

FRANCHISE DISCLOSURE DOCUMENT



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an English Private Limited Company
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The franchise offered is an Allen Carr's Easyway® business that will offer stop smoking and/or stop drinking sessions in the English language.

The total investment necessary to begin operation of an Allen Carr's Easyway franchise is between \$27,800 and \$120,050. This includes between \$20,050 and \$100,050 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental 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 Paul Baker at Park House, 14 Pepys Road, Raynes Park, London SW20 8NH, England, United Kingdom and at 011-44-20-8944-7761.

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

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

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

Issuance Date: April 18, 2025

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much will I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 and Exhibits D and E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor and at the franchisor's direction; Item 7 lists the initial investment to open, and Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to support my business?	Item 21 and Exhibit F include financial statements. Review these statements carefully.
Is the franchise system stable and growing or shrinking?	Item 20 summarizes the 3-year history of the number of company-owned and franchised outlets.
Will my business be the only Allen Carr business in my market?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings
What's it like to be an Allen Carr franchisee?	Item 20 and Exhibits D and E list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Consider these facts about franchising before investing in any franchise:

1. **Continuing Responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.
2. **Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchised business or may harm your franchised business
3. **Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.
4. **Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.
5. **Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.
6. **Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.
7. **When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only by videoconference and in London, England. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in London, England, than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Minimum Sales Performance.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

**THE FOLLOWING PROVISIONS APPLY ONLY TO
TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT 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 the 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 license 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 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 service.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor 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.

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE SECTION, G. MENNEN WILLIAMS BUILDING, 6TH FLOOR, LANSING, MICHIGAN 48933, (517) 373-7117.

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EXHIBITS

- A. List of State Administrators
- B. Agents for Service of Process
- C. Table of Contents of Operations Manual
- D. List of Franchisees
- E. Franchisees Who Left System or Have Not Communicated
- F. Financial Statements
- G. Franchise Agreement, including Owner's Guaranty
- H. State Specific Amendments to Franchise Agreement
- I. General Release
- J. State Addenda

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT, IF ANY, APPEAR IN THE STATE ADDENDA AT **EXHIBIT J** OR THE STATE SPECIFIC FRANCHISE AGREEMENT AMENDMENTS IN **EXHIBIT H**, EXCEPT THAT ADDITIONAL DISCLOSURES RELATED TO MICHIGAN LAW CAN BE FOUND RIGHT BEFORE THIS TABLE OF CONTENTS.

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is Allen Carr's Easyway (US) Ltd., and will be referred to in this document as "ACEUS", "we", "us" or "our". A person who buys a franchise from us will be referred to as "you." If you are a corporation, partnership or other entity, "you" also includes your owners, your partners, shareholders and any other person or entity directly or indirectly owning an interest in you.

We are a Private Limited Company formed in England with Company number 08779260. Our principal place of business address is Park House, 14 Pepys Road, Raynes Park, London SW20 8NH, England, United Kingdom. We conduct business under the name "Allen Carr's Easyway," "Allen Carr," "Allen Carr's Easyway to stop smoking" and "Easyway". Our agents for the service of process are disclosed in **Exhibit B**.

Parents, Predecessors and Affiliates

We do not have a parent. We have not had any predecessors in the 10-year period immediately before our organization.

Our affiliates include Allen Carr's Easyway (International) Ltd., an English corporation ("ACEI"), whose principal place of business is Park House, 14 Pepys Road, London SW20 8NH, England, United Kingdom. In England, our affiliate operates the same type of business that you will operate. It also grants franchises for Allen Carr's Easyway stop smoking and stop drinking centers in the United Kingdom and in other countries. In addition, ACEI also operates and offers centers to help clients control weight and stop using other drugs, though it does not as of yet offer franchises to operate those types of centers it may do so in the future.

The Franchises We Offer

We grant franchises for the operation of Allen Carr's Easyway Stop Smoking Centers and Stop Drinking Centers to be operated under the names "Allen Carr", "Easyway" and "Allen Carr's Easy Way to Stop Smoking" or "Allen Carr's Easy Way to Stop Drinking". We do not operate businesses of the type being franchised to you. We do not engage in other business activities than offering Allen Carr's Easyway stop smoking center and stop drinking franchises and have never offered franchises in any other line of business.

The business you will conduct (we will call it the "**Franchised Business**") refers to a business using our Allen Carr's Easyway service mark and associated logos and symbols (we will call these marks, logos and symbols the "Licensed Marks") to provide live in-person stop smoking sessions and/or stop drinking sessions in English which enable clients to stop smoking. The Franchised Business will use the methods and procedures we and our affiliate ACEI have developed (our "**System**") and includes standards and methods of conducting stop smoking seminars and stop drinking seminars and other aspects of operation, accounting, marketing, advertising and public relations, and the standards for conducting a Franchised Business. Our standards and procedures for conducting a Franchised Business are set forth in our Manual. When you sign the franchise agreement with us you will do so for only stop smoking sessions or only stop drinking sessions. Should you decide to do both stop smoking and stop drinking sessions you will need to sign two agreements.

Franchisees are required to offer seminars at centers and may be permitted to offer online seminars. Currently our franchisees offer a mix of in-person and online seminars.

General Market For Your Products or Services

Any person who is a smoker who wishes to stop smoking is a potential client. There is no seasonality in our business and, as smoking is common, the market for the Franchised Business is well developed. Likewise, any person who drinks alcohol and wishes to stop or reduce their alcohol intake is a potential client. As with smokers, many people wish to reduce their alcohol intake and the market for the Franchised Business is well developed in that regard as well.

Competition

Your main competitors are usually individual health practitioners and national organizations, but their methods are usually drug based (nicotine replacement therapy) or based on hypnosis, rather than oral persuasion. There are also many stop smoking products available to smokers. Similar methods are used to help people who abuse alcohol.

Laws and Regulations

As smoking is permitted during parts of the stop smoking sessions that you will offer your franchise will be subject to state and local laws and regulations regarding smoking inside and near the buildings where you offer stop smoking seminars. It is your obligation to know the laws in your location and comply with them. Other laws will be applicable to your business and we urge you to make inquiries about these laws. Check with a lawyer to learn about specific laws applicable to your business.

Our Prior Experience

Allen Carr, the founder of Allen Carr's Easyway was for many years a chain-smoker. Once he stopped smoking himself he developed the method that is the foundation of our System. In 1983 Allen Carr opened the first stop smoking center. ACEI was formed on September 18, 1989 and continued operating stop smoking centers since then. In 1992 ACEI started franchising. Today it has franchisees in the United Kingdom and other parts of Europe, North America (Canada and Mexico), South America, Australia, Asia and Africa. It has also conducted occasional stop smoking sessions in the U.S. in the past. As of the date of this FDD, ACEI had more than 50 franchisees of its stop smoking franchise program. In addition, ACEI also operates and offers centers to help clients lose weight, stop drinking alcohol, freedom from digital technology addiction and stop using other types of drugs. It has operated centers in these areas since 2004. It currently offers stop drinking alcohol clinics in Germany, Australia, Russia and Colorado, USA. It currently offers weight loss seminars in Germany and Israel as well as digital technology seminars in Israel but does not offer franchises for other drug addiction programs, though it may do so in the future. As of the issuance date of this FDD there were 8 franchised stop drinking alcohol centers, 4 franchised weight loss & sugar addiction centers and 1 digital tech addiction center. We (ACEUS) were organized on November 18, 2013 and started offering franchises on October 16, 2014. ACEI will not be providing services to you.

Your Owner's Obligations

If you are an entity, all Owners must sign an Owner's Guaranty in the form attached to the Franchise Agreement or Area Development Agreement. In addition, all Owners must sign the Owner's Acknowledgement in the Franchise Agreement or Area Development Agreement agreeing to accept and be bound by their separate rights and obligations in the Franchise Agreement or Area Development Agreement.

Item 2

BUSINESS EXPERIENCE

Director: Madeleine Lewis

Ms. Lewis has been a director of ACEUS since its organization on November 18, 2013. Ms. Lewis is a director of ACEI and has worked for ACEI as a personal assistant to the Chairman, Robin Haley, since February 2001. The position of Ms. Lewis's employment is London, England.

Director, Chief Executive Officer and President: Paul Baker

Mr. Baker is the Chief Executive Officer and President of ACEUS since April 2025. Mr. Baker has been a director of ACEUS since its organization on November 18, 2013 and is its Chief Operating Officer and Financial Officer and will remain in those positions until he becomes our Chief Executive Officer and President. Since January 2013 he also serves as the finance director of ACEI. He also serves as finance director for Broadcast Media Ltd. since October 2010 and for Greenstones Consultancy since April 2010. The location for each position held by Mr. Baker is London, England.

Operations Director for the U.S through April 30, 2025: Sue Bolshaw

Ms. Bolshaw has been our Operations Director for the U.S. since May 2018 and will remain in that role through April 30. Ms. Bolshaw has also been the General Manager of ACEUS since its organization on November 18, 2013. Ms. Bolshaw has also been employed by ACEI since October 1999 and is Operations Director at ACEI's head office in Raynes Park, London, England.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5

INITIAL FEES

All franchisees pay an initial fee of between \$20,000 and \$100,000 when they sign the Franchise Agreement. The initial fee will be the same, whether you choose to offer only stop smoking sessions or only stop drinking sessions, or will be double should you decide to offer both sessions. We did not charge any initial franchise fees in 2024. The size of the initial fee depends on the size of the franchisee's territory and the population in that territory. The population of the territory will be determined using information from the U.S. Census Bureau. The initial fee will be fully earned by us and non-refundable once you sign the Franchise Agreement. The initial franchise fee is not refundable. You are required to read and be familiar with the books "Allen Carr's Easy Way to Stop Smoking" and "The Only Way to Stop Smoking

Permanently.” The cost of those two books is about \$50 for the two. You are not required to purchase any other Allen Carr books or other copyrighted materials before your business opens.

There are no other fees, payments or commitments to pay due to us or our affiliates due before your business opens.

Item 6

OTHER FEES

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Continuing Fee ⁽¹⁾	20% of the Gross Receipts	30 th day of the month following the Quarter Period for which the payment relates.	“Gross Receipts” includes all revenue received by you in the conduct of the Franchised Business, including all revenue from stop smoking sessions or stop drinking conducted by you, whether at your center or elsewhere, and sales of books, videos, audio cassettes, CD-ROMs and any other sales relating to the System. Sales tax and monies refunded under money back guarantees will be deducted first in calculating Gross Receipts. “Quarter Period” means each 3-month period ending on the last day of either March, June September and December.
Marketing Fund Contribution ⁽¹⁾	Up to 2% of the Gross Receipts	30 th day of the month following the Quarter Period for which the payment relates.	The fee is currently 0% because we have not yet established a Marketing Fund.
Bank and transmission charges ⁽¹⁾	Set by banks.	Upon transfer of payments	You are responsible for all bank and transmission charges on payments to us.
Audits ⁽¹⁾	Will vary under the circumstances	Upon demand	If you do not submit your quarterly reports we have the right at your cost to bring in an auditor to verify your Gross Receipts We also have a general right to audit books, records and accounts of the Franchised

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
			Business during normal office hours at least twice in any calendar year.
Transfers ⁽¹⁾	The greater of 15% of the sales price of the business or a sum equal to the initial fee for the size of the territory granted to you paid by new franchisees at the time of transfer. If we introduced you to the transferee you have to pay an additional 10% of the sales price of the business to us.	Upon completion of the transfer.	Payable if you sell your business.
Renewal Fees ⁽¹⁾	60% of the initial fee for the size of territory granted to you paid by new franchisees at the time of renewal	Upon renewal of your Franchise Agreement	Payable if you comply with the renewal provisions of the Franchise Agreement and wish to renew.
Indemnification ⁽¹⁾	Will vary under the circumstances	Upon demand	If we exercise an option to purchase your business from you, you will indemnify and keep us indemnified on demand against all liabilities costs claims proceedings, fines, penalties, compensation, court or tribunal order, awards and demands arising from any liability or obligation of yours in any way connected with or relating to the employment of any of your owners and any of your employees in the business or the termination of such employment which may be transferred to the us.
Late Charge on Overdue Amounts ⁽¹⁾	The lower of 5% over the base rate set by Barclays Bank in London and the maximum permissible rate under applicable law.	Upon demand	If you are late paying any money due to us you must pay us interest accruing on the late amount until the actual date of payment.

Column 1	Column 2	Column 3	Column 4
Type of Fee	Amount	Due Date	Remarks
Manual Replacement Fee ⁽¹⁾	\$1,000	Upon demand	If you do not return the Manual upon termination you must pay us an administrative fee.

Notes:

- (1) These payments are uniform and are not refundable. None of these fees are imposed or collected on behalf of a third party, except for the bank and transmission charges that are collected by financial institutions. All fees are payable to us and we collect the fees except for the bank and transmission charges. The fees are uniformly imposed.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1	Column 2	Column 3	Column 4	Column 5
Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee ⁽¹⁾	\$20,050-\$100,050	Lump sum	Upon signing Franchise Agreement	Us
Training Expenses ⁽²⁾	\$2,000 - \$3,000	As arranged	Before opening	Vendors
Real Property, whether purchased or leased ⁽³⁾	(Note 3)	As arranged	As arranged	Vendors
Equipment, fixtures, other fixed assets, construction, remodeling, leasehold improvements, and decorating costs, whether purchased or leased ⁽⁴⁾	\$1,500	As arranged	Before opening	Vendors
Security Deposits, utility deposits, business licenses and pre-paid expenses ⁽⁵⁾	\$1,500 - \$3,000	As arranged	Before opening	Vendors
Advertising ⁽⁶⁾	\$2,000 - \$10,000	As arranged	Before opening	Vendors

Column 1	Column 2	Column 3	Column 4	Column 5
Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Insurance ⁽⁷⁾	\$750 - \$2,500	As arranged	As arranged	Vendors
Additional Funds ⁽⁸⁾ – 9-11 months	\$0			
TOTAL ESTIMATED INITIAL INVESTMENT ⁽⁹⁾	\$27,800 - \$120,050			

Notes:

This is our best estimate on the costs you will incur to develop and open a Franchised Business based on our and our affiliates' experience operating and franchising Allen Carr's Easyway Stop Smoking Centers in the U.K. and many other countries. The factors that underlie this estimate can vary considerably depending on a number of variables, and the initial investment you may make may be lesser or greater than the estimates given.

The initial franchise fee, which is payable to us, is not refundable. Whether other payments that you make to vendors are refundable and under what circumstances depends on what you negotiate with the vendors.

Neither we, nor our affiliate, finances any part of your initial investment.

- (1) The size of the initial fee depends on the size of the franchisee's territory and the population in that territory. The initial fee, which is between \$20,000 and \$100,000 will be fully earned by us and non-refundable once you sign the Franchise Agreement. The initial franchise fee is not refundable. You are required to read and be familiar with the books "Allen Carr's Easy Way to Stop Smoking" and "The Only Way to Stop Smoking Permanently." The cost of those two books is about \$50 for the two.
- (2) The cost of the required initial training for the franchisee (or the franchisee's owner, if the franchisee is an entity) is included in the initial fee. However, part of the initial training may at your request be conducted in London, England. You will incur travel expenses if you chose to attend this training in England. Only part of the initial training may be conducted in London, England and it will be up to you decide if you want to travel to London to take part in this training. Though training could be done completely online, our preference is that you participate in person, in London, assuming travel is possible. You will have to pay for your transportation, lodging and food in connection with the training, if you decide to travel to London for training. The cost will depend on the distance you must travel and the quality of accommodations. The majority of any training will be undertaken remotely.
- (3) You don't need to buy or lease any property to operate a Franchised Business. Instead, you can rent space at hotels or similar suitable venues for each session that you will offer. The estimated cost of space rental is \$75 to \$225 per session for hired premises. How many sessions you will organize varies and typically ranges between 3 to 30 per month.

- (4) This estimate includes the cost of one computer, printer, stationery, a flipchart, chairs, and the cost of setting up a new telephone line.
- (5) You may need a general business license and a personal or professional license to operate the Franchised Business and offer Allen Carr's Easyway Stop Smoking Centers or Stop Drinking Centers in your area.
- (6) Before opening your Franchised Business you will have to advertise, for example online and in local print newspapers, print business cards and travel to prospective corporate clients or sources of new business.
- (7) You must obtain liability insurance that will cover you, your employees and clients as well as us. The following insurance is required at this time:
 - A. Commercial General Liability: Combined Single Limit \$500,000 per occurrence and \$1,000,000 annual aggregate per location. Such insurance shall be broad form and include, but not be limited to, contractual liability, independent contractor's liability, products and completed operations liability, and personal injury liability. The policy shall name ACEUS and its subsidiaries, affiliates (including ACEI), directors, officers, successors, assigns and mortgagees as additional insureds on ISO form CG 20 10 11 85 (or its equivalent) on a primary and non-contributory basis.
 - B. Worker's Compensation - Statutory Limits
 - C. Employer's Liability: With minimum liability limits of \$500,000 bodily injury by accident each accident, \$1,000,000 bodily injury by disease policy limit; \$500,000 bodily injury each employee.
 - D. Commercial Automobile Liability: Combined Single Limit \$500,000 per accident. Such insurance shall cover injury (or death) and property damage arising out of the ownership, maintenance or use of any private passenger or commercial vehicles and of any other equipment required to be licensed for road use.
 - E. Property Insurance: Special peril, replacement cost property insurance to protect against loss of franchisee's property. Coverage shall be written on an agreed amount basis and not contain co-insurance. No deductible greater than \$5,000 shall be acceptable unless agreed to in writing.
 - F. Fidelity Insurance with minimum limit of \$250,000.
 - G. Errors and Omissions Insurance: In the minimum amount of \$2,500,000 and provide for ACEUS and its subsidiaries, affiliates (including ACEI), directors, officers, successors, assigns and mortgagees as insured.
 - H. Umbrella Liability: \$5,000,000 per occurrence, \$5,000,000 Annual Aggregate and \$5,000,000 Products/Completed Operations Aggregate. Umbrella/Excess Liability must follow form over the coverages required in A., B., C. D. and G above.

All policies must be written by companies licensed to do business in the State where the work will be performed and which have an A.M. Best's rating of not less than A-.

- (8) We estimate (without making any warranty) that the initial period will be a total of 9 to 11 months. This period includes 6-9 months for you to complete the initial training and 3 months from the date you commence operation of your business after completion of the initial training. As you can continue to work during the initial training period we do not expect you to need any additional funds during that period. Other than your own compensation, all other costs incurred during the initial period are itemized in this Item 7. This estimate is based on the experience of affiliates of the franchisor that operate the same type of franchise system in other countries and on the US franchisee.
- (9) This total estimated initial investment does not include real estate costs but see note (3). You should review these figures carefully with a business advisor before entering into a Franchise Agreement with us. The range is neither a floor on the minimum nor a cap on the maximum you could spend and your expenditures could vary. Neither we, nor our affiliate offer direct or indirect financing to franchisees for any item. The estimate does not include any financial charge, interest or debt service obligation.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You are not required to buy or lease any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Franchised Business from us, our designee, or suppliers we have approved. We also do not issue any standards or specifications to you. As there are no required purchases or leases we will not derive revenue from your purchases, no benefits will be provided to you because you buy or lease particular products or services from or use a particular supplier, and no part of your purchases in establishing or operating the Franchised Business will be required purchases. We also have no purchasing or distribution cooperatives and do not negotiate purchase arrangements with suppliers.

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 ⁽¹⁾	Disclosure document item
a. Site selection and acquisition/lease	Not Applicable	11
b. Pre-opening purchases/leases	Not Applicable	7, 11
c. Site development and other pre-opening requirements	12.1	11

Obligation	Section in agreement⁽¹⁾	Disclosure document item
d. Initial and ongoing training	4.1, 4.2, 4.5, 14.4, 14.6, 14.7	11
e. Opening	5.1, 12.1	11
f. Fees	3.4.1.1., 5.4, 10.1-10.12, 11.2, 13.7, 14.3, 14.4.3, 15.1.1, 16.1.4, 22.7	5, 6, 7
g. Compliance with standards and policies/operating manual	4.1, 4.5, 5.2, 5.5, 5.7, 5.10, 5.11, 6.1, 7.6, 25.5, 25.6, 31.7	8, 11
h. Trademarks and proprietary information	1.1, 1.7, 2.1.2, 2.5, 2.8, 5.15, 5.26, 5.27, 6.4, 6.5, 6.6, 10.14, Article 13, 15.1.16, 15.4, 16.1, 16.2, 16.4.3, 21.2, 31.5, 31.11.3	13
i. Restrictions on products/services offered	2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 5.2, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 5.11, 5.26, 5.27, 5.28, 5.29, 5.30, 7.4, 22.8.4, 31.3, 31.4, 31.7, 31.9	8
j. Warranty and customer service requirements	5.4, 5.35, 5.36, 16.1.6, 23	Not Applicable
k. Territorial development and sales quotas	2.1, 15.1.7	12
l. Ongoing product/service purchases	5.21	8, 11
m. Maintenance, appearance, and remodeling requirements	5.6	11
n. Insurance	12	7
o. Advertising	5.17.1, 5.28, 5.29, 5.30, 6.2, 10.12, 10.13, 10.14, 10.15, 10.16, 16.1	7, 11
p. Indemnification	5.22, 23, 25.10	6
q. Owner participation/management/staffing	1.11, 4.2, 5.2, 5.7, 5.8, 5.16, 5.24, 5.34, 9.1, 9.2, 13.4, 14.4, 14.6, 14.7, 15.1, 18.3, 31	15

	Obligation	Section in agreement⁽¹⁾	Disclosure document item
r.	Records and reports	5.31, 8.3, 11, 15.1.3, 16.1.2	17
s.	Inspections and audits	10.9, 11.5	Not Applicable
t.	Transfer	32.3, 14	17
u.	Renewal	3.2, 3.3, 3.4, 3.5	17
v.	Post-termination obligations	10.2, 16, 31.11, 32.3	Not Applicable
w.	Non-competition covenants	5.8, 14.4.5, 16.4, 22.8, 31.4, 31.9	17
x.	Dispute Resolution	26	17

Notes:

- (1) All references are to the Franchise Agreement.

Item 10

FINANCING

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

Item 11

**FRANCHISOR’S ASSISTANCE, ADVERTISING,
COMPUTER SYSTEMS, AND TRAINING**

Except as listed below, Allen Carr’s Easyway (US) Ltd.is not required to provide you with any assistance.

Pre-Opening Site Selection Obligations

As you will normally be conducting center sessions in rented space in hotels and similar facilities, you do not need to own or lease any space for your Franchised Business. You must yourself find appropriate venues in your Territory for the center sessions and we will not help with that and you do not need our approval of the space you choose. Since you do not need to own or lease any space for your Franchised Business, we have no obligation to help you locate a site or negotiate for the purchase or lease of a site.

Since you do not need to have a permanent location for your Franchised Business, you do not need to build a space out or otherwise comply with local building codes, and we therefore provide no help doing so. If your franchise is for operation of Allen Carr Stop Smoking Centers, smoking will occur during session breaks. Since smoking will occur you must make sure there is space close to the rented space for your center sessions where participants may smoke. You have to make sure you comply with local

ordinances regarding smoking. It is your obligation to make sure you comply with such ordinances and we do not help with that. (Sec.5.23)

Since you do not have a permanent locations for your Franchised Business, you do not need to decorate the premises where you conduct your center sessions, except that you must display a sign at each session stating that you are an ACEUS franchisee operated and owned independent of us. (Sec. 5.12)

Other Pre-Opening Obligations

Before you open your business, we will:

1. Provide you with a copy on loan of an Allen Carr Training Manual (the “**Manual**”) (Sec. 4.1) At our option, the Manual may be made available to you through the Internet.
2. Provide you or one of your owners (if you are an entity) with initial training on the Method and the System, including, at your request, through center sessions in London, England. (Sec. 4.2)

We will not help you hire or train employees. Center sessions must be conducted by you, or if you are an entity, by your owners who have been authorized in writing by us to do so. You may have employees conduct the center sessions, but they too must be authorized in writing by us to do so. (Sec. 5.2) You will have to provide your employees with initial training if they will conduct center sessions as we only provide training to you if you are an individual or one of your owners if you are an entity. (Sec. 4.2)

As we do not require you to use any particular equipment, signs, fixtures, supplies or have any opening inventory, we also do not provide you with assistance in obtaining those or provide those to you.

Opening of Your Business

Franchisees typically open their Franchised Businesses 6 to 9 months after they sign a franchise agreement and make their initial franchise fee payment. The factors that affect this time are how long a franchisee takes to complete the initial training. Most of the initial training consists of self-study and distance learning and the franchisee decides how quickly to progress. You are required to start running Allen Carr stop smoking sessions, or stop drinking sessions, as the case may be, within 12 calendar months of the date of the Franchise Agreement. (Sec. 5.1)

Obligations During Operation of the Franchise

During the operation of the Franchised Business, we will:

1. Continue to develop the Method and System. (Sec. 4.5) Your franchise is either for the provision of stop smoking center sessions or stop drinking sessions. We have developed several other types of sessions for other forms of addiction and may continue to do so in the future.
2. At your request and when appropriate, provide you with advice relating to the operation of center sessions and the Franchised Business. (Sec. 4.3) However, we are not required by the Franchise Agreement to help resolve any particular operating problems you may encounter.
3. Refer inquiries from potential clients in your Territory to you. (Sec. 4.4)

4. We do not help hire or train your employees but we can help with the evaluation of therapists you may want to employ. For the operation of stop smoking sessions, we require that your therapists have used the Allen Carr method to stop smoking themselves.
5. To the extent permitted by law, recommend prices or maximum prices, though you are responsible for setting your own prices. (Sec. 5.18)

We do not provide assistance for the development or use of administrative, bookkeeping, accounting, or inventory control procedures, but you will be able to discuss operating problems with your coach/mentor that will be assigned to you.

Advertising Program

We have no obligation to carry out any advertising or marketing or assist with any advertising or marketing on your behalf. We will list your contact information on our website and we will regularly send you updates detailing media, PR, and news generated by us and our affiliate. We may use any form of media if we advertise, and the coverage may be local, regional, or national. We may develop advertising in-house or through outside advertising agencies. We are not required to spend any amount on advertising in the area or territory where your Franchised Business is located.

You are free to advertise your Franchised Business as you wish, but we will maintain ownership of any advertising and publicity materials, marketing techniques, website material and similar materials and techniques that you develop. If we believe that your marketing, advertising or promotion may damage our reputation, or the reputation of any Franchised Business, any Allen Carr's Easyway Stop Smoking Centers, any Allen Carr's Easyway Stop Drinking Centers, or Robin Hayley we may require that you immediately remove or take steps to remove the marketing materials, advertising or promotion of the Business.

There is no advertising council. You are not required to participate in any local or regional advertising cooperative.

Marketing Fund

We have not yet started a marketing fund (the "**Marketing Fund**") but may do so in the future. If so, you will be required to participate in the Marketing Fund. All franchisees in the U.S. will contribute to the Marketing Fund, and if we or our affiliates offer stop smoking center or stop drinking sessions in the U.S. we and/or our affiliates may also contribute. We and our affiliates may or may not contribute at the same basis as franchisees do. The marketing fund contribution will not exceed 2% of your Gross Receipts. We have the right to modify the amount of the marketing fund contribution upon 30 days' notice to you, but it may not exceed 2%. All franchisees must contribute to the Marketing Fund at the same rate, and although if we or our affiliates conduct center sessions in the U.S. we and our affiliates are not required to contribute to the Marketing Fund, we may do so at our own discretion.

We will administer the Marketing Fund. The Marketing Fund is not a trust, but we will account for the Marketing Fund separately from our other funds and will not use the Marketing Fund to defray any of our general operating expenses, except for costs, salaries, travel expenses, administrative costs, overhead and other similar expenses that we incur in activities reasonably related to the administration of the Marketing Fund. The Marketing Fund will not be audited, but we will prepare an annual statement of monies collected and costs incurred by the Marketing Fund and will furnish it to you upon written request.

We will direct all marketing programs financed by the Marketing Fund and have sole discretion over the creative concepts, materials and endorsements used and the geographic, market and media

placement and allocation of the marketing programs. We may, for example, use the Marketing Fund to pay for the cost of preparing and producing video, audio and written advertising materials; administering local, regional, multi-regional and national advertising programs, including purchasing direct mail and other media advertising; employing advertising, public relations and media buying agencies to assist in these activities; supporting PR, market research and other advertising and marketing activities; and constructing and maintaining a website, and social media and mobile marketing accounts used to promote our marketing programs. There is no promise or guarantee that the Marketing Fund will be spent pro rata in our franchisees' territories, and likewise no promise or guarantee that we will divide the spending pro rata between the stop smoking and stop drinking programs.

As the Marketing Fund has not yet been established we did not have any marketing funds to spend in the last fiscal year.

