B10 (Official Form 10) (4/10)

UNITED STATES BANKRUPTCY COURT DISTRICT OF DELAWARE	PROOF OF CLAIM
Name of Debtor: **We The People USA, Inc.**	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):
Thomas Greene and Rebecca Greene

☐ Check this box to indicate that this claim amends a previously filed claim.

Name and address where notices should be sent:
Lester Essig, Esq., Counsel for Thomas Greene and Rebecca Greene
Ray Quinney & Nebeker P.C.
36 South State Street, Suite 1400
Salt Lake City, Utah 84111
Telephone number: 801-532-1500

RECEIVED
MAY 12 2010
BMC GROUP

Court Claim Number
(If known)

Filed on: _____

Name and address where payment should be sent (if different from above):
Lester Essig, Esq., Counsel for Thomas Greene and Rebecca Greene
Ray Quinney & Nebeker P.C.
36 South State Street, Suite 1400
Salt Lake City, Utah 84111

Telephone number: **801-532-1500**

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box if you are the debtor or trustee in this case

1. Amount of Claim as of Date Case Filed: **$697,408.00**

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: (See Basis for Claim as set forth in Attachment to Proof of Claim)
(See instruction for #2 on reverse side.)

3. Last four digits of any number by which creditor identified 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: ☐ Real Estate ☐ Motor Vehicle ☐ Other
Describe:

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:** $_____

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount

Specify the Priority of the claim.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

☐ Wages, salaries, or commissions (up to $11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).

☐ Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).

☐ Up to $2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).

☐ Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).

☐ Other -- Specify applicable paragraph of 11 U.S.C. §507(a)(__).

Amount entitled to priority:

$_____

**Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

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

7. Document: 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.)*

We The People USA, Inc. Franchise Agreement, Franchise Offering Circular and attachments to both are included.

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:

May 11, 2010

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.

Lester K. Essig

Lester K. Essig/Attorney for Thomas Greene and Rebecca Greene (Creditors)

FOR COURT USE ONLY
We the People
00054

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571. 1081375

Attachment to Proof of Claim of
Thomas Greene and Rebecca Greene
In the matter of
WE THE PEOPLE USA, INC.
10-10503 (KJC)

2. Basis for Claim: Creditors, Thomas Greene and Rebecca Greene, assert claims against Debtor and related parties under the Utah Business Opportunity Disclosure Act, the Utah Consumer Sales Practices Act, breach of contract, breach of the covenant of good faith and fair dealing, fraud, fraud in the inducement, fraud in the execution of an agreement, interference with contract, prospective business advantage and prospective economic relations, alter ego liability, corporate combine and entity combine liability, breach of guarantee, agency liability, promissory estoppel and related law, arising from a common set of misconduct, actions and omissions on the part of the Debtor and related parties, including, without limitation, the following:

a. Failure to file with the Utah Division of Consumer Protection any of the disclosure, registration and other documents and to pay the mandatory fee required by Utah Code section 13-15-4 and related regulations prior to offering for sale or selling the franchise to Creditors, constituting illegal conduct in violation of the Utah Business Opportunity Disclosure Act and regulations, and entitling Creditors to all remedies provided by Utah Code section 13-15-6(2) and other relief.

b. Failure to file with the Utah Division of Consumer Protection the notice of compliance with the Federal Trade Commission rule on franchising and other documents and to pay the mandatory fee in order to qualify for exemption as required by Utah Code section 13-15-4.5 and 13-15-4(4) and related regulations prior to offering for sale or selling the franchise to Creditors, constituting illegal conduct in violation of the Utah Business Opportunity Disclosure Act and regulations and entitling Creditors to all remedies provided by Utah Code section 13-15-6(2) and other relief.

c. Failure to provide the Creditors the disclosure and other documents required by Utah Code sections 13-15-4 and 13-15-5 and related regulations, and by the federal Trade Regulation Rule: Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures at 16 C.F.R. section 436.1 et. seq., the Uniform Franchise Offering Circular requirements, and regulations and rules relating to all of the foregoing, including, without limitation, failure to provide fully updated and current required information relating to the status of all suits involving the respondents and the franchise system, the status of the franchise system and all franchisees, the franchisor's business plans, expansion, contraction and contemplated actions relating to franchisees and the franchise system and the respondents' financial status, failure to provide complete and required information regarding territorial restrictions and prior sales of rights for Utah and the United States, failure to provide complete and required information regarding the investment and initial investment, failure to properly and fully disclose regarding the rights and obligations of franchisees and the franchisor, failure to properly disclose as to the rights of franchisees to loans and other financial assistance and forgiveness of the same, failure to provide the same right as to loans and other financial assistance and forgiveness of the same to Creditors as that provided to others, and failure to provide timely and properly updated disclosures, prior to offering for sale or selling the franchise to Creditors and thereafter, and failure to conform to and abide by the disclosures so provided, constituting illegal conduct in violation of the Utah Business Opportunity Disclosure Act and regulations, and entitling Creditors to all remedies provided by Utah Code section 13-15-6(2) and other relief.

d. Making statements and representations, and providing documents regarding, potential sales, income, gross and net profits, and other representations that suggested a specific level of sales, without providing proper disclosure and a basis regarding the same, without making them relevant to the geographic market, and without

the required printed cautions, and inconsistent with the representations made in the offering circulars regarding the same, contrary to Utah Code sections 13-15-4(1)(f) and (5) and 13-15-5 and related regulations, constituting illegal conduct in violation of the Utah Business Opportunity Disclosure Act and regulations, and entitling Creditors to all remedies provided by Utah Code section 13-15-6(2) and other relief.

e. Failure to furnish a notice meeting the necessary statutory requirements of the Creditors' right to cancel the business opportunity sale within three business days after the time of purchase as required by Utah Code section 13-11-4(2)(m) and (3)(a), constituting illegal conduct in violation of the Utah Consumer Sales Practices Act and regulations and entitling Creditors to the remedies provided by Utah Code section 13-11-19 and other relief.

f. Engaging in deceptive acts and practices as a supplier including, without limitation, indicating that there was sponsorship, approval, affiliations, performance characteristics, a particular standard or quality, specific price advantages, that goods and services would be provided within a specific time, which were not provided, and inclusion in the contract of waivers of rights Creditors would otherwise be entitled to, constituting illegal conduct in violation of section 13-11-4 of the Utah Consumer Sales Practices Act and regulations entitling Creditors to the remedies provided by Utah Code section 13-11-19 and other relief.

g. Engaging in unconscionable acts or practices as a supplier, including, without limitation, the acts and omissions noted above and hereafter, constituting illegal conduct and violating section 13-11-5 of the Utah Consumer Sales Practices Act and regulations entitling Creditors to the remedies provided by Utah Code section 13-11-19 and other relief.

h. Failure to provide all of the legal documents agreed upon for customers of the franchise, failure to provide all of the legal documents within the time period agreed upon, failure to provide and to otherwise assure that all of the legal documents that were provided were in full compliance with all legal requirements, failure to provide an operating manual as agreed upon, failure to provide all of the support, performance, services, consideration and rights required by the franchise agreement, offering circular and related documents, failure to fully support and maintain franchisees and the franchise system, implementation of steps and actions that undermined, weakened, contracted, terminated and abandoned franchisees and the franchise system, and misrepresentations, misstatements, false statements and omissions, thereby constituting breaches of contract and breach of the covenant of good faith and fair dealing, and entitling Creditors to rescission, termination, damages, attorneys fees, costs, payment and the relief provided by law.

i. Engaging in misrepresentations, deceptions, fraud, fraud in the inducement, fraud in the execution of the agreement, and illegal and unlawful conduct, arising from the acts and omissions noted above and related activity in connection with the offering and sale of the franchise to Creditors and related misconduct, acts and omissions entitling Creditors to the relief provided by law.

j. Interference with contract, prospective business advantage and prospective economic relations arising from efforts on the part of Debtor and related parties to undermine, weaken, contract, terminate and abandon franchisees and the franchise system, and to reduce and terminate services and support for franchisees and the franchise system, adversely impacting Creditors' relationships with actual and potential investors, partners, customers, other respondents and others, entitling Creditors to rescission, termination, damages, attorneys fees, costs, payment and the relief provided by law.

k. Operating We The People USA, Inc. (a signatory on the franchise agreement) and We The People LLC (the assignee of We The People USA, Inc.'s rights and obligations under the franchise agreement) as the alter egos of Dollar Financial Group Inc. (the parent company of We The People USA, Inc., which is the parent

company of We The People LLC) under circumstances where the corporate or entity form must be disregarded to prevent fraud, illegality, or injustice, or where recognition of the corporate or entity form would defeat public policy or shield someone from liability for a crime, justifying the piercing of their respective corporate or entity veils.

l. In the alternative, operating We The People USA, Inc., We The People LLC, and Dollar Financial Group, Inc. as a single entity or a corporate combine or entity combine under circumstances justifying the piercing of their respective corporate or entity veils.

m. Failure to abide by the terms of, and breach of, an absolute and unconditional guarantee as to the duties and obligations of, and assumption of the duties and obligations of, the franchisor under the franchise agreement, offering circular and related documents, relating to the acts and omissions noted above and related activity in connection with the offering and sale of the franchise to Creditors and related misconduct, acts and omissions, with the guarantee enforceable by operation of federal franchise law, the Utah Business Opportunity Disclosure Act, inclusion in the contract and circulars as an affirmative representation, and under the principles of agency and/or agency by estoppel, entitling Creditors to all of the remedies set forth above and full payment and repayment for the same, plus actual damages, consequential damages, interest, costs and reasonable attorneys fees and the relief provided by law.

n. In addition or in the alternative, based on the absolute and unconditional guarantee and the other representations noted above, the fact that Debtor and related parties knew that Creditors relied upon the same, and either knew or reasonably should have known that Creditors' reliance would induce action on their part, and that Creditors acted with prudence and reasonable reliance on the same when they purchased the franchise business, which resulted in substantial damages to Creditors, Creditors are entitled to recover damages, plus interest, costs and reasonable attorneys' fees.

