

UnhappyFranchisee.Com

Raymond Titus, CEO
United Franchise Group
2121 Vista Parkway
West Palm Beach, FL 33411

June 4, 2021

Dear Ray Titus:

In your video professing your Servant Leadership philosophy, you state:

“In 26 years in business, I’ve never lost a night of sleep.”

Unfortunately, a good night’s sleep is a foreign concept to those who trusted UFG’s finely crafted Experimac / Experimax marketing and sales presentations, the undisclosed paid endorsements of seemingly unbiased 3rd parties who sang its praises, and the presentations of your franchise sales staff and legions of brokers working from scripts reminiscent of those that earned you a permanent injunction from the FTC some 20 years ago.

More than 80% of those who put their trust in you and the sales numbers they allege you, Jim Muir, your regional Vice Presidents, Tim Phillips and your SBA loan wrangler Paul Bosley provided to them, the SBA and banks lie awake grappling with their recent bankruptcies, lost retirement savings, emptied college funds, dismal credit scores, unpaid family loans, and lost peace of mind. I have listed some of their names, bankruptcy filings and SBA loan default information with this letter.

Others are also grappling with the legal threats, lawsuits, and rising legal bills that UFG is imposing on them for having ceased operation of a deeply flawed and deceptively marketed franchise concept.

As you know, at least 169 Experimac / Experimax franchise agreements were signed and opened since 2015.

The Experimax website currently lists just 48 open locations.

Data from your Franchise Disclosure Documents and website indicate that of those 169 franchises (which include transfers), an estimated 142 (84%) have failed and lost their investments.

While it is apparent that most of those who open an Experimax store will almost certainly lose their investments – and just as apparent that your promises of \$600,000 first-year gross sales and more than \$1M each year thereafter bore no resemblance to actual franchise store sales – you continue to register, promote and pitch the Experimax franchise to trusting individuals and families.

Thanks to the inclusion of Experimac / Experimax and two other UFG brands in Senator Cortez Masto's 87-page report on predatory franchise practices, Congress, the FTC, the franchise industry and the public are now watching for your next move.

If only for your own reputation and the survival of UFG, I urge you:

- **Stop Promoting and Selling Experimax Franchises IMMEDIATELY**
- **Stop the bullying legal attack, lawsuits and pursuit of judgements against the franchisee-victims of your non-viable Experimac franchise concept**
- **Assure your franchisee/victims that they can openly share their experiences and opinions without fear of legal repercussions, a freedom the FTC intended when enacting The Franchise Rule**
- **Put your energy and UFG's considerable resources into helping to ease the financial burdens of all those who were guilty of no more than trusting you, your staff, and your enablers**
- **Withdraw your concepts from the SBA Franchise Registry and stop draining taxpayer money with UFG's high-turnover franchise concepts**

There is no grey area here – Experimax is clearly not a viable franchise concept and, in my opinion, anyone who now sells an Experimax franchise as a safe investment is engaging in the worst kind of deceptive and illegal business practices.

I Am Urging Your Industry Supporters to Help You Do the Right Thing

I understand that a CEO accustomed to having his way, who has a staff of 200 and 1500 adults contractually required to do what he tells them might resist being publicly questioned, taken to task and told what to do – even if it is in his best interest.

For that reason, I am going to ask your friends and supporters in the franchise industry to help motivate you to do the right thing.

International Franchise Association (IFA) I urge your friends and supporters at the IFA and at the IFE Franchise Expo to stop promoting, endorsing and advertising the Experimax franchise opportunity. I also urge them to remind you of the IFA Code of Ethics.

Small Business Administration (SBA) I am asking the SBA to drop Experimax from the SBA Franchise Registry and to disallow it from receiving taxpayer-funded loan guarantees. I would also urge them to look into the documented allegations of fraud possibly involving UFG's Tim Phillips and Business Finance Depot's Paul Bosley.

Titus Center Advisory Board I am urging to 60+ members of this advisory board to demand that you cease selling and promoting Experimax franchises and any other franchise with a turnover rate exceeding 25% for the past ten years.

Franchise Ad Portals: I am urging every franchise advertising portal to cease advertising the Experimax franchise, unless it is positioned as a money-losing tax-write-off rather than an opportunity.

Franchise Brokers Organizations: I'm urging each franchise broker group to drop Experimax from their roster, and teach them how to calculate franchise turnover for previous years before

recommending a franchise. I am asking each broker to forward an amount equal to their commission to any client who bought an Experimac or Experimax franchise.

