

## UNITED STATES BANKRUPTCY COURT

## PROOF OF CLAIM

Name of Debtor:

WE THE PEOPLE USA, INC.,  
et al

Case Number: 10-10503 (KJC)

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property):

FRANK MURPHY

**Name and address where notices should be sent:**

C/O WE THE PEOPLE OF GREATER ST. LOUIS, INC.  
2722 S. BRENTWOOD BLVD.  
BRENTWOOD, MO. 63144 314 963 06

Telephone number:

314 963 0600

Name and address where payment should be sent (if different from above):

RECEIVED

MAY 03 2010

Telephone number:

~~BMC GROUP~~

1. Amount of Claim as of Date Case Filed: \$ 1,000,000.00

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. Basis for Claim: **ATTACHED**

(See instruction #2 on reverse side.)

**3. Last four digits of any number by which creditor identifies debtor:**

**3a. Debtor may have scheduled account as:**  
(See instruction #3a on reverse side.)

**4. Secured Claim** (See instruction #4 on reverse side.)

Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

**Nature of property or right of setoff:**  
**Describe:**

☐ Real Estate      ☐ Motor Vehicle      ☐ Other

**Value of Property:** \$ \_\_\_\_\_ **Annual Interest Rate** \_\_\_\_\_ %

**Amount of arrearage and other charges as of time case filed included in secured claim,**

if any: \$ \_\_\_\_\_ Basis for perfection: \_\_\_\_\_

**Amount of Secured Claim: \$** \_\_\_\_\_ **Amount Unsecured: \$** \_\_\_\_\_

**6. Credits:** The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

**7. Documents:** Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See *Instruction 7 and definition of "redacted" on reverse side.*)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING

If the documents are not available, please explain:

Date: 5-1-10

**Signature:** The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Frank Murphy

FRANK MURPHY, OWNER  
WE THE PEOPLE OF GREAT ST. LOUIS  
INC.

**FOR COURT USE ONLY**

## We the People



00043

## INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

## ITEMS TO BE COMPLETED IN PROOF OF CLAIM FORM

**Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

**Creditor's Name and Address:**

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

**1. Amount of Claim as of Date Case Filed:**

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

**2. Basis for Claim:**

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the trustee or another party in interest files an objection to your claim.

**3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:**

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

**3a. Debtor May Have Scheduled Account As:**

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

**4. Secured Claim:**

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

**5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).** If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.**6. Credits:**

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

**7. Documents:**

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

**Date and Signature:**

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

## DEFINITIONS

**Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

**Creditor**

A creditor is a person, corporation, or other entity owed a debt by the debtor that arose on or before the date of the bankruptcy filing. See 11 U.S.C. §101 (10).

**Claim**

A claim is the creditor's right to receive payment on a debt owed by the debtor that arose on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

**Proof of Claim**

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

**Secured Claim Under 11 U.S.C. §506(a)**

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

**Unsecured Claim**

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

**Claim Entitled to Priority Under 11 U.S.C. §507(a)**

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

**Redacted**

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

**Evidence of Perfection**

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

## INFORMATION

**Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system ([www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov)) for a small fee to view your filed proof of claim.

**Offers to Purchase a Claim**

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.

United States Bankruptcy Court  
Case # 10-10503 (KJC)

From: Frank Murphy, Creditor  
We The People of Greater St. Louis, Inc.  
2722 S. Brentwood Blvd.  
Brentwood, Mo. 63144

To: BMC Group, Inc.  
P.O. Box 3020  
Chanhassen, MN. 55317-3020

In re: WE THE PEOPLE, USA, INC., *et al.*,  
~~Basis for Proof of Claim:~~  
Breach of Contract, fraudulent misrepresentation, and breach of fiduciary duty.

Attachment included with B10 Form:

Letter to Jeffery Weiss, 2/13/09, 1 page

Letter to Jeffery Weiss, 3/9/09, 2 pages

Letter and fax to Melissa Soper, 5/11/09, 15 pages

Mailed, May 1, 2010

  
Frank Murphy

ORIG. HLD  
TO: JEFF  
2-11-09  
CEN

Self Help Legal  
Document Services



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# We The People®

February 13, 2009

Mr. Jeffery Weiss  
President, Dollar Financial Corp  
We The People USA, Inc  
1436 Lancaster Avenue  
Berwyn, Pennsylvania 19312

Re: First Notice of Dispute: Via Fax

Dear Mr. Weiss,

Please be advised that I am initiating this notice for Arbitration in accordance with our Franchise Agreement including all Addendums signed 4/12/01. The location for this negotiation is to be St. Louis.