By reason of the foregoing, and pursuant to the laws as noted, Creditors are entitled to rescission of the We The People USA, Inc. Franchise Agreement, Schedule "A" Exclusive Territory, Schedule "B" Telephone Number Transfer Agreement, Schedule "C" Principal Owners' Statement, Schedule "D" Principal Owners' Guaranty, and all related agreements and documents, and to monetary recovery for all amounts paid to the Debtor and related parties, damages, actual damages and consequential damages in an amount believed to total at least $697,408.00 as of the date of the bankruptcy filing (February 19, 2010), including all attorneys fees, arbitration costs, court costs, bankruptcy proceeding costs, other costs, interest, prejudgment and post-judgment interest, and other amounts, and such other damages and relief as may be provided by law and/or equity and as otherwise deemed appropriate or to be determined hereafter.

EXHIBIT "A"

WE THE PEOPLE USA, INC.

FRANCHISE AGREEMENT IN A FORM FOR EXECUTION

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SCHEDULES:

Schedule "A" Exclusive Territory
Schedule "B" Telephone Number Transfer Agreement
Schedule "C" Principal Owners' Statement
Schedule "D" Principal Owners' Guaranty
Schedule "E" Form of General Release
Schedule "F" State Specific Amendments to Franchise Agreement

WE THE PEOPLE USA, INC.

FRANCHISE AGREEMENT

This Franchise Agreement (the "Agreement") is made by and between We The People USA, Inc., a Delaware corporation (the "Company"), whose address is 1436 Lancaster Ave., Suite 300, Berwyn, Pennsylvania 19312, and **Thomas Greene**, whose address is set forth on the signature page hereof ("Franchisee").

RECITALS

A. The Company owns proprietary knowhow and trade secrets relating to the establishment, marketing, promotion, and operation of businesses that provide legal document preparation services (a "We The People Center").

B. The Company has expended time, effort, and money to develop and protect business plans, procedures, training programs, marketing identity and unique marketing methods (collectively, the "System") in connection with the operation of We The People Centers.

C. The Company has rights to the name, distinctive logo, and identifying commercial symbol and design "We The People" and any additional trademarks, trade names, service marks, and other commercial symbols the Company may develop for use by its franchisees (collectively, the "Marks").

D. The Company maintains high standards of quality for its products and services such that valuable goodwill is attached to the Marks.

E. Franchisee desires to obtain the right to own and operate a We The People Center franchise on the terms and conditions set forth herein.

In consideration of the foregoing and the promises contained herein, the parties agree as follows:

1. FRANCHISE AND TERM

1.1 Grant of Franchise.

The Company grants to Franchisee the right to use the Marks and the System of the Company to provide legal document preparation services (the "Franchised Business") to the public from a single storefront location ("Franchisee's Center") on the terms and conditions set forth in this Agreement. Franchisee cannot use the *We The People* name, the Marks or the System in any other business, or in connection with any Web Site (as described in Section 3.8.4) or offer any products or services that are not included within the Franchised Business, without the prior written consent of the Company.

1.2 Exclusive Territory.

Except as otherwise provided herein, Franchisee will be granted an exclusive, geographic territory defined by zip codes or other geographic boundaries as determined by the Company in its sole discretion after giving consideration to relevant demographic information including population density and average household income (the "Exclusive Territory"). The actual geographic boundaries of the Exclusive Territory will be set forth on Schedule "A" to this Agreement to be executed by both the Company and Franchisee. So long as Franchisee is not in default under this Agreement, the Company will not grant any

other person a franchise to open a We The People Center within the Exclusive Territory, nor will the Company open a We The People Center within the Exclusive Territory.

Franchisee cannot advertise or solicit orders within another franchisee's or Company-owned Exclusive Territory. The Company retains the right to do business through alternative marketing plans or systems under the Marks and to operate any business which does not utilize the Marks. The Company further retains to right to sell tangible products bearing the Marks through non-franchised, unaffiliated entities. Franchisee does not receive the right to acquire additional franchises within Franchisee's Exclusive Territory or contiguous territories.

If the Company sells a We The People service to a customer via the internet and that customer resides outside the Exclusive Territory of any We The People franchisee, the Company will retain 100% of the Net Profit (as defined below) from the sale. If the Company sells a We The People service to a customer completely via the internet with no assistance, consultation or involvement by a We The People franchisee, and that customer resides in the Exclusive Territory of such franchisee, the Company will pay that franchisee 15% of the Net Profit from the sale. If the Company sells a We The People service to a customer via the internet with some assistance, consultation or involvement by a We the People franchisee, and that customer resides in the Exclusive Territory of such franchisee, the Company will pay that franchisee 25% of the Net Profit from the sale.

As used herein, "Net Profit" shall mean the purchase price received by the Company for the legal document prepared less the applicable Processing Fee (as defined below) charged by the Company therefor.

1.3 Term.

1.3.1 Initial Term. This Agreement is effective and binding for an initial term of ten years commencing on the date of its execution by the Company, unless sooner terminated as provided herein.

1.3.2 Renewal Term. If Franchisee is not in default under this Agreement, Franchisee may renew the franchise for two successive five year terms on the same terms and conditions on which the Company is then customarily granting new franchises; or, if the Company is not granting any new franchises, then on the same terms and conditions on which the Company is then customarily granting renewal franchises, provided, however, that Franchisee shall comply with all of the provisions set forth in Section 1.3.4.

1.3.3 Refusal to Renew. Notwithstanding the foregoing provisions, the Company is not obligated to renew the franchise if:

(a) Franchisee has repeatedly failed to make payments or reports within ten business days of the date on which they are actually due; or

(b) Franchisee has repeatedly been in default of this Agreement; or

(c) Franchisee has failed to operate its We The People Center in compliance with the Confidential Manuals (as set forth in Section 2.3); or

(d) The Franchisee has failed or refused to take remedial actions recommended by the Company to improve Franchisee's business operations.

1.3.4 **Conditions to Renewal.** Prior to and as a condition to renewal of this Agreement, Franchisee shall perform all of the following obligations:

(a) Franchisee must give the Company written notice of its intent to renew the franchise not more than 180 calendar days nor less than 90 calendar days prior to the expiration of the preceding term.

(b) Franchisee shall repair or replace, at Franchisee's cost and expense, equipment (including electronic cash register, computer hardware or software systems or Web-enabled video camera), signs, interior and exterior decor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Franchised Business as the Company may reasonably require and shall obtain, at Franchisee's cost and expense, any new or additional equipment, fixtures, supplies and other products and materials that may be reasonably required by the Company for Franchisee to offer and sell new items or services from Franchisee's Center or to provide the services of the Franchised Business by alternative means and shall otherwise modernize the Center premises, equipment (including electronic cash register, computer hardware or software systems or Web-enabled video camera), signs, interior and exterior decor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Center, as reasonably required by the Company to reflect the then-current standards and image of the System as contained in the Confidential Operating Manual (as defined below) or otherwise provided in writing by the Company.

(c) Franchisee, and the majority partner(s), member(s) or shareholder(s) of Franchisee, if Franchisee is a partnership, a limited liability company or a corporation, and the Franchisee's designated manager, if applicable, shall execute a general release of any and all claims against the Company and its affiliates, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement or under federal, state or local laws, rules, regulations or orders.

(d) Franchisee shall execute the Company's then-current form of renewal franchise agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, higher percentage Processing Fees, advertising contributions or expenditure requirements, and/or smaller Exclusive Territory.

(e) Franchisee shall pay the Company the renewal fee set forth in Section 4.6.

(f) Franchisee, and the majority partner(s), member(s) or shareholder(s) of Franchisee, if Franchisee is a partnership, a limited liability company or a corporation, and the Franchisee's designated manager, if applicable, shall execute the Company's then-current form of Principal Owner's Guaranty (attached hereto as Schedule "D").

1.4 Location of Franchisee's Center.

The location of Franchisee's Center must be within the Exclusive Territory. Franchisee cannot relocate Franchisee's Center or operate at any location other than the Site without the prior written consent of the Company.

2. OBLIGATIONS OF THE COMPANY

2.1 Site Selection.

The Company will provide guidance to Franchisee in the selection of a site for Franchisee's Center within the Exclusive Territory. Final site selection for Franchisee's Center will be subject to the approval of the Company. Within 30 days of the Company's receipt of the proposed site location, the Company will respond to Franchisee in writing of its approval or disapproval of the proposed site (following approval, the "Site"). Franchisee specifically acknowledges that site approval by the Company is not to be interpreted as a guarantee of success or profitability of the We The People Center that is to be operated at the Site.

2.2 Lease Review.

Franchisee must submit a copy of the proposed lease for Franchisee's Center for the Company to review. Franchisee acknowledges that the Company's review of the lease does not constitute an assurance that the rights and interests of the Franchisee are adequately protected. Section 3.1 below sets forth certain provisions that must be included in the lease for Franchisee's Center.

2.3 Confidential Manuals.

The Company will lend Franchisee a copy of the We The People Confidential Operating Manual and any state specific addenda in connection therewith (the "Confidential Operating Manual"), and a copy of the We The People Confidential Compliance Manual and any state specific addenda in connection therewith (the "Confidential Compliance Manual" and together with the Confidential Operating Manual, the "Confidential Manuals"), as each of the foregoing may be supplemented from time to time by the Company in its sole discretion to use during the term of this Agreement. The Company may from time to time revise the contents of the Confidential Operating Manual to convey to Franchisee advancements and new developments in sales, marketing, operational techniques, and other items and procedures relevant to the operation of the Franchised Business, and the Company may from time to time revise the contents of the Confidential Compliance Manual to update Franchisee's legal compliance requirements. The Company may send new pages or a completely revised Confidential Manual to Franchisee, at no cost to Franchisee.