Franchise & Business Publications I am urging each franchise publication and entrepreneurial magazine to issue a warning about the high turnover (failure) rates of Experimax and other UFG brands, including those that have closed or are in the process of quietly disappearing (like SuperGreen Solutions).

Federal Trade Commission (FTC): I am urging the FTC to look into the many of Franchise Rule violations being reported in the marketing and sale of Experimac Experimax franchise opportunities as well as other UFG brands. I am urging the FTC to investigate whether you and your organization have been complying with the mandates of the 1998 Permanent Injunction. I am also urging the FTC to investigate the deceptive use of undisclosed paid endorsements by 3rd parties like John Hayes who receive financial compensation for endorsements positioned as unbiased expert recommendations.

There are Nearly 1500 UFG Franchisees Worldwide. Yet More than 1600 Franchises' Agreements Terminated Early... in the U.S. Alone

I would also urge you to stop claiming that United Franchise Group (UFG) has “nearly 1500 franchisees in almost 80 countries” without also acknowledging that a greater number (an estimated 1600+) exited their franchise agreements prematurely through termination, ceased operations or ownership transfers... presumably with the loss of their investments.

Our analysis of publicly available Franchise Disclosure Documents for individual UFG brands going back ten or more year reflect that 1,620 franchises exited the systems prematurely through terminations, ceased operations, reacquisition or transfer to other owners.

TABLE 1: Premature Franchise Exits, Turnover (Failure) Rates & Investments Potentially Lost for UFG Brands 2009-2020.

U.S. Franchises	Franchise EXITs:	Turnover Rate	Initial Investments x Exits
Jon Smith Subs	9	37%	- \$3M - \$6M
Fully Promoted	470	71%	- \$58M - \$134.5M
Experimax	142	84%	- \$21M - \$50M
Signarama	655	65%	- \$156M to \$206M
Supergreen Solutions	59	81%	- \$3M to \$4.5M to \$4M to \$6M
Transworld Business Advisors	155	32%	- \$12M to \$15.5M
Venture X	2	5%	- \$1M to \$7.5M
Billboard Connection	45	38%/ 100%	- \$1.5M to \$3M to \$3.5M to 8M
Paramount Tax	6	100%	- .5M to \$1M
Plan Ahead Events	96	69%/100%	- \$4.5M to \$6.5M / - \$6.5M to \$9.5M
TOTAL	1,620		- \$265M to \$444M

Absent accurate information to the contrary, and absent the communication from those who have left the system (some of whom are contractually prevented from sharing their experiences,

or who fear reprisal from UFG), we believe it is fair to assume these early exits constitute failures and a loss of the franchise investment.

Ray, in 21 days UFG will be celebrating its “biggest and best” World Expo at the Palm Beach County Convention Center - June 26 – 30, 2021. You will also be celebrating 35 years in business for United Franchise Group.

It’s not too late to change the theme of the convention to Openness, Honesty & Transparency.

Imagine starting the next 35 years by committing to actually following the principles and living up to the honest and ethical image that you portray in your marketing. Imagine actually acting with the dedication and concern you so expertly communicate. A good place to start would be honoring your commitment to those listed in the pages that follow and showing them the concern expressed before their franchise fee was deposited.

The first step in launching that new era of Truth and Integrity would be to:

- > **Stop selling Experimax franchises TODAY!**
- > **Drop the legal terrorism against victims whose only mistake was trusting UFG**
- > **Discontinue confidentiality agreements, NDAs and non-disparagement clauses except for TRUE trade secrets. Your franchisees are your customers and prospective franchisees have a right to hear their experiences and opinions**
- > **Stop selling franchises with a turnover rate greater than 25% (see chart)**
- > **Commit your organization and resources to succeeding on the unit level with stable, profitable franchisees rather than a revolving door that transforms the creditworthy into the destitute.**

I look forward to your response – as do many others.