The nature of our dispute includes:

1. Communication and resolution of customer problems.
2. Legal sufficiency of documents and indemnification.
3. Constraint or restraint of my operation in any way, including withdrawal of products.
4. Withholding of functional information.
5. Selection and performance of required Supervising Attorneys in Missouri and Illinois.
6. Withholding marketing and administrative support necessary for our Illinois operation.
7. Locating processing center in St. Louis.

I trust that you will arrange to conclude a good faith negotiation within the next 15 days.

We have every intention of continuing our relationship and of providing proper services to our customers for many years to come.

Sincerely,

  
Frank Murphy, Ph.D.  
Owner

Cc Mr. Roy Hibberd

CC MS. MELISSA, SOPER (EMAIL) @ DFG.COM & FAX 610 296 0678)



2722 S. Brentwood Blvd. • Brentwood, MO 63144 • (314) 963-0600 • FAX (314) 963-0600  
2722





# ***We The People***<sup>®</sup>

Mr. Jeffery Weiss, Chairman  
Dollar Financial Corp.  
dba WE THE PEOPLE FORMS AND SERVICE CENTERS USA, INC.  
dba We The People, LLC.  
1436 Lancaster Avenue  
Berwyn, Pennsylvania 19312

Dispute Notice March 9, 2009 via Registered Mail:

Dear Mr. Weiss,

Please consider this my Dispute Notice since none of the issues of my FIRST NOTICE have been addressed. These issues include but are not limited to Missouri Rule 88 and all Missouri and Illinois Statutes on Unauthorized Practice of Law; and they represent your direct violation of the Franchise Agreement/ Contract and applicable State laws/rules governing my Franchise territory. Following are details of factual disclosure of these issues based on our customer reports. Please advise within 10 days of this date when your negotiating team is available for the first session to be held in St. Louis, Missouri. As I have said before, I trust that we may be able to resolve these issues.

Issue 1. Customer documents are consistently late, beyond your promised turnaround dates, with many errors requiring correction. Customer documents are continuously Court rejected or dismissed. After our customer tells us, we notify our Supervising Attorney, and in many cases Mark Prior, Associate General Counsel, however the customers are not contacted and documents and issues are not corrected. Follow up contacts by us and the customer involved are ignored or not answered.

Issue 2. Courts continue to reject our WTP documents due to legal sufficiency. You have not defended nor resolved the Rule 88 issue and you are eliminating the effected products as of April 1, 2009. which represent our largest percentage of



income. Additionally, you have not resolved your Processor department refusal to correct customer changes to Bankruptcy documents as required in accordance with your agreement with the Eastern District US Trustee.

Issue 3. WTP reduced our product offering by more than 50%. All were dropped arbitrarily, unilaterally, and without notice. Some documents were withdrawn while in process of your typing. Some were dropped after being requested by repeat customers.

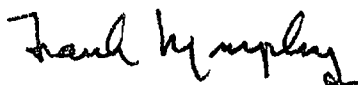
Issue 4. After repeated requests, no information of any kind has been provided for my Illinois territory. This includes the status of Northern WTP stores closing and the legal sufficiency of our documents, which have not been updated since 2001.

Issue 5. We have been without a Supervising Attorney in Illinois since 2002; nor is there now one in Missouri. We have repeatedly advised you that our former Missouri Supervising Attorney has not performed in the best interest of our Franchise by mistreating customers and ignoring their many contacts.

Issue 6. You have denied requests for marketing support including WTP website listing for Illinois.

Issue 7. You have refused to locate a Processing Center in the Brentwood office as required.