2.4 Training.

The Company will conduct a training program in the management and operation of the Franchised Business. The training program will consist of approximately 49 hours of classroom and on-the-job instruction at the Company's business offices or other location that the Company may select for the benefit of Franchisee. Franchisee, if Franchisee is an individual, or the majority partner(s), member(s) or shareholder(s) of Franchisee, if Franchisee is a partnership, a limited liability company or a corporation, and the Franchisee's designated manager, if applicable, must attend and successfully complete the training program to the satisfaction of the Company prior to the opening of the Franchised

Business. Two people may attend the initial training program without charge. The Company will provide Franchisee with the necessary training materials. Franchisee must pay all travel, food, lodging, and other expenses incurred by Franchisee and its employees in connection with attendance at the training program.

If Franchisee fails to complete the training program to the satisfaction of the Company, then the Company may terminate this Agreement effective immediately. Upon termination, the Company will retain $10,000 of the Initial Franchise Fee (as defined in Section 4.1) as compensation for services rendered to the time of termination and will promptly refund the balance of the Initial Franchise Fee to Franchisee.

2.5 Center Opening.

The Company, at the expense of the Franchisee, will promptly place an opening order for letterhead, envelopes, business cards, window signs, and brochures utilizing the standard colors, logos and type styles of the Company. A representative of the Company will advise and assist Franchisee in the opening of Franchisee's Center and in establishing procedures essential to the operation of a We The People Center.

2.6 Document Preparation.

The Company will produce all legal documents that are utilized by the Franchisee in the operation of the Franchised Business. The Company has had all document templates reviewed and approved by an attorney licensed in the state in which Franchisee's Center is located and agrees that the documents will comply with applicable state law so long as the information provided by the customer and Franchisee is accurate.

2.7 Supervising Attorney.

The Company will designate a supervising attorney who will be available during reasonable business hours for consultation on legal issues that may be presented by We The People customers and franchisees. Although the Company will designate a supervising attorney licensed in Franchisee's particular state, Franchisee acknowledges and agrees that the Company is not responsible for advice given by the supervising attorney.

2.8 Advisory Services.

The Company may provide, as and to the extent required and reasonable in the Company's judgment, limited consultation on operations, promotional, marketing and advertising techniques, and customer relations.

Upon Franchisee's request, field representatives will be available for on-site consultation and assistance on a fee basis by appointment only. The Company's current fee for such assistance is $250 per day plus expenses, including travel expenses, lodging, computer research time, and telephone use charges. The Company reserves the right to change its fee structure from time to time upon written notice to its franchisees.

2.9 Regional Meetings.

The Company may conduct regional meetings on a periodic basis to discuss changes and developments in the We The People System and other topics that are relevant to the operation of the Franchised Business. Franchisee must attend all scheduled regional meetings. There will be no registration fee or other charge for the regional meetings, but Franchisee must pay all travel, food, lodging and other expenses incurred in connection with attendance.

2.10 Annual Meetings.

The Company may conduct an annual national meeting for all We The People franchisees. Franchisee must attend all annual meetings. There will be no registration fee or other charge for the annual meeting, but Franchisee must pay all travel, food, lodging and other expenses incurred in connection with attendance.

2.11 Suggested Prices.

The Company will provide Franchisee from time to time with suggested prices for the preparation of legal documents. Notwithstanding the foregoing, the Company shall not require the Franchisee to sell its products or services at any specified minimum prices.

2.12 Computation.

The Company will give Franchisee 30 days' written notice of any change in the manner in which Processing Fees are computed.

3. OBLIGATIONS OF FRANCHISEE

3.1 Lease.

Franchisee must secure a site for Franchisee's Center within the Exclusive Territory. Franchisee must execute a lease or otherwise secure premises for the operation of Franchisee's Center within 90 days after execution of this Agreement by the Company. If (i) the Company and Franchisee fail to agree on a site within 90 days, or (ii) Franchisee does not open for business within 120 days of the date of this Agreement, the Company may terminate this Agreement effective immediately. Upon such termination, the Company will retain $10,000 of the Initial Franchise Fee as compensation for services rendered to the time of termination. In the event of such termination, Company will promptly refund the balance of the Initial Franchise Fee to Franchisee following Franchisee's return of the Workbooks and any other Proprietary Information furnished by Company.

Any lease entered into by Franchisee must provide the following:

(a) That landlord will give the Company written notice of any act or omission which would result in a breach or default of the lease by Franchisee and that the Company will have the option, but not the obligation, to cure the breach or default;

(b) That upon any breach or default of the lease by Franchisee, or upon termination or expiration of this Agreement, the Company will have the right, but not the obligation, to assume Franchisee's position as tenant under the lease and to assume liability for all rent and other charges payable to the landlord that accrue under the lease after the date of assumption;

(c) A lease term which is at least equal to the initial term of this Agreement;

(d) An acknowledgement by landlord that the Company is not the tenant and that the Company is not responsible for tenant's obligations under the lease.

Franchisee acknowledges that the Company has advised Franchisee to have an attorney review and evaluate the lease.

The Company may purchase or lease the Site and then lease the Site to Franchisee at its fair market rental value.

3.2 Tenant Improvements.

Upon approval of the lease for Franchisee's Center, Franchisee must commence construction and installation of the tenant improvements, trade fixtures, and interior décor in accordance with design specifications set forth in the Confidential Operating Manual. Franchisee must have its retained professionals (architects and contractors) secure the necessary building permits for its interior design plans and must ensure their compliance with applicable laws, ordinances, building codes and permit requirements as well as with Franchisee's lease requirements and restrictions. Franchisee will not make any changes to the layout or design without the prior written consent of the Company. Franchisee must submit a copy of the drawings for any proposed change to the layout or design to the Company for review.

Franchisee must promptly obtain a telephone number and a separate facsimile number for Franchisee's Center. Franchisee must give the Company written notice of the numbers when they are issued by the telephone company. Upon termination of this Agreement, Franchisee, at the option of the Company, shall assign to the Company all rights to the telephone numbers of Franchisee's Center and any related Yellow Pages trademark listing or other business listings and execute the Telephone Number Transfer Agreement form attached hereto as Schedule "B" and all other forms and documents required by the Company and any telephone company at any time to transfer such service and numbers to the Company. Further, Franchisee shall assign to the Company all Internet listings, domain names, Internet Accounts, advertising on the Internet or World Wide Web, websites, listings with search engines, e-mail addresses or any other similar listing or usage related to the Franchised Business. Franchisee hereby appoints the Company its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, e-mail addresses or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

3.3 Owner Participation.

Franchisee is not required to participate personally in the day-to-day operation of Franchisee's Center. If Franchisee will not participate personally in the operation of Franchisee's Center, then Franchisee must designate a manager who must devote his/her full time and best efforts to the day-to-day operations of Franchisee's Center. Franchisee and the designated manager must both attend and successfully complete the initial training program to the satisfaction of the Company. Franchisee must ensure that its manager(s) comply fully with all applicable terms of this Agreement, including maintaining all trade secrets, not competing with Franchisee's Center, and safeguarding all We The People documents, manuals, and other proprietary information provided to Franchisee by the Company.

3.4 Employees.

Franchisee must hire and train all employees who are necessary for the operation of Franchisee's Center. Franchisee will be solely responsible for the terms of employment, including compensation, benefits, training and supervision.

3.5 Opening of Business.

Franchisee must commence business operations upon completion of the tenant improvements and the issuance of a certificate of occupancy for Franchisee's Center. Thereafter, Franchisee must continually operate the Franchised Business at Franchisee's Center as a full-time business enterprise.

3.6 Business Hours.

Franchisee must keep Franchisee's Center open for business during the hours specified in the Confidential Operating Manual unless otherwise authorized in writing by the Company.

3.7 Apparel.

Franchisee and its employees must wear professional business apparel as described in the Confidential Operating Manual.

3.8 Name and Marks.

All uses of the We The People name and Marks must be in form and substance approved by the Company in writing. In addition, Franchisee shall comply with the following requirements in connection with the We The People name and Marks:

3.8.1 Use of Name.

Franchisee must conduct Franchisee's Center only under the We The People name and Marks and in strict compliance with this Agreement and the Confidential Manuals. Franchisee agrees to not to use any other trademark in combination with the We The People name or any Mark without the prior express written approval of the Company.

3.8.2 Proprietary Rights. Franchisee acknowledges the Company's exclusive right, title and interest in the Marks, and will not take any action contesting or impairing the right, title or interest of the Company. Franchisee will not represent that Franchisee has any ownership rights in the Marks, and acknowledges that its use thereof will not create in its favor any right, title, or interest in or to the Marks. Franchisee must affix trademark notices and indication of registration when necessary or proper in accordance with applicable laws, and must add notices of any new trademarks or service marks owned by the Company during the term of this Agreement.

3.8.3 Display of Name. At all times during the term of this Agreement, Franchisee will use the Marks in all advertising, promotion, and communications involving the Franchised Business, including yellow pages listings, signs, banners, business cards, stationery, promotional and advertising materials, forms, contracts, and all other materials that identify the Franchised Business. All use of the We The People names and the Marks by Franchisee must clearly state that each We The People Center is independently owned and operated.

3.8.4 Internet Use. Franchisee may not operate a website using any of the Company's names or Marks or advertising the services of the Franchised Business without the Company's prior written approval. Franchisee shall comply with all applicable rules and regulations related to electronic communications, including without limitation e-mail and telephone communications, via the Internet or any other communications network in the course of operating the Franchised Business.

3.8.5 Franchisee's Name. Franchisee cannot use the We The People name or Marks as part of its corporate, partnership, limited liability company or other form of legal business name. Franchisee is authorized and required to adopt a fictitious trade name incorporating the words "We The People Center" in compliance with all fictitious name registration laws. Franchisee will, within 30 days after termination of this Agreement, amend its fictitious business name registrations to remove the words "We The People Center" and all marks and logos associated therewith from its business name.