All the best,

Sean Kelly, Publisher

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Experimac / Experimax Franchisees That Ceased Operation (Partial List)

Abul Ahmed Carrollton TX	Georgie George San Jose CA	Diontay Little Edgewood PA
Samia Ahmed Carrollton TX	Sandra Gonzalez Pearland TX	Gary Lundquist Orland Park IL
Bryce Avallone Boulder CO	C. Scott Higginbotham Tallahassee FL	Kevin Lynn Cape Coral, FL
Oscar Bautista Overland Park KS	Tim Holder Joplin MO	Satheesh Madhathil San Jose CA
James Bennett Arlington TX	Travis Howe Cumming GA	Eliza Mallue Dayton OH
Gustav Bone Greenville NC	Rebecca Howe Cumming GA	Jeffrey Mallue Dayton OH
Daniel Boisse Fayetteville NC	Stephen Hyde Longview TX	David Mehalick North Pittsburgh PA
Kimberly Bottemiller Tacoma WA	David Ifill, Jr. Indian Land SC	Scott Maulsby Mt. Juliet TN
Chris Burneko Bethesda MD	Bruce James Salt Lake City UT	Fonda McCarty Jacksonville FL
Rochelle Cavaretta N. Las Vegas NV	Lori James Salt Lake City UT	Leroy McCarty Jacksonville FL
Atulanand Choudhary Coppell, TX	Robert Jefferson Suwanee GA	David McCollister Gainesville FL
Leslie Clendenin Madison TN	Rene Jefferson Suwanee GA	Amit Mehta Glen Ellyn IL
Leslie Cole Highland Village TX	Walid Kaakoush Chandler AZ	Bernadette Morales Pearland TX
Chris Cole Highland Village TX	Priyanka Kalra Scottsdale AZ	Lee Morgenstein Fair Lawn NJ
Matthew Davis Athens GA	Percy Kennedy Humble TX	Daniel Morgenstein Fair Lawn NJ
Julie Davis Athens GA	Dean Kilton Pickerington OH	Matt Morrissey San Luis Obispo CA
Reynart De Beer Sandton South Africa	Andrew King Temecula CA	Melissa Morrissey San Luis Obispo CA
Aroon Desai Dallas TX	Chris Knight North Charleston SC	Ronald Mosley Manassas VA
Vashka Desai Dallas TX	Rex Lallmang South Riding VA	Benita Mosley Manassas VA
David Elliott St. George UT	Judy Lallmang South Riding VA	Syed Mustafa Anahiem CA
Stacey Flowers Akron OH	Timothy Larkins Longview TX	Kevin Myers Severna Park MD
Michelle Foley Garland TX	Janice Lee Santa Ana CA	Robert Newell Smithtown NY
Colette Gabriel Chicago IL	George Leonis Highlands Ranch CO	Tony Ngugi Aurora CO
Pedro Gamboa Houston TX	Juliano Lima Hialeah Gardens FL	Julian Nieuwoudt &
Roberto Garcia San Diego CA	Testi de Lima Hialeah Gardens FL	William Nieuwoudt Cape Town South Africa
Gordon Geddins Covington, WA	Lisa Little Edgewood PA	

Okechukwu Nwanna West
Hempstead NY
Gerald Odum Frisco TX
Mark Parent Livonia MI
Kurt Peterson Pueblo CO
Colleen Peterson Pueblo CO
Phuc "Henry" Pham Middleton
MA
Amit Phillaura Addison, TX
Jana Phillaura Addison, TX
Lisa Piatt Huntersville NC
Jeffery Prainito Charlotte NC
Wesley Prince Magnolia TX
Deborah Puglielli Hialeah
Gardens FL
Cody Ramsey Duluth MN
Taylor Rash Gilbert AZ Bismarck
ND
Alicia Rash Gilbert AZ Bismarck
ND
Lynette Ray Scottsdale AZ
Laetitia Rohfritsch Strasbourg
France
Craig Ruzicki Guilford CT
Melissa Ruzicki Guilford CT
Francis Rentz Tallahassee

Douglas Robinson St. Charles IL
Ricardo Salinas Arvada CO
Zachary Salinas Arvada CO
David Scarbrough Houston TX
Christophe Sevin Orlando FL
Hemanth Sehgal Dallas TX
Rina Sehgal Dallas TX
Athar Sheikh Arlington TX
Marc Shor Las Vegas NV
Mark Simmons Smyrna GA
Charles Small Fort Myers
Andrea Small Fort Myers
Michael Small Fort Myers
Michael Snell Southport QLD
Australia
Eric Sosa Columbia SC
James Spisak Plano TX
Allison Stahl Akron OH
Charles Stuller, Jr. Spring TX
Eddie Sutton Saint
Petersburg
Joe Tairi Brookfield WI
Michael Taylor Houston TX
Chris Thomas Chico CA