Sincerely,



Frank Murphy, owner

Cc

Melissa Soper, Senior V.P. DFG and General Manager We The People via fax  
Roy Hibberd, General Counsel DFG/WTP via email

Self Help Legal  
Document Services



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Offices Nationwide

# ***We The People®***

May 11, 2009

Ms. Melissa Soper  
Sr. VP DFG, GM WTP  
1436 Lancaster Ave.  
Berwyn, Pa. 19312

Re: Arbitration Claim 002-XVW-OFE

Via Fax: 610 296 <sup>0618</sup>~~2038~~ and U.S. Mail this date.

Dear Melissa,

Here is the formal Claim and another copy of our Franchise Agreement (FA) applicable clauses. I trust that we can resolve this claim in an expeditious and business-like manner.

Since we are split the AAA fees, please send me your check for \$3000 by return mail.

Sincerely,

  
Frank Murphy

Cc: AAA Claim Demand  
FA pages 34, 35, 36, addendum page 2



2272 S. Brentwood Blvd. • Brentwood, MO 63144 • (314) 963-0600 • FAX (314) 963-0587





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## Track & Confirm

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Letter Receipt Number: 7009 0080 0002 4702 8753

Associated Label Number:

Delivery Details:

- Delivered: May 13, 2009, 3:42 am, BIRWYN, PA 19312
- Accepted: May 08, 2009, 2:46 am, CHESTERFIELD, MO 63017

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Street, Apt. No.,  
or PO Box No.

City, State, ZIP+4

BIRWYN, PA

PS Form 3800, August 2006

See Reverse for Instructions

7009 0080 0002 4702 8753

DELVD 5/13/09 3:42 PM



**CLAIM SUMMARY -**

Print

Your dispute has been filed in accordance with **Commercial Dispute Resolution Procedures**

This Claim has Been Filed For: **Arbitration**

Filing Fee: **\$6,000.00**

**Additional Claim Information**

Claim Amount: **\$1,000,000.00**

Claim Description: **Breach of Franchisor Agreement, Fraudulent Misrepresentation, Breach of Fiduciary Duty,**

Arbitration Clause: **Six pages of Claim dated May 9, 2009 is attached.**

Hearing Locale Requested: **Brentwood, MO**

Contract Date: **10/01/2001**

Number of Neutrals: **3**

**Attached Files**

File Name	Description
ARBITRATION CLAIM.doc	Arbitration Claim, 6 pages, May 9, 2009

**Claimant**

**We The People of Greater St. Louis, Inc.**

Type of Business: **Service / Product Provider**

Name: **Frank Murphy**

Company Name: **We The People of Greater St. Louis, Inc.**

Address: **2722 S. Brentwood Blvd.  
Brentwood, MO 63144**

Tel#: **314-963-0600**

Fax#: **314-963-0600**

Email: **drfjmjr@charter.net**

Include in Caption: **Company**

**Representatives**

Name: **Jason M. Rugo**

Company Name: **Jenkins & Kling, P.C.**

Address: **10 S. Brentwood Blvd.  
Brentwood, MO 63105**

Tel#: **314-721-2525**

Fax#: **314-721-5525**

Email: **jruogo@jenkinskling.com**

**Respondent**

**Dollar Financial Corp. dba We The People USA et al**

Type of Business: **Service / Product Provider**

Name: **Melissa Soper**

**Representatives**

Company Name: Dollar Financial Corp. dba We  
The People USA et al

Address: 1436 Lancaster Ave.  
Berwyn, PA 19312

Tel#: 610-640-6415

Fax#: 610-296-2038

Email: melissa.soper@DFG.com

Include in Caption: Company

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Click "Continue" to pay by credit card. Please verify all the information before continuing.

May 9, 2009

**Claim per First Notice, February 13 and Dispute Notice, March 9, 2009; Issue 1 & 7**  
**- Breach of Franchisor Agreement.**

1. Franchisor failure to negotiate the issues per Dispute Notice. DFG/WTP refused to adhere to the FA Arbitration procedure per item 6.3.1 as evidenced by the series of emails dated 2-13-09 thru 3-7-09 between me and Melissa Soper, Sr. VP DFG and General Manager WTP (MS). MS also refused to adhere to the procedure per FA item 6.3.2 as noted in a series of emails between us from 3-9-09 thru 4-7-09. I asked several times to meet with MS and was refused. I requested any legal statements be in writing from the DFG/WTP Counsel for review with my attorney and none were forthcoming. At all times I tried to exhibit a spirit of a reasonable and flexible negotiation, however, all I received in return were delays, refusal to meet, and refusal to negotiate in good faith. Even after I agreed to negotiate directly with MS by my phone calls to her per schedule, she missed several calls (I offered make-up time), she made no attempt to negotiate, she made no offers, she made no demands, and she offered no concessions.