3.8.6 Signs. Franchisee must install and maintain standard signs in accordance with the specifications established by the Company. The Company, at the sole expense of the Franchisee, may place an order for approved outdoor signs. Franchisee may not use any other signs, banners or visual displays in connection with Franchisee's Center without the prior written consent of the Company.

3.8.7 Protection of Marks. Franchisee must promptly notify the Company of any unauthorized use of the We The People name or Marks, or any colorable imitations of the Marks, by third parties. Franchisee must promptly notify the Company of any claim, demand or suit against Franchisee based on, or arising out of, Franchisee's use of the We The People name or Marks. Franchisee acknowledges that Franchisee has no authority to defend or prosecute any action relating to the We The People name or Marks, and that the Company, at its sole discretion, may elect to defend or prosecute any action relating to the Marks. If the Company undertakes the defense or prosecution of any litigation relating to the Marks, Franchisee will execute all documents and do all acts that may be necessary, at the determination of the Company's legal counsel, to carry out the litigation.

3.9 Confidential Manuals.

In order to protect the reputation and goodwill associated with the Marks, and to maintain the uniform standards of quality and operations thereunder, Franchisee must conduct its Franchised Business in strict accordance with the Confidential Manuals, which may be amended from time to time at the sole discretion of the Company. Franchisee acknowledges that it will be responsible for reviewing and understanding the contents of the Confidential Manuals and all amendments made thereto. Franchisee will insert any updated pages at the Confidential Manuals upon receipt from the Company, and will remove all superseded pages and return them to the Company within five business days.

3.10 Products and Services; Expenses.

Franchisee will at all times offer those products and services prescribed by the Company in the Confidential Operating Manual to be offered by franchisees, and Franchisee will not offer any products or services that are not specifically approved under this Agreement, in the Confidential Operating Manual, or otherwise in writing by the Company Operating Expenses. Franchisee will pay its own costs of doing business, including rent, telephone, utilities, insurance and other fixed and variable expenses as they become due.

3.11 Document Preparation.

Franchisee will instruct its customers to insert the required information into the appropriate workbook for the type of legal documents they are seeking. Franchisee must forward the completed workbooks, along with a purchase order, to the Document Preparation Center designated by the Company for Franchisee's use. The Company will return the completed legal documents to Franchisee's Center. The foregoing requirements

may be changed from time to time by the Company as a result of technological advancements in the submission and transmission of such information.

Franchisee acknowledges that the Company will produce all legal documents that are utilized by Franchisee in the operation of Franchisee's Center. Franchisee is not permitted to produce or create any legal documents itself, nor is Franchisee authorized to have any legal documents prepared by any other source. Franchisee may not make alterations to any documents the Company prepares. The Company does not assume responsibility for documents altered by Franchisee or for incorrect or inadequate information provided by Franchisee's customers.

3.12 Unauthorized Practice of Law is Prohibited.

The unauthorized and unlicensed practice of law is illegal and is strictly forbidden by this Agreement. Franchisee cannot advertise or otherwise hold itself out to the public as practicing, or being entitled to practice, law. Franchisee acknowledges that it shall be required to comply with all rules, statutes and regulations pertaining to the legal document preparation business applicable in the jurisdiction in which Franchisee conducts the Franchised Business. Such particular rules, statutes and regulations of individual states shall be listed in Franchisee's Confidential Compliance Manual.

Franchisee cannot offer legal advice to its customers. Franchisee must refer all legal questions that are presented by its customers to the supervising attorney who is designated by the Company.

3.13 Independent Advertising.

Franchisee must maintain a bold type listing in the telephone yellow pages directories that serve Franchisee's Exclusive Territory. Franchisee, at its own expense, must also conduct other advertising and promotional activities as reasonably required to enhance public awareness, the goodwill and the image of the Franchised Business. Franchisee must spend the greater of (a) $2,000 and (b) eight percent (8%) of Franchisee's Gross Revenues (as defined below) per month in advertising and promotional activities.

Franchisee cannot use any advertising, sales or promotional materials other than those in the Confidential Operating Manual, or conduct any broadcast advertising or promotion, without first obtaining the written approval of the Company. To obtain approval, Franchisee must submit a copy of the proposed advertising to the Company for review. Franchisee may use ad copy that has been approved by the Company without obtaining subsequent approval so long as Franchisee does not make any substantive changes to the ad copy.

3.14 Accounting Records and Reports; Inspections.

Franchisee must maintain during the term of this Agreement, and shall preserve for at least five (5) years from the date of their preparation, full and complete records of Franchisee's Center in accordance with generally accepted accounting principles and the standards and manuals provided by the Company. Franchisee will submit to the Company such information and accounting data as the Company may reasonably request, including income statements showing operations for each calendar month and calendar year to date. Franchisee acknowledges that the accounting standards and reporting requirements established by the Company may require a computer system and designated software.

The Company has the right during reasonable business hours to inspect and audit Franchisee's books, records, ledgers, journals, bank statements, sales tax reports, income tax returns, cash control systems and other business and accounting records pertaining to Franchisee's Center. If any audit shows that Franchisee has underpaid any Processing Fees, promotional fund contributions, or other amounts due to the Company, Franchisee must immediately make payment to the Company to correct the underpayment. If the underpayment exceeds 2% of the total Processing Fees, promotional fund contributions, or any other amounts due in any twelve-month period which includes the date when the underpayment occurred, Franchisee must also pay or reimburse the Company for the costs of conducting the audit. In addition, Franchisee will be obligated to pay any late charges due under Section 4.7 as a result of Franchisee's underpayment.

In addition, in order to preserve the validity and integrity of the Marks, and to assure that Franchisee is properly employing the We The People System in the operation of Franchisee's Center, the Company and its agents have the right to enter and inspect Franchisee's Center, the right to observe the manner in which Franchisee is rendering its services, and the right to confer with Franchisee's employees, customers and business associates.

3.15 Maintenance and Repair; Hardware/Software Requirements.

Franchisee must maintain the condition and appearance of Franchisee's Center in a manner consistent with the image of We The People Centers as specified in the Confidential Operating Manual. Franchisee will perform all maintenance that is reasonably required from time to time to maintain the condition, appearance and efficient operation of Franchisee's Center including replacement of worn-out or obsolete fixtures, equipment, signs, supplies and inventory, repair of the interior and exterior of the premises, and periodic cleaning and decorating. If at any time, in the Company's reasonable judgment, the general state of repair, appearance or cleanliness of Franchisee's Center does not meet the Company's standards, the Company will give Franchisee written notice specifying the action(s) to be taken by Franchisee to correct the deficiency, and Franchisee will initiate the required action immediately upon receipt of the notice.

Franchisee is required to install, maintain and use specified computer software programs to maintain data and business records for Franchisee's Center. Franchisee must at all times maintain the ability to receive and transmit communications from and to the Company over the internet. The Company reserves the right to uniformly require all franchisees to install and maintain certain hardware and software, including software that will interface with the Company's computer system over the internet which, after having been fully tested and approved for use by all franchisees, will be listed in the Confidential Operating Manual as a mandatory requirement for all franchisees. To ensure full operational efficiency and communication capability with the Company's computers, Franchisee must at all times, at Franchisee's own expense, keep its computer system in good repair and must purchase certain annual maintenance and service contracts from the manufacturer of the hardware or the licensor of the software. If in the future the Company institutes a POS System ("POS System") for use by franchisees, the Company may require that Franchisee purchase or license from the Company or designated suppliers and have installed all components of the POS System, including, without limitation, all software, which may change from time to time. Franchisee shall obtain and maintain an internet account that provides, direct web access and shall maintain a browser capable of accessing the Company's intranet website at all times.

3.16 Confidentiality.

Franchisee acknowledges that during the term of this Agreement, Franchisee, its principals and its employees will have access to, become acquainted with, and have disclosed to it by the Company confidential or proprietary information, programs, legal document forms, devices, methods, techniques and processes that are not generally known to the public pertaining to the promotion, marketing, operation and management of a legal document preparation service, including the System and the information contained in the Confidential Operating Manual (the "Proprietary Information"). Moreover, Franchisee acknowledges that since the Company's parent company is a public company, Franchisee's obligation under this Agreement to keep Proprietary Information confidential is even more pronounced. Therefore, at all times, both during the term of this Agreement and after its expiration or termination for any reason, Franchisee must take all steps necessary to preserve and protect the Proprietary Information from publication, communication or other unauthorized disclosure. Franchisee must not disclose any of the Proprietary Information, use it in any way, or assist any other person or entity in using it either during the term of this Agreement or at any time thereafter. The proprietary Confidential Manuals are the sole property of the Company and must promptly be returned upon the expiration, non-renewal, or other termination of this Agreement.

3.17 Competition.

3.17.1 In-Term Covenants. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable training, trade secrets and confidential information, including, without limitation, the Proprietary Information. Franchisee acknowledges that such specialized training, trade secrets and confidential information provide a competitive advantage and will be valuable to Franchisee in the development and operation of Franchisee's Center, and that gaining access to such specialized training, trade secrets and confidential information is, therefore, a primary reason why Franchisee is entering into this Agreement. In consideration for such specialized training, trade secrets, confidential information and rights, Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by the Company, Franchisee shall not, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person or entity:

(i) Divert, or attempt to divert, any business or customer of the franchised business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(ii) Own, maintain, operate, engage in, have any financial or beneficial interest in (including any interest in a legal entity), advise, assist or make loans to, any business located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which the Company has used, sought registration of or registered the Marks or any variations thereof or operates or licenses others to operate a business under the Marks or any variations thereof, which business is of a character and concept similar to the Franchised Business, including a business that provides legal document preparation services, and/or any other business in which the Company may engage in the future.