We have the right to spend more or less than the total annual contributions to the Marketing Fund in the fiscal year the contributions accrued. If we spend less than the total annual contributions we may cause the surplus to be invested for future use by the Marketing Fund. Interest earned on any monies contributed to the Marketing Fund will be used to pay advertising costs of the Marketing Fund. We are not required to provide you with any accounting on how the surplus was spent, though such spending would be part of the annual statement.

As the Marketing Fund has not yet been established we do not spend any percentage of the fund principally to solicit new franchise sales.

Computer Systems

You are required to buy a computer and a printer, but we do not specify any particular supplier or computer system and printer. The only requirement is that your computer is compatible with our system so that training and updates can be accessed easily. You will also need the computer to take bookings. The necessary computer software and hardware, including the printer will cost approximately between \$500 and \$1,500. Currently we only require that you have email and the Microsoft Office Suite on your computer. Neither we, nor our affiliate, nor any third party are required to provide ongoing maintenance, repairs, upgrades, or updates. We are not required to update any system during the term of the franchise. There is no optional or required cost for maintaining, updating, upgrading, or support contracts. We will not have independent access to the information that will be generated or stored in any electronic cash register or computer system, though we have audit rights.

Operations Manual

The table of contents of our Manual is attached as **Exhibit C**. The manual has around 154 pages.

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Training Program

TRAINING PROGRAM

Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Learning how to present the stop smoking and stop drinking sessions (mandatory training)	2-3 hours per day 3-4 days a week during the 6-8 month initial training period, for a total of between 156 to 624 hours. You will have daily remote access to your mentor/coach and access to an internet forum where you and other franchisees can post questions that are answered by peers as well as the mentor/coach. In practice it is likely that you would only need to talk to your coach mentor once or twice a month during your training.	0	Distance learning – you can take this class from anywhere with an internet connection.
Observing live stop smoking and stop drinking sessions (optional)	5-6 hours per session	0	Our affiliate's main center, London, England, or online
Total	156 – 628 hours	0	

Most of the initial training is done as distance learning over the internet and the entirety can be done online. We estimate that you must dedicate 2-3 hours per day 3-4 days a week during the 6-8 month initial training period for training. We do not set a specific deadline for when you have to complete training, but you must do so before you open your Franchised Business. The Franchised Business must be opened within 12 months of the signing of the Franchise Agreement. You can start the distance learning at any time and do it at your own pace. That part of the training is mandatory for you (or your owner, if you are an entity). It is not mandatory for you, or if you are an entity, any of your owners, to attend stop smoking sessions or stop drinking sessions offered by our affiliate or by our franchisees, though you may find it helpful to do so. The most important part of your training is the memorization of the stop smoking and/or the stop drinking session script. That script is part of the Manual. Except for you (or your owner, if you are an entity) and your employees that we approve in advance, no person may participate in the initial training. There is no particular test that you have to pass for the initial training. We will work with you to set a mutually agreeable start date for the operation of your Franchised Business based on your readiness. The assessment is made by you and your mentor/coach together and discussed with us. If you were to fail

to be ready by the agreed upon start date, we will extend the time to complete the training. The Franchise Agreement requires you to start operating your Franchised Business within 12 months, so you must complete your training and set a start date for your Franchised Business no later than 12 months of the date of the Franchise Agreement.

We will provide you (if the franchisee is an individual) or one of your Owners (if the franchisee is an entity) with appropriate initial training in the Method and the System. This training will include the provision of the Manual, explanation and clarification of the Method where requested, and, at your option, the right to attend stop smoking sessions and/or stop drinking sessions at our affiliate's main center in London, England as well as meeting with the Managing Director and other key contacts.

The training manual details the script that makes up the Allen Carr's Easyway method and how to deal with clients. You will also receive DVDs showing the sessions being presented by senior Allen Carr's Easyway therapists. Our CEO and President, Paul Baker, is responsible for the training. He has been involved in stop smoking training since 1998. A senior Allen Carr's Easyway therapist is appointed as your mentor and coach. The mentors have on average 10-15 years' of experience with stop smoking therapy and with the Allen Carr's Easyway method. You will have daily remote access to your mentor/coach. You are given access to an internet forum where you and other franchisees can post questions that are answered by peers as well as the mentor/coach. It is an interactive forum that contains details of different aspects of setting up and running your Franchised Business.

Because stop smoking sessions and stop drinking sessions are offered by our affiliate throughout the year you may attend stop smoking sessions or stop drinking sessions at any time of year as long as the visit is arranged beforehand and authorized in advance by us.

The cost of the training materials, access to the internet forum, your mentor/coach and the training session in London, England for one person are included in the initial franchise fee. However, you will have to pay for your transportation to London, as well as your lodging and food while you are there. We have no obligation to train more than one of your owners, but if we agree to do so we may charge an additional fee for the extra person(s).

In addition, we organize a conference in the U.K every two years that usually lasts 2-3 days. The next conference will be in May 2025. Attendance at the conference is mandatory for owners. Food and accommodation during the conference is provided by ACEUS but all other costs are at the owner's own expense, such as travel costs. We also organize continuing education through remote training. There are no required additional training programs or refresher courses.

Item 12

TERRITORY

You will receive an exclusive territory in which only you may operate Allen Carr Stop Smoking Centers and/or Allen Carr Stop Drinking Centers, in the English language (the "**Territory**"). You are not required to have a specific location or locations within the Territory where you offer center sessions, but can instead rent conference rooms at hotels and other similar venues. The size of the Territory will depend on the population in the area, but the minimum population is 300,000. Since you are not required to have any particular location in the Territory you do not need our approval before you change locations where you offer the center sessions. You also do not need our permission to offer center sessions at more than one location in the Territory. Your franchise will not grant you any options, rights of first refusal or similar rights to acquire additional franchises. You will have to apply for additional franchises the same as any other prospective franchisee. We are not entitled to modify your Territory during the term of the Franchise

Agreement although the Agreement does provide minimum sales targets which, if not attained, could result in termination of the Agreement.

It is normal to commence by offering only stop smoking or stop drinking sessions. the session type will be in the Franchise Agreement. If you have only one agreement your rights in the Territory will be limited to the type of sessions in the agreement. In that case we and our affiliates may offer the other type of session in your Territory, and we may offer third parties the right to grant the other type of session in your Territory as well. If during the term of the Franchise Agreement you wish to add the other type of sessions to your Franchised Business you must apply to us for the right to do so. We may approve or reject such application in our sole discretion.

In addition to in person sessions, you may also be allowed to offer stop smoking and/or stop drinking sessions online. If granted you are restricted to offering online sessions only to persons that live in your Territory. If persons from outside your Territory sign up for your online sessions we may require you to pay a commission to the franchisee in whose territory such persons live. There is no commission structure set at this time, but we may implement one through the Operations Manual.

While only you may operate live in-person Allen Carr Stop Smoking Centers and/or Stop Drinking Centers in the English language in the Territory (assuming you have Franchise Agreements for both types of programs), we may solicit and accept orders in your Territory for other services and offerings. We are not required to pay you any compensation for doing so. As explained above, if you only have one Franchise Agreement for one type of program, we, our affiliates, and any third party we license to do so, may offer the other type of sessions in your Territory. Also, if other franchisees offer online seminars, and persons living in your Territory sign up, those other franchisees will be allowed to service those persons, though you may receive a commission from the other franchisee. You will not receive any compensation from us for the other franchisee doing so.

Neither we, nor our affiliate has in the past used other channels of distribution such as internet, catalog sales, telemarketing and other direct marketing sales methods to make sales of live in-person stop smoking sessions within your Territory under our principal trademark, and may not do so during the term of your Agreement. Our affiliate does currently offer online stop smoking services which are available world-wide, including in your Territory. Our affiliate also sells books, online video programs, DVDs, and similar materials that help customers stop smoking. We do not compensate our franchisees for such sales within their Territories. Our affiliate also offers centers to help clients with weight loss and to overcome drug abuse. Those programs are not currently franchised, but may be in the future. If they are, they too would be likely to use the Allen Carr's trademark.

Aside from the online seminars described above, neither we nor our affiliate has in the past used other channels of distribution such as internet, catalog sales, telemarketing and other direct marketing sales methods to make sales within your Territory of products or services under trademarks different from the ones that you will use under the Franchise Agreement, but reserve the right to do so in the future. If we were to begin such sales activities we would not be required to reimburse you for sales within your Territory.

You are restricted to only soliciting or accepting orders from consumers inside your Territory, except that you may carry out marketing and advertising activities which because of their nature spill into another franchisee's territory or outside your Territory, and may accept orders from consumers outside of your Territory for online seminars you offer (subject to paying a commission to other franchisees, as described above). Also, you may not use other channels of distribution for offering Allen Carr's Easyway stop smoking services or stop drinking services other than in-person sessions held at Allen Carr's Easyway stop smoking centers in the Territory and online seminars catering to persons living in your Territory. If

you are contacted by a potential client who lives and works in the territory of another franchisee or outside your Territory for in-person sessions you will forward details of such potential clients to ACEUS managing director, though it is the potential client's choice whether to attend yours or another franchisee's sessions. If you are contacted by a potential client who lives and works in the territory of another franchisee or outside your Territory for online sessions you will forward details of such potential clients to ACEUS managing director, for determination of any commission payments to the other franchisee.

Item 13

TRADEMARKS

We grant you the non-exclusive right to operate the Franchised Business under the following principal trademarks, service marks, names, logos and commercial symbols which our affiliate, ACEI owns. ACEI registered the following trademarks in the United States Patent and Trademark Office: ("USPTO").

Mark	Registration Number	Registration Date	Principal or Supplemental Register of USPTO
	3450766	June 17, 2008, renewed June 18, 2018	Principal
ALLEN CARR'S EASYWAY	3182479	December 12, 2006, renewed November 22, 2016	Principal
ALLEN CARR	3518830	October 21, 2008, renewed October 22, 2018	Principal

You must follow our rules when you use these marks. You cannot use a name or mark as part of your corporate names or with modifying words, designs or symbols, except for those which we license you to use. You cannot use any mark in connection with the performance or sale of any unauthorized services or products or in any manner we have not expressly authorized in writing.

We have filed all required affidavits of Continuing Use and Incontestability. We intend to renew the registrations prior to their expiration.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administration of any state, or of any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation involving the principal trademarks.

There is no pending material federal or state court litigation regarding our or our affiliate's use or ownership rights in any trademark.

Our affiliate ACEI is the owner of the principal trademarks. We have entered into an IP License with ACEI for use of the principal trademarks. The IP License was entered into on 10 October, 2014 and is for a term of 25 years. It authorizes us to use the principal trademarks and to sublicense them to our franchisees for the operation of Allen Carr's Easyway stop smoking center businesses and Allen Carr's stop drinking center businesses. Even if the IP License would be terminated, our franchisees would be permitted to continue operating under the principal trademarks for the duration of their franchise agreements, including any renewal terms. The IP License may only be modified by the written agreement between us and ACEI. Under the agreement ACEI has the right to have a website and conduct other marketing activities that reach the U.S.

The IP License may be terminated by ACEI if we become insolvent or if we are in material breach of the IP License. There are no other agreements currently in effect which significantly limit our right to use or license the use of our marks in a manner material to the franchise.

We are not required to protect your right to use the principal trademarks or against claims of infringement or unfair competition arising out of your use of the marks. You must immediately notify us of all infringements or imitators of the principal trademarks, as well as future trademarks, trade names or any business that tries to pass itself off as Allen Carr's Easyway center or a member of our network. In that case you must take all necessary steps, including commencing legal proceedings to prevent use by the infringer. Such legal proceeding will be at your expense. You must obtain our written consent before appointing any legal advisors or to commence or threaten legal action or respond to any claim, make an admission or agree to any settlement. Consequently we will control any administrative proceeding or litigation involving a trademark licensed by us to you. We are not required to take affirmative action when notified of these use or claims. We are not required to participate in your defense or to reimburse you for the expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you, or if the proceeding is resolved unfavorably to you.

You have no particular rights (including no right to compensation) under the Franchise Agreement if we would require you to modify or discontinue using a trademark. However, we are not aware of either superior prior rights or infringing uses that could materially affect your use of our principal trademarks anywhere in the U.S.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents are material to the franchise and we have no patent applications that are material to the franchise.

We and ACEI claim copyrights in the Manual, and other works previously produced by Allen Carr or any works produced by ACEI in the future relating to Easyway and the Method, including publications such as "Allen Carr's Easyway to Stop Smoking," "The Only Way to Stop Smoking Permanently," "How to Stop Your Child Smoking," "Allen Carr's Little Book of Quitting," "Allen Carr's Easyweigh to Lose Weight," "The Easyway to Enjoy Flying," "Allen Carr's Easyway to Control Alcohol," and all other Allen Carr and/or Easyway books, videos, and audio cassettes, CD-ROMS, DVDs, software, and Easyway websites that relate to provision of stop smoking and stop drinking sessions in the US or internet courses and telephone helplines in any form including documentary, magnetic, electronic, graphic or digitalized form or other tangible form, advertising material and related items used in operating the franchise. Although we have not filed an application for a copyright registration for those items, we claim a copyright and the information is proprietary. We are not obligated to take any action to protect our copyrighted materials, but will respond to this information as we think appropriate. We are licensed to use all of these

copyrighted materials under the IP License between us and ACEI. The IP License was entered into on 10 October, 2014 and is for a term of 25 years. If the IP License terminates, you may be required to stop using these materials in the operation of your Franchised Business. We are not required to protect any copyright or to defend you against claims arising from your use of the copyrighted items or to take any action if notified of infringement.

The Manual and other materials we provide to you contain our confidential and proprietary information. Certain information about the operation of the Franchised Business including the standards, methods, procedures and specifications of the System, including the contents of the Manual, is derived from information we disclose to you and all that information is of a proprietary and confidential nature and our trade secret (“**Confidential Information**”). You (if you are an individual) and each of your Owners (if you are an entity), officers, directors, members, partners, manager, employees and agents must maintain the absolute confidentiality of all Confidential Information both during the term of your Franchise Agreement and after its termination or expiration and may use that Confidential Information only to the extent necessary to operate the Franchised Business. You cannot disclose that Confidential Information for any reason, except to your Owners, officers, directors, members, partners, managers, employees and professional advisors (for the purpose of obtaining advice) only to the extent necessary for the operation of the Franchised Business. You must sign, and shall cause all employees conducting Stop Smoking Sessions and all sales people, to sign an undertaking not to disclose Confidential Information. You cannot use any Confidential Information in any other business or in any other manner or obtain any benefit from it not specifically approved in writing by us during the term of your Franchise Agreement or afterwards. You may not use our Confidential Information in an unauthorized manner and must take all reasonable steps to prevent its disclosure to others. You must promptly tell us when you learn about unauthorized use of our confidential and proprietary information.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You, or if you are an entity, your owner, has to personally participate in the Franchised Business on a full-time basis unless we otherwise agree in writing. If, with our agreement, you hire a manager to operate the Franchised Business, the manager will have to sign a confidentiality agreement and will also have to complete initial training before he or she can start acting as manager.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those goods and services that we have approved (see Item 9). You must offer all services (there are no goods required) that we designate as required for all franchisees. These are the Allen Carr’s Easyway stop smoking centers, or stop drinking centers, as the case may be.

We have the right to add additional goods or services that you are required to offer. There are no limits on our right to do so.

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.

Franchise Agreement

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	3.1	6 years.
b. Renewal or extension of the term	3.2, 3.3, 3.4	5 year renewal term on a new franchise agreement.
c. Requirements for franchisee to renew or extend	3.2, 3.3, 3.4	You must give us written notice of your wish to renew between 12 and 9 months before the initial term ends. You can only renew if there is no outstanding breach by you under the Franchise Agreement and you have substantially observed and performed according to the terms of the Franchise Agreement during the term and have achieved the minimum targets for Gross Receipts and the Territory may be adjusted. You may be asked to sign a contract with materially different terms and conditions than your original franchise agreement. The agreement will include new minimum targets. You will have to pay a renewal fee which is 60% of the then current initial franchise fee for a territory of the same size and sign a general release.
d. Termination by franchisee	15.2	If you have fully complied with the Franchise Agreement and we materially fail to comply with the Franchise Agreement and do not correct the failure within 30 days after receipt of notice of default you may terminate upon 30 days' notice of termination.
e. Termination by franchisor without cause	Not Applicable	

Provision	Section in franchise or other agreement	Summary
f. Termination by franchisor with cause	15.1	If you default on the Franchise Agreement we may terminate.
g. Cause defined – curable defaults	15.1	We may terminate if you fail to pay the Continuing Fee or other payment owing to us, you fail to give us copies of books and records and statements and tax returns, if you are in breach of Sections 5.1, to 5.6 (inclusive), 5.13 or 5.25 of the Franchise Agreement or any provision of the Franchise Agreement except for Sections 5.7, 5.8, 5.10, 5.17.2 or 6.
h. Cause defined – non-curable defaults	15.1	We may terminate without opportunity to cure in the event: you are in breach of Sections 5.7, 5.8, 5.10, 5.17.2 or 6; you fail to attain the minimum targets for Gross Receipts; if during the Probationary Period we believe that you have not reached a satisfactory standard of competence and skill; in the event of your (or your owner's) death or incapacity if no replacement owner is found; your bankruptcy or insolvency; a judgment against you or your owners is not appealed and you enter into liquidation, receivership or similar action is taken in consequence of debt; you or your owners act in a dishonest, fraudulent, improper or criminal matter under the Franchise Agreement; you or your owners are convicted of a criminal offence; you provide us in your application with false or misleading statements or omit material fact; if you refuse to permit us or our representative access to your stop smoking or stop drinking centers; you challenge the validity of trade names, trademarks, the system or any intellectual property of ours or bring the trade names, trademarks, the Method or System into disrepute which includes committing a crime for which the punishment may be imprisonment; you attempt to assign the Franchise Agreement or the Franchised Business other than as permitted by the Franchise Agreement; we on reasonable ground suspect you are sharing information about our business, the System or particulars of any franchisor-franchisee communication with a competitor of ours; you or your owner provide stop smoking centers or stop drinking centers without holding

Provision	Section in franchise or other agreement	Summary
		the appropriate license; or you commit the same default more than twice within 1 year.
i. Franchisee's obligations on termination/non-renewal	16	You must immediately stop using the Method, the System and the Business, the trade names, trademarks, future trademarks and the copyrighted works. You must provide us with records, accounts, client details within 14 days. Upon request, you must deliver to us all stationery, literature, signs, cards, notices and other displays or advertising materials or article bearing our name or our trade names, trademarks or future trademarks. You must return all your copies of the Manual. Within 28 days you must pay us all amounts owing, including our legal costs incurred in sending you termination notice. You must honor all your obligations to your clients in particular pay any refunds under money back guarantees.
j. Assignment of contract by franchisor	24	We may assign the Franchise Agreement without any consent from you if the assignee enters into a direct covenant with you to observe and perform all of our obligations contained in the Franchise Agreement.
k. "Transfer" by franchisee – defined	14.1	You may not assign the Franchise Agreement, but may sell the Franchised Business with our consent.
l. Franchisor approval of transfer by franchisee	14.2	You may sell the Franchised Business with our consent.
m. Conditions for franchisor approval of transfer	14.2, 14.3, 14.4	You must submit a copy of the written offer and full details, including a financial statement of affairs and the business history of the buyer, details of the terms of the sale and a warranty by the buyer that the information submitted regarding them is true. The buyer must enter into a new Franchise Agreement similar to the terms and conditions in the then current form of franchise agreement for the balance of your term. The buyer's offer must be bona fide and arm's length, meet our requirements with respect to personal qualities, business experience and qualifications, financial status, character, ability, suitability for maintaining the cohesion of our network's compatibility with us and our management team and any other matters that we

Provision	Section in franchise or other agreement	Summary
		consider relevant, and the buyer (or its controlling owners) must pass our initial training and enter into a confidentiality undertaking and franchise agreement. You and the buyer must pay us the greater of 15% of the sale price or a sum equal to the initial fee then charged to new international direct franchisees for a territory of the same size as your territory whichever is the higher. We may also require you to pay our legal fees and expenses in relation to our compliance with franchise laws and the preparation of the franchise agreement or other agreements in connection with the sale. You must not be in breach of the Franchise Agreement at the time of application for consent to sell. The buyer may not be involved in a competing business. We must be satisfied that the buyer has adequate financial means to ensure profitability. If the buyer is an entity we must be satisfied with the suitability of the directors and shareholders, the shareholding structure, and the arrangements between the shareholders and the company.
n. Franchisor's right of first refusal to acquire franchisee's business	14.5, 14.6	We have 60 days upon notice of an offer and receipt of the required information to exercise our right of first refusal on the same terms as offered to you. The sale must be completed within 30 days of notice by us (or if any landlord's license is required 10 days after such license is obtained). If we don't exercise our right of first refusal you may transfer the Franchised Business within 9 months to any buyer on the same terms or terms no more favorable, assuming the buyer satisfies the requirements for prospective buyers in the Franchise Agreement.
o. Franchisor's option to purchase franchisee's business	Not Applicable	

Provision	Section in franchise or other agreement	Summary
p. Death or disability of franchisee	30	If the sole owner of the franchisee or the franchisee dies there will be 3 months from the date of the death to sell the Franchised Business or find a replacement owner who is acceptable to us. In the event of incapacity of the owner, or the last surviving owner if there is more than one, lasting for a continuous period of 28 days or a total of 20 working days in a 90 day period, we may require you to sell the Franchised Business or find a replacement owner acceptable to us. We have the right, but not obligation, to provide a manager during the 3 month period offered for the sale of the Franchised Business in the event of death or incapacity.
q. Non-competition covenants during the term of the franchise	5.8, 31.3, 31.4	You agree not to be directly or indirectly interested or concerned in a business which is similar to or competes with the Allen Carr's Easyway business anywhere in the U.S. and apart from showing a reasonable interest in competing techniques and methods, you shall not be concerned or interested either directly or indirectly in the conduct of any sessions or other techniques aimed at overcoming fears, compulsions and addictions, or influencing, analyzing or modifying behavior except agreed in writing with us. Each owner covenants not to be directly or indirectly interested or concerned in a business which is similar to or competes with the System anywhere in the U.S.; not to run or participate in any business similar to or which competes with the System; not to be engaged, concerned, or involved in any capacity whatsoever in a business other than the Franchised Business which competes with the System where the System would enable such a similar or competing business to conduct its business or would assist or enhance its performance unless the System as a package has entered the public domain other than through a breach of contract or trust. These provisions may be subject to state law.

Provision	Section in franchise or other agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	16.4, 31.11	Same obligations on owners as during the term. In addition, each owner and the franchisee covenants for 2 years following termination or expiration of the Franchise Agreement not to be engaged directly or indirectly in any stop smoking business or stop drinking business in the Territory or within the exclusive territory of any other Allen Carr stop smoking center or stop drinking center in the US in any way, not at any time after the termination or expiration of the Franchise Agreement to be directly or indirectly engaged, concerned, or interested in a business which utilizes or duplicates the System or the Method or any significant part of the trade names or trademarks, or any name or mark likely to be confused therewith, including being employed as a stop smoking or drinking consultant by another franchisee or competitor, or buying another stop smoking business or stop drinking business. These provisions may be subject to state law.
s. Modification of the agreement	17.2	The Franchise Agreement is not modified in any way, including by custom, usage of trade, or course of dealing or performance, except by your and our written consent.
t. Integration/merger clause	17.1, 17.3	Only the terms of the Franchise Agreement and other related written agreements 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	26.2, 26.3, 26.4	Disputes will be resolved by mediation in accordance with the International Mediation Rules of the International Centre for Dispute Resolution and should be concluded within 30 days of the date of the request for mediation, unless you and we agree otherwise. If a dispute cannot be resolved by mediation it will be resolved by arbitration in accordance with the London Court of Arbitration rules presently in force by one arbitrator. We may apply for injunctive or interlocutory relief in the state in which you are a resident or conduct the Franchised Business.

Provision	Section in franchise or other agreement	Summary
v. Choice of forum	26.3, 26.4	Mediation shall take place by video conference, if possible and otherwise in London, England Arbitration shall take place in London, England *See State Addenda
w. Choice of law	26.1	The Franchise Agreement is construed and enforced according to the laws of England and Wales. *See State Addenda

Item 18

PUBLIC FIGURES

We use the name and likeness of Allen Carr in our advertisement and promotion, but as he passed away in 2006 he is no longer involved in our management or control and does not receive any compensation for our use of his name and likeness.

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 Paul Baker at Park House, 14 Pepys Road, Raynes Park, London SW20 8NH, England, United Kingdom and at 011-44-20-8944-7761, the Federal Trade Commission, and the appropriate state regulatory agencies.

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Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1

**Systemwide Outlet Summary
For Years 2022 to 2024**

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	2	2	+/-0
	2023	2	2	+/-0
	2024	2	2	+/-0
Company-Owned	2022	0	0	+/-0
	2023	0	0	+/-0
	2024	0	0	+/-0
Total Outlets	2022	2	2	+/-0
	2023	2	2	+/-0
	2024	2	2	+/-0

Table 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024**

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Total	2022	0
	2023	0
	2024	0

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Table 3

**Status of Franchised Outlets
For Years 2022 to 2024**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Colorado	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Wisconsin	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Totals	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2

Table 4

**Status of Company-Owned Outlets
For Years 2022 to 2024**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Totals	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

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Table 5

Projected Openings As Of December 31, 2024

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company – Owned Outlets in the Next Fiscal Year
California	0	1	0
New York	0	1	0
Total	0	2	0

Attached as **Exhibit D** is a list of the names of all franchisees and their addresses and telephone number of all their outlets as of December 31, 2024 of this Franchise Disclosure Document.

Attached as **Exhibit E** is a list of the name, city and state and current business telephone number or last known home telephone of every franchisee who, in our most recent full fiscal year end; had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily closed to do business under the Franchise Agreement; or has not communicated with us within 10 weeks of this disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Clauses

There are no franchisees who signed confidentiality clauses during the last 3 fiscal years prohibiting the franchisee from discussing his or her personal experiences with the franchise system.

Franchisee Organizations

There is no trademark specific franchisee organization.

Item 21

FINANCIAL STATEMENTS

Our audited financial statements, which comprise the balance sheets as of December 31, 2024, December 31, 2023, and December 31, 2022, and the related statements of comprehensive income, stockholders' equity, and cash flows for the period from January 1, 2022 to December 31, 2022, for the period from January 1, 2023 to December 31, 2023, and for the period from January 1, 2024 to December 31, 2024 and the related notes to the financial statements are attached to this Franchise Disclosure Document as **Exhibit F**. If required by state law, unaudited financial statements of a later day are also attached as part of Exhibit F. We do not have any fixed assets.

ITEM 22

CONTRACTS

The following agreements are attached to this Franchise Disclosure Document:

- (a) Franchise Agreement - **EXHIBIT G**
- (b) State specific Amendments to Franchise Agreement for franchisees in Illinois, Maryland, Minnesota, New York, North Dakota and Washington - **Exhibit H**
- (c) General Release - **Exhibit I**

ITEM 23

RECEIPTS

The last 2 pages of this Disclosure Document are receipt pages. Please date and sign both copies immediately upon receipt. Detach the last page and return to us promptly upon execution. Retain the other copy of the receipt page for your records.

EXHIBIT A
LIST OF STATE ADMINISTRATORS

State Administrators

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws.

