terminate Your Agreement without cause.
f. Termination by franchisor with cause	Franchise Agreement - Section 18	We can terminate only if You are in default of the Agreement.

g. "Cause" defined – curable defaults	Franchise Agreement - Section 18B	Any default by You of any provision of Your Agreement and not covered by Section 18A of Your Agreement has 10 days to cure (subject to local state law)
h. "Cause" defined – non-curable defaults	Franchise Agreement - Section 18A	Listed defaults in Section 18A of the Agreement can cause immediate termination of the Franchise Agreement.
i. Franchisee's obligations on termination/nonrenewal	Franchise Agreement - Section 19	Obligations include complete de-identification and payment of amounts due (also see r, below)
j. Assignment of contract by franchisor	Franchise Agreement - Section 16K	No restriction on Our right to assign.
k. "Transfer" by franchisee - defined	Franchise Agreement - Section 16	Includes any change of interest in the ownership of the franchise or franchise agreement.
l. Franchisor approval of transfer by franchisee	Franchise Agreement - Section 16	We have the right to approve all requests for transfers.
m. Conditions for franchisor approval of transfer	Franchise Agreement - Section 16	You are not in default, proper notification by You to Us of requested transfer as required under the Agreement, providing Us with a copy of a purchase agreement that meets Our approval, compliance with all conditions listed under Section 16C of the Agreement. Some of these conditions include qualification of prospective buyer as a franchisee, payment of all fee and escrow amounts, payment of all debts owed by You associated with Your business, training arranged as required for the prospective buyer, release signed by You, copy of letter from certified public accountant acknowledging review of the transfer for the new franchisee and a then current agreement signed by new franchisee (also see r, below).

n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement - Section 17	We can match any offer for Your business.
o. Franchisor's option to purchase franchisee's business	None.	
p. Death or disability of franchisee	Franchise Agreement - Section 16I	Franchise must be assigned by estate to approved buyer within 90 days.
q. Non-competition covenants during the term of the franchise	Franchise Agreement - Section 20B	No involvement in competing business anywhere in the U.S.
r. Non-competition covenants after the franchise is terminated or expires	Franchise Agreement - Section 20B	No competing business for 1 year within 10 miles of Your location site or another <i>Curves for Women</i> ® or <i>Curves</i> ® franchise (including after assignment).
s. Modification of the agreement	Franchise Agreement - Section 22K	No modification except by written agreement signed by both parties.
t. Integration/merger clause	Franchise Agreement - Section 22P	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable, but this does not disclaim any representations made by this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Franchise Agreement - Section 21	If You have a dispute regarding Your Franchise Agreement, it must be mediated.
v. Choice of forum	Franchise Agreement - Section 22C	Litigation must be where Franchisor's principal business address is then located unless local state law supersedes this provision.
w. Choice of law	Franchise Agreement - Section 22C	Texas law applies unless local state law supersedes this provision.

These states have statutes which may supersede the Franchise Agreement in Your relationship with Us including the area of termination and renewal of Your franchise: ARKANSAS (Stat. Section 79-807), CALIFORNIA (Bus. & Prof. Code Sections 2000-20043), CONNECTICUT (Gen. Stat. Section 42-133e et seq.), DELAWARE (Code, tit.), HAWAII (Rev. Stat. Section 482E-1), ILLINOIS (815ILCS705/19, 705/20), INDIANA (Stat. Section 23-2-7), IOWA (Code

Sections 523H.1-523H.17), MICHIGAN (Stat. Section 19.854(27)), MINNESOTA (Stat. Section 80C.14), MISSISSIPPI (Code Section 75-24-51), MISSOURI (Stat. Section 407.400), NEBRASKA (Rev. Stat. Section 87-401), NEW JERSEY (Stat. Section 56:10-1), SOUTH DAKOTA (Codified Laws Section 37-5A-51), VIRGINIA (Code 13.1-557-574-13.1-564), WASHINGTON (Code Section 19.100.180), WISCONSIN (Stat. Section 135.03). These and other states may have court decisions which may supersede the Franchise Agreement in Your relationship with Us including the areas of termination and renewal of Your franchise.