3.17.2 Post-Term Covenants. Franchisee acknowledges and agrees that the pursuit of the activities forbidden by this Section 3.17 would necessarily involve the use or disclosure of Proprietary Information in breach of Section 3.16. Therefore, in consideration for the specialized training, trade secrets, confidential information and rights described in Section 3.17.1, Franchisee covenants that for a continuous, uninterrupted period commencing upon the expiration, termination of, or transfer of all of Franchisee's interest in, this Agreement and continuing for two years thereafter, except as otherwise approved in writing by the Company, Franchisee shall not, directly or indirectly, for itself, or through, on behalf of or in conjunction with any person or entity:

(i) Divert, or attempt to divert, any business or customer of the franchised business hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(ii) Employ, or seek to employ, any person who is at that time or was within the preceding ninety (90) days employed by the Company, any of its affiliates or by any other franchisee or developer of the Company, or otherwise directly or indirectly induce such person to leave that person's employment, except as may be approved in writing by the Company.

(iii) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in a legal entity), advise, assist or make loans to, any business that is of a character and concept similar to the Franchised Business, including a business that provides legal document preparation services and/or any other business in which the Company may engage in the future, which business is, or is intended to be, located within the Exclusive Territory or within a twenty-five (25) mile radius of the location of any franchisee or Company-owned center in existence or under construction at any given time during such period.

3.17.3 Public Company. Section 3.17.1(ii) and 3.17.2(iii) shall not apply to ownership of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation.

3.17.4 Reasonableness. The parties acknowledge and agree that each of the covenants contained in this Section are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company. The parties agree that each of these covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which the Company is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

3.17.5 Reduction of Scope. Franchisee understands and acknowledges that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section, or any portion thereof, without Franchisee's consent,

effective immediately upon notice to Franchisee; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding any provision in this Agreement to the contrary.

3.17.6 No Defense. Franchisee expressly agrees that the existence of any claims it may have against the Company, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by the Company of the covenants in this Section.

3.17.7 Injunctive Relief. Failure to comply with the requirements of Section 3.16 or this Section 3.17 shall constitute a material event of default under this Agreement. Franchisee and acknowledges that a violation of the terms of Section 3.16 or this Section 3.17 would result in irreparable injury to the Company for which no adequate remedy at law may be available, and Company accordingly may secure an injunction, without the need to post a bond, prohibiting any conduct by Franchisee in violation of the terms of Section 3.16 or this Section 3.17. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by the Company in connection with the enforcement of Section 3.16 or this Section 3.17, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of Section 3.16 or this Section 3.17.

3.17.8 Judicial Proceedings. If, in any judicial proceeding, a court refuses to enforce any of the covenants set forth in Section 3.16 or this Section 3.17, the unenforceable covenant will be amended to relate to such lesser period or geographical area that will be enforceable. Each of these covenants is a separate and independent covenant in each of the separate counties and states in the United States in which the Company transacts business. To the extent any covenant may be determined to be judicially unenforceable in any county or state, that covenant will not be affected with respect to any other county or state. If, in any judicial proceeding, a court refuses to enforce any of the covenants set forth in Section 3.16 or this Section 3.17, the unenforceable covenant will be amended to relate to such lesser period or geographical area that will be enforceable.

3.18 Insurance.

Franchisee must purchase and maintain comprehensive liability insurance with a combined single limit for bodily injury, death, or property damage in the amount set forth in the Confidential Operating Manual and must purchase and maintain All Risk coverage on the contents of Franchisee's Center in an amount not less than 80% of the replacement cost. All insurance policies must be issued by insurance companies of recognized responsibility and must be satisfactory to the Company in form, substance and coverage. Every insurance policy must contain a provision that the policy cannot be canceled without 30 days prior written notice to the Company.

All required insurance policies shall name the Company and its affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds, and shall include a waiver of subrogation in favor of the additional insureds. All such insurance policies shall provide that any interest of the additional insureds therein shall not be affected by any breach by the Company of any policy provisions. All public liability and property damage policies shall contain a provision that the additional insureds, although

named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to them by reason of the negligence of Franchisee or its servants, agents or employees.

The Company may periodically increase the required minimum limits of liability coverage or require Franchisee to maintain additional types of insurance.

Franchisee must maintain workers' compensation insurance, unemployment insurance, and all other types of insurance that may be required by applicable law with minimum limits of liability as required by law.

Franchisee must deliver a certificate of the issuing insurance company to the Company evidencing each policy that is required under this Agreement. If Franchisee fails to obtain any insurance that is required under this Agreement, the Company may, but is not obligated to, obtain the required insurance at the sole cost and expense of Franchisee. All costs incurred by the Company must be reimbursed immediately upon demand, together with interest as specified at section 4.7 of this Agreement.

3.19 Taxes.

Franchisee will promptly pay when due all payroll, sales and use taxes, all taxes and assessments against the premises or the equipment used in Franchisee's Center, all liens or encumbrances against any of its property, and all accounts and other indebtedness incurred by Franchisee in the operation of Franchisee's Center.

3.20 Compliance with Law.

Franchisee will comply with all federal, state, and local laws and regulations pertaining to the operation of the Franchised Business and will obtain all permits, certificates or licenses necessary for the operation of the Franchised Business. Franchisee will pay when due all state, city, and county licensing and permit fees in connection with the operation of the Franchised Business.

3.21 Franchise Sales Promotion.

At the request of the Company, Franchisee will maintain a display containing information furnished by the Company regarding the availability of We The People franchises.

3.22 Indemnity.

Franchisee agrees to indemnify and hold the Company harmless from and against, and reimburse the Company for, all claims, demands, losses, damages, judgments, orders, decrees, actions, lawsuits, proceedings, costs, liabilities, and expenses (including reasonable attorneys' fees and costs of suit) on account of any actual or alleged loss, injury or damage to any person or property arising out of or in connection with (i) the operation of the Franchised Business, (ii) any transaction between Franchisee and any third party, (iii) any claims by any of Franchisee's customers, (iv) any claims by Franchisee's employees, or (v) Franchisee's improper use of the Marks. This indemnification will survive the termination of this Agreement.

3.23 Business Entity Franchisee.

If Franchisee is a business entity, Franchisee represents, warrants and covenants that:

(a) Franchisee is duly organized and validly existing under the state law of its formation and it is duly qualified and authorized to do business in each jurisdiction in which its business activities require qualification;

(b) The execution of this Agreement and the performance of the transactions contemplated hereby are within Franchisee's power, are permitted under all documents governing its organization and management, and have been duly authorized;

(c) The person executing this Agreement on behalf of Franchisee has the requisite authority to bind it to this Agreement;

(d) A complete and accurate list of all the stockholders, partners, members or other investors who own or hold a direct or indirect equity interest in Franchisee, and a description of the nature of their interest, is set out in the Principal Owner's Statement attached as Schedule "C" to this Agreement;

(e) Each person named on the Principal Owner's Statement will execute the Principal Owner's Guaranty, attached as Schedule "D" to this Agreement.

3.24 Litigation.

3.24.1 Franchisee as Defendant. If Franchisee is sued by a third party in an action involving this Agreement, the Company, or the Marks, Franchisee will notify the Company in writing within ten days of commencement of the action or the issuance of any order, writ, injunction, award, or decree of any court, agency, or other judicial or governmental instrumentality. Upon receipt of the notice, the Company will have the right, in an appropriate case, to intervene in the litigation with counsel of its own choice. If the Company intervenes, the Company will pay its own costs, expenses and attorney's fees.

3.24.2 Franchisee as Plaintiff. Franchisee cannot institute any action related to the Company or the operation of Franchisee's Center without prior notice to and consent from the Company, unless the Company's interests are adverse. Upon receipt of the notice, the Company will have the right to take the action contemplated by Franchisee in Franchisee's name or, if appropriate, in the Company's own name, if the Company determines it to be reasonably necessary in good faith for the continued protection of other franchisees or the System. Any recovery of money damages will be shared between the parties as their interests may appear. The fees and expenses incurred in obtaining the recovery will be paid first and shared between the parties on the same basis.

3.25 Notary.

Franchisee must become a Notary Public prior to opening Franchisee's Center. The process of becoming a Notary Public can take up to 90 days to complete.

3.26 Supplies.

Franchisee must purchase all stationery, letterhead, envelopes, business cards, window signs, and brochures utilizing the standard colors, logos and type styles of the Company from suppliers who meet or adequately demonstrate the ability to comply with the Company's specifications and standards. The Company will approve independent suppliers only if their products meet the reasonable quality standards and specifications established by the Company. Franchisee must submit a sample of the product to the Company for review. The Company may charge for its review such fee as may be prescribed from time to time in the Confidential Operating Manual. Upon the Company's

review of the sample and the specifications, the Company will respond to Franchisee in writing of its approval or disapproval of Franchisee's use of the product.

4. FEES AND PAYMENTS

4.1 Initial Fee.

Franchisee will pay to the Company an Initial Franchise Fee of $89,500. The Initial Franchise Fee is payable in full upon the execution of this Agreement. The Initial Franchise Fee will be refunded in the event the legal document preparation business is determined to be illegal in Franchisee's state. Other than as specifically provided in this Section 4.1 or the other provisions of this Agreement, the Initial Franchise Fee is not refundable, in whole or in part.

4.2 Processing Fee.

In consideration for the preparation of legal documents and the continuing use of the Company's names, the Marks and the System, Franchisee will pay a Processing Fee (as defined below) to the Company for every legal document that is prepared by the Company for Franchisee's customers and for all other revenues derived from the operation of Franchisee's Center. Franchisee will pay to the Company: (a) 25% of the Gross Revenues received by Franchisee for each legal document prepared for Franchisee's customers, but no less than 25% of the suggested list price for these items; and (b) a fee of 25% of the Gross Revenues received by Franchisee arising from, attributable to, or in any way derived from the operation of Franchisee's Center ((a) and (b) collectively, a "Processing Fee"). The Company may provide to Franchisee a monthly report itemizing the total amount Franchisee owes the Company for Processing Fees for the previous month.