2. Franchisor failure to resolve customer problems. A key element to the WTP business model, which was widely promoted to customers and franchises, is that their document preparation services are "FAST and ACCURATE." They have over the years made many attempts to achieve their 'mantra,' however the history of document processing performance continues to be 'late and inaccurate'. A large volume of email correspondence is available as evidence. A recent experience proves this point; I submitted 14 (not an unusual amount) customer divorce workbooks to the central processing center in Salt Lake City in early March, I advised the processing supervisor and MS that the customers had a 4-1-09 Court filing deadline and we needed their attention; the bottom line was --71 % of completed documents were received late (divorce documents require a 10 working day turnaround by the processing department per the DFG/WTP Operating Manual) and 50% had some error (the former manager of processing, Jennifer Lyons, told me their goal was 98% accuracy). This type of errant service has been typical, represents a business system failure, has been experienced by most if not all franchises over the years, is time and effort consuming, is expensive for all parties, and is not in accordance with the DFG/WTP promise and agreement with our customers. It has caused customer hardships, ill will including customer Better Business Bureau complaints, threats and police intervention, a poor effect on future business, and disappointment with the WTP experience.

3. Franchisor failure to locate processing center in St. Louis. Prior to signing my FA, I met with the Northern Illinois Franchisee (since closed), and he said, a) I should get the Southern Illinois territory as well as Eastern Missouri, b) I can negotiate the franchise fee, and c) I must have a Midwestern processing center to assure proper customer service by the Franchisor. Since he was an experienced business person, was on the WTP Board of Directors, and very forthright in offering this and other sage advice, I requested (and was granted) these items to be included in my FA. WTP at first delayed positioning of the St.

Louis process center on the basis of training the right person, then told to wait on the expansion of the franchise system in the Midwest, then they were too busy with the East coast expansion, then it will come after the acquisition of WTP by DFG. I reminded the former owners and the new owners at all accessible levels of management that we were still waiting on our promised processing center. I told MS in 2005 of the requirement for DFG/WTP to pay their portion of the rent for the St. Louis processing center and asked her when she would comply with the FA Addendum 3. After review she agreed to continue paying the rent as agreed (as did the former owner) but refused and continues to refuse to provide the necessary processing center in St. Louis.

4. Franchisor failure to forthrightly communicate. Since March 2005, there has been little effort to manage or to communicate on a business basis with my franchise. We have received a few demands and some internal (including UPL) instructions, but DFG/WTP has made no effort to encourage new products or to grow the existing franchises; since acquiring 170 WTP locations in 30 states, DFG/WTP is now down to 67 locations in 15 states and shrinking fast. Nobody from DFG/WTP has ever been to my location, never initiated any positive effort for growth, never assisted nor offered to assist in the success of my franchise, nor did anything to combat competition. DFG in their earlier days asked for volunteers to contribute to marketing and business development teams. As an interested, qualified, and experienced business person, I presented my name and background and was never contacted on this subject. In 2007 DFG discontinued the long-standing and very informative WTP monthly newsletter. In March 2009 I requested a DFG and a WTP functional organization chart from the WTP counsel and have not yet received it. It is obvious from the number of different names, I see a lot of change in their processing center and I am not advised as to who is in charge.. When the responsible people were absent and I found it necessary to go up the ladder to the only person that I could count on to make an effort to check and advise on a late document, the DFG Chief Counsel.

5. Franchisor failure to withdraw Default Notice. It appears DFG/WTP is making no effort to involve, coordinate, or to professionally manage the franchise system except by the use of 'secret shoppers', unwarranted Default demands, and the heavy hand of termination without reasonable understanding, review, or recourse. Their current threat of my franchise termination via Default has a deadline of May 23, 2009, even though I have provide all required information and I believe I am in accordance with our FA. MS has consistently denied withdrawal of the Default since I first asked during our 'First Dispute Notice' phone conversation. The available email evidence on this Default is clear evidence of a DFG 'hidden agenda'.