These states have statutes which limit Our ability to restrict Your activity after the Franchise Agreement has ended: CALIFORNIA (Bus. & Prof. Code Section 16,600), FLORIDA (Statutes Section 542.33), MICHIGAN (Compiled Laws Section 445.771 *et seq*), MONTANA (Codes Section 30-14-201), NORTH DAKOTA (Century Code Section 9-08-06), OKLAHOMA (Statutes Section 15-217-19), WASHINGTON (Code Section 19.86.030). Other states have court decisions limiting Our ability to restrict Your activity after the Franchise Agreement has ended.

California Business and Professions Code Sections 20000 through 20043 provide rights to You 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 contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement requires mediation. The mediation will occur at Our offices in Waco, Texas with the costs borne by both parties equally.

The franchise agreement requires application of the laws of the state of Texas. This provision may not be enforceable under California law.

We may challenge the enforceability of any state law listed herein that declares void or unenforceable any provision in the Franchise by bringing an appropriate legal action or by raising the claim in a legal action or mediation that You initiate.

A provision in the Franchise Agreement that terminates the agreement on Your bankruptcy may not be enforceable under Title 11, United States Code Section 101.

**Item 18.**

**Public Figures**

We do not employ any public figure or celebrity in Our management, nor do We use a public figure or celebrity to promote Our franchises.

## Item 19.

### Financial Performance Representations

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize Our employees or representatives to make 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 Curves International, Inc., Attention: Roger Schmidt or Kevin D. Ayers, 100 Ritchie Road, Woodway, Texas 76712, 254-399-9285, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20.**

**Outlets and Franchisee Information**

**Systemwide Outlet Summary  
For years 2007 to 2009**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2007	7,746	7,090	-656
	2008	7,090	6,247	-843
	2009	6,247	5,208	-1,039
Company- Owned	2007	2	1	-1
	2008	1	0	-1
	2009	0	0	0
Total Outlets	2007	7,748	7,091	-657
	2008	7,091	6,247	-844
	2009	6,247	5,208	-1,039

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
For years 2007 to 2009**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2007	16
	2008	11
	2009	12
Alaska	2007	1
	2008	3
	2009	1
Arizona	2007	23
	2008	16
	2009	9
Arkansas	2007	8
	2008	15 See Note 2
	2009	2
California	2007	117 See Note 1
	2008	61
	2009	53
Colorado	2007	21
	2008	17
	2009	13
Connecticut	2007	15
	2008	8
	2009	6

Delaware	2007	1
	2008	0
	2009	0
District of Columbia	2007	0
	2008	1
	2009	0
Florida	2007	68 See Note 1
	2008	28
	2009	20
Georgia	2007	33
	2008	28 See Note 2
	2009	17 See Note 3
Hawaii	2007	4
	2008	2
	2009	2
Idaho	2007	9
	2008	4
	2009	6
Illinois	2007	40
	2008	27 See Note 2
	2009	13
Indiana	2007	26
	2008	17
	2009	22
Iowa	2007	10
	2008	18
	2009	4
Kansas	2007	10 See Note 1
	2008	7
	2009	10
Kentucky	2007	15
	2008	12
	2009	8
Louisiana	2007	17
	2008	5
	2009	6 See Note 3
Maine	2007	11
	2008	3
	2009	2
Maryland	2007	20
	2008	25
	2009	12
Massachusetts	2007	28
	2008	8
	2009	5
Michigan	2007	47
	2008	34

	2009	32
Minnesota	2007	39
	2008	12
	2009	12
Mississippi	2007	3
	2008	9
	2009	4
Missouri	2007	15
	2008	13
	2009	14
Montana	2007	4
	2008	4
	2009	1
Nebraska	2007	4
	2008	4
	2009	10
Nevada	2007	9
	2008	4
	2009	3
New Hampshire	2007	8
	2008	9
	2009	3
New Jersey	2007	26 See Note 1
	2008	19
	2009	11
New Mexico	2007	4
	2008	6
	2009	2
New York	2007	50
	2008	37
	2009	18
North Carolina	2007	35
	2008	31 See Note 2
	2009	24
North Dakota	2007	3
	2008	6
	2009	2
Ohio	2007	49 See Note 1
	2008	35
	2009	21
Oklahoma	2007	9
	2008	5
	2009	7
Oregon	2007	15
	2008	16
	2009	6
Pennsylvania	2007	54 See Note 1