California

Department of Financial Protection and
Innovation
State of California
320 West 4th Street
Suite 750
Los Angeles, California 90013
(213) 576-7500
(866) 275-2677

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and
Consumer Affairs
Business Registration Division
State of Hawaii
335 Merchant Street, Suite 204
Honolulu, Hawaii 96813
(808) 586-2722

Illinois

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

Indiana

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

Maryland

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

Michigan

Franchise Unit
State of Michigan
Department of Attorney General
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48909
(517) 373-7117

Minnesota

Minnesota Department of Commerce
Franchise Section
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1500

New York

New York State Department of Law
Investor Protection Bureau
28 Liberty Street, 21th Floor
New York, New York 10005
(212) 416-8222

North Dakota

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

Virginia

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

Oregon

Department of Consumer and Business Services
Division of Finance and Corporate Securities
State of Oregon
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4140

Washington

Department of Financial Institutions
Securities Division
State of Washington
P.O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

Rhode Island

Division of Business Regulation
Securities Division
1511 Pontiac Ave.
John O. Pastore Complex Building 69-1
Cranston, Rhode Island 02920
(401) 462-9582

Wisconsin

Division of Securities
Department of Financial Institutions
Wisconsin Commissioner of Securities
P.O. Box 1768
Madison, Wisconsin 53701-1768
(608) 266-8559

South Dakota

Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

EXHIBIT B
AGENTS FOR SERVICE OF PROCESS

**AGENTS AUTHORIZED TO
RECEIVE SERVICE OF PROCESS, BY STATE**

California

Commissioner of Financial Protection and
Innovation
Department of Financial Protection and
Innovation
State of California
Suite 750
320 West 4th Street
Los Angeles, CA 90013-2344

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and
Consumer Affairs
Business Registration Division
State of Hawaii
335 Merchant Street
Room 204
Honolulu, Hawaii 96813

Illinois

Office of Attorney General
State of Illinois
500 South Second Street
Springfield, IL 62706

Indiana

Secretary of State
State of Indiana
201 State House
200 W. Washington St.
Indianapolis, IN 46204

Maryland

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

Michigan

Michigan Department of Commerce
Corporation & Securities Bureau
6546 Mercantile Way
Lansing, MI 48909

Minnesota

Commissioner of Commerce
Minnesota Department of Commerce
Franchise Section
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

New York

Secretary of State
State of New York
One Commerce Plaza
99 Washington Ave.
Albany, NY 12231

North Dakota

Securities Commissioner
State of North Dakota
5th Floor
600 East Boulevard Ave.
Bismarck, ND 58505-0510

Oregon

Department of Consumer and Business Services
Division of Finance and Corporate Securities
State of Oregon
350 Winter Street, N.E., Room 21
Portland, OR 97310

Rhode Island

Director of Business Regulation
Department of Business Regulation
Division of Securities
State of Rhode Island
233 Richmond Street, Suite 232
Providence, RI 02903

South Dakota

Franchise Administrator
Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501

Virginia

Clerk of the State Corporation Commission
Commonwealth of Virginia
1300 E. Main Street, 1th Floor
Richmond, VA 23219

Washington

Director of Financial Institutions
Securities Division
State of Washington
150 Israel Rd., S.W.
Tumwater, WA 98501

Wisconsin

Commissioner of Securities
Wisconsin Securities Commission
345 W. Washington Ave., 4th Floor
Madison, WI 53703

EXHIBIT C

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OF OPERATIONS MANUAL

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	7.	IT’S JUST A HABIT	1
	8.	HYPNOTHERAPY	1
	9.	JOINTS	1
	10.	LONG-TERM SMOKERS	1
	11.	I’M BOUND TO BE MISERABLE	1

12.	NON-SMOKERS.....	1
13.	I'M NOT SURE I WANT TO STOP	1
14.	ALTERNATIVES TO SMOKING TOBACCO	1
15.	OTHER SMOKERS	1
16.	THERE ARE NO PLEASURES LEFT IN LIFE	1
17.	SELF DESTRUCT BUTTON	1
18.	STRESS	1
19.	TELEPHONE DISTRESS CALLS	1
20.	WILLPOWER	4
21.	WITHDRAWAL PANGS	1
22.	WILL I PUT ON WEIGHT?	1
23.	I STILL DON'T UNDERSTAND WHY I SMOKE.....	1
TOTAL		154

EXHIBIT D
LIST OF FRANCHISEES

LIST OF FRANCHISEES
As of December 31, 2024

OPENED LOCATIONS:

Franchisee	Address	State	Telephone Number
Natalie Clays LLC	1942 Broadway St., STE 314C, Boulder, CO 80302	Colorado	855-440-3777
WS Counselling, LLC	3029 Taylor Avenue, Racine, WI 53405	Wisconsin	262-554-8669

EXHIBIT E

**FRANCHISEES WHO LEFT SYSTEM
OR HAVE NOT COMMUNICATED**

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

The following franchisees left our system in our last fiscal year, or did not communicate with us within 10 weeks of the issuance date of this disclosure document:

NONE

EXHIBIT F
FINANCIAL STATEMENTS

Part I
Audited Financial Statements

Allen Carr's Easyway (US) Ltd.

Financial Statements
with Independent Auditors' Report

For the Years Ended
December 31, 2024, 2023 and 2022

Allen Carr's Easyway (US) Ltd.
Financial Statements with
Independent Auditors' Report
For the Years Ended December 31, 2024, 2023 and 2022

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214 W. Main
Valley Center, Kansas 67147
Phone (316) 755-0033 Fax (316) 755-2661
www.pcr CPA.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders
of Allen Carr's Easyway (US) Ltd.

Opinion

We have audited the accompanying financial statements of Allen Carr's Easyway (US) Ltd. (the Company), which comprise the balance sheets as of December 31, 2024, 2023 and 2022 and the related statements of comprehensive income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allen Carr's Easyway (US) Ltd. as of December 31, 2024, 2023 and 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Allen Carr's Easyway (US) Ltd. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Allen Carr's Easyway (US) Ltd. as of December 31, 2022, were audited by other auditors whose report dated February 21, 2023, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Allen Carr's Easyway (US) Ltd.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

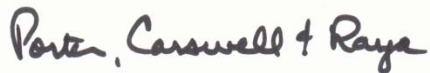
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Allen Carr's Easyway (US) Ltd.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Allen Carr's Easyway (US) Ltd.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Porter, Carswell & Raya, Chtd.
Valley Center, Kansas
February 28, 2025

Allen Carr's Easyway (US) Ltd.
Balance Sheets
December 31, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Current Assets			
Cash and cash equivalents	\$ 184,901	\$ 115,568	\$ 100,480
Accounts receivable from contracts with customers	7,454	53,185	10,499
Other assets	<u>4,079</u>	<u>2,252</u>	<u>4,806</u>
Total assets	\$ <u>196,434</u>	\$ <u>171,005</u>	\$ <u>115,785</u>
<u>Liabilities and Stockholders' Equity</u>			
Current Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to related party	79,985	49,299	30,852
Accrued expenses	10,000	10,000	19,000
Contract liability, current	<u>7,500</u>	<u>8,305</u>	<u>1,000</u>
Total current liabilities	97,485	67,604	50,852
Long-Term Liabilities			
Contract liability, noncurrent	<u>27,500</u>	<u>35,647</u>	<u>667</u>
Total liabilities	<u>124,985</u>	<u>103,251</u>	<u>51,519</u>
Stockholders' Equity			
Common stock (voting) - \$1.612 par value; 100,000 shares authorized, issued and outstanding	161,180	161,180	161,180
Accumulated other comprehensive loss	(31,802)	(30,401)	(33,694)
Accumulated deficit	<u>(57,929)</u>	<u>(63,025)</u>	<u>(63,220)</u>
Total stockholders' equity	<u>71,449</u>	<u>67,754</u>	<u>64,266</u>
Total liabilities and stockholders' equity	\$ <u>196,434</u>	\$ <u>171,005</u>	\$ <u>115,785</u>

See accompanying notes and independent auditors' report.

Allen Carr's Easyway (US) Ltd.
Statements of Comprehensive Income
For the Years Ended December 31, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues from contracts	\$ 46,295	\$ 36,675	\$ 52,106
Expenses	<u>35,820</u>	<u>30,191</u>	<u>45,400</u>
Operating income	10,475	6,484	6,706
Other income (expense)	<u>(5,379)</u>	<u>(6,289)</u>	<u>4,521</u>
Net income	5,096	195	11,227
Foreign currency translation adjustment	<u>(1,401)</u>	<u>3,293</u>	<u>(5,597)</u>
Total comprehensive income	\$ <u><u>3,695</u></u>	\$ <u><u>3,488</u></u>	\$ <u><u>5,630</u></u>

See accompanying notes and independent auditors' report.

Allen Carr's Easyway (US) Ltd.
Statements of Stockholders' Equity
For the Years Ended December 31, 2024, 2023 and 2022

	<u>Common Stock</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity</u>
Balances, December 31, 2021	\$ 161,180	\$ (28,097)	\$ (74,447)	\$ 58,636
Foreign currency translation adjustment	-	(5,597)	-	(5,597)
Net income	<u>-</u>	<u>-</u>	<u>11,227</u>	<u>11,227</u>
Balances, December 31, 2022	161,180	(33,694)	(63,221)	64,266
Foreign currency translation adjustment	-	3,293	-	3,293
Net income	<u>-</u>	<u>-</u>	<u>195</u>	<u>195</u>
Balances, December 31, 2023	161,180	(30,401)	(63,026)	67,754
Foreign currency translation adjustment	-	(1,401)	-	(1,401)
Net income	<u>-</u>	<u>-</u>	<u>5,096</u>	<u>5,096</u>
Balances, December 31, 2024	<u>\$ 161,180</u>	<u>\$ (31,802)</u>	<u>\$ (57,929)</u>	<u>\$ 71,449</u>

See accompanying notes and independent auditors' report.

Allen Carr's Easyway (US) Ltd.
Statements of Cash Flows
For the Years Ended December 31, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities			
Net income	\$ 5,096	\$ 195	\$ 11,227
Adjustments to reconcile net income to net cash flows from operating activities:			
Changes in assets and liabilities:			
Accounts receivable	45,731	(42,686)	(9,978)
Other assets	(1,827)	2,554	321
Due to (from) related party	30,686	18,447	(2,591)
Contract liability	(8,952)	42,285	(16,646)
Accrued expenses	<u>-</u>	<u>(9,000)</u>	<u>5,290</u>
Net cash flows from operating activities	70,734	11,795	(12,839)
Effect of foreign exchange rates on cash	(1,401)	3,293	(14,024)
Cash and Cash Equivalents, Beginning	115,568	100,480	127,343
Cash and Cash Equivalents, Ending	<u>\$ 184,901</u>	<u>\$ 115,568</u>	<u>\$ 100,480</u>
Supplemental Cash Flow Disclosures			
Cash paid for interest	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,863</u>
Income tax	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

See accompanying notes and independent auditors' report.

ALLEN CARR'S EASYWAY (US) LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024, 2023 and 2022

Note 1 - Summary of Significant Accounting Policies

The Company's accounting policies conform to accounting principles generally accepted (GAAP) in the United States of America. The most significant accounting policies are summarized below.

Nature of Operations

Allen Carr's Easyway (US) Ltd. (the Company) was incorporated in 2013 in the United Kingdom. It is primarily involved in the promotion and marketing of "The easy way to stop smoking" in the United States of America. Its customers are franchisees and individuals who attend online and live seminars.

Use of 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.

Method of Accounting

The Company utilizes the accrual method of accounting, whereby revenue is recorded when earned, and expenses are recorded when incurred.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash is maintained in bank deposit accounts which, at times, may exceed federally insured limits. There have been no losses in such accounts.

Accounts Receivable

Accounts receivable represent amounts owed by customers and are stated at the amount management expects to be collected. At December 31, 2024, 2023 and 2022, management has determined, based on historical experience that all amounts are fully collectible and no allowance for doubtful accounts is necessary. Interest is not charged on overdue accounts.

Revenue Recognition

Revenue is recognized when control of the promised goods or services is transferred to the customers (the performance obligation), in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services (the transaction price). Control is obtained when a customer has the ability to direct the use of and obtain substantially all of the remaining benefits of that good or service.

Franchise Fees and Royalty Revenues

The Company sells individual franchises that grant the right to use the Allen Carr's Easyway brand to put on seminars in certain geographical areas. These franchise agreements typically require the franchisee to pay initial non-refundable franchise fees upon signing the agreement and continuing fees and royalty income on an ongoing basis based upon a percentage of franchisee gross sales. The initial term of the franchise agreement is typically six years. Prior to the end of the franchise term, or as otherwise provided by the Company, a franchisee may elect to renew the term of a franchise.

The Company has determined the performance obligation of the initial franchise fees is the use and benefit of the franchise license which occurs over the term of the franchise agreement. The Company may provide additional start-up services to franchisees. However, the Company has determined these services do not contain separate and distinct performance obligations from the franchise right; thus, a portion of the franchise fee has not been allocated to these services.

Since ongoing franchise royalty fees are based on actual franchisee sales, the fees will fluctuate on a frequent basis and are considered variable consideration to be estimated. However, there is an exception to the estimating variable consideration requirement for sales-based royalties related to licenses of intellectual property. As such, royalty fees are recognized when franchisee sales occur.

ALLEN CARR'S EASYWAY (US) LTD.**NOTES TO FINANCIAL STATEMENTS**

December 31, 2024, 2023 and 2022

The following is a summary of the revenue from franchisee fees and royalty revenue:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Franchise commission	\$ 37,957	\$ 34,403	\$ 35,295
Franchise start-up and renewal fees	8,338	2,272	16,811
Total Revenues from contracts	<u>\$ 46,295</u>	<u>\$ 36,675</u>	<u>\$ 52,106</u>

Income Taxes

The Company is taxed as a foreign corporation under the provisions of Sections 61 and 881 of the Internal Revenue Code and Article 12 of the US - UK income tax treaty. The Company follows the provisions of FASB ASC 740-10 regarding any uncertain tax positions. At December 31, 2024, 2023 and 2022, no uncertain tax positions have been identified. The Company is no longer subject to examination by taxing authorities for years before 2021.

Foreign Currency

The functional currency of the Company is the British pound sterling. All assets and liabilities have been translated to U.S. dollars at period-ending exchange rates. Income and expense items are translated to U.S. dollars at the weighted average rate of exchange prevailing during the period. The resulting translation adjustments are recorded in accumulated other comprehensive income (loss), a separate component of stockholders' equity. Foreign currency transactions denominated in a currency other than the British pound sterling result in gains and losses and are included as a component of other income on the Company's statements of comprehensive income. The foreign currency gain (loss) for the years ended December 31, 2024, 2023 and 2022, were (\$1,401), \$3,293 and \$(6,829), respectively.

Note 2 - Fair Value

The Company has several financial instruments, none of which are held for trading purposes. These financial instruments include cash, accounts receivable, related party payable, and accrued liabilities. The Company estimates that the fair value of all financial instruments at December 31, 2024, 2023 and 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheets. The fair value estimates are based upon certain market assumptions and pertinent information available to management.

Note 3 - Related-Party Transactions

Allen Carr's Easyway (International) Ltd. (ACEI) has common ownership with Allen Carr's Easyway (US) Ltd. The Company had the following related party balances with ACEI as of December 31, 2024, 2023 and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Franchise commission payable	\$ (49,957)	\$ (34,279)	\$ (19,738)
Interest payable	(12,869)	(5,870)	(2,417)
Franchise and seminar revenue receivable	166	169	161
Other payables	(17,325)	(9,319)	(8,858)
Total	<u>\$ (79,985)</u>	<u>\$ (49,299)</u>	<u>\$ (30,852)</u>

ALLEN CARR'S EASYWAY (US) LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024, 2023 and 2022

The Company had the following related party transactions with ACEI as of December 31, 2024, 2023 and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Franchise commission expense	\$ 13,889	\$ 11,003	\$ 15,632
Interest expense	7,276	3,262	2,308
Consulting expense related to services performed by ACEI	6,966	-	7,015
Total	<u>\$ 28,131</u>	<u>\$ 14,265</u>	<u>\$ 25,955</u>

Note 4 - Accrued Expenses

As of December 31, 2024, 2023 and 2022, accrued expenses consisted primarily of accrued professional fees.

Note 5 - Concentrations of Risk

For the years ended December 31, 2024, 2023 and 2022, substantially all of the Company's revenue was derived from a single franchisee.

As of December 31, 2024, 2023 and 2022, cash balances of \$184,901, \$115,568 and \$100,480, respectively, were maintained in the United Kingdom.

Note 6 - Subsequent Events

Subsequent events have been evaluated through February 28, 2025, which is the date the financial statements were available to be issued.

Part II
Unaudited Financial Statements (if required by state law)

EXHIBIT G

**FRANCHISE AGREEMENT,
INCLUDING OWNER'S GUARANTY**

DATED _____ 202[]

ALLEN CARR'S EASYWAY (US) LTD.

AND

[FRANCHISEE]

AND

[OWNERS]

**DIRECT INTERNATIONAL
FRANCHISE AGREEMENT**

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Schedules

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Schedule 5	Owners of Franchisee
Schedule 6	Territory
Schedule 7	Owner's Guaranty

THIS DIRECT INTERNATIONAL FRANCHISE AGREEMENT (“Agreement”) is made on the ____ day of _____ 202[]

BETWEEN:

- (1) **ALLEN CARR’S EASYWAY (US) LTD.**, Registered Number 08779260, whose registered office is at 4 Phillimore Gardens, London W8 7QD, United Kingdom (the “**Franchisor**”); and
- (2) [_____] , whose principal place of business is [_____] U.S.A. (the “**Franchisee**”); and
- (3) [_____] of [_____] and [_____] of [_____] (together referred to as the “**Owners**”).

1. PRELIMINARY

- 1.1 The Franchisor owns the US Copyright Works and other materials developed for the **ALLEN CARR’S EASYWAY BUSINESS** in the United States of America including its possessions and territories (“**US**”) and has the right to use the Method, the System, the Trade Names and the Trademarks in the US. The Franchisor also has the right to use the Copyright Works in connection with training and support of franchisees in the US and for marketing the **ALLEN CARR’S EASYWAY BUSINESS** (as defined below) in the US.
- 1.2 In this Agreement the techniques for overcoming fears, compulsions and addictions devised or used by Allen Carr, including all versions, applications and revisions of those techniques are referred to as “**Easyway**”, and the use of Easyway as a means of stopping smoking, or stopping or reducing drinking alcohol, is referred to as the “**Method**”, and the trade secrets and know-how and its specialized novel and unique techniques knowledge and expertise skill and proprietary information (including the Method) relating to the development and operation of stop-smoking centers and stop-drinking centers under the Trade Names (as defined below) are referred to as the “**System**”. The Franchisor has the exclusive right in the US to use the System and the Method for live and online stop smoking and stop drinking sessions.
- 1.3 Stop-smoking centers are operated under the trade names “**ALLEN CARR**”, “**EASYWAY**” and “**ALLEN CARR’S EASY WAY TO STOP SMOKING**” and stop-drinking centers are operated under the trade names “**ALLEN CARR**”, “**EASYWAY**” and “**ALLEN CARR’S EASY WAY TO STOP DRINKING**” (the “**Trade Names**”).
- 1.4 The conduct of a business of operating stop-smoking centers, or operating stop-drinking centers, using the System and the Trade Names is referred to as the “**ALLEN CARR’S EASYWAY BUSINESS**”).
- 1.5 The Trade Names and Trademarks are associated with uniformly high standards of the operation of centers which enable clients to stop smoking using the Method and the System in a professional environment (“**ALLEN CARR STOP SMOKING CENTERS**”). The Trade Names and Trademarks are also associated with uniformly high standards of the operation of centers which enable clients to stop drinking using the Method and the System in a professional environment (“**ALLEN CARR STOP DRINKING CENTERS**”).

- 1.6 The network of **ALLEN CARR'S EASYWAY BUSINESSES, ALLEN CARR STOP SMOKING CENTERS, and ALLEN CARR STOP DRINKING CENTERS** operated by the Franchisor, its affiliates and their franchisees worldwide is referred to as the "**ALLEN CARR'S EASYWAY NETWORK**".
- 1.7 The Franchisee desires to obtain the benefits of the Franchisor's knowledge, skill and experience and the right to operate **ALLEN CARR STOP _____ CENTERS [insert Smoking or Drinking, as applicable]** ("**ALLEN CARR CENTERS**").
- 1.8 The Franchisor uses certain trademarks (the "**Trademarks**") which are registered in the U.S. and have become associated with the System, the Method and the **ALLEN CARR CENTERS**, and has agreed to allow the Franchisee to use the Trademarks upon the terms and conditions below.
- 1.9 The Franchisee represents that it has independently investigated the business risks involved and such other matters as it deems important, including current and potential market conditions and competitive factors and risks, has read the Franchise Disclosure Document, and has not relied on any representations not set forth in this Agreement. Aware of the relevant facts, the Franchisee desires to enter into this Agreement to obtain a license to use the Method, the System, the Trade Names, Trademarks and US Copyright Works to operate **ALLEN CARR CENTERS** within the Territory described in this Agreement.
- 1.10 The Franchisee hereby represents and warrants to the Franchisor as follows:
- 1.10.1 The Franchisee is acquiring this franchise for its own account for the operation of a Business, and not for the purpose of resale or redistribution or other speculative matter;
- 1.10.2 All information the Franchisee provided to the Franchisor in its application and other documents to induce the Franchisor to grant this franchise was true, correct, complete and accurate as of the date made, and, as of the date of this Agreement, no material change has occurred in such information;
- 1.10.3 The Franchisee's execution, delivery and performance of this Agreement does not violate or constitute a breach under any agreement or commitment it has;
- 1.10.4 If the Franchisee is an entity, it is duly organized and validly existing, is qualified to do business in each state where it is conducting or will conduct business, and is duly authorized to execute and deliver this Agreement and perform its obligations pursuant to this Agreement; and
- 1.10.5 This Agreement represents a valid, binding obligation of the Franchisee and each of its owners ("**Owners**"). Each of the Franchisee's Owners has fully read this Agreement and the Franchise Disclosure Document, and each Owner represents that he/she is capable of complying with all of the terms of this Agreement and the Owner's Guaranty.
- 1.11 If the Franchisee is an entity, each of its Owners must execute an Owner's Guaranty in the form specified in **Schedule 7** and in the Franchisor's favor and deliver the executed Owner's Guaranty to the Franchisor concurrently with execution of this Agreement, or if such ownership interest is acquired later, within ten (10) days after obtaining the interest as an Owner.
- 1.12 An index to defined terms used in this Agreement can be found at **Schedule 1**.

2. RIGHTS GRANTED

- 2.1 Subject to and in accordance with the terms of this Agreement, the Franchisor grants to the Franchisee the exclusive right and the obligation to operate **ALLEN CARR CENTERS** in the territory defined in **Schedule 6** (the “**Territory**”) using:
 - 2.1.1 the Method and the System;
 - 2.1.2 the Trade Names, the Trademarks and other symbols, insignia, distinctive designs and plans or specifications owned by or licensed to the Franchisor together with the benefit of the Franchisor’s experience, knowledge and Goodwill (hereinafter defined) relating to the provision of the Method at **ALLEN CARR CENTERS**; and
 - 2.1.3 free of royalty the "US Copyright Works" as more particularly described in **Schedule 2** subject to **clauses 2.2 to 2.5** below.
- 2.2 The franchise granted in **clause 2.1** shall not include any rights whatever to any aspect or application of Easyway not related to: smoking, if the franchise is for operation of ALLEN CARR STOP SMOKING CENTERS; and drinking, if the franchise is for operation of ALLEN CARR STOP DRINKING CENTERS. In particular, but without prejudice to the generality of this clause, the grant of this franchise does not include any rights to the application of Easyway to weight loss or weight control, overcoming a fear of flying, or overcoming addiction to any other drugs. In addition, the grant of this franchise does not include any rights to the application of Easyway to stop drinking, if the franchise is for operation of ALLEN CARR STOP SMOKING CENTERS, and does not include any rights to the application of Easyway to stop smoking, if the franchise is for the operation of ALLEN CARR STOP DRINKING CENTERS.
- 2.3 It is agreed by the parties that:
 - 2.3.1 the Franchisee’s exclusive rights under this Agreement are limited to operating Stop Sessions, or stop drinking sessions, as the case may be, using the Method delivered live in person in the English language only, and online, or remotely through any electronic or digital medium in the English language only (“**Stop Sessions**”);
 - 2.3.2 the Franchisee has no rights whatsoever in any products or materials relating to the Method, including the Copyright Works (as more particularly described in **Schedule 2**) and the US Copyright Works; and
 - 2.3.3 the Franchisee shall not have any rights to reproduce the Copyright Works (other than for the Franchisee’s own use), or sell or distribute the Copyright Works in any way in the Territory or elsewhere and the Franchisee shall only use the US Copyright Works as set out in this Agreement and the Manual.
- 2.4 The Franchisee agrees not to:
 - 2.4.1 conduct any Stop Sessions outside the Territory;
 - 2.4.2 conduct any Stop Sessions in the Territory in any language other than English without the prior written consent of the Franchisor;

- 2.4.3 copy, reproduce or amend any of the Copyright Works other than for the Franchisee's own use;
 - 2.4.4 copy, reproduce or amend any of the US Copyright Works or materials relating to the Method other than as permitted for marketing purposes under the terms of this Agreement and the Manual;
 - 2.4.5 distribute any publications relating to the Method that are Copyright Works including books, videos and audio cassettes, CD-ROMs, DVD's or software, (in any form) other than as a retail supplier or for marketing purposes; or
 - 2.4.6 conduct any online or other remote medium Stop Sessions directed to consumers outside of the Territory.
- 2.5 The Franchisor reserves the right to make use of the **ALLEN CARR** and **EASYWAY** names, logos and trademarks within the Territory for the purposes of general promotion of Easyway, and the sale or distribution of the Copyright Works and the Franchisor reserves the exclusive right to all applications of Easyway other than for Stop Sessions delivered live in person in English and this includes without limitation the exclusive right of the Franchisor and/or its affiliates to provide clients with:
- 2.5.1 access to Stop Sessions using the Method online and through other means of electronic communication wherever they are located; and
 - 2.5.2 Stop Sessions in the Spanish language or in any other language other than English or to appoint third parties including franchisees to provide Stop Sessions in and outside of the Territory in the Spanish language or in any other language other than English.
- 2.6 The Franchisor:
- 2.6.1 hereby (for the avoidance of doubt) exclusively reserves to itself all rights not expressly granted in this Agreement, including (but not limited to) the right to exploit **ALLEN CARR'S EASYWAY BUSINESS** anywhere where and in any way which it would not infringe any rights expressly granted to the Franchisee in this Agreement; and
 - 2.6.2 gives no undertaking to the Franchisee not expressly given in this Agreement, and nor shall any undertaking on the part of the Franchisor be implied for any reason including any practice or course of conduct embarked upon by the Franchisor and/or the parties hereto.
- 2.7 In this Agreement the expression the "**Business**" shall mean the business carried on or to be carried on by the Franchisee in exercise of the rights set out in **clause 2.1** and pursuant to and in accordance with this Agreement.
- 2.8 In this Agreement the word "**Goodwill**" includes:
- 2.8.1 the goodwill and all rights in and associated with or arising from the System, the Trade Names, the Trademarks, the US Copyright Works, Easyway, the Method, and any other intellectual property rights of the Franchisor; and
 - 2.8.2 any additional goodwill generated from their use or exploitation in the Business.

- 2.9 To avoid any doubt the Franchisee acknowledges that the Goodwill shall at all times belong to and be vested in the Franchisor and that the Franchisee only has the right to benefit from the Goodwill to the extent and upon the terms provided by this Agreement.

3. TERM OF AGREEMENT AND RENEWAL

- 3.1 This Agreement shall, subject to the provisions for termination herein, continue for a term of six (6) years from and including the date of this Agreement (the “**Term**”).

- 3.2 The Franchisee shall have the right to require the Franchisor to enter into a new agreement (the “**New Agreement**”) to take effect immediately following the end of the Term subject to the conditions and terms which follow (“**Renewal Right**”).

- 3.3 Subject to the following conditions precedent, the Franchisee shall exercise such Renewal Right by giving written notice (the “**Franchisee’s Notice**”) to the Franchisor so that it is received between twelve (12) months and nine (9) months before the Term ends. The conditions precedents are that:

3.3.1 there shall be no outstanding breach by the Franchisee of the terms of this Agreement; and

3.3.2 the Franchisee shall have substantially observed and performed the terms and conditions of this Agreement and shall have achieved the minimum targets for Gross Receipts as set out in **clause 15.1.7**.