**Claims per Dispute Notice, Issue 2 - Breach of Franchisor Agreement, Fraudulent Misrepresentation or Omission and Breach of Fiduciary Duty.**

1. Franchisor sold an 'illegal' franchise. On April 15, 2001, after paying \$230,000, I started a new franchise in Brentwood, Missouri, known as We The People of Greater St.

Louis, Inc., (WTPSTL) to market "low cost, fast, accurate documents" provided and prepared by the Franchisor in an assigned Missouri and Illinois territory. Before signing our FA, I was advised by the CEO that the business model, as represented by the name "We The People," was legal and protected under the U.S. Constitution. Our Franchise Agreement (FA), page 6 item 2.7 states that documents will comply with the applicable state laws. The FA, page 23 item 3.26 was amended with a comprehensive clause (Addendum item 12) on Franchisee defense and indemnity.

2. Franchisor failed to defend business model. I first met and was informed by Judge Dennis Smith, when I introduced myself to him outside of his St. Louis County Court office, that he was aware of WTP and said he was not happy with our activity. He said he would inform the Prosecuting Attorney accordingly. Prior to 2005, when customers reported a court problem, our Supervising Attorney (SA) was assigned by the Franchisor to resolve it. Starting in 2005 and continuing until this month, the County Court rejected our customer documents. Our customers told us that Judge Smith chided them for using WTP services, he frequently informed our customers in open court that our process was a "scam", was not legal, and "they should get their money back"; he told them to file formal complaints. We promptly informed the WTP Counsel of each of these occurrences and all such resistance customers encountered. We were told that WTP would take appropriate action and our SA was authorized to advise the customer and to handle the customer documents. I never saw any actions taken that cured this issue. As a result we heard from many of these hassled customers and suffered a loss of good will.

On March 8, 2005 The Dollar Financial Corp.(DFG) announced their acquisition of the assets of WTP including 170 company and franchised locations including WTPSTL. On March 24, 2005 the CEO of WTP, under contract to DFG, made an offer to repurchase my franchise for \$279,000. I rejected his offer as being too low since it did not account for three years of value added, estimated at \$160,000 (owners salary, advertising, promotion, good will, and other investment costs), nor did it account for committed future obligations at \$125, 000 (rent, security, utility, service, and other contracts).

3. Franchisor failed to pay legal fees in defense of UPL allegations. On September 6, 2008 case # 08SL-CC03325, and amended to *Jones vs. DFG et al*, was filed in St. Louis County 21<sup>st</sup> Circuit Court alleging violation of Missouri Statutes 484.010 and 407.020. When I informed DFG there might be a potential conflict with them on this matter; I requested separate counsel and DFG informed me that they would not pay our attorney fees. I was required to sign a mutual defense agreement under protest since they would not allow my attorney's request for the inclusion of SA, Addendum 12. These fees are now over \$2000 and my claim includes all fees associated with this claim as well as the defense of any violation of the prevailing Missouri and Illinois Statutes. DFG also demanded that I sign a Release from our current FA and to sign a new Franchise Agreement that was extremely objectionable; I advised the DFG Counsel that I would not waive my rights nor their obligations as required by the FA.

4. Franchisor failed to provide legally sufficient documents. Missouri Rule 88 has been under review for several years and was finally applied by the St. Louis City and County Courts on April 1, 2009. DFG did not defend the WTP business model; contrary to the

advice of their local Supervising Attorney. DFG refused to prepare legally sufficient documents as required by our FA and instead withdrew the entire list of related services from our Operating Manual. This represents a future loss of \$150,000 through our FA term.