	2008	42
	2009	31 See Note 3
Puerto Rico	2007	4
	2008	1
	2009	0
Rhode Island	2007	3
	2008	6
	2009	1
South Carolina	2007	16
	2008	10
	2009	14
South Dakota	2007	5
	2008	4
	2009	3
Tennessee	2007	27
	2008	18
	2009	16
Texas	2007	64
	2008	70
	2009	44
Utah	2007	8
	2008	10
	2009	2
Vermont	2007	5
	2008	2
	2009	0
Virginia	2007	13
	2008	24
	2009	17
Washington	2007	18
	2008	15
	2009	14
West Virginia	2007	8 See Note 1
	2008	10
	2009	3
Wisconsin	2007	28
	2008	17
	2009	13
Wyoming	2007	3
	2009	3
	2009	1
Total	2007	1,069 See Note 1
	2008	792 See Note 2
	2009	552 See Note 3

Notes:

1. In the fiscal year 2007, 10 franchises were transferred more than once. The territory names of those franchises are as follows: Canoga Park, CA – South; Bonita Springs, FL – North; Callaway, FL (three transfers); Hutchinson, KS; Newton, KS; Deptford, NJ; Cleveland, OH – Downtown; Whitehall, PA; Crab Orchard/Coal City, WV; and Weirton, WV.
2. In the fiscal year 2008, 5 franchises were transferred more than once. The territory names of those franchises are as follows: Mena, AR; Loganville, GA; Paris, IL; Cary, NC – North; and Plymouth, NC.
3. In the fiscal year 2009, 3 franchises were transferred more than once. The territory names of those franchises are as follows: Lawrenceville, GA - West; Scott, LA; and Blooming Grove TWP, PA.

**Status of Franchised Outlets  
For years 2007 to 2009**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Term- inations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of the Year
Alabama	2007	106	0	4	0	0	0	102
	2008	102	0	15	0	0	3	84
	2009	84	0	9	1	0	1	73
Alaska	2007	19	0	0	0	0	0	19
	2008	19	0	0	0	0	0	19
	2009	19	0	4	0	0	0	15
Arizona	2007	126	1	2	0	0	7	118
	2008	118	0	14	0	0	3	101
	2009	101	0	16	1	0	1	83
Arkansas	2007	57	0	6	0	0	0	51
	2008	51	4	4	0	0	2	49
	2009	49	1	4	2	0	1	43
California	2007	797	8	16	0	0	53	736
	2008	736	3	68	0	0	44	627
	2009	627	2	96	4	0	26	503
Colorado	2007	119	1	3	0	0	1	116
	2008	116	3	3	0	0	5	111
	2009	111	0	4	0	0	8	99
Connecticut	2007	103	0	12	0	0	12	79
	2008	79	0	10	0	0	3	66
	2009	66	0	11	1	0	0	54
Delaware	2007	24	0	0	0	0	3	21
	2008	21	0	0	0	0	1	20

	2009	20	0	1	1	0	0	18
District of Columbia	2007	6	0	0	0	0	0	6
	2008	6	0	0	0	0	0	6
	2009	6	0	2	0	0	0	4
Florida	2007	411	2	35	0	0	27	351
	2008	351	0	40	1	0	30	280
	2009	280	0	31	2	0	20	227
Georgia	2007	214	2	5	0	0	15	196
	2008	196	0	16	0	0	16	164
	2009	164	0	20	2	0	11	131
Hawaii	2007	32	0	0	0	0	0	29
	2008	29	1	3	0	0	1	26
	2009	26	0	2	0	0	0	24
Idaho	2007	42	0	0	0	0	1	41
	2008	41	0	0	0	0	3	38
	2009	38	0	2	0	0	2	34
Illinois	2007	353	2	14	0	0	25	316
	2008	316	0	23	1	0	16	276
	2009	276	1	23	5	0	17	232
Indiana	2007	186	0	4	0	0	9	173
	2008	173	0	9	0	0	13	151
	2009	151	0	12	0	0	4	135
Iowa	2007	116	0	1	0	0	7	108
	2008	108	1	5	0	0	3	101
	2009	101	2	16	1	0	8	78
Kansas	2007	63	1	1	0	0	1	62
	2008	62	0	4	0	0	0	58
	2009	58	0	6	0	0	5	47
Kentucky	2007	99	2	2	0	0	2	97
	2008	97	1	8	0	0	0	90
	2009	90	0	2	1	0	3	84
Louisiana	2007	81	4	0	0	0	1	84
	2008	84	1	3	0	0	2	80
	2009	80	0	2	0	0	1	77
Maine	2007	67	0	4	0	0	13	50
	2008	50	1	6	0	0	3	42
	2009	42	0	10	0	0	3	29
Maryland	2007	172	1	15	0	0	9	149
	2008	149	0	3	0	0	5	141
	2009	141	2	24	1	0	9	109
Massachusetts	2007	195	1	16	0	0	24	156
	2008	156	1	19	0	0	8	130
	2009	130	0	24	1	0	5	100
Michigan	2007	343	4	14	0	0	13	320
	2008	320	1	21	0	0	19	281
	2009	281	1	31	5	0	8	238
Minnesota	2007	200	1	10	0	0	17	174