- 3.4 The terms of the New Agreement shall be that:

3.4.1 the Franchisee and the Franchisor shall enter into the New Agreement for a period of at least five (5) years upon the terms contained in the Franchisor’s then current form of international direct franchise agreement which will include new minimum targets for Gross Receipts, may contain different terms and conditions (including, without limitation, different or increased financial terms, royalties and/or marketing fund contributions, and adjusted boundaries for the Territory to reflect population changes), provided, however, that:

3.4.1.1 the Franchisee shall not pay any sum expressed to be by way of initial fee (however described) but shall pay a renewal fee of a sum equal to sixty per cent (60%) of the initial fee for the size territory granted under this Agreement in respect of the Franchisor’s costs associated with the renewal; and the Franchisor shall not be obliged to provide any of the initial or other obligations contained in such agreement which are appropriate to the establishment in business of a new franchisee; and

3.4.1.2 the New Agreement will not necessarily contain a right to require the Franchisor to enter into a further new agreement;

3.4.2 the Franchisee shall upon the execution of the New Agreement sign a general release in form satisfactory to the Franchisor releasing and discharging the Franchisor and its members, directors, officer, owners, employees, affiliates, successors and assigns from and against all claims and demands, whether or not contingent, which the Franchisee may have against the Franchisor and the other released parties arising from this Agreement or otherwise in any way out of the relationship between the Franchisor and the Franchisee; and

- 3.4.3 the Franchisee's right to require the Franchisor to enter into the New Agreement shall cease and be of no effect if after the service of the Franchisee's Notice and prior to the entry into the New Agreement the Franchisee shall commit a breach of this Agreement such as to justify the termination of this Agreement or which may result in its termination.
- 3.5 If the Franchisee does not seek a New Agreement pursuant to **clause 3.3** then the Franchisor may at its sole discretion allow the Franchisee to continue to operate the Business on the terms of this Agreement after the expiry date and this Agreement will continue thereafter on a month to month basis until terminated by either party giving the other party not less than thirty (30) days' written notice.
- 4. FRANCHISOR'S OBLIGATIONS**
- 4.1 The Franchisor shall provide the Franchisee on loan with the US version of the Allen Carr Training Manual (the "**Manual**") which shall contain details of the Method and the System that are to be used in the US. The Franchisor may make the Manual available solely through a secure Internet link from time to time during the Term of this Agreement. The Franchisor may from time to time communicate to the Franchisee mandatory and suggested standards, methods, procedures and specifications applicable to the Method and the System and information relative to the Franchisee's other obligations under this Agreement and to the operation of the Business. Those communications may be made through updates to the Manual or by written or electronic media. For the purposes of the following provisions of this **clause 4.1** (and where otherwise referred to in this Agreement), the Manual and all the Franchisor communications shall be collectively referred to as the "**Manual.**" The Franchisee may not at any time copy, duplicate, record or otherwise reproduce or translate the Manual or any of the forms the Franchisor provides hereunder without the Franchisor's prior written consent. If the Manual is supplied electronically, the Franchisee may print one copy for its personal use.
- 4.2 The Franchisor will provide the Franchisee (if an individual) or one of its Owners (if an entity) with appropriate initial training in the Method and the System, this training to include the provision of the Manual, explanation and clarification of the Method where requested, and the facility to attend Stop Sessions at the Franchisor's **ALLEN CARR CENTER** in London, UK or where it is possible for the Franchisor to arrange at an **ALLEN CARR CENTER** in North America.
- 4.3 The Franchisor will at the request of the Franchisee and where appropriate provide the Franchisee with advice relating to the operation of the Franchisee's **ALLEN CARR CENTERS**, a sharing of new ideas relating to such operation and communication links with other franchisees and practitioners in the **ALLEN CARR'S EASYWAY NETWORK**.
- 4.4 The Franchisor will include the Franchisee's **ALLEN CARR CENTERS** in listings of **ALLEN CARR CENTERS** and will refer enquiries from potential clients within the Franchisee's Territory to the Franchisee's **ALLEN CARR CENTERS**. The Franchisor reserves the right to remove the Franchisee's listing and to not refer enquiries if the Franchisee is not in compliance with this Agreement;
- 4.5 The Franchisor will provide the Franchisee with details of any alterations and/or improvements in or to the Method and the System to enable the Franchisee to keep the Manual up to date. In the event of any dispute the authentic text of the Manual shall be the copy kept as such by the Franchisor at its Head Office. The Manual and all copies made of it in accordance with **clause 5.10** shall at all times remain the property of the Franchisor. The Franchisee acknowledges that copyright in the Manual and any alterations and/or additions to it and any translations of the Manual

are vested in the Franchisor. The Franchisee may propose changes in the Manual for use in the Business to reflect the legal, cultural, business and operational conditions that the Franchisee considers exist in the Territory. The Franchisor will consider such proposals in consultation with the Franchisee and will determine (in its discretion) what changes ought properly to be made. The Franchisee shall not introduce any changes except with prior written approval being given by the Franchisor. The Manual shall only be varied in accordance with the terms of such approval.

- 4.6 The Franchisor reserves the right to develop and maintain an Internet Website for franchisee services and communications, for customer and service leads and referrals, and for promotional specials.

5. FRANCHISEE'S OBLIGATIONS

In order to maintain the identity and reputation of the **ALLEN CARR'S EASYWAY NETWORK** and to maintain the uniformly high standards among franchisees carrying on business under the Trade Names in accordance with the System and to protect for the Franchisor, the Franchisee and the **ALLEN CARR'S EASYWAY NETWORK**, the Goodwill and the demand for the products and services sold supplied or provided in the **ALLEN CARR'S EASYWAY BUSINESS** under the Trade Names, the Franchisee shall:

- 5.1 commence running Allen Carr Stop Sessions in the Territory within twelve (12) calendar months of the date of this Agreement;
- 5.2 ensure that all Stop Sessions carried out under this Agreement will be personally conducted by one or more of the Owners as agreed in writing with the Franchisor prior to entering into this Agreement or by an employee authorized in writing by the Franchisor (referred to as a "**Easyway Consultant**"). The Franchisee will not permit any other person who is not thus authorized to carry out Stop Sessions and will not provide any training or advice to assist any other person to use the Method, except with the express consent in writing of the Franchisor. The Franchisee will allow the Franchisor, any agent of the Franchisor, other franchisees of the Franchisor and its affiliates and Easyway Consultants and potential franchisees and Easyway Consultants, to attend Stop Sessions at no charge on giving reasonable notice to the Franchisee, and such visits will be limited to a maximum of twenty five (25) visits per annum;
- 5.3 devote its best endeavors to maximize the Gross Receipts of the Business;
- 5.4 offer and provide a money back guarantee to all clients whereby a client who attends an initial Stop Session followed by at least two (2) back up Stop Sessions to be provided free of charge, and who fails to stop smoking, or stop drinking, as the case may be, for at least three (3) months, may receive a full refund of the fee paid. The Franchisee must comply with the FTC Guidelines on Advertising of Warranties and Guaranties in relation to the money back guarantee;
- 5.5 deliver the Method verbally, without reference during any Stop Sessions to notes exceeding in length four (4) sides of 8 ½ x 11 inch paper, in strict accordance with the Manual received from the Franchisor and not make any changes, other than very minor ones, to the script or to the operating procedure outlined in the Manual without the prior written permission of the Franchisor. The Franchisee agrees to supply to the Franchisor an audio recording of such Stop Sessions as the Franchisor may from time to time request within forty-five (45) days of such request, such sessions to have been conducted by the Franchisee no more than thirty (30) days prior to the receipt of the recording by the Franchisor.

- 5.6 if the Franchisor requires the Franchisee to change the operating procedure of its Stop Sessions at any time, comply with the Franchisor's requirements within ninety (90) days of such requirement being notified to the Franchisee in writing;
- 5.7 comply with the following conditions of this Agreement:
- 5.7.1 ensure that none of the Owners and other officers of the Franchisee involved in the Business smoke tobacco at any time for the duration of this Agreement if this Agreement is for operation of ALLEN CARR STOP SMOKING CENTERS, and that none of the Owners and other officers of the Franchisee involved in the Business abuses, or is addicted to alcohol at any time for the duration of this Agreement if this Agreement is for the operation of ALLEN CARR STOP DRINKING CENTERS;
 - 5.7.2 not do anything which damages or which may damage the reputation of the Franchisor, the **ALLEN CARR CENTERS**, Allen Carr, Robin Hayley, or any officer, employee, agent or franchisee in the **ALLEN CARR'S EASYWAY NETWORK**;
 - 5.7.3 not do anything which undermines or which may undermine confidence in the effectiveness of the Method or the System or any materials produced by the Franchisor using the Method or the System; and
 - 5.7.4 in addition to learning the Manual, thoroughly ensure that each of the Owners reads and is familiar with the following books by Allen Carr "*Allen Carr's Easy Way to Stop Smoking*" and "*The Only Way To Stop Smoking Permanently*";
- 5.8 not during the term of this Agreement be directly or indirectly interested or concerned in a business which is similar to or competes with **ALLEN CARR EASYWAY BUSINESS** anywhere in the US and apart from showing a reasonable interest in competing techniques and methods, the Franchisee shall not be concerned or interested either directly or indirectly in the conduct of any sessions or other techniques aimed at overcoming fears, compulsions and addictions, or influencing, analyzing or modifying behavior during the term of this Agreement, except as provided for by this Agreement or as agreed in writing with the Franchisor;
- 5.9 ensure that adequate finance is available to it to enable it to perform its obligations under or pursuant to this Agreement and by way of working capital;
- 5.10 operate the System properly and strictly in accordance with the provisions of the Manual and the Franchisor's requirements current from time to time. The Franchisee shall not make use of or disclose the Manual to any other person or for any purpose other than for the conduct of the Business nor shall it make any copies of the Manual or any part of it other than for the conduct of the Business. The Franchisee shall further ensure that the Manual with which it is provided is kept up to date at all times;
- 5.11 use its best efforts to maintain the highest standards in all matters connected with the Business and shall not sell anything or provide any service which does not conform with the standards associated with the Trade Names or of which the Franchisor does not approve. The Franchisee may engage sales people to contact companies and organizations on his behalf (for the purpose of selling them Stop Sessions for their employees) subject to such sales people entering into the undertaking referred to in **clause 5.19**;

- 5.12 indicate its status as an independent undertaking by:
- 5.12.1 displaying in such manner and upon such part or parts of the **ALLEN CARR CENTERS** as the Franchisor may direct a sign or signs bearing the following words (or such other words to similar effect as may from time to time be specified by the Franchisor) “an **ALLEN CARR’S EASYWAY TO STOP SMOKING** franchise independently owned and operated under franchise by” followed by the Franchisee’s name, if the franchise is for the operation of ALLEN CARR STOP SMOKING CENTERS, or “an **ALLEN CARR’S EASYWAY TO STOP DRINKING** franchise independently owned and operated under franchise by” followed by the Franchisee’s name, if the franchise is for the operation of ALLEN CARR STOP DRINKING CENTERS; and
 - 5.12.2 placing upon all letters headings bills invoices and any other documents or literature employed by it in connection with the Business in such manner and in such place as the Franchisor may direct the following words (or such other words to similar effect as may from time to time be specified by the Franchisor) “an **ALLEN CARR’S EASYWAY TO STOP SMOKING** franchise independently owned and operated under franchise by” followed by the Franchisee’s name, if the franchise is for the operation of ALLEN CARR STOP SMOKING CENTERS, or “an **ALLEN CARR’S EASYWAY TO STOP DRINKING** franchise independently owned and operated under franchise by” followed by the Franchisee’s name, if the franchise is for the operation of ALLEN CARR STOP DRINKING CENTERS;
- 5.13 if this agreement is for the operation of ALLEN CARR STOP SMOKING CENTERS, ensure that the Allen Carr’s Easyway To Stop Smoking logo will appear prominently on all its stationery, letter heads, leaflets, brochures and other marketing materials and will promote the Business under the name “**ALLEN CARR’S EASYWAY TO STOP SMOKING**” and if this agreement is for the operation of ALLEN CARR STOP DRINKING CENTERS, ensure that the Allen Carr’s Easyway To Stop Drinking logo will appear prominently on all its stationery, letter heads, leaflets, brochures and other marketing materials and will promote the Business under the name “**ALLEN CARR’S EASYWAY TO STOP DRINKING**”.
- 5.14 not pledge the credit of the Franchisor or represent itself as being the Franchisor or an agent or partner of the Franchisor. The Franchisee shall not permit any person connected in any way with the Franchisee to represent himself or the Franchisee in such a way that others dealing with him or the Franchisee might regard him or the Franchisee as a director officer employee or agent or otherwise authorized to act on behalf of the Franchisor;
- 5.15 operate the Business in accordance with the System only under the name or names specified or first approved in writing by the Franchisor without any accompanying words or symbols of any nature (save as required by the provisions of this Agreement) unless first approved in writing by the Franchisor. The Franchisee shall not do anything which may adversely affect the Franchisor’s rights in or to use the Trade Names or the Trademarks. No part of the Trade Name or the Trademarks shall form part of the Franchisee’s corporate name;
- 5.16 except as may have previously been agreed in writing with the Franchisor and subject to the terms of such agreement after the initial training period, each of the Owners will devote the whole of his time and attention to the Business during the hours of operation of the Business and during such other hours as shall be necessary to perform the administrative marketing promotional and accounting functions required in or about the conduct of the Business and in operating the System.

The Franchisee and each of the Owners shall diligently carry on the Business in the Territory throughout the Term and shall use their best endeavors to promote and extend the Business;

- 5.17 only solicit or accept orders for Stop Sessions from consumers inside the Territory except that the Franchisee will be able to carry out marketing and advertising activities which because of their nature spill into the territory of another franchisee using the Method (an “**Easyway Franchisee**”) or outside the Territory. In addition the Franchisee shall not;

5.17.1 actively solicit for business from any person in the Spanish language or carry out any marketing and advertising activities targeted specifically at anyone who speaks Spanish whether within or outside of the Territory; or

5.17.2 seek to conduct any Stop Sessions in the Spanish language;

The Franchisee will refer all potential clients who contact it who live and work in the territory of another Easyway Franchisee or outside of the Territory to the Managing Director of the Franchisor except it is the potential client’s choice whether to attend the Franchisee's Stop Sessions or the Stop Session of another Easyway Franchisee;

- 5.18 fix its own prices, except that the Franchisor may recommend prices or set maximum prices to the extent permitted by applicable law. If the Franchisor sets maximum prices for fees charged for Stop Sessions, the Franchisee will comply with such maximum prices within thirty (30) days of such requirement being notified to the Franchisee in writing;

- 5.19 procure from any employee of the Franchisee who is carrying out Stop Sessions with the consent of the Franchisor an undertaking in a form set out at **Schedule 4** not to use or disclose to any third party any information or knowledge concerning the **ALLEN CARR’S EASYWAY BUSINESS**, the Business, the Method or the System which may be communicated to such person or which such person may acquire pursuant to the discharge of his obligations to the Franchisee. If the Franchisee uses any sales people in its business it will procure from them a confidentiality undertaking in the form of that set out at **Schedule 3**. The Franchisee shall:

5.19.1 at its own expense adapt the undertakings set out at **Schedules 3 and 4** so that they are suitable for use in the Territory; and

5.19.2 take such steps at its own expense as the Franchisor may require in order to enforce the said undertakings and/or to restrain any breach of their terms.

The Franchisee will also if required by the Franchisor procure that clients sign a confidentiality undertaking in a form provided by the Franchisor;

- 5.20 not do anything which may bring the System into disrepute or which may damage the interests of the Franchisor or the **ALLEN CARR’S EASYWAY NETWORK**.

- 5.21 use only such stationery and other documentation and literature of whatever nature in its dealings with third parties as the Franchisor shall provide (at the Franchisee’s expense) stipulate or approve and where the Franchisor’s approval is required shall provide translations in English for approval;

- 5.22 keep the Franchisor fully and effectually indemnified against all claims, demands, damages, costs or expenses (including reasonable attorney’s fees) which may be incurred or received by the

Franchisor resulting from any breach by the Franchisee of the provisions of this Agreement or from any other act default or neglect of whatsoever nature on the part of the Franchisee;

- 5.23 comply with all statutory or other legal requirements and all regulations of state, federal local or other authorities which apply to the Business and the operation of Stop Sessions by the Owners or Easyway Consultants, including any licensing required by applicable law, and any relevant anti-money laundering and anti-corruption regulations and policies issued by the Franchisor or any governmental activity from time to time. The Franchisee acknowledges that it is the responsibility of the Owners to find out before this Agreement is entered into if the state in which the **ALLEN CARR CENTERS** will be operated will require the Owners and/or the Easyway Consultants to obtain any personal or professional license in order to provide Stop Sessions to clients in that state (a "**Personal License**"). If a Personal License is required in the state in which the **ALLEN CARR CENTERS** will be operated the Franchisee will ensure that any person who is required to obtain a Personal License can satisfy the requirements for qualifying for such license and that a Personal License is obtained before any Owner or Easyway Consultant provides any Stop Sessions to clients;
- 5.24 if required by the Franchisor, each of the Owners will attend at his or her own expense all meetings of franchisees of the **ALLEN CARR'S EASYWAY NETWORK**;
- 5.25 maintain an e-mail address and be able to receive e-mail from and send e-mail to the Franchisor during the continuance of this Agreement.
- 5.26 not at any time register or use:
 - 5.26.1 as a domain name on the Internet any of the Trade Names or Trademarks or any other trademarks, trade names or slogans used in connection with the Business (in any language) or any part thereof or any name or word likely to be confused with or similar to or the same as any of the above or any part thereof without the prior written consent of the Franchisor and subject to any conditions which the Franchisor may impose which may include compliance with **clause 5.27.2** below; or
 - 5.26.2 a domain name in respect of a website which contains any content, materials or references that relate in any way to the **ALLEN CARR'S EASYWAY BUSINESS** without the prior written consent of the Franchisor and subject to any conditions which the Franchisor may impose;
- 5.27 in the event that a domain name has been registered or obtained contrary to **clause 5.26**, at the Franchisor's discretion either:
 - 5.27.1 immediately transfer such domain name to the Franchisor (in which case the Franchisee will enter into any further documentation and do all acts that may be required by the Franchisor to fully effect such transfer); or
 - 5.27.2 provide the Franchisor with a signed transfer form together with any other documentation required (signed where necessary by the Franchisee) in relation to any domain name registered or obtained or used in connection with or related in any way to the **ALLEN CARR'S EASYWAY BUSINESS** and/or the Business (in the appropriate format required by the relevant domain name registry) to transfer such domain name to the Franchisor;
- 5.28 not at any time make any registration or publish any material on the Internet or any other electronic form of communication including without limitation social media sites or channels (such as, but

not limited to, Facebook and Twitter accounts or sites) and other digital or electronic marketing channels or media, whether now existing or hereafter created networking concerning the Business or the System or which indicates or implies an association with the Franchisor and/or **ALLEN CARR'S EASYWAY BUSINESS** without the prior written consent of the Franchisor and subject to any conditions which the Franchisor may impose;

- 5.29 carry out the marketing, advertising and promotion of the **ALLEN CARR CENTERS** which shall be the sole responsibility of the Franchisee. The Franchisor has no obligation to assist in any marketing or promotional work undertaken or contemplated by the Franchisee. It will be the Franchisee's responsibility to ensure that all marketing, advertising and promotion that it carries out complies with all applicable laws and regulations. Without prejudice to any other remedy of the Franchisor, the Franchisor may require by notice in writing to the Franchisee, that the Franchisee immediately removes or takes steps to remove any marketing materials, advertising or promotion of the Business where the Franchisor believes in its sole and absolute discretion that such marketing, advertising or promotion may damage the reputation of the **ALLEN CARR'S EASYWAY BUSINESS**, the Franchisor or the **ALLEN CARR CENTERS**;
- 5.30 refer all media enquiries that it receives relating to the **ALLEN CARR'S EASYWAY BUSINESS** or **ALLEN CARR CENTERS** to the Franchisor and the Franchisee will follow the Franchisor's directions and required response to such media enquiries. The Franchisee will also seek the Franchisor's prior written approval for appearing or participating in any article in any publication, TV, radio, internet or webcast program including emails, blogs, social networking websites or chat rooms and the Franchisee hereby further agrees not to use any of the aforementioned media to criticize or damage the reputation of the **ALLEN CARR'S EASYWAY BUSINESS**, the Franchisor, the **ALLEN CARR CENTERS**, Allen Carr, Robin Hayley, or any officer, employee, agent or franchisee in the **ALLEN CARR'S EASYWAY NETWORK** ;
- 5.31 if so requested by the Franchisor send to the Franchisor a copy of any documentation relating to the operation of the Business within fourteen (14) days of any such request.
- 5.32 pass to the Franchisor without delay any inquiries received from any third parties who express an interest in obtaining a franchise from the Franchisor or training as a Easyway Consultant in the **ALLEN CARR'S EASYWAY BUSINESS**;
- 5.33 observe such other reasonable requirements of the Franchisor as the Franchisor may notify to the Franchisee in writing as modifications to the Agreement;
- 5.34 **Schedule 5** to this Agreement must at all times completely and accurately describe all of the Franchisee's Owners and their beneficial ownership interests in the Franchisee. The Franchisee must obtain the prior written consent of the Franchisor to any change in the direct or indirect or ultimate beneficial ownership of the issued share capital or de facto control of the Franchisee or the Group of which the Franchisee is a member in accordance with **clause 14.8** and if such consent is obtained the Franchisee and each of its Owners must sign and deliver to the Franchisor such revised **Schedule 5** as may be necessary to reflect any permitted changes in the information contained therein within five (5) business days following the occurrence thereof and to furnish such other information about the Franchisee's organization or formation as the Franchisor may request;
- 5.35 the Franchisee must immediately provide the Franchisor with copies of any complaints relating to the operation or activities of its Business that the Franchisee receives from any of its customers or from any federal, state or local regulatory or governmental agency; and

- 5.36 the Franchisee must require that a disclaimer/waiver form (in such form as provided by the Franchisor from time to time) is signed by all clients before they attend a Stop Session.

6. COPYRIGHT AND CONFIDENTIALITY

- 6.1 The Franchisor owns all copyright in the Manual and all the US Copyright Works. The Franchisee agrees to use the Manual, the Copyright Works and the US Copyright Works in accordance with this Agreement and not to infringe any copyright in the Manual, the Copyright Works or the US Copyright Works.
- 6.2 The Franchisee agrees that any work produced by the Franchisee during the continuance of this Agreement in relation to Easyway, the Method, smoking, drinking or the operation of a stop smoking or drinking business, including but not limited to advertising and publicity materials, marketing techniques, website material and other electronic content, methods and techniques of carrying on Stop Sessions, improvements, amendments, enhancements, revisions, alterations or modifications thereto or derivations thereof in any form or medium and all material incorporated in and/or developed or created in connection therewith relating to Easyway or to the Method, and new works setting out, clarifying or applying Easyway (together referred to as the “**New Works**”), shall be the property of the Franchisor and the Franchisee undertakes to assign with full title guarantee to the Franchisor all intellectual property rights in any New Works (including the copyright embodied therein and all vested contingent and future rights in the New Works which do or will subsist in the future) immediately upon such New Works coming into existence. The Franchisee will notify the Franchisor of all such New Works in writing within twenty eight (28) days of the work coming into existence and will enter into any further documentation and do all such acts that may be required by the Franchisor to fully effect such assignment.
- 6.3 The Franchisee agrees to procure that any person involved in the creation of the New Works waives all their moral rights arising from such New Works pursuant to Section 78 of the Copyright, Designs and Patents Act 1988 (United Kingdom) or equivalent national legislation in relation to moral rights as defined in Article 6bis of the Berne Convention for the Protection of Literary and Artistic Works) or otherwise insofar as is lawful to do so.
- 6.4 The Franchisee shall not during the Term except for the sole purpose of conducting the Business divulge or use whether directly or indirectly for its own benefit or for the benefit of any person firm or company other than the Franchisor any information or knowledge concerning the System or the Method which may be communicated to the Franchisee or which the Franchisee may acquire in carrying out its obligations under this Agreement. The Franchisee will not disclose this Agreement or any details or information regarding this Agreement to any Easyway Franchisee or to any third party except as required by law and for the purposes of obtaining advice from his professional advisers. The Franchisee acknowledges that all materials, information, techniques, know-how, methods, ideas, concepts and forms of expression relating to Easyway and the Method are strictly confidential and are supplied solely for the purposes of carrying on the Business pursuant to this Agreement and the Franchisee agrees not to divulge or use any of the said materials, information, techniques, know-how, methods, ideas, concepts and forms of expression or any part thereof for any other purpose. This obligation of confidentiality shall continue to apply after the Term and/or on termination of this Agreement without limit in time but will cease to apply to information which may come into the public domain otherwise than through unauthorized disclosure by the Franchisee. The Franchisee shall not permit any recording or notes to be made of any of his Stop Sessions by any third party other than recordings not exceeding sixty (60) minutes in length by media representatives for PR purposes and shall not permit clients to have or operate any recording device at the **ALLEN CARR CENTERS**. The Franchisee further agrees that the use of all or any

part of the Manual, the Copyright Works and the US Copyright Works any other information or knowledge concerning the System or the Method which may be communicated to the Franchisee or which the Franchisee may acquire in carrying out its obligations under this Agreement, in connection with any generative, artificial intelligence tool or program is considered disclosure prohibited by this Section and constitutes a breach of this Section.

- 6.5 The Franchisee will be under no obligation under this Agreement with respect to any information: (a) which is, at the time of the disclosure, available to the general public; (b) which becomes at a later date available to the general public through no fault of the Franchisee and then only after said date; or (c) which the Franchisee can demonstrate was in its possession before receipt. The exception to confidentiality obligations as set forth in **clause 6.4** shall also include information that must be disclosed in order to comply with applicable laws or regulations or with any requirement imposed by judicial or administrative process. However, in the event that the Franchisee is requested or become subject to make a legally compelled disclosure of any confidential information, it must first provide the Franchisor with prompt written notice of such requirement so that the Franchisor may seek a protective order or other appropriate remedy.
- 6.6 The Franchisee will use its best endeavors to prevent unauthorized third parties from using Easyway and the Method in the Territory. The Franchisee accepts that it is the responsibility of the Franchisee to ensure that third parties do not use the “**ALLEN CARR**”, “**EASYWAY**”, “**ALLEN CARR’S EASYWAY TO STOP SMOKING**” and “**ALLEN CARR’S EASYWAY TO STOP DRINKING**” names or make claims to use the Method within the Territory without proper license from the Franchisor and in the event that such unlicensed use or claims take place the Franchisee undertakes immediately to inform the Franchisor. The Franchisor will consult with the Franchisee in relation to any legal action to prevent the unauthorized use of the Method and the Franchisee shall provide such co-operation as is necessary to assist the Franchisor with such legal action including the provision of evidence and being named as a party to legal proceedings as the Franchisor requires and the Franchisee shall contribute fifty per cent (50%) of the costs thereof. The Franchisor as owner of the Method will have the conduct of any such legal action including the entitlement to have the conduct of or settle all negotiations and proceedings arising from any claim. However, nothing in this clause shall require the Franchisor to take any legal action against unauthorized use of the Method in the Territory. The Franchisee agrees to pay any sums due to the Franchisor in respect of shared legal costs under this clause within fourteen (14) days of a written request from the Franchisor. The obligations of the parties in respect of unauthorized use of the Trade Names and Trademarks are set out in **clause 13.7**.
- 6.7 The Franchisee accepts that it is the responsibility of the Franchisee to protect its commercial interests in all ways insofar as they relate to the Business and the Franchisee undertakes to take all steps necessary to do so including legal action and to cover the costs thereof.
- 6.8 In the event that the Franchisor takes legal or other action to protect its interests in any confidential information or Copyright Works or US Copyright Works as a result of any action or omission by the Franchisee, the Franchisee shall reimburse to the Franchisor all costs expended in taking such action (including but not limited to legal costs and expenses on a solicitor and own client basis) within fourteen (14) days of the Franchisor notifying the Franchisee of the amount of such costs expended to date.

7. IMPROVEMENTS

- 7.1 The Franchisor may conceive and develop new and improved methods of conducting a Business in accordance with the System and other additions modifications or innovations to the System which it may consider desirable.
- 7.2 The Franchisor agrees to make such improvements, additions, modifications and innovations available to the Franchisee at the earliest possible opportunity after they have in the opinion of the Franchisor been fully developed.
- 7.3 The Franchisee for its part will notify the Franchisor of any improvements, additions, modifications or innovations in the Method which it may from time to time consider, invent or discover which the Franchisor will evaluate.
- 7.4 The Franchisee shall not introduce any improvement, addition, modification or innovation into the conduct of the Business or of the System or disclose such improvements, additions, modification or innovation to any other party without the Franchisor's prior written consent.
- 7.5 The Franchisee shall when required to by the Franchisor in writing introduce any improvement, addition, modification or innovation to the System and the conduct of the Business at the time or times and in the manner specified in such written requirement and the System shall thenceforth be deemed to have been varied as so specified.
- 7.6 In order that the Franchisee, the Franchisor and its other franchisees may all benefit from the free interchange of ideas, the Franchisee shall permit the Franchisor to introduce into the System and or the Manual any improvements, additions, modifications or innovations which may have been notified by the Franchisee to the Franchisor without any payment being made to the Franchisee. All intellectual property rights (the "**Rights**") in any improvements, additions, modifications or innovations created by the Franchisee will belong to the Franchisor. The Franchisee hereby assigns with full title guarantee to the Franchisor all Rights in relation to any such improvements, additions, modifications or innovations derived by the Franchisee by way of a present assignment of future Rights and all vested, contingent and future Rights in such improvements, additions, modifications and innovations which do or will subsist in the future. The Franchisee shall enter into any further documentation that may be required by the Franchisor to fully effect such assignment.

8. DUTY OF DISCLOSURE

- 8.1 The Franchisee agrees that it has made, and during the continuance of this Agreement will continue to make, full disclosure of all material facts known to it which would be likely to influence the conduct of the Franchisor.
- 8.2 Without prejudice to the generality of the preceding clause, the Franchisee has made full disclosure of all other agencies, franchises or businesses in which the Franchisee or the any of the Owners are interested or likely to be interested directly or indirectly.
- 8.3 Where this Agreement imposes on the Franchisee any duty to disclose any information, or allow access to any documents or records, the said duty is to be interpreted strictly as if this Agreement were subject to the requirement of utmost good faith on the part of the Franchisee.