5. Franchisor failed to negotiate for appropriate Bankruptcy fees. On May 27, 2007 the U.S. Trustee filed case # 07-41725-705, *Martin vs. WTP et al*, in the U.S. Bankruptcy Court Eastern District of Missouri alleging UPL and excessive fees (\$274 - \$299) for Chapter 7 bankruptcy document preparation. WTP counsel advised me that DFG would not defend this suit. He, therefore, did not negotiate with the Trustee. He reported the Trustee admitted no UPL and that he employed this as leverage to force a total fee cap of \$149. I had informed the WTP counsel and this Trustee that in 2006 I had presented sufficient justification relevant to our current \$274 fee in the Southern District Bankruptcy of Illinois and Judge Meyers ruled in favor without objection from the Trustees. Counsel chose not to accept any input from me or my associate, would not pursue the case, and agreed to a \$149 fee cap for individual or married parties, which is admittedly unaffordable to us and to DFG. This fee, less 25% for the Franchisor, is significantly below any type of competition and does not cover our cost of operation especially when the Franchisor requires me to pay 'out of my pocket' for the customer extra copy, mailing, required changes or corrections, excessive creditors, or the second party. Since the fee was reduced to \$149 and until the end of our FA, our loss is estimated at \$100,000.

**Claim per Dispute Notice, issue 3 - Breach of Franchisor Agreement.**

1. Franchisor withdrawal of product offering. In 2007, without prior notice, DFG/WTP eliminated about half of the originally available product line in Missouri with the following three excuses.

- a. The first excuse offered: These products were too costly for the Franchisor to process. Yet these same documents are available to other locations. Furthermore, DFG/WTP sets the minimum selling price per item and collects 25% of the price, therefore, they are in control of their own profit.
- b. The second excuse offered: The Missouri location does not sell enough to justify. Yet there is no requirement in our FA to sell a certain quantity of any product. The FA was offered on the basis that any and all WTP products were available to all locations. The products withdrawn in Missouri are still available for sale in Illinois.

- b. The third excuse offered: The withdrawn products in Missouri are subject to UPL. Yet these same products are offered to other locations. My franchise has never transgressed any UPL.

This preemptive action is counterproductive to the operation of my franchise, is biased, and is without any merit. It is contrary to the intent of FA Addendum 15. Its only purpose is to fail and require closing of my franchise for DFG's own gain. I will sustain an operating loss for the next three years of \$108,000 if I can keep it going and I stand to lose my entire investment.

**Claims per Dispute Notice, Issue 4 and 6 - Breach of Franchisor Agreement.**

1. Franchisor withheld functional information. The FA clearly stipulates a defined territory for Greater St. Louis territory including counties in Eastern Missouri and Southern Illinois. Aside from my start-up headquarters location in Brentwood, Missouri, there is no requirement for me to locate in Illinois as mentioned recently by MS. Addendum 15 of the FA states that the Franchisor will not unreasonably withhold pertinent information, etc. I have repeatedly requested information and support, including an Illinois Operations Manual, from DFG/WTP management and have been ignored or denied since March 2005. Recently, I again called this to MS's attention and all of a sudden a portion of the information, i.e. Illinois product line and workbooks, were posted on 3-9-09 on the WTP portal. Since Divorce was withdrawn as of 4-1-09 in Missouri, and we had just sold one in Illinois (using a 2001 workbook which was approved by a former Chicago SA), I asked MS if it was also withdrawn from Illinois and her answer was "yes," (the first time that I was told this); even though it is shown as available to sell on the Illinois posting. I also asked MS if and when the WTP website, available to the Illinois public after they identify their own zip code, will show the Brentwood location; she said it does that now and suggested that I try it; when her answer was tested, the site said that there are no stores available in Illinois (Brentwood location is only identified to Missouri customers). Therefore, DFG/WTP is not now and has not since 2005 been supporting our efforts in Illinois by allowing the Southern Illinois public to know about our proximity. This negligence has undermined our ability to serve Illinois; about half of our potential customer base, and represents an opportunity lost of about \$ 80,000 in gross income. In 2008, when I found out that the WTP Chicago-land store closings were due to Political and Legislative reasons I told WTP Counsel. I requested pertinent information about these problems from counsel and from MS; neither would respond. Obviously kept in the dark about any and all problems in the State of Illinois, I told MS about my attempt to sell my Illinois territory to an experienced couple only to be told by them after some time and conversation that they are withdrawing having discovered serious problems with the acceptance of the business model in the court system and from other parties in the state. Withholding of critical information violates the purpose and intent of the FA. It has and will continue to diminish the value of my investment and the ability to recover my investment through the contract term.