	2008	174	0	8	0	0	9	157
	2009	157	3	13	4	0	10	133
Mississippi	2007	49	3	1	0	0	3	48
	2008	48	1	1	0	0	2	46
	2009	46	0	11	0	0	0	35
Missouri	2007	161	0	1	0	0	6	154
	2008	154	0	11	0	0	14	129
	2009	129	1	7	2	0	2	119
Montana	2007	22	0	0	0	0	0	22
	2008	22	0	0	0	0	0	22
	2009	22	0	1	0	0	2	19
Nebraska	2007	42	1	1	0	0	0	42
	2008	42	0	1	0	0	2	39
	2009	39	0	1	0	0	1	37
Nevada	2007	52	0	2	0	0	5	45
	2008	45	1	4	0	0	3	39
	2009	39	0	8	0	0	2	29
New Hampshire	2007	60	1	2	0	0	2	57
	2008	57	0	6	0	0	2	49
	2009	49	0	9	0	0	1	39
New Jersey	2007	236	0	17	0	0	12	207
	2008	207	0	31	0	0	12	164
	2009	164	4	40	2	0	12	114
New Mexico	2007	44	2	0	0	0	1	45
	2008	45	0	1	0	0	1	43
	2009	43	0	1	0	0	1	41
New York	2007	397	2	30	0	0	22	347
	2008	347	2	41	0	0	15	293
	2009	293	0	49	2	0	14	228
North Carolina	2007	237	4	3	0	0	9	229
	2008	229	0	15	0	0	5	209
	2009	209	1	31	3	0	9	167
North Dakota	2007	16	0	0	0	0	0	16
	2008	16	0	0	0	0	0	16
	2009	16	0	0	0	0	1	15
Ohio	2007	337	0	17	0	0	17	303
	2008	303	3	19	0	0	11	276
	2009	276	5	26	1	0	8	246
Oklahoma	2007	73	2	3	0	0	2	70
	2008	70	1	3	0	0	4	64
	2009	64	0	5	0	0	4	55
Oregon	2007	111	2	1	0	0	2	110
	2008	110	0	1	0	0	2	107
	2009	107	0	10	0	0	3	94
Pennsylvania	2007	389	1	11	0	0	16	363
	2008	363	1	24	0	0	17	323
	2009	323	4	30	2	0	15	280

Puerto Rico	2007	42	0	11	0	0	6	25
	2008	25	0	16	0	0	2	7
	2009	7	0	3	0	0	0	4
Rhode Island	2007	35	0	3	0	0	2	30
	2008	30	0	6	0	0	0	24
	2009	24	1	3	0	0	1	21
South Carolina	2007	105	1	1	0	0	2	103
	2008	103	1	5	0	0	4	95
	2009	95	0	11	1	0	3	80
South Dakota	2007	32	0	1	0	0	2	29
	2008	29	0	1	0	0	2	26
	2009	26	1	3	0	0	0	24
Tennessee	2007	151	2	11	0	0	7	135
	2008	135	3	10	0	0	5	123
	2009	123	0	8	2	0	11	102
Texas	2007	464	5	13	1	0	19	436
	2008	436	4	18	0	0	15	407
	2009	407	1	50	1	0	14	343
Utah	2007	58	1	0	0	0	0	59
	2008	59	0	2	0	0	1	56
	2009	56	0	5	2	0	3	46
Vermont	2007	29	0	1	0	0	2	26
	2008	26	0	4	0	0	2	20
	2009	20	0	5	0	0	0	15
Virginia	2007	193	6	1	0	0	7	191
	2008	191	1	6	0	0	5	181
	2009	181	0	18	5	0	7	151
Washington	2007	180	0	5	0	0	8	167
	2008	167	0	11	0	0	12	144
	2009	144	0	16	1	0	9	118
West Virginia	2007	63	0	2	0	0	3	58
	2008	58	0	3	0	0	3	52
	2009	52	0	7	0	0	1	44
Wisconsin	2007	216	0	9	0	0	7	200
	2008	200	1	17	0	0	10	174
	2009	174	4	21	1	0	7	149
Wyoming	2007	23	0	0	0	0	1	22
	2008	22	0	1	0	0	0	21
	2009	21	1	0	0	0	1	21
Total	2007	7,748	63	311	1	0	403	7,093
	2008	7,093	36	540	2	0	340	6,247
	2009	6,247	35	744	57	0	275	5,206