9. PASSIVE SMOKING

- 9.1 If this franchise is for the operation of ALLEN CARR STOP SMOKING CENTERS, the Franchisee recognizes that the running of a **ALLEN CARR CENTER** necessarily involves proximity to smokers, and the Franchisee voluntarily assumes any risk to health or property on the part of its Owners, employees, Easyway Consultants, contractors or agents caused by clients who smoke, whether caused by passive smoking or otherwise. The Franchisor does not require any of the Owners or any Easyway Consultant or any employees, agents or contractors to be personally present in any part of the **ALLEN CARR CENTERS** at any time that smoking is permitted. The Franchisor advises the Franchisee to take all steps to minimize the personal exposure of any of Owners and the Easyway Consultants and any employees, agents or contractors to smoke and that smoking be permitted only in areas which are extremely well ventilated, and only at times when an Owner or the Easyway Consultants or any employees, agents or contractors may be personally absent from these areas.
- 9.2 The Franchisee and each of the Owners agree that insofar as permitted by law they will not make any claim against the Franchisor for any loss or damage resulting from smoking or passive smoking howsoever caused.
- 9.3 The Franchisee is required to keep all areas of the **ALLEN CARR CENTERS** well ventilated and free from the accumulation of smoke. The Franchisee shall not permit smoking in any area or at any time where there is not good ventilation.

10. FEES

- 10.1 The Franchisee will pay to the Franchisor an initial fee of [_____] dollars (\$[____]) for the training and grant of rights to operate the Business in the Territory, this fee to be fully earned and non-refundable and paid upon signature of this Agreement (“**Initial Fee**”).
- 10.2 The Franchisee will pay to the Franchisor during the subsistence of this Agreement without set off or deduction a continuing fee (the “**Continuing Fee**”) each Quarter Period (as defined below), which fee shall be such sum as is equal to **twenty percent 20%** of the Gross Receipts (as defined below) each Quarter Period, these payments to be subject to sales or other applicable taxes at the applicable rate and to be received by the Franchisor no later than the thirtieth (30th) day of the month following the Quarter Period to which payment relates.

“**Gross Receipts**” shall include all revenue received by the Franchisee in the conduct of the Business, including without limitation all revenue from Stop Sessions conducted by the Franchisee whether at the Franchisee’s **ALLEN CARR CENTERS** or elsewhere, and to include the sales of books, videos, audio cassettes, CD-ROMs and any other sales relating to the Method or to Easyway. Local sales tax received and any monies refunded under money back guarantees will be deducted first in calculating Gross Receipts but no other deductions of any sort will be made without the written agreement of both parties.

“**Quarter Period**” shall mean the periods each of three (3) months ending on the last day of March, June, September and December of each year except that at the commencement of the Term of this Agreement the first Quarter Period may be for a period of less than three months and on the termination of this Agreement the Continuing Fees will be payable in accordance with **clause 16.1.5.1** and will be due in respect of the period from the end of the last Quarter Period to the date of termination of this Agreement even if this is for a period of less than three months.

- 10.3 In the event that the Franchisor establishes a Marketing Fund in accordance with clause 10.12, the Franchisee must pay the Franchisor a monthly Marketing Fund contribution in the amount the Franchisor designates pursuant to clause 10.12, but not to exceed **two percent (2%)** of the Gross Receipts (“**Marketing Fund Contribution**”). The Marketing Fund Contribution must be calculated and paid together with the Continuing Fee.
- 10.4 In the event of late payment of any money due to the Franchisor under the terms of this Agreement, the Franchisee shall pay to the Franchisor interest accruing from day to day calculated at the annual rate of five per cent (5%) above the base rate set from time to time of Barclays Bank in London, or the maximum permissible rate, whichever is lower, on all such money overdue from the due date for payment until the actual date of payment.
- 10.5 The Franchisee undertakes that all bank and other transmission charges made on all payments made to the Franchisor under this Agreement shall be borne by the Franchisee.
- 10.6 All payments to be made hereunder to the Franchisor shall be made without deduction in US dollars and all payments shall be made by telegraphic transfer or such other means as the Franchisor may from time to time specify into such bank account as the Franchisor shall in writing direct.
- 10.7 In the event of any default in payment on the due date of any sums due under this Agreement, the Franchisor may until payment is made (in addition to all other remedies available to it) suspend the performance of the Franchisor’s obligations under this Agreement which shall not in any way suspend or otherwise affect any of the Franchisee’s obligations.
- 10.8 The Franchisee acknowledges and agrees that it has no right or reason to withhold payment of such fees by reason of its dissatisfaction with the Franchisor’s performance of its obligations pursuant to this Agreement and that if it is so dissatisfied it will pursue other remedies at law which may be available to it.
- 10.9 The liability of the Franchisee to pay the Continuing Fees shall continue notwithstanding the failure of the Franchisee to discharge its obligations to remit the quarterly statement of Gross Receipts as required by this Agreement. In the event of the failure by the Franchisee to remit the quarterly statement of Gross Receipts it shall be under an obligation to pay on account of its liability for the Continuing Fees a sum during each Quarter Period during which such failure occurs equal to the average quarterly sum paid by the Franchisee by way of the Continuing Fee over the last three (3) preceding Quarter Periods during which the Franchisee made payment plus interest in accordance with **clause 10.4** on any late payment, until a certified statement of the Gross Receipts for the period during which the failure continues has been verified by the Franchisor’s auditors at the Franchisee’s expense when the Franchisee shall forthwith pay any shortfall plus interest in accordance with **clause 10.4** or be credited by the Franchisor with any overpayment which such audit may reveal.
- 10.10 The Franchisee acknowledges that this Agreement contemplates that the Franchisor will not be responsible for any taxes with respect to any transactions or payments contemplated by or pursuant to this Agreement or for any state or local sales, use, gross receipts, or similar tax that the Franchisor may be required to pay on payments which the Franchisee makes to the Franchisor under this Agreement. Accordingly, payments required to be made by the Franchisee to the Franchisor pursuant to this Agreement (including payment of the initial fee and the Continuing Fee) shall be the gross amount without deduction for any taxes, including any withholding taxes which may be imposed on payments by the Franchisee to the Franchisor and any state or local sales, use, gross receipts or similar tax imposed on the Franchisor. If the Franchisee is required to deduct any withholding tax from any payment to the Franchisor, or if any state or local sales, use, gross receipts

or similar tax is imposed on the Franchisor then the amount payable shall be increased by such amount as is necessary to make the actual amount received by the Franchisor (after such withholding tax and after any additional taxes on account of such additional payment) equal to the amount that would have been received by the Franchisor had no withholding been required or no state or local sales, use, gross receipts or similar tax imposed on the Franchisor. In that case, the Franchisee shall pay the amount required to be withheld to the applicable taxing authority and shall promptly deliver to the Franchisor receipts of applicable governmental authorities showing that all taxes were properly withheld in compliance with applicable law. The Franchisor will provide the appropriate invoices to the Franchisee to reflect the provisions of this clause. The Franchisor will provide any information required by the applicable taxing authority (as reasonably requested by the Franchisee) in relation to any application by the Franchisee to minimise the amount of withholding tax payable.

- 10.11 In the event that the laws of the Territory or the United Kingdom or any other relevant country require the payment by the Franchisee or the charge by the Franchisor of a sales or similar tax, a value added tax or a transactional tax, then the Franchisee shall when making payment to the Franchisor under any of the provisions of this Agreement make payment of such tax at such rate as may from time to time be appropriate.
- 10.12 The Franchisor reserves the right to establish, maintain and administer a marketing fund (“**Marketing Fund**”). The Franchisor may implement a Marketing Fund by sending the Franchisee written notice not less than thirty (30) days prior to its effective date. The Marketing Fund Contribution will not exceed **two percent (2%)** of the Gross Receipts. The Franchisor may modify the amount of the Marketing Fund Contribution at any time on not less than thirty (30) days’ prior written notice to the Franchisee. The Franchisee must pay the Marketing Fund Contribution as required by clause 10.3. The Franchisor will direct all marketing programs financed by the Marketing Fund and have sole discretion over the creative concepts, materials and endorsements used and the geographic, market and media placement and allocation of the marketing programs. Among other things, and without limitation, the Franchisor may use the Marketing Fund to pay the costs of preparing and producing video, audio and written advertising materials; administering local, regional, multi-regional and national advertising programs including, without limitation, purchasing direct mail and other media advertising; employing advertising, public relations and media buying agencies to assist in these activities; supporting public relations, market research and other advertising and marketing activities; and constructing and maintaining a website, and social media and mobile marketing accounts, used to promote the Franchisor's marketing programs. The Franchisor may elect to use the Marketing Fund to provide the Franchisee with marketing, advertising and promotional formats and sample materials without additional charge, or to provide the Franchisee with multiple copies of marketing, advertising and promotional materials at a reasonable price. In the Franchisor’s sole discretion, the Franchisor can cause the Marketing Fund to be incorporated or operated through a separate entity which will have all the rights and duties described in this Agreement.
- 10.13 The Marketing Fund is not a trust. However, the Franchisor will account for the Marketing Fund separately from the Franchisor's other funds, and will not use the Marketing Fund to defray any of the Franchisor's general operating expenses, except for costs, salaries, travel expenses, administrative costs, overhead and other similar expenses the Franchisor may incur in activities reasonably related to the administration of the Marketing Fund and its marketing programs (including, without limitation, conducting market research, preparing advertising and marketing materials, conducting or employing mystery shopping services, general production costs and

collecting and accounting for contributions to the Marketing Fund). The Franchisor may spend in any fiscal year an amount greater or less than the total contributions of all franchised businesses in the **ALLEN CARR'S EASYWAY NETWORK** in the United States ("**US Franchised Businesses**") to the Marketing Fund in such year and the Franchisor may cause the Marketing Fund to invest any surplus for future use by the Marketing Fund. The Franchisee authorizes the Franchisor to collect for remittance to the Marketing Fund any advertising or promotional monies or credits offered by any supplier to the Marketing Fund based upon the Franchisee's purchases from such supplier. Interest earned on monies contributed to the Marketing Fund will be used to pay advertising costs of the Marketing Fund. The Franchisor will prepare an annual statement of monies collected and costs incurred by the Marketing Fund and will furnish it to the Franchisee upon written request. The Marketing Fund will not be audited.

- 10.14 The Franchisee agrees that the Marketing Fund, once established, will be intended to maximize recognition of the Trademarks and patronage of all US Franchised Businesses. Although the Franchisor will endeavor to utilize the Marketing Fund to develop advertising and marketing materials and programs, and to place advertising, that will benefit all US Franchised Businesses, the Franchisor is not obligated to ensure that expenditures by the Marketing Fund in or affecting any geographic area will be proportionate or equivalent to the contributions to the Marketing Fund by franchisees operating in that geographic area or that any US Franchised Business will benefit directly or in proportion to its contribution to the Marketing Fund from the development of advertising and marketing materials or the placement of advertising. Although the Franchisor intends the Marketing Fund once established to be of unlimited duration, the Franchisor will have the right to terminate and, if terminated, to reinstate, the Marketing Fund at any time after all money in the Marketing Fund has been expended.
- 10.15 Except as expressly provided in this clause 10, the Franchisor assumes no direct or indirect liability or obligation to the Franchisee with respect to the maintenance, direction or administration of the Marketing Fund.
- 10.16 The Franchisor makes no representation that any marketing, advertising or promotional materials or programs provided to the Franchisee by the Franchisor, or prepared by the Franchisee and approved by the Franchisor, will comply with local law or interpretations of local laws or conditions of any agreements or orders to which the Franchisee may be subject. The Franchisee will be solely responsible for the use of all such materials and programs. The Franchisee must, at its own expense and risk, obtain all governmental approvals of all such materials and programs and defend any claim that such advertising or promotional materials are not in compliance with law.

11. RECORDS

- 11.1 The Franchisee agrees to keep full, accurate and detailed books and records of all sales relating to the Business including all sales of Stop Sessions, books, videos, cassettes, CD-ROMs and any other sales relating to the Method or to Easyway and the Business and to maintain copies of the said records on computer in a format readable by MS Office Suite or other software required by the Franchisor. The Franchisee will also retain documentation recording all bank transfers made to the Franchisor. The books, records and documentation referred to in this clause will be kept at a location designated by the Franchisor in writing.
- 11.2 The Franchisee must certify the amount of Gross Receipts and the Continuing Fees due to the Franchisor in respect of each calendar year (or such other period as specified by the Franchisor) in a form set out by the Franchisor. The Franchisee shall supply a copy of the certificate to the

Franchisor no later than the thirtieth (30th) day of April of the following year and shall supply any certified accounts to the Franchisor within fourteen (14) days of the Franchisor's request.

- 11.3 The Franchisee agrees to prepare detailed and accurate statements of all sales relating to the Method or to Easyway (including but not limited to the names of all clients, the number of sessions each client has attended, the date/dates of attendance, the number of clients in each session, the method of payment for each session and the number of refunds made under money back guarantees) in a form set out by the Franchisor for each Quarter Period and to render such statements to the Franchisor by e-mail and in a format readable by MS Office Suite or other software required by the Franchisor, no later than the thirtieth (30th) day of the month following the Quarter Period during which such sales were made.
- 11.4 The Franchisee agrees to provide to the Franchisor all information and records requested by the Franchisor relating to the operation of the Business within fourteen (14) days of any such request.
- 11.5 The Franchisee agrees to allow the Franchisor or an agent appointed by the Franchisor or a firm of accountants on the Franchisor's behalf to examine the books and records and audited accounts of the Franchisee insofar as they relate to sales made by the Business and to take any copies and extracts of such books and records that the Franchisor may see fit. Any inspection shall be during normal office hours, shall not be carried out more than twice in any calendar year and shall be at the expense of the Franchisor unless such inspection shall reveal an underpayment to the Franchisor of more than three hundred dollars (\$300), in which event the Franchisee shall bear the costs of such inspection.
- 11.6 The Franchisee agrees to supply the Franchisor with full and complete details of all accounts submitted by the Franchisee to any tax authorities relating to any and all sales relating to the Business within fourteen (14) days of being requested to do so by the Franchisor.
- 11.7 The Franchisee will provide such further information relating to the Business within thirty (30) days of a written request by the Franchisor as the Franchisor shall in its discretion think necessary to assist the Franchisor in the discharge of its duties or the enforcement of its rights under the provisions of this Agreement.

12. INSURANCE

- 12.1 The Franchisee shall take out and maintain insurance cover at the Franchisee's expense with a reputable insurance company against such risks and in such minimum sums as is appropriate for the business being operated by the Franchisee in the Territory, including without limitation insurance against all liability of the Franchisor and/or the Franchisee, the Franchisee's employees and/or to members of the public. All such insurance policies must be issued by carriers the Franchisor approves and contain all the types and minimum coverages, exclusions and maximum deductibles as provided in the Manual. In all such policies of insurance, the Franchisor and its affiliates must be named as additional insureds and all such policies must provide that the Franchisor will be sent duplicate copies of all documentation and correspondence from the insurer. The Franchisee must, at least fourteen (14) days prior to the opening of the Business, provide the Franchisor with a certificate of coverage issued by the insurer indicating that all required insurance is in full force and effect and that it will not be terminated, permitted to lapse, expire or be changed without at least thirty (30) days' prior written notice to the Franchisor.

- 12.2 The Franchisee shall not do or permit anything to be done which may vitiate any insurance policies or which may prevent the Franchisee or the Franchisor from receiving any moneys under such policies.

13. TRADEMARKS

- 13.1 The Franchisee shall only use the Trade Names and any Trademarks in connection with the operation of the Business and only in the form and manner approved by the Franchisor from time to time. Pursuant to **clause 2.9**, the Goodwill belongs to the Franchisor.
- 13.2 The Franchisee shall not use the Trademarks in any way which may prejudice their distinctiveness or their reputation or do or permit to be done anything which could or would jeopardize the validity of the Trademarks or the Trade Names or the Future Trademarks (as defined in **clause 13.5**).
- 13.3 The Franchisee shall when requested render to the Franchisor assistance (including but not limited to evidence of user) in obtaining registrations of the Trademarks, including the execution of any documentation which may be necessary to establish ownership of the Trademarks.
- 13.4 In no circumstances shall the Franchisee or any of the Owners apply or permit any third party to apply, obtain and/or register as a trademark and/or company or partnership name the Trade Names or the Trademarks or any part of them or any other trademarks which are confusingly similar to the Trade Names or the Trademarks. Neither shall the Franchisee nor any of its Owners apply or permit any third party to apply, to obtain and/or register as a trademark and/or company or partnership name any trade name, trademark or slogan used in connection with the Business (in any language) whether created by or on behalf of the Franchisor or the Franchisee. In the event that the Franchisee or any of the Owners has obtained, applied to register or registered as a trademark and/or company or partnership name any trade name, trademark or slogan in connection with the Business before entering into this Agreement or does so at any time after the date of this Agreement, the Franchisee or those Owners will at the request of the Franchisor do all acts and execute all documents necessary to assign such application or registration to the Franchisor or ACEI and/or change the company or partnership name to something which does not include the Trade Names, Trademarks or slogans used in connection with the Business or anything confusing similar to the same.
- 13.5 If at the time the Franchisor desires to apply for registration of a trademark (the “**Future Trademarks**”) and has so applied and the Franchisee is deemed in law to have rights in such trademark so as to make it necessary for an application to be proceeded with (in whole or in part) in the name of the Franchisee, the Franchisee shall at the request and expense of the Franchisor make and proceed with such application and do all acts and execute documents necessary for obtaining registration in the name of the Franchisee and thereupon the Franchisee shall assign such registration to the Franchisor or as the Franchisor may direct and the Franchisee shall be entitled to the like rights in respect of any Future Trademarks of the Franchisor used in the **ALLEN CARR’S EASYWAY BUSINESS** (including the Trademarks) as are granted by this Agreement in respect of the Trademarks.
- 13.6 The Franchisee shall in all representations of the registered Trademarks and the Future Trademarks used by him in the operation of the Business append in a manner approved by the Franchisor such inscription as is usual or proper for indicating that such Trademarks are registered.
- 13.7 The Franchisee shall immediately notify the Franchisor of all infringements or imitators of the Trademarks, the Future Trademarks, the Trade Names or any business which appears to be or is attempting to pass itself off as a **ALLEN CARR’S EASYWAY CLINIC** or a member of the

ALLEN CARR'S EASYWAY NETWORK which come to his attention or any attempts to challenge the Franchisee's right to use any of the Trademarks, the Future Trademarks or the Trade Names or to carry on the Business as a **ALLEN CARR'S EASYWAY CLINIC** so long as this Agreement shall subsist. In the event that any such unauthorized use comes to the Franchisee's attention and/or any such challenge is made to the Franchisee, the Franchisee undertakes:

- 13.7.1 to take all necessary steps, including commencing legal proceedings in a court of competent jurisdiction or in The US Patent and Trademark Office ("USPTO") to prevent use by an infringer of the Trademarks, the Future Trademarks or the Trade Names or to take legal proceedings for passing off or unfair competition or any similar legal proceedings available in the Territory in respect of any business which appears to be or is attempting to pass itself off as a **ALLEN CARR'S EASYWAY CLINIC** or a member of the **ALLEN CARR'S EASYWAY NETWORK** or to counter any challenge in relation to the Franchisee's right to use any of the Trademarks, the Future Trademarks or the Trade Names or to carry on the Business as an **ALLEN CARR'S EASYWAY CLINIC** by defending any legal proceedings or responding to any claim brought by a third party;
 - 13.7.2 to cover the costs of the legal proceedings referred to in **clause 13.7.1**;
 - 13.7.3 not to in respect of any legal proceedings referred to in **clause 13.7.1**, appoint any legal advisors, commence or threaten to commence legal proceedings or file any defense to any legal proceedings or respond to any claim or make any admission as to liability or agree to any settlement of or compromise of any legal proceedings or claim without in each case obtaining the Franchisor's prior written consent. For the avoidance of doubt references to legal proceedings in this **clause 13.7** shall include any proceedings at the USPTO;
 - 13.7.4 to allow the Franchisor at any time (and at the Franchisor's sole expense) to settle any legal proceedings or claim commenced or defended by the Franchisee in accordance with **clause 13.7.1** where the Franchisor believes at its sole and absolute discretion that failure to do so would prejudice the reputation and/or interests of the **ALLEN CARR'S EASYWAY BUSINESS** and/or the **ALLEN CARR'S EASYWAY NETWORK** and/or the Franchisor.
- 13.8 No warranty expressed or implied is given by the Franchisor with respect to the validity of any of the Trademarks or the Future Trademarks.

14. SALE OF BUSINESS

- 14.1 The Franchisee shall not have the right to assign this Agreement or to grant any subfranchises, but shall have the right to sell the Business with the prior written consent of the Franchisor and subject to satisfying the provisions of **clause 14.4**.
- 14.2 The Franchisee shall as soon as possible submit to the Franchisor a copy of each written offer or full details of any other offer which the Franchisee proposes to accept received from any prospective purchaser to purchase the Business from the Franchisee and:
 - 14.2.1 a financial statement of affairs and the business history of the prospective purchaser; and
 - 14.2.2 details of all terms which may have been agreed or are proposed to be agreed between the Franchisee and the prospective purchaser; and

- 14.2.3 a warranty by the prospective purchaser so far as the statement required by **clause 14.2.1** is concerned and by the Franchisee in all other respects that such details are complete and accurate in all respects and that there has been no information withheld such warranty shall be effective not only on the date upon which it is given but also at the time of any sale of the Business by the Franchisee to the Franchisor or any approved third party.
- 14.3 Subject to **clause 14.5** the Franchisor undertakes to enter into a franchise agreement with a purchaser of the Business who is acceptable to it (the “**Purchaser**”) for a period equal to the unexpired Term commencing with the date of the sale of the Business but otherwise upon similar terms and conditions to the Franchisor’s then appropriate current form of franchise agreement, excluding the payment of any sum expressed to be by way of Initial Fee however described.
- 14.4 Subject to **clauses 14.2** and **14.5** the conditions required to obtain the Franchisor’s written consent to the sale of the Business by the Franchisee to the Purchaser may include that:
- 14.4.1 the Purchaser shall:
- 14.4.1.1 submit his offer in writing;
 - 14.4.1.2 be bona fide and at arm’s length;
 - 14.4.1.3 meet the Franchisor’s requirements with respect to personal qualities, business experience and qualifications, financial status, character, ability, suitability for maintaining the cohesion of the **ALLEN CARR’S EASYWAY NETWORK’s** compatibility with the Franchisor and its management team, and any other matters which the Franchisor may consider relevant;
 - 14.4.1.4 undertake to successfully complete a program of initial training by the Franchisor before the sale is completed which will be for a minimum of six (6) months; and
- 14.4.2 the Purchaser (and any other person required by the Franchisor pursuant to **clause 14.4.7** or otherwise) must enter into a confidentiality undertaking or a franchise agreement prior to entering into such training as may be required by the Franchisor;
- 14.4.3 the Franchisee or the Purchaser shall pay to the Franchisor a transfer fee of **fifteen per cent (15%)** of the sale price of the Business or a sum equal to the initial fee for the size territory granted under this Agreement whichever is greater, and if the Franchisor has introduced the Purchaser to the Franchisee a further **ten per cent (10%)** of the sale price of the Business. The Franchisor may at its sole discretion also require the Franchisee to pay the Franchisor’s legal fees and expenses in relation to the Franchisor’s compliance with disclosure and franchise registration requirements and the preparation of a franchise agreement and any other agreements in connection with such sale or proposed sale.
- 14.4.4 the Franchisee must not at the time of its application for consent be in breach of any of its obligations to the Franchisor under the terms of this Agreement;
- 14.4.5 the Purchaser shall not be engaged or concerned or interested in any way in any business which carries on a business which is similar to or competes with the **ALLEN CARR’S**

EASYWAY BUSINESS or be a member of a Group of companies one of whose members carries on such a business;

14.4.6 the Franchisor shall require to be satisfied that the Purchaser has adequate financial resources bearing in mind (inter alia) the purchase price to enable it to trade profitably. The Franchisor in so satisfying itself shall not be taken to be making any representations or giving any warranties to the Purchaser;

14.4.7 if the Purchaser is a company, the Franchisor shall require to be satisfied:

14.4.7.1 that the individual or individuals who will have effective voting or de facto control of such company satisfy the provisions of **clauses 14.4.1.2 to 14.4.1.4** and **clause 14.4.2**; and

14.4.7.2 with the suitability of the other persons who will be directors of and or shareholders in the Purchaser and the person who will undergo training as a Easyway Consultant; and

14.4.7.3 with the shareholding structure; and

14.4.7.4 with the arrangements between the shareholders in such company;

and the Purchaser shall procure that its directors and/or any individuals having de facto control of such company and/or its shareholders shall join it in entering into the standard form of franchise agreement then currently in use by the Franchisor.

14.4.8 the Franchisor shall have the right to require changes to be made to the sale and purchase agreement proposed to be entered into by the Franchisee and the Purchaser if it considers that there are provisions or omissions which may be detrimental to its interests.

14.4.9 payment is made by the Franchisee of all costs and all obligations by or of the Franchisee to the Franchisor and any nominated or approved suppliers are discharged including any sum due under **clause 14.4.3** without any right of deduction or set-off.

14.5 The Franchisor shall in addition to its other rights under this Agreement have an option to purchase (the “**Purchase Option**”) the Business for the same amount and upon the same terms as are offered to the Franchisee and notified to the Franchisor pursuant to **clause 14.2**. The Franchisor shall have a period of sixty (60) days after receipt of such written offer and the information referred to in **clause 14.2**, to exercise the Purchase Option by notice in writing to the Franchisee. The sale and purchase shall be completed within thirty (30) days following the service of such notice by the Franchisor or if any landlord’s license is required ten (10) days after such license shall have been obtained or if earlier ten (10) days after the service of written notice by the Franchisor to the Franchisee waiving the requirement to obtain such license. The Franchisee shall notify the Franchisor of any variation in the terms offered by any prospective purchaser and the said period of sixty (60) days shall re-commence as from the date of such notification of a variation in the offered terms.

14.6 If the Franchisor does not exercise the Purchase Option, the Franchisee shall be entitled within the period of nine (9) months thereafter to proceed with its application to sell the Business to the Purchaser or another prospective purchaser upon the same or on terms no more favorable to a purchaser than those notified to the Franchisor pursuant to **clause 14.2** subject to the prospective

purchaser satisfying the provisions of **clause 14.4**. The sale of the Business cannot be completed until the Purchaser or another prospective purchaser has successfully completed the initial training and is ready to take over the operation of Stop Sessions.

- 14.7 Upon the Franchisor exercising the Purchase Option, or if the Franchisor does not exercise the Purchase Option and the Franchisee sells the Business upon the Franchisor entering into a franchise agreement with a prospective purchaser, and upon the satisfaction of the conditions referred to in **clause 14.4** in particular (without derogating from the generality of the foregoing provisions) and the successful completion by the prospective purchaser of the program of initial training, the Franchisor and Franchisee shall each be deemed to have released the other from the terms of this Agreement save for those provisions which by their nature or effect survive termination. In addition the Franchisee shall be deemed to have released and discharged the Franchisor from and against all claims and demands whether or not contingent which the Franchisee may have against the Franchisor arising from this Agreement or otherwise in any way out of the relationship between the Franchisor and the Franchisee.
- 14.8 For the purposes of this clause, where the Franchisee is a company any change in the direct or indirect or ultimate beneficial ownership of the issued share capital or of the de facto control of the Franchisee or of the Group of which the Franchisee is a member shall be deemed to be an assignment of this Agreement which will require the prior written consent of the Franchisor and which must satisfy the conditions in **clause 14.4** and if such consent is granted by the Franchisor, the Franchisee will comply with **clause 5.34**.