Processing fees are due and payable in full by the tenth day of each month for all legal documents that are processed in the preceding calendar month. Payments of Processing Fees are not refundable.

4.3 Supervising Attorney Fee.

Franchisee must pay the Company a monthly fee for the supervising attorney. The current supervisory fee is $200 per month. The Company reserves the right to increase the supervisory fee from time to time upon written notice to Franchisee to reflect increased costs in legal support services. The supervising attorney fee is due and payable in full by the tenth day of each month. Payments of supervising attorney fees are not refundable.

4.4 Advertising Cooperative; Promotional Fund.

4.4.1 Establishment of Cooperative. Franchisee agrees that the Company shall have the right, in its sole discretion, to designate any geographic area in which two (2) or more Centers are located as a region for purposes of establishing an advertising cooperative ("Cooperative"). The members of the Cooperative for any area shall, at a minimum, consist of all Centers located in such area. Each Cooperative shall be organized and governed in a form and manner, and shall commence operation on a date, determined in advance by the Company in its sole discretion. Each Cooperative shall be organized for the exclusive purposes of administering advertising programs and developing, subject to the Company's approval pursuant to Section 3.13, promotional materials for use by the members in conducting advertising. If at the time of the execution of this Agreement a Cooperative has been established for a geographic area that encompasses the

Franchisee's Center, or if any such Cooperative is established during the term of this Agreement, Franchisee shall execute such documents as are required by the Company immediately upon the request of the Company and shall become a member of the Cooperative pursuant to the terms of those documents. No advertising or promotional plans or materials may be used by the Cooperative or furnished to its members without the prior consent of the Company or its representative. All such plans and materials shall be submitted to the Company in accordance with the procedure set forth in Section 3.13.

The amount of Franchisee's monthly contribution to the Cooperative shall be no less than four percent (4%) and no greater than six percent (6%) of Franchisee's Gross Revenues, subject to the Company's discretion. Notwithstanding the above, the payment of any such Cooperative Fee shall be applied toward satisfaction of the Franchisee's advertising requirement set forth in Section 3.13. Franchisee shall submit to the Cooperative and to the Company such statements and reports as may be required by the Company or by the Cooperative. All contributions to the Cooperative shall be maintained and administered in accordance with the documents governing the Cooperative. The Cooperative shall be operated solely as a conduit for the collection and expenditure of the Cooperative fees described above.

4.4.2 Promotional Fund. In addition to the establishment of Cooperatives as described in Section 4.4.1, the Company may, but is not obligated to, establish a cooperative advertising program. If the Company does establish a cooperative advertising program, Franchisee will pay to the Company each month as a contribution to the We The People Promotional Fund (the "Promotional Fund") an amount no less than two percent (2%) and no greater than four percent (4%) of Franchisee's monthly Gross Revenues, subject to the Company's discretion. Notwithstanding the above, the payment of any such Promotional Fund contributions shall be applied toward satisfaction of the Franchisee's advertising requirement set forth in Section 3.13.

Promotional Fund contributions are due and payable in full by the tenth day of each month based on the Gross Revenues in the preceding calendar month. Contributions to the Promotional Fund are not refundable.

4.4.3 Use. The Company will not commingle Promotional Fund contributions with its general funds, but will hold all Promotional Fund contributions separate from all its general funds in one or more designated accounts.

The Promotional Fund may be used for the following purposes:

(a) To purchase national, regional and local advertising in broadcast and print media as determined by the Company;

(b) To prepare and distribute camera-ready advertising copy for use in local advertising, script or text for broadcast advertising, signs, posters, brochures, banners, and other point-of-sale advertising and promotional materials;

(c) To obtain the services of advertising and public relations professionals;

(d) To carry on other advertising and promotional activities that the Company may reasonably deem advisable to increase demand for services offered by a We The People Center; and

(e) To pay the reasonable expenses of administering the Promotional Fund, including the reasonable compensation of the Company's employees and expenses of the franchise advisory committee while working on behalf of the Promotional Fund.

4.4.4 Administration. The Promotional Fund will be administered by the Company or by an advertising agency selected by the Company. The Company, in its sole discretion, may establish a franchisee advisory committee to provide input and suggestions regarding use of the Promotional Fund and the effectiveness of programs funded by the Promotional Fund.

4.4.5 Accounting. The Company will account to Franchisee annually for all Promotional Fund contributions. The accounting will be made by written report setting forth the total contributions received from all franchisees as a group, and all expenditures made by the Company, together with the balance on account in the Promotional Fund as of the date of the report.

4.4.6 Gross Revenues. As used herein, "Gross Revenues" shall mean any and all income, cash, credits, property or other consideration of any kind or nature, received directly or indirectly, by Franchisee or its affiliates, arising from, attributable to, or in any way derived from the operation of Franchisee's Center, including without limitation from the sale of books and other legal document preparation products or from the provision of legal document preparation services by Franchisee.

4.4.7 Advertising Limit. Notwithstanding anything in this Agreement to the contrary, other than the cost of Franchisee's yellow pages listing described in Section 3.13, Franchisee's monthly advertising expenditures pursuant to Sections 3.13, 4.4.1 and 4.4.2 above shall not exceed eight percent (8%) of Franchisee's monthly Gross Revenues.

4.5 Transfer Fee.

Upon any transfer or assignment of the Franchised Business, Franchisee will pay to the Company a transfer fee of $7,500, provided that such amount shall increase proportionate to the percentage increase in the Consumer Price Index for All Urban Consumers published by the U.S. Department of Labor, Bureau of Labor Statistics (or a comparable index) for the period commencing on the date of this Agreement and terminating upon the date of transfer.

4.6 Renewal Fee.

Upon any renewal of this Agreement Franchisee will pay to the Company a renewal fee of $2,500, provided that such amount shall increase proportionate to the percentage increase of the Consumer Price Index for All Urban Consumers published by the U.S. Department of Labor, Bureau of Labor Statistics (or a comparable index) for the period commencing on the date of this Agreement and terminating upon the date of renewal.

4.7 Late Payment.

Franchisee agrees that if any payment to the Company is not received within 10 calendar days after its due date, or if a reimbursement owed to the Company, upon demand by the Company, Franchisee will pay interest on the delinquent amount at the rate of 6% per year, or the maximum rate as may be permitted by applicable law, from the date payment was due to the date payment is received by the Company.

4.8 Electronic Funds Transfer.

Franchisee agrees that the Company shall have the right to withdraw funds from Franchisee's designated bank account each month by electronic funds transfer ("EFT") in the amount of all fees and payments described in this Section 4. Such withdrawals shall be drawn on the tenth day of each month for the amount of the Processing Fees with respect to Franchisee's Gross Revenues for the preceding month, as evidenced by the most recent Processing Fee report. If a Processing Fee report has not been received for a particular month, then the Company may process an EFT for the Processing Fee for the subject month based on the most recent Processing Fee report provided to the Company by Franchisee; provided that if a Processing Fee report for the subject month is subsequently received and reflects (A) that the actual amount of the Processing Fee due was more than the amount of the EFT by the Company, then the Company shall be entitled to withdraw additional funds through EFT from Franchisee's designated bank account for the difference; or (B) that the actual amount of the Processing Fee due was less than the amount of the EFT by the Company, then the Company shall, at its option, return the excess amount to Franchisee or credit the excess amount to the payment of Franchisee's future Processing Fee obligations.

Upon execution of this Agreement and at any time thereafter at the Company's request, Franchisee shall execute such documents or forms as the Company deems necessary for the Company to process EFTs from Franchisee's designated bank account for the payments due hereunder. Should any EFT not be honored by Franchisee's bank for any reason, Franchisee agrees that it shall be responsible for that payment plus a service charge applied by the Company and the bank, if any. Franchisee further agrees that it shall at all times maintain in the designated bank account funds sufficient to pay all Processing Fee and required Fund contributions when due. If Processing Fee payments are not received when due, late charges may be assessed by the Company in accordance with Section 4.7. Upon written notice to Franchisee, Franchisee may be required to pay such Processing Fees directly to the Company, by another method of payment, in lieu of EFT at the Company's sole discretion. Franchisee shall coordinate with the Company any changes in its depository account so that no interruptions in the automatic disbursement of the Processing Fee or other amounts occur.

5. TRANSFERABILITY

5.1 Transfer by the Company.

There are no restrictions on the right of the Company to sell or assign this Agreement in whole or in part; provided, however, that the Company will not assign or otherwise transfer its responsibilities to fulfill contractual obligations to its franchisees unless the Company first determines, in its sole judgment, that the transferee shall perform the Company's obligations set forth in this Agreement following such transfer.

5.2 Transfer by Franchisee.

Franchisee cannot sell, assign, transfer, or convey any interest in this Agreement or in the Franchised Business without the prior written consent of the Company. Any purported assignment not having the prior written consent of the Company will be null and void and will constitute a material default under this Agreement.

If Franchisee is a corporation or a limited liability company (the "Corporation"), then any issuance, redemption, or transfer of the equity or voting securities of the Corporation, or any disposition of the assets of the Corporation in one transaction or in a series of

transactions which, in the aggregate, results in either (i) more than a 25% change in the beneficial ownership of Corporation or (ii) a change in the voting control of the Corporation constitutes a transfer which requires the written consent of the Company. The bylaws of the Corporation and all share certificates evidencing ownership of this Corporation must contain the following provision:

> "The transfer of stock in this Corporation is subject to the restrictive provisions of a Franchise Agreement with We The People USA, Inc. Reference is made to the Franchise Agreement for all particulars."