**Claim per Dispute Notice, Issue 5 – Breach of Franchise Agreement.**

1. Franchisor failure to appoint Supervising Attorney (SA). As required by the FA item 4.3, I pay \$200 each month for the prescribed services of a SA who is designated and managed by the Franchisor. FA item 2.8 states that the SA is to be licensed in Missouri and in Illinois. The FA is a key element in the business model, offering credibility, approval of all documents, and general information in response to the franchisee and the customer. In 2002 and 2003, a qualified, and responsive attorney who operated in both states was assigned for my Franchise. In 2003, a new SA was assigned who was registered and located in Missouri. I was also assigned the SA from Northern Illinois until those stores closed; no SA has since been assigned for my Illinois territory. The Missouri SA was very helpful and responded within the WTP 24 hour rule until some time after March 2005; with the advent of the new franchise owners his response time slowed and he was difficult to contact.

I repeatedly requested help from the WTP Counsel to correct this situation as evidenced by many emails; at one point I was even directed to stop giving the SA's cell phone number to customers. It became apparent that the SA's responsibilities were not being well managed by DFG/WTP. The SA was handicapped in his performance by DFG/WTP when his proposals to counter judicial mischievousness and to defend against Rule 88 were denied. To accommodate the gap in SA response and to mollify constant customer complaints, other DFG/WTP people intervened and offered advice and direction to our customers; this included a west-coast attorney not licensed in Missouri, a west coast paralegal, and a DFG headquartered WTP non-attorney officer.

In 2009 a new SA was assigned; he is located in Kansas and was the SA for the closed WTP Kansas location. The former Kansas franchisee, who also operated in Missouri, stated via email that he did not believe this SA was registered in Missouri or in Illinois.

2. Franchisor failure to effectively manage the SA activity. The Franchisor has not satisfied the requirements of the FA regarding the qualification, management, location, or efficient operation of the SA. This failure to perform has resulted in serious customer complaints and actions, exposure to potential legal risk, much disruption to my operation, embarrassment and loss of good will, and loss of income over the years.



**EXHIBIT "A"**

**WE THE PEOPLE FORMS AND SERVICE CENTERS USA, INC.**

***Dated April 12, 2001***

**FRANCHISE AGREEMENT IN A FORM FOR EXECUTION**

NOW THEREFORE, Franchisee has executed and delivered this Agreement on 10/22, 2001 to be effective as of the date and year executed by the Company below.

**FRANCHISEE**

By: Frank J. Murphy  
Name: FRANK J. MURPHY  
Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

**WE THE PEOPLE FORMS AND SERVICE CENTERS USA, INC.**

By: Ira T. Distenfield  
Name: Ira T. Distenfield  
Title: Chairman

By: Linda Distenfield  
Name: Linda Distenfield  
Title: President

Effective Date: 10/22/01

THIS AGREEMENT IS NOT EFFECTIVE UNTIL SIGNED BY A CORPORATE OFFICER OF WE THE PEOPLE FORMS AND SERVICE CENTERS USA, INC. NO FIELD REPRESENTATIVE OR SALESMAN IS AUTHORIZED TO EXECUTE THIS AGREEMENT ON BEHALF OF WE THE PEOPLE FORMS AND SERVICE CENTERS USA, INC. FRANCHISEE IS ADVISED NOT TO INCUR ANY EXPENSE OR OBLIGATION WITH RESPECT TO THE FRANCHISED BUSINESS UNTIL FRANCHISEE HAS RECEIVED A FULLY EXECUTED COPY OF THIS AGREEMENT.

## ADDENDUM TO WE THE PEOPLE FORMS AND SERVICE CENTERS USA, INC. FRANCHISE AGREEMENT

This Addendum shall amend, modify, and be a part of that certain "WE THE PEOPLE FORMS AND SERVICE CENTERS USA, INC. FRANCHISE AGREEMENT" (the "Agreement") by and between We The People Forms and Service Centers USA, Inc., a California corporation (hereafter the "Franchisor") and Frank J. Murphy (hereafter the "Franchisee"). Franchisor and Franchisee further agree as follows:

1. Franchisor grants to Franchisee exclusive rights and interests in Franklin, Jefferson, Lincoln, St. Charles, Warren, and St. Louis counties, Missouri; and St. Clair, Jersey, Madison, Clinton, and Monroe counties, Illinois. The franchisee fee for such rights and interests shall be \$225,000.00 with \$113,000.00 to be paid on or before October 1, 2001, and the remaining amount of \$112,000.00 to be paid 180 days after the opening of the first retail location.