15. TERMINATION

- 15.1 This Agreement may be terminated by the Franchisor with immediate effect on written notice being given to the Franchisee in the event of any of the following:
- 15.1.1 The Franchisee failing to pay in full to the Franchisor in accordance with **clause 10** of this Agreement the Continuing Fee in respect of all revenues received from the operation of the Business, including without limitation all Stop Sessions, and failing to remedy such breach to the Franchisor's satisfaction within ten (10) days after written notice from the Franchisor;
- 15.1.2 The Franchisee or any of the Owners failing to make payment of any sums (other than the Continuing Fee) owing by the Franchisee to the Franchisor within fourteen (14) days of the due date, and failing to remedy such breach to the Franchisor's satisfaction within ten (10) days after written notice from the Franchisor;
- 15.1.3 The Franchisee failing to supply to the Franchisor copies of such books and records and statements and tax returns and documents as is agreed under **clause 11** of this Agreement within fourteen (14) days of the date such books, records, statements, tax returns and documents are due;
- 15.1.4 The Franchisee being in breach of **clauses 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.13 or 5.25** of this Agreement and failing to remedy such breach (where capable of remedy) to the Franchisor's satisfaction within fourteen (14) days after written notice from the Franchisor;
- 15.1.5 The Franchisee being in breach of any of its other obligations under this Agreement and in the case of a breach capable of being remedied (and this will not include any of the

obligations set out in the clauses referred to in **clause 15.1.6)** failing to remedy such breach within thirty (30) days of being requested to do so by the Franchisor in writing;

- 15.1.6 The Franchisee being in breach of any of **clauses 5.7, 5.8, 5.10, 5.17.2** or **6** of this Agreement. In the event of any such breach the Franchisee shall be deemed to be in repudiatory breach of this Agreement;
- 15.1.7 The Franchisee failing to attain the following minimum targets for Gross Receipts (as defined in **clause 10.2** of this Agreement):
- \$[] in the first year of trading;
- \$[] in the second year of trading
- \$[] in the third year of trading;
- \$[] in the fourth year of trading; and
- \$[] in any subsequent year of trading;
- 15.1.8 If, during the Probationary Period (as defined below), the Franchisor believes that any of the Owners have not reached a satisfactory standard of competence and skill in the Method or in the conduct of Stop Sessions. The “**Probationary Period**” shall mean the period from the date of this Agreement to the date six (6) months after the Franchisee begins operating the **ALLEN CARR CENTER**;
- 15.1.9 The death or incapacity (as described in **clause 30.2**) of any of the Owners where in the event of the death of the any of the Owners the Franchisee does not find a replacement Owner or sell the Business in accordance with **clause 30**, or in the event of the incapacity of any of the Owners the Franchisee does not find a replacement Owner or sell the Business in accordance with the provisions of **clause 30**;
- 15.1.10 The insolvency or bankruptcy of the Franchisee or any of the Owners or if any distress execution or other legal process shall be levied on or against the Franchisee or against his/her personal property in the case of an individual;
- 15.1.11 The Franchisee or any of the Owners suffers a judgment not appealed against in consequence of debt or, being a body corporate, entering into liquidation, receivership, administration, or composition with creditors or taking or attempting any similar action in consequence of debt;
- 15.1.12 The Franchisee or any of the Owners acting in any dishonest, fraudulent, improper or criminal manner in relation to this Agreement;
- 15.1.13 The conviction of the Franchisee or any of the Owners by any court of competent jurisdiction of any criminal offence (other than a minor traffic infraction);
- 15.1.14 If the Franchisee or any of the Owners in their franchise application or supporting details have provided the Franchisor with information which contains any false or misleading statements or omits any material fact which may make any statement misleading;

- 15.1.15 If the Franchisee shall refuse to permit the Franchisor or its representative to have access to the **ALLEN CARR CENTERS** as provided in this Agreement;
- 15.1.16 If the Franchisee shall challenge the validity of the Trade Names, the Trademarks, the Future Trademarks, the System or any intellectual property rights of the Franchisor or shall bring the Trade Names, the Trademarks, the Future Trademarks or the Method or the System into disrepute which (not by way of limitation) shall include committing a crime for which the punishment may be imprisonment;
- 15.1.17 If there shall be an attempted assignment by the Franchisee of this Agreement or of the Business other than a sale of the Business under and in accordance with the provisions of **clause 14**;
- 15.1.18 If (without prejudice to the generality of the provisions of this clause and to any other rights or remedies available to the Franchisor) the Franchisor shall on reasonable grounds suspect that any information concerning the Franchisor's business, the System or particulars of any communication from the Franchisor to the Franchisee is being or has been communicated in any way to any competitor of the Franchisor by the Franchisee or any of its officers, shareholders or employees or any Owner or any other person associated with the Franchisee or the any of the Owners or such officers, shareholders or employees; or
- 15.1.19 Where a state or local authority requires any person providing Stop Sessions to hold a Personal License (as specified in **clause 5.23**) and an Owner and/or any Easyway Consultant provides Stop Sessions to clients without holding an appropriate Personal License and/or if none of the Owners is able to obtain a Personal License;
- 15.1.20 In this **clause 15** a default neglect or failure of the same agreement or condition which has occurred more than twice in any period of one (1) year shall be deemed to be a persistent default, neglect or failure, and in the case of persistent default, neglect or failure the Franchisor shall be entitled to terminate this Agreement forthwith by written notice to the Franchisee who shall not be entitled to any period of grace within which to remedy any such default neglect or failure.
- 15.2 If the Franchisee has fully complied with this Agreement and the Franchisor materially fails to comply with this Agreement and does not correct such failure within thirty (30) days after receipt of Notice thereof, the Franchisee may terminate this Agreement effective thirty (30) days after the Franchisor receives Notice of such termination. The Franchisee's termination of this Agreement for any other reason or without such notice will be deemed a termination without cause.
- 15.3 All rights of the Franchisee under this Agreement shall cease and revert to the Franchisor if this Agreement expires or terminates for any reason. The termination or expiry of this Agreement at any time and however caused shall be without prejudice to any rights, remedies, obligations or liabilities accrued by either party at the date of termination or expiry.
- 15.4 The Franchisee agrees that, if the Franchisor no longer has the rights to use the Trade Names and the Trademarks in the US the Franchisee will enter into a novation agreement in the form specified by the Franchisor in order to novate the benefit and burden of this Agreement to a nominee of the Franchisor who will from the date of such novation agreement have the rights to use the Trade Names and the Trademarks in the US and who will act as the franchisor under this Agreement in place of the Franchisor.

16. CONSEQUENCES OF TERMINATION

16.1 Upon the termination of this Agreement the Franchisee will:

- 16.1.1 immediately cease to carry on the use of the Method and the System and the Business, discontinue the use of the Trade Names, the Trademarks, the Future Trademarks, the Copyright Works, the US Copyright Works, signs, cards, notices and other display or advertising matter indicative of the Franchisor or of any association with the Franchisor or of the Business or Easyway the Method or **ALLEN CARR CENTERS**;
- 16.1.2 provide to the Franchisor in accordance with any data protection legislation all records, accounts, client details including details of all corporate clients and the name and contact details of all contact persons at each corporate client and all other written information whatsoever relating to the Business within fourteen (14) days;
- 16.1.3 when demanded to by the Franchisor deliver up to the Franchisor free of charge all stationery, literature, signs, cards, notices, other displays or advertising matter and any other article bearing the name of the Franchisor or the Trade Names or the Trademarks or the Future Trademarks which may be the property of the Franchisee;
- 16.1.4 return at the Franchisee's expense all items which may have been loaned to the Franchisee by the Franchisor, including the Manual, all versions of the Manual on audio or video tape, and any copies of the Manual. The Franchisee must return to the Franchisor all translations of the Manual and all versions of the Manual in audio or video form made by the Franchisee and all copies thereof. All versions of the Manual on computer disc must be destroyed and the Franchisee must confirm in writing within seven (7) days of termination that all such discs have been destroyed. If the Franchisee does not return to the Franchisor all versions of the Manual as required, including any copies, the Franchisee must promptly pay the Franchisor an administrative fee in respect of the Franchisor's expenses in seeking to recover all versions and copies of the Manual of \$1,000 for each copy of the Manual not returned to cover the Franchisor's costs for compiling, producing and distributing copies of the Manual, and not as a penalty, and in addition it will be liable to the Franchisor for any damages the Franchisor suffers by reason of the Franchisee's failure to return all copies of the Manual.
- 16.1.5 pay within twenty eight (28) days to the Franchisor (without any deduction or right of set-off):
 - 16.1.5.1 all sums of money which may be payable or owing (whether or not then due for payment) from the Franchisee to the Franchisor; and
 - 16.1.5.2 the Franchisor's proper legal costs incurred in the preparation and service of the termination notice together with all disbursements reasonably and properly incurred if this Agreement shall have been terminated by the Franchisor under **clause 15**; and
- 16.1.6 honor all obligations to clients of the Franchisee's **ALLEN CARR CENTERS** and in particular pay any refunds due under money back guarantees.

16.2 The Franchisee shall further and forthwith upon such termination:

- 16.2.1 join with the Franchisor or as the Franchisor may direct in canceling any license to use the Trademarks and the Future Trademarks;
- 16.2.2 assign to the Franchisor any trademark applications or registrations made in the name of the Franchisee or any of the Owners for any trade name, trademarks or slogans used in connection with the Business (in any language) and do all acts and execute all documents necessary to assign such applications or registration as are required under the laws of the Territory;
- 16.2.3 assign to the Franchisor any domain names which comprise any of the Trademarks, Trade Names, trade names or slogans used in connection with the Business (in any language) in accordance with **clause 5.27**;
- 16.2.4 change the name of any corporation, limited liability company or partnership incorporated or formed by the Franchisee or any of the Owners in breach of **clause 13.4** to something which does not include the Trademarks, Trade Names or any trademarks, trade names or slogans used in connection with the Business (in any language) or anything confusingly similar to the same;
- 16.2.5 cease the use of all material of whatever nature of which the copyright is vested in the Franchisor or where its continued use would in any way infringe the Franchisor's copyright;
- 16.2.6 grant the Franchisor the right to take over at no charge all telephone lines, telephone numbers, fax lines, fax numbers, websites, social media accounts and e-mail addresses of the Business and any other number, line or means of communication relating to the Business. The Franchisee will provide the Franchisor with all assistance reasonably requested by Franchisor to enable the Franchisor to exercise its rights under this **clause 16.2.6** including all actions necessary to effect the transfer to the Franchisor of ownership of any relevant domain names (in accordance with **clause 5.27**), website material and other electronic content; and
- 16.2.7 take all such action as may be necessary to cancel any fictitious or assumed name registration which contains any part of the Trade Names or Trademarks under any federal or state laws or regulations, and give the Franchisor satisfactory evidence of its compliance with this obligation within thirty (30) days after the termination or expiration of this Agreement.
- 16.3 If the Franchisee shall fail to comply with the provisions of **clause 16.2** the Franchisor is by this Agreement irrevocably appointed the agent of the Franchisee with full authority to give such notices and sign such documents as may be appropriate to give effect to their provisions.
- 16.4 Bearing in mind the knowledge the Franchisee has acquired of the System and the Method and the necessity to prevent the System or the Method or any part thereof from directly or indirectly benefiting competitors, upon the termination of this Agreement the Franchisee guarantees covenants and undertakes:
 - 16.4.1 for a period of two (2) years following the termination of this Agreement not to be engaged either directly or indirectly in any stop smoking business in the Territory either as an owner, director, partner, consultant, employee or otherwise;

- 16.4.2 for a period of two (2) years following the termination of this Agreement not to be engaged either directly or indirectly in any stop smoking business (if this franchise is for operation of ALLEN CARR STOP SMOKING CENTERS) or in any stop drinking business (if this franchise is for operation of ALLEN CARR STOP DRINKING CENTERS) within the exclusive territory of any other **ALLEN CARR CENTER** in the US either as an owner, director, partner, consultant, employee or otherwise;
 - 16.4.3 not at any time following termination of this Agreement directly or indirectly be engaged concerned or interested in a business which utilizes or duplicates the System or the Method or any significant part of it or use the Trade Names or the Trademarks, the Future Trademarks or any name or mark likely to be confused therewith including being employed as a Easyway Consultant by another franchisee or competitor or buying another stop smoking business or stop drinking business; and
 - 16.4.4 that it shall maintain the Method, the System and other information relating to the conduct of the Business notified to the Franchisee in strict confidence and secret and shall not use disclose publish or otherwise make it available to any third party but this provision shall not apply to the System if it has become generally known or easily accessible otherwise as a package other than through a breach of this Agreement, breach of trust or other default of the Franchisee.
- 16.5 The Franchisee will not at any time following the termination of this Agreement make or use for any commercial or business purpose whatsoever or for profit of any confidential information received from the Franchisor nor pass on any such information to any third party. Without prejudice to the generality of the foregoing, the Franchisee agrees not to retain or use any list of clients, including corporate clients of the **ALLEN CARR CENTERS**, operated by it under this Agreement, and agrees not to contact any client or former client of the **ALLEN CARR CENTERS** for any business purpose.
- 16.6 The Franchisee will not do anything which:
- 16.6.1 damages or which may damage the reputation of the Franchisor, the **ALLEN CARR CENTERS**, the Method, the System, Allen Carr, Robin Hayley, or any officer, employee, agent or franchisee of the **ALLEN CARR'S EASYWAY NETWORK** ; or
 - 16.6.2 undermines or which may undermine confidence in the effectiveness of Easyway or the Method, the System or any materials produced by the Franchisor using Easyway or the Method.

17. ENTIRE AGREEMENT AND VARIATION

- 17.1 This Agreement contains the entire agreement between the parties and supersedes any previous agreement between the parties.
- 17.2 This Agreement will not be modified in any way, including by custom, usage of trade, or course of dealing or performance, except by a written instrument signed by the parties.
- 17.3 Nothing in this or any related agreement is intended to disclaim the representations made by the Franchisor in the Franchise Disclosure Document furnished to the Franchisee.

18. REPRESENTATIONS

- 18.1 In this clause and in **clause 19.3** the expression “**Pre-Contractual Statements**” includes written or oral pre-contractual statements or agreements, financial statements, profit projections representations warranties inducements or promises made innocently or negligently.
- 18.2 The waiver of the Franchisor and each of the Owners contained in this clause shall be irrevocable and unconditional but it is expressly provided that such waiver shall not exclude any liability of the Franchisor for Pre-Contractual Statements made by it fraudulently.
- 18.3 The Franchisee and each of the Owners acknowledge that they have been:
- 18.3.1 told that if there are any Pre-Contractual Statements which they consider have been made to them which would have induced them to enter into this Agreement they are obliged to submit particulars thereof to the Franchisor so that any misconceptions or misunderstandings can be resolved after which an agreed form of Pre-Contractual Statements on which the Franchisee and/or any of the Owners has relied may be annexed to and form part of this Agreement; and
- 18.3.2 given the opportunity to provide to the Franchisor particulars of such Pre-Contractual Statements which they consider have been made to them which would induce them to enter into this Agreement and agree that they shall both be deemed not to have relied upon any Pre-Contractual Statements made or given or purportedly made or given by the Franchisor unless such a written statement is annexed hereto.
- 18.4 The Franchisee and each of the Owners acknowledge that except as provided in **clause 18.3** no Pre-Contractual Statements have been given by the Franchisor to the Franchisee and/or any of the Owners.

19. WAIVER

- 19.1 No failure of the Franchisor to exercise any power given to it under this Agreement or to insist upon strict compliance by the Franchisee with any obligation and no custom or practice of the parties at variance with the terms of this Agreement shall constitute any waiver of any of the Franchisor’s rights under this Agreement.
- 19.2 Waiver by the Franchisor of any particular default by the Franchisee shall not affect or impair the Franchisor’s rights in respect of any subsequent default of any kind by the Franchisee nor shall any delay or omission of the Franchisor to exercise any rights arising from any default of the Franchisee affect or impair the Franchisor’s rights in respect of the said default or any other default of any kind.
- 19.3 The Franchisee and each of the Owners waive any right they may have to bring a claim or counterclaim against the Franchisor for damages and/or rescind this Agreement on the basis of any Pre-Contractual Statements save for those Pre-Contractual Statements which are annexed to this Agreement as provided in **clause 18.3** or as provided in **clause 18.5**.

20. MISREPRESENTATION

Except in the case of fraudulent misrepresentation, the only remedy available in respect of any misrepresentation or untrue statement made to any party to this Agreement will be a claim for breach of contract.

21. SEVERABILITY

- 21.1 If any term or provision or any part thereof (in this clause called the “**Offending Provision**”) of this Agreement shall be declared or become unenforceable, invalid or illegal for any reason whatsoever, including but without derogating from the generality of the foregoing a decision by any competent court or the European Court of Justice the Commission of the European Union an Act of Parliament European Union legislation or any statutory or other bye-laws or regulations or any other requirements having the force of law, the other terms and provisions of this Agreement shall remain in full force and effect as if this Agreement had been entered into without the inclusion of the Offending Provision.
- 21.2 In the event that the exclusion of any Offending Provision shall adversely affect the Franchisor’s right to receive payment of fees or remuneration by whatever means payable to the Franchisor or materially and/or adversely affect the Trademarks, the Future Trademarks, the Trade Names, the Method or the System, then the Franchisor shall have the right to terminate this Agreement without liability upon thirty (30) days’ notice in writing to the Franchisee; provided, however, that before the service of such notice the Franchisor and the Franchisee shall use their best efforts by good faith discussions to agree within a period of sixty (60) days from the date when the Franchisor initiates such discussion process (time in this respect shall be of the essence) upon alternative enforceable provisions which will have the same practical effect for the Franchisor as the Offending Provision.
- 21.3 Upon any agreement having been reached the new provisions shall be incorporated in this Agreement and the Franchisor shall not be entitled to terminate this Agreement under the provisions of this clause by reason of that particular event.

22. ACKNOWLEDGEMENTS AS TO ADVICE GIVEN AND OTHER MATTERS

- 22.1 The Franchisee and each of the Owners acknowledge that the Franchisor in giving advice to and assisting the Franchisee in establishing the Business (including but without prejudice to the generality of the foregoing, recommending equipment and materials, site selection, profit projections and the assessment of the suitability of the Franchisee and the its Owners) bases its advice and recommendations on experience actually obtained in practice and is not making or giving any representations guarantees or warranties except that its advice is based upon such previous experience as it has and the degree of success or lack of success in its dealings on its own account and with its franchisees.
- 22.2 The Franchisee and each of the Owners acknowledge that they have been advised by the Franchisor to discuss their intention to enter into this Agreement with other franchisees of the Franchisor and their business advisors and that they must decide on the basis of their own judgment whether or not to enter into this Agreement.
- 22.3 The Franchisee and each of the Owners further acknowledge that they recognize that the business venture contemplated by this Agreement involves business risks and that its success will be affected

by the Franchisee's ability and commitment as an independent business entity and each Owner's ability and commitment as a director, officer, shareholder of the Franchisee.

- 22.4 Except where the context otherwise requires each of the restrictions contained in this Agreement and in each clause and paragraph shall be construed as independent of every other restriction and of every other provision of this Agreement and the existence of any claim or course of action by the Franchisee and/or the Owners against the Franchisor whatsoever shall not constitute a defense to the enforcement by the Franchisor of any of the said restrictions.
- 22.5 It is expressly agreed between the parties hereto that having regard to the recitals and other provisions of this Agreement each of the restrictive covenants contained in this Agreement and in each clause and paragraph is reasonably necessary for the protection of the Franchisor and the Franchisor's and its affiliates' intellectual property rights and the other franchisees of the Franchisor and does not unreasonably interfere with the freedom of action of the Franchisee or any of its Owners.
- 22.6 The Franchisee and each of the Owners acknowledge that they have been advised by the Franchisor to obtain independent legal advice before executing this Agreement and that they are fully aware of its provisions and accept that they are fair and reasonable in all the circumstances known to or in the contemplation of the Franchisor, the Franchisee and each of the Owners as at the date of this Agreement.
- 22.7 In particular the Franchisee and each of the Owners acknowledge that the provisions of this Agreement relating to the limits on the Franchisee's right to make deductions or set offs (to which it may claim to be entitled) against payment of the Continuing Fees are fair and reasonable. The Franchisee and the each of the Owners recognize that their failure or refusal to make payments of such fees or contributions because of their dissatisfaction with the Franchisor's performance may result in the Franchisee's continued involvement in **ALLEN CARR'S EASYWAY NETWORK** being subsidized by other franchisees who make payment of such fees and contributions. The Franchisee and each of the Owners also recognize that its failure to pay such fees and contributions may adversely and materially affect the provision of services to franchisees who are members of **ALLEN CARR'S EASYWAY NETWORK**. The Franchisee accepts that the remedies available to it which are not affected by the set off or deduction provisions of this Agreement are sufficient for its purposes including as they do a right to sue for damages and if appropriate acceptance of any repudiatory conduct on the part of the Franchisor.
- 22.8 The Franchisee warrants that save pursuant to an agreement with the Franchisor entered into and/or the business it was involved in prior to the execution of this Agreement or as disclosed by the Franchisee in writing and annexed to this Agreement and signed by the parties hereto it had no direct knowledge of:
- 22.8.1 **ALLEN CARR'S EASYWAY BUSINESS**; or
- 22.8.2 how to operate a business similar to **ALLEN CARR'S EASYWAY BUSINESS**; or
- 22.8.3 how to conduct **ALLEN CARR'S EASYWAY BUSINESS**; or
- 22.8.4 the System, Easyway or the Method.
- 22.9 In order to enable the Franchisor to ascertain whether the Franchisee is complying with the obligations imposed upon it under this Agreement and in order to enable the Franchisor to enforce

rights given to it by this Agreement, the Franchisor may during normal business hours enter the **ALLEN CARR CENTERS** without any other consent of the Franchisee save this consent which the Franchisee gives and agrees not to revoke.

23. NO WARRANTIES WITHOUT AUTHORITY

The Franchisee shall make no statements representations or claims and shall give no warranties to any client in respect of Easyway or the Method or any product sold or services provided by the Franchisee, save such as are implied by law or may have been specifically authorized by the Franchisor, such authority to be given either in writing or in the Manual in its form current at the time of the making by the Franchisee of such statement representation claim or the giving by the Franchisee of such warranty. The Franchisee undertakes with the Franchisor to keep it fully and effectually indemnified against all claims demands losses expenses and costs which the Franchisor may incur as a result of any breach by the Franchisee of this provision or of any other provision contained in this Agreement.

24. ASSIGNMENT BY FRANCHISOR

The Franchisor may assign (or otherwise deal with) the benefit and burden of this Agreement without any consent from the Franchisee subject in the case of an assignment to the assignee entering into a direct covenant with the Franchisee thereafter to observe and perform all the Franchisor's obligations contained in this Agreement. The submission by the assignee to the Franchisee of a contract to the above effect duly executed by the assignee shall be deemed to be in compliance with the requirements of this clause and the Franchisor shall thenceforth be discharged from all obligations under this Agreement.

25. DEFINITIONS

- 25.1 In this Agreement obligations and liabilities assumed by more than one person are assumed jointly and severally unless otherwise specified.
- 25.2 In this Agreement references to clauses and other provisions are references to clauses and other provisions of this Agreement. In this Agreement the masculine includes the feminine.
- 25.3 In this Agreement reference to statutes or statutory provisions include those statutes or statutory provisions as amended, extended, consolidated, re-enacted or replaced from time to time and to any order, regulations, instruments or other subordinate legislation and to any former statute or statutory provision replaced (with or without modification) by the statute or statutory provision referred to except to the extent that any amendment or modification enacted after the date of this Agreement would increase or extend the liability of any party to this Agreement.
- 25.4 Where under any of the provisions of this Agreement the Franchisor's consent or approval is required to be given or obtained, such consent or approval to be effective and binding on the Franchisor (unless deemed by a provision in this Agreement to have been given) must be in writing and signed by a director of the Franchisor.
- 25.5 Where in this Agreement there is a reference to a requirement of the Franchisor (however expressed), it shall be deemed to include any requirement contained in the Manual.

- 25.6 Where in this Agreement there is reference to any matter to be specified by the Franchisor notice of such specified requirements may be communicated by way of amendment or addition to the Manual.
- 25.7 Where there are references in this Agreement to “terminate” or “termination” such words shall where the context admits be deemed to include the determination or termination of this Agreement for any cause including the termination of this Agreement by expiration of time.
- 25.8 Where in this Agreement there is a requirement on the part of the Franchisee to make payment without right of deduction or set off, the Franchisee shall be entitled to make a deduction or set off in respect of undisputed liquidated sums owing by the Franchisor to the Franchisee including credits given or to which the Franchisee may be entitled in respect of defective goods supplied by the Franchisor under the terms of any agreement between the Franchisor and Franchisee.
- 25.9 In this Agreement the words the “**Business**” where the context so admits shall include all assets employed in or about the conduct of the Business including the freehold or leasehold interest of the Franchisee and/or the right to occupy any premises used in the conduct of the Business.
- 25.10 In any contract resulting from the exercise by the Franchisor of an option to purchase the Business from the Franchisee pursuant to this Agreement, the Franchisee will indemnify the Franchisor and keep the Franchisor indemnified on demand against all liabilities costs claims proceedings, fines, penalties, compensation, Court or tribunal order, awards and demands arising from any liability or obligation of the Franchisee in any way connected with or relating to the employment of any of the Owners and any of the Franchisee’s employees in the Business or the termination of such employment (including statutory obligations and contractual rights and obligations) which may be transferred to the Franchisor pursuant to applicable legislation or regulation and any subsequent re-enactment or modification thereof.
- 25.11 Any reference in this Agreement to a right of set off shall include legal and equitable rights of set off.
- 25.12 In this Agreement the expression “**Group**” in relation to a body corporate means the body corporate or any other body corporate which is its ultimate holding company or subsidiary and any other body corporate which is a subsidiary of that holding company or a subsidiary or any subsidiary of that holding company.

26. APPLICABLE LAW/DISPUTE RESOLUTION

- 26.1 This Agreement shall be construed and enforced according to the laws of England and Wales, without reference to the conflicts of law provisions thereof, provided that nothing in this clause is intended by the parties to subject this Agreement to any franchise of similar law, rule or regulation of such jurisdictions to which this Agreement would not otherwise be subject.
- 26.2 The Franchisor reserves its right to obtain injunctive or other interlocutory relief in a court of competent jurisdiction where such relief is available and in respect of such injunctive or other interlocutory relief only the parties submit to the non-exclusive jurisdiction of the Courts that have jurisdiction in the Territory.
- 26.3 Subject to **clause 26.2** any and all disputes or claims of whatever nature between the parties that arise out of or relate to this Agreement or its interpretation including the breach, termination or invalidity thereof or the underlying business relationship and including statutory claims

(collectively, “**Disputes**”), and which are not resolved between the parties themselves through good faith negotiations, shall first be submitted to mediation in accordance with the International Mediation Rules of the International Centre for Dispute Resolution. The mediation shall be concluded within 30 calendar days of the day the request for mediation is made, unless the parties mutually agree otherwise. Mediation shall be private, voluntary, and nonbinding. Any party may withdraw from the mediation at any time before signing a settlement agreement upon written notice to the other party and to the mediator. The mediator’s fees shall be shared equally by the parties. The mediator shall be disqualified as a witness, consultant, expert, or counsel for either party with respect to the mediated Dispute and any related matters. Unless the parties agree otherwise, the entire mediation process shall be confidential and without prejudice. The parties and the mediator shall not disclose any information, documents, statements, positions or terms of settlement. All mediation proceedings shall take place by video conference, whenever possible, and otherwise in Chicago, Illinois, U.S.A. The commencement of mediation shall not act to prevent either party from instituting or proceeding with any action which may be subject of the dispute.

- 26.4 Subject to **clause 26.2**, any Dispute not so resolved through good faith negotiations or mediation shall be submitted to mandatory and binding arbitration in accordance with the London Court of Arbitration rules presently in force. The arbitration will be heard by a single arbitrator agreed between the parties or in default of an agreement an arbitrator will be nominated by the President of the London Court of Arbitration. The place of arbitration will be London, England, United Kingdom and the language to be used in the arbitral proceedings will be English. The substantive law of the arbitration will be the laws described in **clause 26.1**. The arbitrator has no authority to amend or modify the terms of this Agreement or to award punitive or exemplary damages and the award may be enforced by judgment in any court of competent jurisdiction. The decision and award of the arbitrator shall be final and binding on the parties and judgment on the award may be entered in any court of competent jurisdiction.
- 26.5 The parties agree in relation to any proceedings involving the Franchisee and the Franchisor the following will apply:
- 26.5.1 the proceedings will be conducted on an individual, not class-wide basis, and that a proceeding between the Franchisor and the Franchisee may not be consolidated with any other arbitration proceeding involving the Franchisor or the Franchisee and another party;
- 26.5.2 no punitive or exemplary damages shall be awarded against either the Franchisor or the Franchisee or any affiliates of either of them in any proceeding, and all claims to such damages are hereby waived;
- 26.5.3 the Franchisor and the Franchisee irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity brought by either party.

27. NOTICES

Any notice required to be given pursuant to this Agreement by the Franchisor will be delivered personally or by sending it by registered international air mail with return receipt requested or by international courier with a confirmation of posting receipt if to the Franchisee at the Franchisee’s last known principal place of business or address set out in this Agreement or by facsimile sent to the Franchisee’s facsimile number and if to the Owners at its last known address or address set out in this Agreement or by facsimile sent to the Owner’s facsimile number. Any notice required to be

given by the Franchisee or the Owners pursuant to this Agreement to the Franchisor will be delivered personally or by sending it by registered international air mail with return receipt requested or by international courier with a confirmation of posting receipt to the Franchisor at the Franchisor's last known principle place of business or address set out in this Agreement or by facsimile sent to the Franchisor's facsimile number. Where a notice is sent by post or courier under the provisions of this clause service shall be deemed to have been effected at the expiration of five (5) Business Days (as defined below) after the same was posted or collected by the courier company whether or not it shall have been received. Where a notice has been transmitted by facsimile service shall be deemed to have been effected at the time of transmission provided that where in accordance with the above provisions such delivery occurs either after 4:00 pm on a Business Day or on a day other than a Business Day service will be deemed to occur at 9:00 am on the next Business Day (such times being local time at the address of the recipient).