If Franchisee is a general or limited partnership (the "Partnership"), then the admission of a new partner, or the redemption, purchase, liquidation, or transfer of a Partnership interest, or any disposition of the assets of the Partnership, in one transaction or in a series of transactions which, in the aggregate, results in either (i) more than a 25% change in the beneficial ownership of the Partnership or (ii) a change in the voting control of the Partnership constitutes a transfer which requires the written consent of the Company. The Partnership Agreement must contain the following provision:

> "The transfer of a legal or beneficial interest in the partnership is subject to the restrictive provisions of a Franchise Agreement with We The People USA, Inc. Reference is made to the Franchise Agreement for all particulars."

The following requirements must be met to the full satisfaction of the Company as a condition to any transfer:

(a) The proposed transferee or its principals must complete the Company's confidential questionnaire, must meet the Company's reasonable requirements for experience, net worth, and character, as applied by the Company on a nondiscriminatory basis in selecting new franchisees, and must have or obtain before transfer all licenses required by law for operation of the Franchised Business.

(b) The proposed transferee, and its designated manager (if applicable), must attend and satisfactorily complete the Company's initial training program.

(c) The proposed transferee (and each of its partners or shareholders) must execute the then-current form of franchise agreement, except that the initial term will be the same as the remaining term of the original franchise agreement.

(d) All maintenance, repairs, and renovation required to bring Franchisee's Center into compliance with the Company's standards must have been completed.

(e) The transferor and each of its partners, shareholders, officers and directors must execute a general release, in form and substance satisfactory to the Company, of any and all claims against the Company, its shareholders, officers, directors, employees and agents, affiliates or subsidiaries, and their respective officers, directors, agents and employees.

(f) The transfer fee must have been paid in full.

No sale, assignment, transfer, conveyance, encumbrance or gift of any interest in this Agreement, or in the Franchised Business will relieve Franchisee, or the shareholders or partners participating in any transfer, of the confidentiality or non-competition provisions of this Agreement.

5.3 Death or Disability.

Upon the death or permanent disability of Franchisee if Franchisee is an individual, or upon the death or disability of the majority shareholder or partner of Franchisee if Franchisee is a corporation or a partnership, the spouse, adult children, or estate will have the right to participate in the ownership of the Franchised Business under the terms of this Agreement for a period of 6 months from the date of death or disability. During that time, the spouse, adult children, or estate must either:

(a) Satisfy all of the qualifications for a transferee or purchaser of a We The People franchise, except that no transfer fee or initial franchise fee will be charged; or

(b) Sell, transfer, or assign the franchise to a person who satisfies all of the qualifications for a transferee or purchaser of a We The People franchise.

5.4 Right of First Refusal.

If at any time during the term of this Agreement, Franchisee receives a bona fide offer to purchase the franchise, which offer Franchisee is willing to accept, Franchisee must prior to accepting give the Company written notice of the terms of the offer, the name and all other identifying information of the offeror and copies of all proposed transfer documents. The Company may elect to purchase the franchise on the same terms contained in the transfer documents within ten business days after the Company's receipt of the transfer documents. If the Company fails to give written notice of election within ten business days, Franchisee may sell to the offeror on the terms offered, subject to the provisions relating to transferability as set forth in this Article 5; provided that Franchisee shall furnish to the Company copies of all transfer documents signed by Franchisee in connection with the transfer. If the Company elects to purchase, the purchase must be completed within 120 calendar days from the date of the Company's notice of election to purchase. If Franchisee receives a subsequent offer to purchase the franchise, or if any of the terms of the previous offer are changed from those initially disclosed to the Company, Franchisee must resubmit to the Company written notice of terms of the new or changed offer and the proposed transfer documents containing the new or changed offer, and the Company shall have the same rights described above with respect to the new or changed offer.

6. TERMINATION AND DEFAULTS

6.1 Termination by the Company.

6.1.1 With Opportunity to Cure. Unless otherwise specifically provided in this Agreement, the Company may terminate this Agreement if Franchisee fails to cure any default within ten business days after the Company gives written notice of default to Franchisee.

6.1.2 Automatic Termination. This Agreement shall automatically terminate without any need for notice by the Company if:

(a) Franchisee or the Franchised Business is declared bankrupt or judicially determined to be insolvent; or

(b) All or a substantial part of the assets of Franchisee or the Franchised Business are assigned to or for the benefit of any creditor; or

(c) Franchisee admits its inability to pay its debts as they come due.

6.1.3 Without Opportunity to Cure. The Company may terminate this Agreement immediately, without opportunity to cure, if:

(a) Franchisee abandons the franchise by failing to operate the Franchised Business for five consecutive calendar days during which Franchisee is required to operate the business under the terms of this Agreement, or any shorter period after which it is not unreasonable under the facts and circumstances for the Company to conclude that Franchisee does not intend to continue to operate the franchise; or

(b) The Company and Franchisee mutually agree in writing to terminate the franchise; or

(c) Franchisee makes any material misrepresentations to the Company relating to the acquisition of the Franchised Business; or

(d) Franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the System; or

(e) Franchisee fails, for a period of 30 calendar days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business; or

(f) Franchisee, after curing any default after notice and opportunity to cure, engages in the same noncompliance whether or not corrected after notice; or

(g) Franchisee repeatedly fails to comply with one or more requirements of the franchise or the Confidential Manuals, whether or not corrected after notice; or

(h) The Franchised Business is seized, taken over or foreclosed by a government official in the exercise of his duties, or seized, taken over, or foreclosed by a creditor, lien holder or lessor, provided that a final judgment against Franchisee remains unsatisfied for 30 calendar days (unless an appeal bond has been filed); or

(i) A levy of execution has been made upon the license granted by this Agreement or upon any property used in the Franchised Business, and it is not discharged within five business days; or

(j) Franchisee is convicted of, or pleads nolo contendere to, a felony or any other criminal misconduct which is relevant to the operation of the franchise, other than motor vehicle traffic laws; or

(k) Franchisee fails to pay any franchise fees or other amounts due to the Company or any affiliate within five business days after receiving written notice that the fees are overdue; or

(l) Franchisee fails to maintain the confidentiality of any of the Proprietary Information, or any other documents or materials embodying the Proprietary Information; or

(m)Franchisee attempts to assign or transfer its rights under this Agreement other than in accordance with Article 5; or

(n) Franchisee violates any of the provisions of Section 3.8 of this Agreement.

6.1.4 Savings Clause. If any valid, applicable law or regulation of a governmental authority having jurisdiction over this Agreement and the parties hereto limits the Company's rights of termination hereunder, or requires longer notice periods than those set forth above, this Agreement will be deemed amended to conform to the minimum notice periods or restrictions on termination.

6.2 Rights and Duties of Parties Upon Expiration or Termination.

Upon termination or expiration of this Agreement for any reason, all rights of Franchisee under this Agreement will immediately terminate, but Franchisee will have the following duties which survive termination of this Agreement:

(a) Franchisee must promptly pay the Company all sums owing under this Agreement, including all damages, costs, expenses, and reasonable attorneys' fees, incurred by the Company by reason of default on the part of Franchisee, whether or not the expenses occur before or after the termination or expiration of the franchise.

(b) Franchisee must immediately cease use of the Marks in advertising, forms, manuals, slogans, signs or in any other manner. Franchisee will not represent or advertise that Franchisee was formerly a We The People franchisee, or that Franchisee did business under the Marks or the System.

(c) Franchisee must ensure at its own expense that all use of the Marks in connection with Franchisee is removed at the earliest possible time from all telephone directories, directory assistance records, building directories, signboards, membership rosters and every other place and publication.

(d) Franchisee must take all action to cancel any assumed name or equivalent registration that contains any of the Marks. Franchisee will furnish the Company with satisfactory evidence of cancellation.

(e) Franchisee must deliver to the Company, or its duly authorized representative, all materials and papers upon which the Marks appear. Franchisee will not, at any time, adopt or use any word or mark which is similar to or confusingly similar to the Marks.

(f) Franchisee will assign to the Company all of Franchisee's interest in the telephone numbers that were used in the operation of the Franchised Business as set forth in Section 3.2.

(g) At the request of the Company, Franchisee will assign all its interest in any lease for its business location and equipment to the Company or the Company's designee, and the assignee will assume all continuing obligations thereunder. Franchisee grants a limited, irrevocable power of attorney to the Company to execute all assignment documents in the name and on behalf of Franchisee. If the business location is not assigned to the Company or its designee, then Franchisee, at its expense, must make such changes to the signs, displays and interior decor as the Company requests to effectively distinguish the premises from its former appearance and from the appearance of other We The People franchises. Franchisee agrees that if Franchisee fails to make the requested changes within 30 days, the Company may enter the premises to make the changes and charge the Franchisee for all fees thereby incurred.

(h) Franchisee must return to the Company the Confidential Manuals, all copies or extracts thereof, and all other documents and records that are reasonably necessary or important to the continuation of the Franchised Business, including all client and customer lists and legal documents.

(i) The Company will be released and forever discharged of any and all claims Franchisee may have against the Company, its subsidiaries or affiliates, and their respective officers, directors, agents and employees regarding Franchisee's previous participation in the System.

7. MISCELLANEOUS

7.1 Governing Law.

This Agreement will be interpreted, construed and governed according to the internal laws of the State of Pennsylvania, and not the laws pertaining to choice or conflict of laws, except that:

(a) The laws of the state in which Franchisee's Center is to be located that govern the offer, sale, and registration of franchises, including any "Little FTC Act," will apply to the offer, sale, and registration of the franchise granted by this Agreement;

(b) The laws of the jurisdiction in which any action to enforce any covenants not-to-compete will govern those covenants without giving effect to the principles pertaining to choice or conflict of laws;

(c) The U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.) will govern all matters related to Franchisee's use of the Marks; and

(d) The Federal Arbitration Act (9 U.S.C. §1 et seq.) will govern all matters related to arbitration.