TO INCLUDE  
ST. LOUIS  
CITY

2. Franchisor will hire a supervising attorney licensed to practice law in the State of Missouri who will review and approve all Franchisor materials prior to the first We The People location opened in approximately January, 2002.

3. A processing center will be established in the State of Missouri prior to the opening of the first We The People store in approximately January, 2002 at the location to be operated by Frank J. Murphy. The processing center will occupy approximately 500 square feet and the rent paid by Franchisor will be at the same pro rata rate paid by Frank J. Murphy to the landlord.

4. Franchisor will match Franchisee on a dollar for dollar basis all advertising for the first six months of the first store's operations; and 25% sharing participation for the next three months of the first store's operations.

5. All "other fees" as stated in the franchise agreement will be firm thru 2002.

6. The Utilization of WTP Media will at the option of the franchisee.

7. Franchisee's participation in WTP's promotional fund (if, and when such a fund is established) will be at the option of the Franchisee.

8. Any consulting time (where cost is incurred) provided by the Franchisor will be pre-approved by the Franchisee.

9. Franchisor hereby waives any renewal fee.

10. Notes #3, #5, #9 (referenced in Item 7 - "Initial Investment"), and "n"

\* SEE NOTE  
OF 10/1

when  
training  
commences

(referenced in Item 17 - "Renewal") are waived as stated in the Franchisor's Uniform Franchise Offering Circular.

11. Frank J. Murphy will be responsible for the negotiation of rental lease terms.
12. Franchisor shall be responsible for the quality and legal sufficiency of all documents produced by or under the direction of the Franchisor and shall defend, indemnify and hold harmless Franchisee from and against claims, demands, suits, fines, penalties, judgments and awards by or in favor of any person or entity based, in whole or in part, upon professional negligence, legal malpractice, unauthorized practice of law or violation of any applicable statute, regulation or court rule governing the provision of legal services, provided Franchisee has adhered to all policies, procedures, and training of the Franchisor.
13. For a period of two (2) years after the termination of this Agreement by Franchisee, Franchisee shall not directly or indirectly own, maintain, engage in, or participate in the operation of an independent paralegal document preparation service within the protected area of the Franchisee or elsewhere in the United States; provided, however, the prohibition against competition shall not apply, if Franchisee terminates this Agreement for material breach on the part of the Franchisor and Franchisor fails to cure such breach before the effective date of the termination.
14. Any controversy or claim arising out of or relating to this Agreement will be settled by binding arbitration based on, and consistent with, Missouri law, and with the facts and evidence that are properly introduced at the hearing. The forum for such arbitration will be held in St. Louis, Missouri.
15. Franchisor will not unreasonably withhold any approvals, pertinent information, documents, or advice.
16. The Franchisor's Confidential Operating Manual represents the policies and procedures for the operation of a We The People office; notwithstanding the above, such manual will not restrain or constrain in any way the operation of Frank J. Murphy's We The People store(s).
17. Frank J. Murphy is able to use the business name and mark "We The People of Greater St. Louis" as long as the franchise agreement is in force.
18. All personal information provided to the Franchisor by Frank J. Murphy is for the Franchisor's sole use, and is not to be shared or disclosed to any third party, without Frank J. Murphy's prior permission.
19. Frank J. Murphy, at his option, can sell at his stores(s) non-competitive support merchandise (self-help books, logo items, etc.) to his customers. Anything beyond those items referenced above, needs the prior approval of the Franchisor, such approval not to be

unreasonably withheld.

20. Regarding We The People E-Commerce revenue off the Internet, if a customer in Franchisee's exclusive territory totally bypasses the office(s) of the Franchisee and initiates a transaction directly with headquarters, Franchisee receives 25% of the gross revenue of that transaction. If a customer coming from the Internet initiates a transaction directly with an office(s) of the Franchisee, then 100% of that revenue is treated similar to other income coming to the Franchisee office(s).

Franchisee:

By: Frank J. Murphy 10-1-01  
Frank J. Murphy Date

Franchisor:

By: Ira T. Distenfield 9/27/01  
Ira T. Distenfield, Chairman Date