The term "**Business Day**" shall mean a normal working day in the country of the recipient and shall not include public holidays in the Territory and public or bank holidays in England.

28. CLAUSE HEADINGS NOT PART OF THIS AGREEMENT

The clause headings in this Agreement are solely for ease of reference and this Agreement shall not be construed by reference thereto.

29. THIRD PARTY RIGHTS

The parties to this Agreement do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it except that ALLEN CARR'S EASYWAY (INTERNATIONAL) LTD., a company incorporated in England with Company Number 2423347, whose registered office is at Park House, 14 Pepys Road, London SW20 8NH, England, United Kingdom ("**ACEI**") has the right to enforce this Agreement in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999 in respect of its rights in the Trade Names, Trademarks and the Copyright Works.

30. DEATH OR INCAPACITY OF AN OWNER

- 30.1 If a sole Owner (or if there is more than one Owner the last surviving Owner) shall die during the Term, the Franchisee (or the estate of the sole Owner or last surviving Owner) shall have a period of three (3) months from the date of death of the Owner (or the last surviving Owner) to sell the Business in accordance with the provisions in **clause 14** or find a replacement Owner who is acceptable to the Franchisor as if such individual were a purchaser of the Business and in deciding if such individual is acceptable the Franchisor will apply the provisions of **clause 14.4.1**.
- 30.2 In the event of the incapacity of the Owner (or if there is more than one Owner) the last surviving Owner lasting for a continuous period of twenty eight (28) days or a total of twenty (20) working days in any period of ninety (90) days, the Franchisor may require the Franchisee to sell the Business in accordance with the provisions of **clause 14** or find a replacement Owner acceptable to the Franchisor as set out in **clause 30.1**. The Franchisor shall give the Franchisee written notice that the Business should be sold or a replacement Owner found pursuant to this clause and the Franchisee shall have a period of three (3) months from the date of such notice to sell the Business or find a replacement Owner.

- 30.3 The Franchisor shall have the right but not the obligation to provide a manager to manage the Business during the period of three (3) months specified in **clause 30.1 or 30.2** (as applicable). The Franchisor shall be entitled to a sum for the provisions of such manager equal to:
- 30.3.1 The salary of the manager; and
- 30.3.2 The traveling accommodation and subsistence expenses of the manager.
- 30.4 If the Franchisee does not arrange to dispose of the Business or find a replacement Owner as provided in **clause 30.1 or 30.2** the Franchisor will be entitled to terminate this Agreement with immediate effect by giving notice in writing to the Franchisee.

31. OWNER PROVISIONS AND GUARANTY

Each of the Owners hereby covenants and undertakes with the Franchisor:

- 31.1 that the Franchisee will duly observe and perform all the obligations herein contained on the Franchisee's part to be observed and performed;
- 31.2 that he will devote his full time attention and effort to the management and operation of **ALLEN CARR CENTERS**, except to the extent and in the manner expressly and previously agreed in writing by the Franchisor;
- 31.3 not during the term of this Agreement be directly or indirectly interested or concerned in a business which is similar to or competes with **ALLEN CARR EASYWAY BUSINESS** anywhere in the US;
- 31.4 that he will not make use of any Franchisor's intellectual property rights of whatsoever nature (including the Goodwill) and will not disclose to any third party or make use of any of the Method or the System about which he may acquire knowledge by virtue of the training he may have received from the Franchisor his involvement in the Business or his shareholding in or directorship of the Franchisee. Each Owner hereby warrants that save pursuant to any agreement entered into between the Owner and the Franchisor prior to the execution of this Agreement or as disclosed by the Owner in writing and annexed to this Agreement and signed by the parties hereto he had no direct knowledge of:
- 31.4.1 **ALLEN CARRS EASYWAY BUSINESS**;
- 31.4.2 how to operate **ALLEN CARRS EASYWAY BUSINESS**; or
- 31.4.3 how to conduct **ALLEN CARRS EASYWAY BUSINESS**; or
- 31.4.4 the Method or System.
- 31.5 that he shall not during the Term except for the sole purpose of conducting the Business divulge or use whether directly or indirectly for his own benefit or for the benefit of any person firm or company other than the Franchisor any information or knowledge concerning the System or the Method which may be communicated to him or which he may acquire in the operation of the Business under this Agreement. Each of the Owners will not disclose this Agreement or any details

or information regarding this Agreement to any Easyway Franchisee or to any third party except as required by law or for the purposes of obtaining advice from his professional advisers. Each of the Owners acknowledges that all materials, information, techniques, know-how, methods, ideas, concepts and forms of expression relating to Easyway and the Method are strictly confidential and are supplied solely for the purposes of carrying on the Business pursuant to this Agreement and each of the Owners agrees not to use any of the said materials, information, techniques, know-how, methods, ideas, concepts and forms of expression or any part thereof for any other purpose. This obligation of confidentiality shall continue to apply after the Term and/or on termination of this Agreement without limit in time but will cease to apply to information which may come into the public domain otherwise than through unauthorized disclosure by the Owners or any of them. Each of the Owners shall not permit any recording or notes to be made of any Stop Sessions by any third party other than recordings not exceeding sixty (60) minutes in length by media representatives for PR purposes and shall not permit clients to have or operate any recording device at the **ALLEN CARR CENTERS**;

- 31.6 the liability of each of the Owners under this clause shall not in any way affected or impaired by the Franchisor giving time or showing any indulgence whatsoever to the Franchisee;
- 31.7 to comply with the following conditions of this Agreement:
 - 31.7.1 not to smoke tobacco at any time for the duration of this Agreement if this franchise is for the operation of ALLEN CARR STOP SMOKING CENTERS, and not to be addicted to or abuse alcohol, if this franchise is for the operation of ALLEN CARR STOP DRINKING CENTERS;
 - 31.7.2 not to do anything which damages or which may damage the reputation of the Franchisor, the **ALLEN CARR CENTERS**, Allen Carr, Robin Hayley, or any officer, employee, agent or franchisee in the **ALLEN CARR'S EASYWAY NETWORK**;
 - 31.7.3 not do anything which undermines or which may undermine confidence in the effectiveness of the Method or any materials produced by the Franchisor using the Method;
 - 31.7.4 in addition to learning the Manual thoroughly, to read and be familiar with the following books by Allen Carr “*Allen Carr’s Easy Way to Stop Smoking*” and “*The Only Way To Stop Smoking Permanently*”;
- 31.8 that it is the responsibility of the Owners to find out before this Agreement is entered into if the state in which the **ALLEN CARR CENTERS** will be operated will require the Owners and/or the Easyway Consultants to obtain any Personal License in order to provide Stop Sessions to clients in that state and the requirements for qualifying for such license. If a Personal License is required in the state in which the **ALLEN CARR CENTERS** will be operated, any of the Owners carrying out Stop Sessions agree that each of the Owners will obtain a Personal License before providing any Stop Sessions to clients;
- 31.9 apart from showing a reasonable interest in competing techniques and methods, not be concerned or interested either directly or indirectly in the conduct of any sessions or other techniques aimed at overcoming fears, compulsions and addictions or influencing, analyzing or modifying behavior during the term of this Agreement except as provided for by this Agreement or as agreed in writing with the Franchisor;

- 31.10 that he recognizes the running of an **ALLEN CARR STOP SMOKING CENTER** necessarily involves proximity to smokers, and he voluntarily assumes any risk to health or property caused by clients who smoke, whether caused by passive smoking or otherwise. The Franchisor does not require any of the Owners to be personally present in any part of the **ALLEN CARR STOP SMOKING CLINIC** at any time that smoking is permitted. The Franchisor recommends that each of the Owners take all steps to minimize his personal exposure to smoke and that the smoking be permitted only in areas which are extremely well ventilated, and only at times when the Owner may be personally absent from these areas. Each of the Owners agrees that insofar as permitted at law it will not make any claim against the Franchisor for any loss or damage resulting from smoking or passive smoking howsoever caused;
- 31.11 bearing in mind the knowledge each of the Owners has acquired of the System and the Method and the necessity to prevent the System or the Method or any part thereof from directly or indirectly benefiting competitors, upon the termination of this Agreement, each Owner guarantees covenants and undertakes:
- 31.11.1 for a period of two (2) years following the termination of this Agreement not to be engaged either directly or indirectly in any stop smoking business (if this franchise is for operation of **ALLEN CARR STOP SMOKING CENTERS**) or stop drinking business (if this franchise is for operation of **ALLEN CARR STOP DRINKING CENTERS**) in the Territory either as an owner, director, partner, consultant, employee, or otherwise;
- 31.11.2 for a period of two (2) years following the termination of this Agreement not to be engaged either directly or indirectly in any stop smoking business (if this franchise is for operation of **ALLEN CARR STOP SMOKING CENTERS**) or in any stop drinking business if this franchise is for operation of **ALLEN CARR STOP DRINKING CENTERS**) within the exclusive territory of any other **ALLEN CARR CENTER** in the US either as an owner, director, partner, consultant, employee or otherwise;
- 31.11.3 not at any time following termination of this Agreement directly or indirectly be engaged concerned or interested in a business which utilizes or duplicates the System or the Method or any significant part of it or use the Trade Names or Trademarks, the Future Trademarks or any name or mark likely to be confused therewith including being employed as a Easyway Consultant by another franchisee or competitor or buying another stop smoking or stop drinking business; and
- 31.11.4 that he shall maintain the Method, the System and other information relating to the conduct of the Business notified to the Owner in strict confidence and secret and shall not use disclose publish or otherwise make it available to any third party but this provision shall not apply to the System if it has become generally known or easily accessible otherwise as a package other than through a breach of this Agreement, breach of trust or other default of the Owner;
- 31.12 each of the Owners will not at any time following the termination of this Agreement make use for any commercial or business purpose whatsoever or for profit of any confidential information received from the Franchisor nor pass on any such information to any third party. Without prejudice to the generality of the foregoing, each of the Owners agrees not to retain or use any list of clients of the **ALLEN CARR CENTERS** operated under this Agreement, and agrees not to contact any client or former client of the **ALLEN CARR CENTERS** for any business purpose;
- 31.13 each of the Owners will not do anything which:

- 31.13.1 damages or which may damage the reputation of the Franchisor, the **ALLEN CARR CENTERS**, the Method, the System, Allen Carr, Robin Hayley, or any officer, employee, agent or franchisee in the **ALLEN CARR'S EASYWAY NETWORK**; or
- 31.13.2 undermines or which may undermine confidence in the effectiveness of Easyway or the Method, the System or any materials produced by the Franchisor using Easyway or the Method;
- 31.14 where there are two or more persons as Owners, their liability shall be joint and several; and
- 31.15 that, for the avoidance of doubt in the event that this Agreement is terminated for whatever reason, the provisions of this **clause 31** shall survive termination and continue in force.

32. GENERAL

- 32.1 The Franchisee and each of its Owners understand the requirements of, and will abide by, all United States government economic sanctions requirements. The Franchisee represents and warrants that neither it nor any of its direct or indirect Owners, employees or agents is a person subject to trade restrictions under United States law, including (without limitation) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., or any Executive Orders or regulations promulgated thereunder (including Executive Order 13224 of September 24, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, and the Specially Designated Nationals and Blocked Persons List) ("**Anti-Terrorism Laws**"). The Franchisee and its Owners may not engage in any activity that would expose the Franchisor to a risk of criminal or civil penalties under applicable United States law. Any violation of the Anti-Terrorism Laws by the Franchisee or any of its Owners, or any blocking of Franchisee's or any of its Owner's assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.
- 32.2 Neither party shall be liable to the other for non-performance or delay in performance occasioned by any causes beyond its control (other than lack of funds) including, without limitation, acts or omissions of the other party, acts of civil or military authority, strikes, lock-outs, embargoes, insurrections or acts of God. If any such delay occurs, any applicable time period shall be automatically extended for a period equal to the time lost, provided that the party affected makes reasonable efforts to correct the reason for such delay and gives to the other party prompt Notice of any such delay; provided, however, that if the delay exceeds seventy-five (75) days, the Franchisor has the right to terminate this Agreement or to require the Franchisee to move to a new location approved by the Franchisor within an additional period of one hundred twenty (120) days.
- 32.3 All obligations which expressly or by their nature survive termination or expiration or transfer of this Agreement shall continue in full force and effect subsequent to and notwithstanding such termination or expiration or transfer and until they are satisfied or by their nature expire.
- 32.4 The Franchisor's specifications of the Method or the System will not constitute a warranty or representation, express or implied, as to quality, safety, suitability, fitness for a particular purpose or any matter. The Franchisor will not be liable to the Franchisee or others on account of the specifications of the Method or the System, including the Franchisee's operation of its Business pursuant to the System

AS WITNESS the hands of the parties hereto.

Schedule 1

Definitions

In this Agreement the expressions below listed have the meanings attributed to them in the clauses set opposite the expression

<i>“the expression”</i>	<i>“clause”</i>
ACEI	29
ALLEN CARR’S EASYWAY BUSINESS	1.4
ALLEN CARR’S EASYWAY NETWORK	1.6
ALLEN CARR’S STOP SMOKING CENTERS	1.5
Anti-Terrorism Laws	32.1
Business	2.7
Business Day	27
Continuing Fee	10.2
Copyright Works	2.3.2
Disputes	26.3
Easyway	1.2
Easyway Franchisee	5.18.1
Franchisee’s Notice	3.3
Future Trademarks	13.5
Goodwill	2.8
Gross Receipts	10.2
Group	25.12
Initial Fee	10.1
Manual	4.1
Marketing Fund Contribution	10.3
Marketing Fund	10.12

Method	1.2
New Agreement	3.2
New Works	6.2
Offending Provision	21.1
Owners	1.10.5
Personal License	5.24
Pre-Contractual Statements	18.1
Probationary Period	15.1.8
Purchase Option	14.5
Purchaser	14.3
Quarter Period	10.2
Renewal Right	3.2
Rights	7.6
Easyway Consultant	5.2
Stop Sessions	2.3.1
System	1.2
Term	3.1
Territory	2.1
Trademarks	1.8
Trade Names	1.3
US Copyright Works	2.1.3
US Franchised Businesses	10.13

Schedule 2

The Copyright Works

The term "Copyright Works" shall mean:

Any copyright works previously produced by Allen Carr or any works produced by ACEI previously or in the future relating to Easyway and the Method, including but not limited to publications such as “Allen Carr’s Easyway to Stop Smoking”, “The Only Way to Stop Smoking Permanently”, “How to Stop Your Child Smoking”, “Allen Carr’s Little Book of Quitting”, “Allen Carr’s Easyweigh to Lose Weight”, “The Easyway to Enjoy Flying”, “Allen Carr’s Easyway to Control Alcohol” and all other Allen Carr and/or Easyway books, videos and audio cassettes, CD-ROMs, DVD’s software, Easyway Websites (except for any part of such websites that relate to the provision of Stop Sessions in the US) or internet courses and telephone helplines in any form including documentary, magnetic, electronic, graphic or digitized form or other tangible form.

The Copyright Works are owned by ACEI.

The term "US Copyright Works" shall mean:

The Manual and all marketing and publicity materials and all other products or materials, in any form including documentary, magnetic, electronic, graphic or digitized form or other tangible form relating to the Method, the System and the operation of **ALLEN CARR CENTERS** in the US including any part of Easyway Websites that relate to the provision of Stop Sessions in the US but excluding the Copyright Works.

The US Copyright Works are owned by the Franchisor.

Schedule 3

Confidentiality Undertaking for Sales People

I [*INSERT SALES PERSON'S NAME*] acknowledge that [*FRANCHISEE NAME*] of [*ADDRESS*] (the “**Franchisee**”) has been granted the right by **ALLEN CARR'S EASYWAY (US) LTD.** of 4 Phillimore Gardens, London W8 7QD, England, United Kingdom (the “**Franchisor**”) in the area of [*TERRITORY*] (the “**Territory**”) to operate **ALLEN CARR** Stop Sessions and the Franchisor has agreed at my request to allow the Franchisee to disclose to me confidential information, know how, system and methods relating to Allen Carr's Easyway method to stop smoking and stop smoking (the “**Method**”) which belong to the Franchisor so that I can sell the Stop Sessions provided by the Franchisee in the Territory to corporate customers. I also acknowledge this undertaking applies to all information in my possession relating to the Method and the operation of the Franchisee's and the Franchisor's business contained in original or copy documents or in electronic or other formats and includes information I have committed to memory. I therefore undertake with the Franchisor and the Franchisee to observe the following:

1. I will not (without the prior consent of the Franchisee) while I am engaged as a sales person for the Franchisee be employed in any way in any other business nor be engaged or interested directly or indirectly in any other business which is similar to or which competes or may compete with the Franchisee's business. I may however hold shares in publicly traded companies.
2. I will not at any time during or after my engagement with the Franchisee:
 - (a) make any press, radio or television statement or publish or submit for publication any letter, article or book relating to the business affairs of the Franchisee or the Method without first obtaining the Franchisee's and the Franchisor's written consent;
 - (b) disclose any trade secret, know-how, system, methods or other confidential information (including any information contained in the Franchisor's Manual its guides and or any computer software) belonging to the Franchisor and/or the Franchisee relating to the Method which I have or may have obtained while working for the Franchisee to any person other than those to whom I am instructed to disclose such information or have received approval from the Franchisee and the Franchisor to do so. I will not use such information for my own purposes.
3. At all times during and after my engagement with the Franchisee, I will do my best to prevent the publication or disclosure to any other person of any of the information mentioned in **paragraph 2(b)**.
4. On demand, I will give to the Franchisee all documents, books, records, photographs, correspondence, keys, other papers and other property that has been kept or made by me relating to the business of the Franchisee.
5. I agree to observe the terms agreed which apply to my engagement and I confirm that the Franchisee has the right to vary amend or add to such terms at his sole discretion and I shall comply with any such changes after they have been notified to me.
6. During my engagement and for a period of one year after its termination I will not solicit, interfere with or try to entice away from the Franchisee (for my account or for anyone else) any person, firm or company who during one year before or at the date of termination of my employment was a customer of or was in the habit of dealing with the Franchisee.

7. I will not at any time during my employment and for a period of one year thereafter in the Territory assist any competitor of my Employer or the Franchisor irrespective of the nature of the competitor by word or deed in any way nor will I take part directly or indirectly in founding a new business which would compete with the business of my Employer or the Franchisor.
8. I acknowledge that:
- (a) each provision in this undertaking is a separate and independent restriction placed on me; and
 - (b) while these restrictions above are considered by both me and the Franchisee and the Franchisor to be reasonable in all the circumstances, it is agreed that if such restrictions shall taken together be judged to go beyond what is reasonable in all the circumstances for the protection of the Franchisee and the Franchisor but would be judged reasonable if part or parts of the wording thereof were deleted the said restrictions shall apply with words deleted.
9. I agree that this Undertaking shall be governed, construed and interpreted in accordance with the substantive laws of the state in which I am working, without giving effect to its conflicts of law principles. I agree that the Franchisor and/or the Franchisee may institute any action against me arising out of this Undertaking in any state court of general jurisdiction sitting in the county and state in which I am working, or in the United States District Court for that district, and I irrevocably submit to the jurisdiction of such courts and waive and objection I may have to either the jurisdiction or venue of such court.

Dated the ____ day of _____ 202[]

IN WITNESS whereof this deed has been duly executed day and year first before written

SIGNED AS A DEED

By _____

Type or print name _____

Schedule 4

Deed of Undertaking for Easyway Consultants

The Franchisor (as defined below) has agreed at my request to allow my Employer (as defined below) to disclose to me confidential information, know-how, system and methods relating to the techniques for overcoming fears, compulsions and addictions devised or used by Allen Carr including all versions applications and revisions of those techniques (“**Easyway**”) as a means of stopping smoking or drinking (the “**Method**”) which belong to the Franchisor so that I can carry out my duties as a Easyway Consultant as an employee of my Employer running Allen Carr Stop Sessions using the Method at centers operated by my Employer in area of [] (“the Territory). This Deed of Undertaking (“**this Undertaking**”) applies to all information in my possession whatsoever relating to the Method and the operation of my Employer’s business contained in original or copy documents or in electronic or other formats and includes information I have committed to memory.

* [INSERT EMPLOYEE NAME] therefore undertake with **Allen Carr’s Easyway (US) LTD.** of 4 Phillimore Gardens, London W8 7QD, England, United Kingdom (the “**Franchisor**”) and with [INSERT FRANCHISEE’S NAME] of [INSERT FRANCHISEE’S ADDRESS] (“**my Employer**”) to observe the following:

1. I will not (without the prior consent of my Employer) during my employment be employed in any way in any other business nor be engaged or interested directly or indirectly in any other business which is similar to or which competes or may compete with my Employer’s business. I may however hold shares in publicly traded companies.
2. I will not at any time during or after my employment:
 - (a) make any press, radio or television statement or publish or submit for publication any letter, article or book relating to the business affairs of my Employer or the Method without first obtaining my Employer’s and the Franchisor’s written consent;
 - (b) disclose any trade secret, know how, system, methods or other confidential information (including any information contained in the Allen Carr Training Manual (the “**Manual**”) its guides and or any computer software) belonging to the Franchisor and/or my Employer relating to the Method which I have or may have obtained while working for my Employer to any person other than those to whom I am instructed to disclose such information or have received approval from my Employer and the Franchisor to do so. I will not use such information for my own purposes.
3. At all times during and after my employment, I will do my best to prevent the publication or disclosure to any other person of any of the information mentioned in paragraph 2(b) and I will keep confidential the terms of this undertaking.
4. I acknowledge that all materials and information relating to the method, whether or not capable of copyright protection and whether or not available from any other source, which are supplied by the Franchisor or my Employer are strictly confidential, and are supplied solely for the purposes of performing my duties as a Easyway Consultant as an employee of my Employer. I agree not to use, copy, amend or distribute any of the said materials for any other purpose whatsoever. I shall not permit any recording or notes to be made of any of my Stop Sessions.

5. I will not allow the Manual supplied to me by my Employer or any copy or recording or version of the Manual or any part thereof to pass into the hands of any third party without the prior written consent of the Franchisor.
6. I agree that the following are conditions of my employment with my Employer:
 - (a) I shall not smoke tobacco at any time for the duration of my employment with my Employer;
 - (b) I shall not do anything which damages or which may damage the reputation of the Franchisor, my Employer's stop smoking business, Allen Carr, Robin Hayley, or any officer, employee, contractor, agent or franchisee of the Franchisor or its affiliates, or which undermines or which may undermine confidence in the effectiveness of Easyway, or the Method, or any materials produced by the Franchisor or its affiliates;
 - (c) I shall not be concerned or interested with directly or indirectly in the conduct of any sessions or techniques aimed at overcoming fears, compulsions and addictions or influencing, analyzing or modifying behavior during the term of my employment except as agreed in writing with the Franchisor.
7. I agree that I will not reproduce, adapt, translate or modify the Manual, or any other works in which the Franchisor holds copyright. I agree that I will not infringe the Franchisor's copyright in any work.
8. In the event that I invent or discover any amendment to the Method or any innovation or idea connected with the Stop Sessions or running a stop smoking business, I shall make the innovation or idea known to the Franchisor and my Employer. The Franchisor shall have the right to use or amend any such idea, and may make any such idea known to other employees, contractors, officers or franchisees of the Franchisor or its affiliates at its absolute discretion and without liability to me. I agree that copyright and all other rights in any work produced by me in relation to Easyway, the Method, smoking, or the business or running a stop smoking center shall be the property of the Franchisor and I hereby assign with full title guarantee all such rights by way of a present assignment of future rights to the Franchisor.
9. I agree that I have made, and during the continuance of my employment will continue to make, full disclosure of all material facts known to me which would be likely to influence the conduct of my Employer. I agree that where this undertaking imposes on me any duty to disclose any information then said duty is to be interpreted strictly as if this undertaking were subject to the requirement of utmost good faith on my part.
10. I recognize that conducting Stop Sessions necessarily involves proximity to smokers, and work in a smoky environment, and I (insofar as is permitted by law) voluntarily assume any risk to health which may be caused by clients who smoke, whether by passive smoking or otherwise.
11. I acknowledge that I am responsible for ensuring that any areas in which sessions are conducted or smoking is permitted are well ventilated at all times. I shall ensure that any ventilation equipment available is in use and is functioning properly. I shall notify my Employer immediately in writing in the event that an area cannot be well ventilated, and shall bring to my Employer's attention any suggestion for improving ventilation.

12. The above provisions shall apply even if the area in which smoking takes place is located in premises owned or leased by my Employer. My responsibility to ensure that an area is well ventilated shall not be lessened because the area in question has been used for Stop Sessions previous to this undertaking, or because I or my Employer have in the past expressed or formed any view as to the suitability of the area for Stop Sessions. I confirm that I do not rely on any representation made or which may subsequently be made by my Employer concerning the suitability or ventilation of any area in considering what steps are necessary to ensure that I am not exposed to the harmful effects of passive smoking.
13. I am specifically authorized by my Employer to take whatever steps may be reasonably necessary to comply with the obligations in **clauses 11 and 12**.
14. I agree that I will not (insofar as is permitted by law) make any claim against my Employer or the Franchisor or its affiliates for any loss or damage resulting from smoking or passive smoking, including any personal injury, illness, disease or damage to health, howsoever caused.
15. I confirm that I have carefully considered the health risks that could be associated with passive smoking if proper care is not taken.
16. On demand, I will give to my Employer the Manual and all training materials supplied to me by my Employer or the Franchisor, all documents, books, records, photographs, correspondence, keys, other papers and other property that has been kept or made by me relating to the business of my Employer, and I agree I will not retain any copies of the same in my possession.
17. I agree to observe the rules and regulations which apply to my employment and I confirm that my Employer has the right to vary amend or add to such rules and regulations at its sole discretion and I shall comply with any such changes after they have been notified to me. I agree that wages will be paid to me on a fee per session basis which may vary according to the type of session and which will be agreed between me and my Employer.
18. During my employment and for a period of one year after its termination I will not solicit, interfere with or try to entice away from my Employer (for my account or for anyone else) any person, firm or company who during one year before or at the date of termination of my employment was a regular customer of or was in the habit of dealing with my Employer.
19. I will not at any time during my employment and for a period of one year thereafter in the Territory assist any competitor of my Employer or the Franchisor irrespective of the nature of the competitor by word or deed in any way nor will I take part directly or indirectly in founding a new business which would compete with the business of my Employer or the Franchisor.
20. I acknowledge that each provision in this undertaking is a separate and independent restriction placed on me.
21. It is agreed between the parties that if any term or terms of this undertaking are found to be invalid or unenforceable this shall neither affect the validity or enforceability of any other terms of this undertaking nor affect this undertaking as a whole but this undertaking shall be read as if the said terms (or such parts thereof as render them invalid or unenforceable) were deleted.
22. I confirm that I have read and understood the contents of this undertaking and have had the opportunity to take such legal or other professional advice as is prudent so to do and that by signing this undertaking I am entering into obligations which are of legal effect.

23. I agree that this Undertaking shall be governed, construed and interpreted in accordance with the substantive laws of the state in which I am working, without giving effect to its conflicts of law principles. I agree that my Employer and/or the Franchisor may institute any action against me arising out of this Undertaking in any state court of general jurisdiction sitting in the county and state in which I am working, or in the United States District Court for that district, and I irrevocably submit to the jurisdiction of such courts and waive and objection I may have to either the jurisdiction or venue of such court.

Dated the ____ day of _____ 20[]

IN WITNESS whereof this deed has been duly executed day and year first before written

SIGNED AS A DEED

By _____

Type or Print name _____

SIGNED AS A DEED by **ALLEN CARR'S EASYWAY (US) LTD.** acting by **ROBIN HAYLEY** and **JOHN DICEY**

(Director)

(Director)

Schedule 5

Owners of Franchisee

Name of Owner	Nature of Interest	Beneficial Interest in Franchisee
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
Totals		100%

Schedule 6

Territory

[Insert territory map and/or territory description]

Schedule 7

Owner's Guaranty

In consideration of, and as an inducement to, the grant of a franchise and the execution of the Direct International Franchise Agreement dated _____, _____ (the "**Franchise Agreement**") by and between **Allen Carr's Easyway (International) LTD.** (the "**Franchisor**"), and _____ (the "**Franchisee**"), the undersigned hereby personally and unconditionally: (1) guaranties to the Franchisor and its successors and assigns, for the term of the Franchise Agreement and thereafter, including any renewal, as provided in the Franchise Agreement, that the Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and any documents, agreements, instruments and promissory notes executed pursuant to or in connection with the Franchise Agreement (collectively, the "**Franchise Documents**"); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to owners of the Franchisee.