Jeff Thwing McKinney, TX
Brian Town East Lansing MI
Hollie Town East Lansing MI
Glenn Trommer Cherry Hill, NJ
Brian Troyk Brookfield WI
Adam Tuzza Bohemia, NY
Marie Umberger Suwanee GA
Jeff Van Horne Portland ME
Frank Vinyard Jr. Lafayette LA
Michael Voss San Antonio TX
Katherine Voss San Antonio TX
Karl Vrba Draper UT
James Wang Santa Ana CA
Patrick Wentland Colorado
Springs CO
Travis Weaver & Ling Weaver
Seattle WA
Matthew White Spring TX
Christine Witte Fenton MO
Gary Wolf Peoria IL
Kevin Wright Chicago IL
Natalie Young Duluth MN
Brando Younger North Las
Vegas NV
Pamela Zama Bethesda MD

Experimac / Experimax Franchisees With SBA Loan Chargeoffs to Date

Morrissey Enterprises, SAN LUIS OBISPO CA	Wildmacflowers LLC dba Experim HEATH OH
Salinas Holdings Corp. ARVADA CO	ABBOTTAZ ENTERPRISES LLC BEND OR
CMR Consulting LLC GUILFORD CT	Knightvision Productions, LLC NORTH CHARLESTON SC
A Cord Of Three LLC TAMPA FL	DIFILL Repairs, Inc. INDIAN LAND SC
WEB MERCHANTS, LLC. CLEARWATER FL	CHELLE Corporation MADISON TN
MCCOLLISTER MERCHANDISING INC. GAINESVILLE FL	DFS FRANCHISE INC HOUSTON TX
A Cord Of Three LLC dba Experi TAMPA FL	PHILLTRONIX LLC ADDISON TX
FIDELITY CAPSTONE, LLC ATLANTA GA	Pinkie Toes Investments, LLC Highland Village TX
Emumby, Inc. SUWANEE GA	OWO Designs LLC GARLAND TX
Ramsey LLC dba Experimac Duluth DOUGLASVILLE GA	ComPhablet LLC CARROLLTON TX
SRH Group, LLC SMYRNA GA	MarMor Investments LLC PEARLAND TX
KC CYGNET LIMITED LIABILITY CO CHICAGO IL	WezPrin, LLC MAGNOLIA TX
Dixon Ventures Mechanic Inc. LEXINGTON KY	Thwing Technology Group, Inc. MCKINNEY TX
The Holder Group LLC JOPLIN MO	QUALITY ELECTRONICS AND REPAIR WEST JORDAN UT
BEIJAFLORE LLC FAIR LAWN NJ	The Tech Store PWCN, LLC MANASSAS VA
EMES TECHNOLOGIES LLC HENDERSON NV	KAB Enterprises, Inc. dba Expe FEDERAL WAY WA
YOUNGERLIFE LLC NORTH LAS VEGAS NV	G-TECH DIGITAL SERVICES, INC. FEDERAL WAY WA
OKEYAMERICA INTERNATIONAL Inc. WEST HEMPSTEAD NY	T & L Enterprise SEATTLE WA
Amicus Technology Inc Amherst NY	KAB Enterprises, Inc. FEDERAL WAY WA

Experimac / Experimac Franchisee Bankruptcy Filings (Partial)

Luminate Images, LLC and Bryce Avallone Boulder CO

Glenn Trommer & Avivah Digital Commerce Cherry Hill NJ

Roseann M. Mattocks Smyrna GA

Brian A. Troyk Wisconsin

Joseph J. Fiorentino and Stephanie J. Fiorentino, Amherst NY

Adam F Tuzza, Experimac Bohemia, Bohemia NY

Timothy Lee Holder, Experimac Joplin, Joplin, MO

Pedro Jesus Gamboa, Copperfield, TX

Donald Dean Dixon, Jr., Lexington, KY

Travis Chariff Weaver and Ling Yung Weaver, Seattle, WA

Jeffrey Thwing & Kimberly Thwing, McKinney, TX

Experimac Highland Village, Pinkie Toes Investments, LLC

Lundo Enterprises, Inc. IL

GYG Electronics, La Mesa, CA

Experimac NW Fields Enterprises, LLC South Carolina

Experimac NW Fields Enterprises, LLC South Carolina

Experimac of Addison Philltronix, LLC