**Status of Company-Owned Outlets  
For years 2007 to 2009**

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
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State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Ohio	2007	2	0	0	0	1	1
	2008	1	0	0	0	1	0
	2009	0	0	0	0	0	0
Totals	2007	2	0	0	0	1	1
	2008	1	0	0	0	1	0
	2009	0	0	0	0	0	0

**Projected Openings As Of December 31, 2010**

Column 1 State	Column 2 Franchise Agreements Signed But Outlets Not Opened	Column 3 Projected New Franchised Outlets In the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Next Fiscal Year
Alabama	0	2	0
Alaska	0	0	0
Arizona	0	2	0
Arkansas	0	2	0
California	1	3	0
Colorado	0	0	0
Connecticut	0	1	0
Delaware	0	0	0
District of Columbia	0	0	0
Florida	1	2	0
Georgia	0	2	0
Hawaii	0	0	0
Idaho	0	0	0
Illinois	0	3	0
Indiana	2	2	0
Iowa	1	2	0
Kansas	0	1	0
Kentucky	0	2	0
Louisiana	0	2	0
Maine	0	1	0
Maryland	0	1	0
Massachusetts	0	1	0
Michigan	0	1	0
Minnesota	0	0	0
Mississippi	1	2	0
Missouri	1	1	0
Montana	0	0	0

Nebraska	1	1	0
Nevada	0	1	0
New Hampshire	0	1	0
New Jersey	0	2	0
New Mexico	0	0	0
New York	1	2	0
North Carolina	0	2	0
North Dakota	0	0	0
Ohio	1	1	0
Oklahoma	0	2	0
Oregon	0	1	0
Pennsylvania	0	1	0
Puerto Rico	0	0	0
Rhode Island	0	0	0
South Carolina	0	1	0
South Dakota	0	0	0
Tennessee	0	1	0
Texas	2	3	0
Utah	0	1	0
Vermont	0	0	0
Virginia	1	1	0
Washington	0	1	0
West Virginia	0	0	0
Wisconsin	0	0	0
Wyoming	0	0	0
Total	14	55	0

The names, addresses and telephone numbers of all franchisees are listed on Attachment B.

The name and last known city, state and telephone number of every franchisee who has 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 who has not communicated with Us within 10 weeks of the application date of this Disclosure Document is listed on Attachment D. 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 Curves. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with You.

We have endorsed the following Curves franchisee organization: Curves Franchisee Association, 7915 S. Emerson Avenue, Suite B #167, Indianapolis, IN 46237-9708, [www.curvesfa.org](http://www.curvesfa.org). You should have the opportunity to join the Curves Franchisee Association if You buy this franchise.

## **Item 21.**

### **Financial Statements**

We have attached as Exhibit A to this Disclosure Document Our combined financial statements for each of the past 3 years in the period ended December 31, 2009. These financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The financial statements as of December 31, 2007 and for the years ending December 31, 2007 were audited by Ernst and Young, LLP, independent auditors. The financial statements as of and for the years ended December 31, 2008 and 2009 have been audited by Grant Thornton LLP, independent auditors, as stated in their report appearing in Exhibit A.

**Item 22.**

**Contracts**

EXHIBIT B – Sample copy of Our Franchise Agreement with exhibits and addendums

EXHIBIT C – Promissory Note and Security Agreement

EXHIBIT D – Bank Draft Authorization Form

EXHIBIT E – Transfer of Service Agreement

EXHIBIT F – Sample Copy of Termination of License Agreement and Mutual Release Document

**Item 23.**

**Receipts**

You must sign two copies of the Receipt attached as the last two pages to this Disclosure Document. After execution, You keep one copy and provide the other to Us.