The undersigned waives:

- (i) acceptance and notice of acceptance by the Franchisor of the foregoing undertakings;
- (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
- (iii) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed;
- (iv) any right the undersigned may have to require that an action be brought against the Franchisee or any other person as a condition of liability; and
- (v) any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

The undersigned consents and agrees that:

- (1) the undersigned's direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of the Franchisee's obligations;
- (2) the undersigned shall render any payment or performance required under the Agreement upon demand if the Franchisee fails or refuses punctually to do so;
- (3) this Guaranty shall apply to any claims Franchisor may have due to return of any payments or property the Franchisor may have received from the Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;
- (4) such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against the Franchisee or any other person; and
- (5) such liability shall not be diminished, relieved or otherwise affected by any extension of time, creditor or other indulgence which the Franchisor may from

time to time grant to the Franchisee or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during and after the terms of the Franchise Documents, as the same may be amended or renewed, until the Franchisee's duties and obligations to the Franchisor are fully discharged and satisfied; and

- (6) shall pay the Franchisor's court costs and reasonable attorney's fees in enforcing or collecting on this Guaranty.

All capitalized terms when used herein shall have the meaning ascribed to them in the Franchise Agreement.

This Agreement shall be governed, construed and interpreted in accordance with the substantive laws of the State of _____, without giving effect to its conflicts of law principles.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature on the ____ day of _____, ____.

SIGNED by the GUARANTOR(S):

Print or Type Name

Signature

Print or Type Name

Signature

SIGNED for and on behalf of **ALLEN CARR'S EASYWAY (US) LTD.** by **JOHN DICEY**

SIGNED for and on behalf of the Franchisee by [_____]

SIGNED by [OWNER]

SIGNED by [OWNER]

SPOUSAL CONSENT

The undersigned spouse of Guarantor hereby consents to the execution of the foregoing Guaranty by their spouse and agrees to be bound thereby to the extent of their interest in any assets or property of Guarantor and further agrees that their community assets shall be bound thereby. This consent shall not be construed as an agreement by the undersigned spouse that such spouse's separate property is subject to the claims of Franchisor arising out of enforcement of this Guaranty.

By: _____

Name: _____

Date: _____, 20____.

EXHIBIT H

**STATE SPECIFIC AMENDMENTS
TO FRANCHISE AGREEMENT**

**MULTI-STATE AMENDMENT
TO FRANCHISE AGREEMENT
(FOR THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI)**

This Amendment pertains to franchises sold in the states that have adopted as law the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements (the “SOP”) and is for the purpose of complying with the statutes and regulations of such states. Signing this Amendment where the SOP, because applicable jurisdictional requirements are not met, does not apply, does not subject the parties to the provisions of the SOP. Subject to the foregoing, notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, 20__, will be amended as follows:

1. The following language is added immediately before the signature block of the Franchise Agreement:

“No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

By: _____

By: _____

Its: _____

Its: _____

**CALIFORNIA AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of California that are subject to the California Franchise Investment Law (the "Act") and is for the purpose of complying with California statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Subject to the foregoing, notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20__, hereby agree that the Franchise Agreement will be amended as follows:

1. The following language is added as new Section 32.5 of the Franchise Agreement:

"Notwithstanding anything to the contrary in this Agreement, to the extent required by California Corporations Code Section 31512.1, any provision in this Agreement, the franchise disclosure document, and any other acknowledgement, questionnaire, or other writing, disclaiming or denying: (a) representations made by Franchisor or its personnel or agents to Franchisee before entering into the Franchise Agreement; (b) reliance by Franchisee on any representations made by Franchisor, or its personnel or agents; (c) reliance by Franchisee on the franchise disclosure document; or (d) violations of any other provision of the California Franchise Investment Law; is void and will not be enforced by Franchisor."

Dated: _____

Franchisor:

Franchisee:

By: _____

By: _____

Its: _____

Its: _____

**ILLINOIS AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Illinois that are subject to the Illinois Franchise Disclosure Act (the “Act”) and is for the purpose of complying with Illinois statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Subject to the foregoing, notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20__, hereby agree that the Franchise Agreement will be amended as follows:

1. Illinois law shall supersede any provisions of the Franchise Agreement or the laws of England and Wales which are in conflict with Illinois law.

2. Nothing in Section 26.1_ of the Franchise Agreement waives any rights Franchisee may have under Section 41 of the Illinois Franchise Disclosure Act of 1987, which provides:

“Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.”

3. Section 10.1 of the Franchise Agreement is amended by replacing it in its entirety by the following:

“The Franchisee will pay to the Franchisor an initial fee of [_____] dollars (\$[____]) for the training and grant of rights to operate the Business in the Territory, this fee to be fully earned and non-refundable and paid once Franchisor has satisfied its pre-opening obligations under the Agreement and Franchisee has commenced doing business pursuant to this Agreement (“**Initial Fee**”).”

Dated: _____

Franchisor:

Franchisee:

By: _____

By: _____

Its: _____

Its: _____

**MARYLAND AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Maryland that are subject to the Maryland Franchise Registration and Disclosure law (the “Act”) and is for the purpose of complying with Maryland statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Subject to the foregoing, notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, 20____, will be amended as follows:

1. The following language is added to Sections 3.4.2 and 14.7 of the Franchise Agreement:

“Notwithstanding the foregoing, the general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

2. The following language is added as Section 26.5.4 of the Franchise Agreement:

“All claims arising under the Maryland Franchise Registration and Disclosure Law shall be commenced within three (3) years after the grant of the franchise.”

3. The following language is added to Sections 3.4.2 and 14.7 of the Franchise Agreement:

“Representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

4. Section 10.1 of the Franchise Agreement is amended by adding the following:

“Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its preopening obligations under the franchise agreement.”

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

By: _____

By: _____

Its: _____

Its: _____

MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Minnesota that are subject to the Minnesota franchise registration and disclosure law (the “Act”) and is for the purpose of complying with Minnesota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Subject to the foregoing, notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20____, hereby agree that the Franchise Agreement will be amended as follows:

1. The Franchise Agreement is amended to add the following language as Section 13.9:

“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

2. Section 15.2 of the Franchise Agreement is amended to read as follows:

“At the election of Franchisor, Franchisor may terminate the Agreement effective upon the expiration of 90 days after giving of written notice in the event Franchisee defaults, and does not cure to Franchisor’s reasonable satisfaction within the 60-day notice period, in the performance of any other covenant or provision of this Agreement, including without limitation, the obligation to pay when due any financial obligation to Franchisor, the obligation to make reports and provide information when due hereunder, or failure to maintain any of the standards or procedures prescribed for the Franchised Business in this Agreement, the Manual or otherwise; provided, however, that Franchisee shall be entitled to notice and opportunity to cure any such default only once in any six month period, and any subsequent occurrence of the same or substantially similar default within such six month period shall entitle Franchisor, at its option, to terminate this Agreement effective immediately upon the giving of notice and without opportunity to cure.”

3. Franchisor will protect the Franchisee’s right granted hereby to use the Marks or will indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

4. Section 15.1 of the Franchise Agreement is amended as follows:

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“With respect to franchises governed by Minnesota law, 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 for non-renewal of the Franchise Agreement.”

5. Minn. Rule 2860.4400J. prohibits waiver of a jury trial. Accordingly, Section 26.5.3 of the Franchise Agreement is deleted.

7. Minn. Rule 2860.4400J. prohibits requiring a franchisee to consent to liquidated damages.

8. The following language is added as Section 26.5.4 of the Franchise Agreement:

“Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5.”

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Franchise Agreement as of the day and year set forth above.

Franchisor:

DATED: _____ By: _____
Its: _____

Franchisee:

DATED: _____ By: _____
Its: _____

**NEW YORK AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of New York that are subject to the New York franchise registration and disclosure law (New York General Business Law, Art. 33, Sec. 680 et seq., the “Act”) and is for the purpose of complying with New York statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Subject to the foregoing, notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20__, hereby agree that the Franchise Agreement will be amended as follows:

1. Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20__ that has been signed concurrently with the signing of this Amendment. This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because: (a) you are a resident of the State of New York and your Franchise will operate in New York; and/or (b) the offer or sale of the license occurred in New York.

2. The following is to Section 15.2 of the Franchise Agreement:

“Franchisee may terminate this Agreement upon any grounds available at law.”

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the day and year first above written.

Franchisor:

Franchisee:

By: _____

By: _____

Its: _____

Its: _____

NORTH DAKOTA AMENDMENT TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of North Dakota that are subject to the North Dakota Franchise Investment Law (the “Act”) and is for the purpose of complying with North Dakota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Subject to the foregoing, notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20____, hereby agree that the Franchise Agreement will be amended as follows:

1. Section 3.4.2 of the Franchise Agreement is deleted (General release upon renewal).
2. New Section 16.7 of the Franchise Agreement is added to read as follows:

“Remedies Upon Termination. If the Franchise is terminated, and in addition to the obligations of the Franchisee as otherwise provided herein, Franchisor shall retain the full amount of any fees heretofore paid to Franchisor and Franchisee shall continue to remain liable to Franchisor for any and all damages, except for liquidated or termination damages, which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Term of the Franchise Agreement.”
3. Section 26.5.2 of the Franchise Agreement and the second to last sentence of Section 26.4 are deleted (Punitive damages).
4. Section 26.5.3 of the Franchise Agreement is deleted (Jury trial).
5. Section 26.4 of the Franchise Agreement is amended by adding after the last sentence the following:

“In the event either party incurs legal fees or costs or other expenses to enforce any obligation of the other party hereunder, or to defend against any claim, demand, action or proceeding by reason of the other party’s failure to perform or observe any obligation imposed upon that party by this Agreement, then the prevailing party shall be entitled to recover from the other party the amount of all legal fees, costs and expenses, including reasonable attorneys’ fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action or proceeding to enforce any obligation of the other party hereunder or thereafter or otherwise.”
6. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or the laws of England and Wales if such provisions are in conflict with North Dakota law.
7. North Dakota law limit the franchisor’s ability to restrict franchisee’s activity after the Franchise Agreement has ended (Century Code Section 9-08-06).

8. 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 deleted from any Franchise Agreement issued in the State of North Dakota.

Dated: _____

Franchisor:

By: _____

Its: _____

Franchisee:

By: _____

Its: _____

**RHODE ISLAND AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Rhode Island that are subject to the Rhode Island Franchise Investment Act (the “Act”) and is for the purpose of complying with Rhode Island statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Subject to the foregoing, notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20__ hereby agree that the Franchise Agreement will be amended as follows:

1. Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by the laws of 1991, provides that “A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

Dated: _____, ____.

Franchisor:

Franchisee:

By: _____

By: _____

Its: _____

Its: _____

**SOUTH DAKOTA AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of South Dakota that are subject to the South Dakota franchise investment law (South Dakota Codified Laws, Sec. 37-5B-1 et seq., the “Act”) and is for the purpose of complying with South Dakota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Subject to the foregoing, notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20____, hereby agree that the Franchise Agreement will be amended as follows:

1. The Franchise Agreement is amended by deleting Section 10.1 in its entirety and replacing it with the following:

“The Franchisee will pay to the Franchisor an initial fee of [_____] dollars (\$[_____]) for the training and grant of rights to operate the Business in the Territory (“**Initial Fee**”). The Initial Fee will be due and paid upon such date that Franchisee’s conducts its first Allen Carr stop smoking session, and the Initial Fee will be fully earned and non-refundable upon such date.”

Dated: _____

Franchisor:

By: _____

Its: _____

Franchisee:

By: _____

Its: _____

**VIRGINIA AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Virginia that are subject to the Virginia Retail Franchising Act (the “Act”) and is for the purpose of complying with Virginia statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Subject to the foregoing, notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20____, hereby agree that the Franchise Agreement will be amended as follows:

1. The Franchise Agreement is amended by deleting Section 10.1 in its entirety and replacing it with the following:

“The Franchisee will pay to the Franchisor an initial fee of [_____] dollars (\$[_____]) for the training and grant of rights to operate the Business in the Territory (“**Initial Fee**”). The Initial Fee will be due and paid upon the earlier of twelve (12) calendar months of the date of this Agreement and a mutually agreed upon start-date for the commencement of running Allen Carr stop smoking sessions by Franchisee, and the Initial Fee will be fully earned and non-refundable upon such date. The mutually agreed upon start-date, if any, is _____, 20____.”

2. Section 15.1 of the Franchise Agreement is amended by adding the following language:

“§13.1-564 of the Virginia Retail Franchising Act provides that it is unlawful for a franchisor to cancel a franchise without reasonable cause.”

Dated: _____

Franchisor:

By: _____

Its: _____

Franchisee:

By: _____

Its: _____

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WASHINGTON AMENDMENT TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Washington that are subject to the Washington Franchise Investment Protection Act (the “Act”) and is for the purpose of complying with Washington statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Subject to the foregoing, notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20__ hereby agree that the Franchise Agreement will be amended as follows:

1. The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business.

2. In the event of a conflict of law, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

3. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with 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 Franchisor including the areas of termination and renewal of your license.

4. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Act, in Washington.

5. A release or waiver of rights executed by a Franchisee shall not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

6. Transfer fees are collectable to the extent that they reflect the Franchisor’s reasonable estimated or actual costs in effecting a transfer.

7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

9. The undersigned hereby acknowledges receipt of this amendment.

Dated: _____, _____

Franchisor:

Franchisee:

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT I
GENERAL RELEASE

RELEASE

THIS RELEASE is given by the undersigned, _____, in favor of Allen Carr's Easyway (US) Ltd. ("ACEUS"), and its officers, directors, members, owners, affiliates, employees, successors and assigns as of the ___ day of _____, 20__ on the following terms and conditions:

1. Consideration. The undersigned and ACEUS are parties to a certain Franchise Agreement entered into on _____ (the "Agreement"). The undersigned have requested either: (i) that ACEUS approve the transfer of the Stop smoking center or stop drinking center operated under the Franchise Agreement to _____; or (ii) that ACEUS renew the Agreement. Under the terms of the Agreement, ACEUS has no obligation to approve a transfer unless the undersigned provide unconditional assurance that ACEUS and its officers, directors, members, owners, affiliates employees, successors and assigns have discharged any and all obligations to the undersigned, and that the undersigned has no further claims of any nature against ACEUS. The undersigned have no claims to assert and are executing and delivering this release without qualification or condition of any nature, with the intention that ACEUS rely absolutely on this Release in approval of the renewal of the Agreement or the proposed transfer, as the case may be, the benefits of which to the undersigned as good and sufficient consideration are hereby acknowledged.

2. General Release. The undersigned hereby unconditionally release any and all claims, debts, demands, liabilities, or obligations of any and all nature, accrued and unaccrued, known and unknown, whether arising under the Agreement, any other agreement that the undersigned, or any of its or their affiliates have entered into with ACEUS, any oral agreement, any act or omission, violation of statute or regulation, or other ground or theory of action, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances, against ACEUS and its officers, directors, members, owners, affiliates, employees, successors and assigns in their corporate or representative capacities and their individual capacities (collectively, "Releasees").

3. Miscellaneous. This Release is the entire agreement of the parties on its subject matter and there are no exceptions to its terms and no other agreements or understandings, oral or written, on its subject matter. This agreement is binding upon the undersigned and their heirs, successors and assigns, and shall inure to the benefit of the Releasees described herein, and the respective heirs, successors, and assigns.

IN WITNESS WHEREOF, the undersigned have set their hands on the date and year first above written.

Franchisee

By: _____

Its: _____

EXHIBIT J
STATE ADDENDA

**MULTI-STATE ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
(FOR THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI)**

This Addendum pertains to franchises sold in the state that have adopted as law the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements (the “SOP”) and is for the purpose of complying with the statutes and regulations of such states. For franchises sold in such states, this franchise disclosure document is amended by adding the following section at the end of Item 9:

“No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE CALIFORNIA FRANCHISE INVESTMENT LAW**

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal 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 which extends beyond the termination of a franchise. This provision may not be enforceable under California law.

The franchise agreement requires binding arbitration. The arbitration will occur in London, England with the costs being borne pursuant to the Rules of the London Court of Arbitration. This provision may not be enforceable under California law.

The franchise agreement requires application of the laws of England and Wales. This provision may not be enforceable under California law.

Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Business Oversight before we ask you to consider a material modification of your Franchise Agreement.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Neither the Franchisor nor any person listed in Item 2 of this franchise 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 such persons from membership in such association or exchange.

OUR WEBSITE IS WWW.ALLENCARR.COM. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE HAWAII FRANCHISE INVESTMENT LAW**

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

No release language set forth in the Franchise Agreement shall relieve the franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE
ILLINOIS FRANCHISE DISCLOSURE ACT**

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois:

1. Item 17 of the Franchise Disclosure Document is amended by the addition of the following language at the beginning thereof:

“Notice Required By Law

THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE
TERMINATED AND YOUR RIGHTS UPON NON-RENEWAL MAY BE AFFECTED
BY ILLINOIS LAW, 815 ILCS 705/19 - 705/20.”

2. The provisions of the Illinois Franchise Disclosure Act of 1987 (the “Act”) shall supersede any provisions of the Franchise Agreement or the laws of England and Wales which are in conflict with the Act.

3. Nothing in Section 26.1 of the Franchise Agreement waives any rights you may have under Section 41 of the Illinois Franchise Disclosure Act of 1987.

4. The provisions of Section 4 of the Act supersede Section 26.2 of the Franchise Agreement which provides for venue in a forum outside of Illinois.

5. Item 5 of the Franchise Disclosure Document is amended by replacing the first sentence with the following:

“You must pay an initial fee of between \$20,000 and \$100,000 when we have performed all our pre-opening obligations under the Franchise Agreement and you start operating pursuant to the Franchise Agreement.”

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW**

1. Item 5 Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its preopening obligations under the franchise agreement.

2. Item 17.c ("Requirements for franchisee to renew or extend") and Item 17.m ("Conditions for franchisor approval of transfer") of the Franchise Disclosure Document are amended to provide that "The requirement that you provide a general release of all claims against us in order to renew or transfer your franchise shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

3. Item 17.g ("Cause defined – curable defaults") of the Franchise Disclosure Document is amended to provide that "Termination upon filing of a bankruptcy petition against you or any shareholder may not be enforceable under federal bankruptcy law."

4. Nothing in the Franchise Disclosure Document or in the Franchise Agreement, is intended to nor shall act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Act.

5. Any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

6. Item 17.t ("Integration/merger clause"), summary column, is amended by deleting the last sentence and substituting the following:

"However, nothing in the Franchise Agreement or any related agreement is intended to disclaim, or require you to waive reliance on, any representations we made in the Franchise Disclosure Documents or its exhibits that we furnished to you."

7. Item 17.v ("Choice of Forum") is amended to provide that "You may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE MINNESOTA FRANCHISE INVESTMENT LAW**

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document and/or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. The Minnesota cover page is amended to add the following statements:

“THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE LICENSE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.”

2. The following language is added to Item 13 of the Franchise Disclosure Document and new Section 13.9 of the Franchise Agreement:

“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

3. Item 17 of the Franchise Disclosure Document and Section 15.2 of the Franchise Agreement are amended as follows:

“With respect to franchises governed by Minnesota law, 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 for non-renewal of the Franchise Agreement.”

4. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

5. Item 17 of the Franchise Disclosure Document is amended to add the following and the following language will appear at the end of Section 26.3 of any Franchise Agreement issued in the State of Minnesota:

“Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by laws of the jurisdiction.”

6. Minn. Rule 2860.4400J prohibits waiver of a jury trial. Accordingly, Item 17 of the Franchise Disclosure Document and Section 26.5.3 of the Franchise Agreement are amended as follows:

“Nothing contained herein shall limited Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J.”

7. These states have statutes which limit the franchisor’s ability to restrict your activity after the Franchise Agreement has ended: California Business and Professions 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 the franchisor’s ability to restrict your activity after the Franchise Agreement has ended.

8. A provision in the Franchise Agreement which terminates the franchise upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

9. Franchisor will protect the Franchisee’s right granted hereby to use the Marks or will indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Marks.

11. New Section 26.5.4 of the Franchise Agreement is added to read as follows:

“Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5.”

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE NEW YORK FRANCHISE LAW**

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OF PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

With the exception of what is states above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party 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 or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity

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as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. Item 4 of the Franchise Disclosure Document is amended by deleting the last paragraph and substituting the following:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (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 that officer or general partner of the franchisor held this position in the company or partnership

4. Item 5 of the Franchise Disclosure Document is amended by adding the following to the subsection entitled "Initial Franchise Fee":

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled **"Requirements for franchisee to renew or extend"** and Item 17(m), entitled **"Conditions for franchisor approval of transfer"**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled **"Termination by franchisee"**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(v), titled **"Choice of forum"** and Item 17(w), titled **"Choice of law"**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisor or the Franchisee by Article 33 of the General Business Law of the State of New York.

8. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

9. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

FRANCHISOR REPRESENTATION

THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE NORTH DAKOTA FRANCHISE LAW

Notwithstanding anything to the contrary in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of North Dakota:

1. Waiver of trial by jury is prohibited by law in the State of North Dakota. Accordingly, Section 26.5.3 of the Franchise Agreement is deleted.

2. Waiver of exemplary and punitive damages is prohibited by law in the State of North Dakota. Accordingly, Section 26.5.2 of the Franchise Agreement is deleted.

3. North Dakota prohibits a provision that the franchisee shall pay all costs and expenses incurred by Franchisor in enforcing the Franchise Agreement. Accordingly, Section 26.4 of the Franchise Agreement is amended by adding the following:

“In the event either party incurs legal fees or costs or other expenses to enforce any obligation of the other party hereunder, or to defend against any claim, demand, action or proceeding by reason of the other party’s failure to perform or observe any obligation imposed upon that party by this Agreement, then the prevailing party shall be entitled to recover from the other party the amount of all legal fees, costs and expenses, including reasonable attorneys’ fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action or proceeding to enforce any obligation of the other party hereunder or thereafter or otherwise.”

4. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or the laws of England and Wales if those provisions are in conflict with North Dakota law.

5. North Dakota has determined that requiring a franchisee to sign a general release upon renewal of the franchise agreement is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, all references to the Franchisee signing a general release upon renewal of the Franchise Agreement in Item 17(c) of the Franchise Disclosure Document and Section 3.4.2 of the Franchise Agreement are deleted.

7. Summary column (r) in Item 17 of the Franchise Disclosure Document and Sections 22.8 and 31.4.4 of the Franchise Agreement prohibit you from owning or being involved with a company or other business within the Territory that offers services competitive with those offered, franchised or licensed by us for 2 years after termination or expiration of the Franchise Agreement. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. The Commissioner has held that covenants restricting competition are contrary to Section 9-08-06 of the North Dakota Century Code, and are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE RHODE ISLAND FRANCHISE DISCLOSURE ACT**

Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by the laws of 1991, provides that “A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE SOUTH DAKOTA FRANCHISE ACT**

Item 5 of the Franchise Disclosure is deleted in its entirety and replaced with the following:

“All franchisees pay an initial fee of between \$20,000 and \$100,000. The fee is due and payable upon such date that Franchisee’s conducts its first Allen Carr stop smoking session or stop drinking session, as the case may be. The size of the initial fee depends on the size of the franchisee’s territory and the population in that territory. The population of the territory will be determined using information from the U.S. Census Bureau. The initial fee will be fully earned by us and non-refundable on its due date. The initial franchise fee is not refundable. You are required to read and be familiar with the books “Allen Carr’s Easy Way to Stop Smoking” and “The Only Way to Stop Smoking Permanently.” The cost of those two books is about \$50 for the two. You are not required to purchase any other Allen Carr books or other copyrighted materials before your business opens.”

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE VIRGINIA RETAIL FRANCHISE ACT**

Item 5 of the Franchise Disclosure is deleted in its entirety and replaced with the following:

“All franchisees pay an initial fee of between \$20,000 and \$100,000. The fee is due and payable at the earlier of 12 calendar months of the date of the Franchise Agreement and a mutually agreed upon start-date for the commencement of running of your Franchised Business. The size of the initial fee depends on the size of the franchisee’s territory and the population in that territory. The population of the territory will be determined using information from the U.S. Census Bureau. The initial fee will be fully earned by us and non-refundable on its due date. The initial franchise fee is not refundable. You are required to read and be familiar with the books “Allen Carr’s Easy Way to Stop Smoking” and “The Only Way to Stop Smoking Permanently.” The cost of those two books is about \$50 for the two. You are not required to purchase any other Allen Carr books or other copyrighted materials before your business opens.

The following paragraph is added at the end of Item 17:

Virginia has a statute which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise: Virginia [Code 13.1-557 to 574].

The following paragraph is added to Item 17 (h):

Under §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 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.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE WASHINGTON FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Washington.

1. Item 5 of the Franchise Disclosure Document is deleted in its entirety and replaced with the following:

“All franchisees pay an initial fee of between \$20,000 and \$100,000. The fee is due and payable at the earlier of 12 calendar months of the date of the Franchise Agreement and a mutually agreed upon start-date for the commencement of running of your Franchised Business. The size of the initial fee depends on the size of the franchisee’s territory and the population in that territory. The population of the territory will be determined using information from the U.S. Census Bureau. The initial fee will be fully earned by us and non-refundable on its due date. The initial franchise fee is not refundable. You are required to read and be familiar with the books “Allen Carr’s Easy Way to Stop Smoking” and “The Only Way to Stop Smoking Permanently.” The cost of those two books is about \$50 for the two. You are not required to purchase any other Allen Carr books or other copyrighted materials before your business opens.

There are no other fees, payments or commitments to pay due to us or our affiliates due before your business opens.”

2. If any of the provisions in the Franchise Disclosure Document, Franchise Agreement, or Area Development Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act (the “Act”), the provisions of the Act will prevail over the inconsistent provisions of the Franchise Disclosure Document, Franchise Agreement, or Area Development Agreement with regard to any franchises sold in Washington.

2. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

3. The State of Washington’s policy pursuant to its Administrative Regulations pertaining to releases is as follows:

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

4. Item 17 is amended to add the following:

“These states have statutes which limit the franchisor’s ability to restrict your activity after the Franchise Agreement has ended: California Business and Professions 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 the franchisor’s ability to restrict your activity after the Franchise Agreement has ended.

A provision in the Franchise Agreement which terminates the franchise upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

The following states have statutes which restrict or prohibit the imposition of liquidated damage provisions: California [Civil Code Section 1671], Indiana [IC 23-2-2.7-1(10)], Minnesota [Rule 2860.4400J], South Dakota [Civil Law 53-9-5]. State courts also restrict the imposition of liquidated damages. The imposition of liquidated damages is also restricted by fair practice laws, contract law, and state and federal court decisions.”

6. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

7. RCW 19.100.180 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 your franchise.

8. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

9. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

10. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

California	Pending
Hawaii	Not registered
Illinois	Not registered
Indiana	Not registered
Maryland	Not registered
Michigan	Not registered
Minnesota	Not registered
New York	April 16, 2015, as amended [Pending]
North Dakota	Not registered
Rhode Island	Not registered
South Dakota	Not registered
Virginia	Not registered
Washington	Not registered
Wisconsin	Not registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If ALLEN CARR'S EASYWAY (US) LTD. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires 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 occurs first.

If ALLEN CARR'S EASYWAY (US) LTD. 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.

The franchisor is ALLEN CARR'S EASYWAY (US) LTD., located at Park House, 14 Pepys Road, Raynes Park, London SW20 8NH, England, United Kingdom. Its telephone number is 011-44-20-8944-7761.

☐ The franchise seller is Paul Baker, located at Park House, 14 Pepys Road, Raynes Park, London SW20 8NH, England, United Kingdom. His telephone number is 011-44-20-8944-7761.

☐ The franchise seller is _____, located at _____.
His/her telephone number is _____.

The issuance date is April 18, 2025. The state effective dates are on an exhibit following the State Cover Page.

ALLEN CARR'S EASYWAY (US) LTD. authorizes the respective state agencies identified on Exhibit B to receive service of process for it in the particular state.

I have received a disclosure document dated April 18, 2025 that included the following Exhibits:

- | | | | |
|----|-------------------------------|----|------------------------------|
| A. | List of State Administrators | G. | Franchise Agreement, |
| B. | Agents for Service of Process | H. | State Specific Amendments to |
| C. | Table of Contents of | | Franchise Agreement |
| | Operations Manual | I. | General Release |
| D. | List of Franchisees | J. | State Addendum |
| E. | Franchisees Who Left System | | |
| | or Have Not Communicated | | |
| F. | Financial Statements | | |

Date: _____

Prospective Franchisee Signature

Print Name: _____

Address: _____

Individually and as _____

of _____

(Your Copy. Sign, date and retain.)

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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| | or Have Not Communicated | | |
| F. | Financial Statements | | |

Date: _____

Prospective Franchisee Signature

Print Name: _____

Address: _____

Individually and as _____

of _____

(Our Copy. Sign, date and return.)