7.2 Arbitration.

7.2.1 Procedure. Any dispute, controversy or claim arising out of or relating to this Agreement, other than a claim for injunctive relief, will be settled by binding arbitration, conducted on an individual and not a class basis, under the rules of the American Arbitration Association ("AAA"), and judgment on the award may be entered in any court of competent jurisdiction. The arbitration will be conducted through the AAA office closest to the Company's corporate offices before a panel of three arbitrators. Each party will select one arbitrator, and the two arbitrators designated by the parties will select the third arbitrator. All provisions of the Pennsylvania Rules of Civil Procedure relating to discovery in civil lawsuits will be applicable to the arbitration proceedings. The arbitrators will render a decision based on, and consistent with, Pennsylvania law and with the facts and evidence that are properly introduced at the hearing. If there are any disputes in matters of public policy, restraint of trade, securities laws, or any other matter that cannot be the subject of arbitration, those matters will be separated and will be brought before a court of competent jurisdiction after completion of the arbitration proceedings. If the parties cannot agree on the separation of matters to be determined by arbitration, the parties will present their positions to the arbitrators, and their decision regarding the appropriateness of arbitration will be determinative and binding on the parties. Each party will bear its own costs and expenses in preparing for and participating in the arbitration hearing except that (a) each party will pay one-half of the compensation

payable to the arbitrators, one-half of any fees to the AAA and one-half of any other costs related to the hearing proceedings, and (b) the arbitrators will have the authority to award attorney's fees to the prevailing party. It is expressly agreed by each of the parties hereto that no arbitration can be commenced except in conformity with this Section 7.2.

7.2.2 Limits on Arbitrator. IN PROCEEDING WITH ARBITRATION AND IN MAKING DETERMINATIONS HEREUNDER, THE ARBITRATORS SHALL NOT EXTEND, MODIFY OR SUSPEND ANY TERMS OF THIS AGREEMENT OR THE REASONABLE STANDARDS OF BUSINESS PERFORMANCE AND OPERATION ESTABLISHED BY THE COMPANY IN GOOD FAITH. NOTICE OF OR REQUEST TO OR DEMAND FOR ARBITRATION SHALL NOT STAY, POSTPONE OR RESCIND THE EFFECTIVENESS OF ANY TERMINATION OF THIS AGREEMENT. THE ARBITRATORS SHALL APPLY PENNSYLVANIA LAW AND THE TERMS OF THIS AGREEMENT IN REACHING THEIR DECISION.

7.2.3 Waiver of Certain Damages. FRANCHISEE HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST THE COMPANY, ITS AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS AND EMPLOYEES, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREES THAT IN THE EVENT OF A DISPUTE, FRANCHISEE SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

7.3 Venue.

7.3.1 General. WITH RESPECT TO ANY CLAIMS, CONTROVERSIES OR DISPUTES THAT ARE NOT FINALLY RESOLVED THROUGH MEDIATION OR ARBITRATION, OR AS OTHERWISE PROVIDED ABOVE, FRANCHISEE HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE STATE COURTS OF PENNSYLVANIA AND THE FEDERAL DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA. FRANCHISEE HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. FRANCHISEE HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON IT IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY PENNSYLVANIA OR FEDERAL LAW. FRANCHISEE FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE CHESTER COUNTY, PENNSYLVANIA; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION (1) FOR

MONIES OWED, (2) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF OR (3) INVOLVING POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE COMPANY MAY BRING SUCH ACTION IN ANY STATE OR FEDERAL DISTRICT COURT THAT HAS JURISDICTION. WITH RESPECT TO ALL CLAIMS, CONTROVERSIES, DISPUTES OR ACTIONS, RELATED TO THIS AGREEMENT OR THE RELATIONSHIP CREATED THEREBY, THIS AGREEMENT AND ANY SUCH RELATED CLAIMS, CONTROVERSIES, DISPUTES OR ACTIONS SHALL BE GOVERNED, ENFORCED AND INTERPRETED UNDER PENNSYLVANIA LAW.

7.3.2 Mutual Benefit. FRANCHISEE AND THE COMPANY ACKNOWLEDGE THAT THE PARTIES' AGREEMENT REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH IN SECTION 7.3 PROVIDE EACH OF THE PARTIES WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT. EACH OF FRANCHISEE AND THE COMPANY FURTHER ACKNOWLEDGES THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT AND THAT EACH PARTY'S AGREEMENT REGARDING APPLICABLE STATE LAW AND CHOICE OF FORUM HAVE BEEN NEGOTIATED FOR IN GOOD FAITH AND ARE PART OF THE BENEFIT OF THE BARGAIN REFLECTED BY THIS AGREEMENT.

7.3.3 Performance in Berwyn, Pennsylvania. FRANCHISEE AND THE COMPANY ACKNOWLEDGE THAT THE EXECUTION OF THIS AGREEMENT AND ACCEPTANCE OF THE TERMS BY THE PARTIES OCCURRED IN BERWYN, PENNSYLVANIA, AND FURTHER ACKNOWLEDGE THAT THE PERFORMANCE OF CERTAIN OBLIGATIONS OF FRANCHISEE ARISING UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF MONIES DUE HEREUNDER.

7.4 Waiver of Jury Trial.

The parties, for themselves and their successors, assigns, heirs and personal representatives, waive the right to a jury trial in any action or proceeding based on, or arising out of, this Agreement.

7.5 Waiver.

Failure of either party to enforce any provision of this Agreement, or waiver by either party of any default, will not operate as a waiver of successive defaults.

7.6 Notices and Communications.

All notices hereunder must be in writing and must be duly given by hand delivery or sent by facsimile, telegram, registered or certified mail, via overnight delivery, postage prepaid, addressed:

If to the Company: We The People USA, Inc.
1436 Lancaster Ave., Suite 300
Berwyn, Pennsylvania 19312
Attn: Office of the General Counsel

If to Franchisee: the address set forth on the signature page to this Agreement,

or at such other address as either party may specify by notice to the other party. Any notice will be deemed to have been given at the time of personal delivery or, in the case of facsimile, telegram or telex, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or registered or certified mail, three business days after the date and time of mailing. If Franchisee is a business entity, Franchisee must designate in writing to the Company the name and address of its agent to receive notice. Notice to the agent will be conclusively presumed to be full and adequate notice to Franchisee.

7.7 Attorneys' Fees.

If any legal action is necessary to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to recover reasonable compensation for preparation, investigation and court costs, and reasonable attorneys' fees, as fixed by a court of competent jurisdiction.

7.8 Remedies Cumulative.

All rights and remedies of the parties enumerated in this Agreement are cumulative, and, except as specifically contemplated otherwise by this Agreement, none will exclude any other right or remedy allowed at law or in equity.

7.9 Other Franchises.

Franchisee acknowledges that the Company contemplates granting other franchises similar to the franchise granted herein.

7.10 Relationship of the Parties.

Franchisee is an independent contractor. Franchisee is not authorized to make any contract, agreement, warranty, or representation, or to create any obligation, express or implied, on behalf of the Company. The Company will not be liable for any act, omission, contract, debt, tax, or other obligation of Franchisee. This Agreement does not make Franchisee and the Company partners or joint venturers or make them agents, servants or employees of the other. Franchisee will advise its suppliers of its independent ownership of the Franchised Business.

7.11 Severability.

If any term or provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other terms and provisions of this Agreement will remain in full force and effect so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner that is materially adverse to either party. Upon the determination that any term or provision is invalid, illegal, or incapable of being enforced, the parties will negotiate in good faith to modify this Agreement to effect the original intent of the parties as closely as possible.

7.12 Joint and Several Obligations.

If Franchisee consists of more than one individual or entity, Franchisee's liability under this Agreement are joint and several.

7.13 Business Entities.

Each reference in this Agreement to a corporation or partnership will be deemed to refer to a limited liability company or any other legal entity or organization. Each reference to the organizational documents, equity owners, directors, and officers of a corporation will be deemed to refer to the functional equivalents of the organizational documents, equity owners, directors, and officers of a limited liability company or any other legal entity or organization.

7.14 State Required Addendum.

If the franchise regulatory authority for the state in which Franchisee is located requires certain terms and conditions to be included in this Agreement, those terms and conditions will be found on the state required amendments attached hereto as Schedule "E" and incorporated herein by reference.

7.15 Consents and Approvals.

Whenever the consent or approval of the Company is required under this Agreement, such consent may be withheld by the Company in its sole discretion.

7.16 Force Majeure.

If Franchisee is delayed in commencing operations for causes beyond the control of Franchisee such as fire, flood, or earthquake ("Force Majeure"), then the date of commencement for Franchisee will be extended for a period equivalent to the time of the delay. In addition, if Franchisee fails to operate the Franchised Business due to Force Majeure, the period in which such Force Majeure is in effect shall not be counted for the number of days required prior to the Company having the right to terminate this Agreement under Section 6.13(a).

7.17 Consent to Relief.

If Franchisee becomes the subject of a voluntary or involuntary case under any chapter of the Bankruptcy Code, Franchisee hereby consents to relief from the automatic stay imposed by 11 U.S.C. § 362(a) upon the filing of an appropriate motion by the Company so the Company may exercise its right to setoff any funds the Company holds or owes to Franchisee in order to satisfy any claims the Company has or may have against Franchisee in the bankruptcy case.

7.18 Limitation of Claims.

Franchisee and the Company agree that any and all claims by the Franchisee against the Company arising out of, or relating to, the making of, interpretation of, or performance under, directly or indirectly, this Agreement, may not be commenced by Franchisee, unless brought before the earlier of (a) the expiration of one (1) year after the act, transaction or occurrence upon which such action is based; or (b) the expiration of one (1) year after Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against the Company; or (c) one year after this Agreement expires or is terminated for any reason. Franchisee agrees that any action not brought by it within the periods required under this Section 7.18 shall forever be barred as a claim, counterclaim, defense, or set off.

7.19 Entire Agreement.

This Agreement and any agreement or document referenced herein, and their respective schedules and attachments, constitute the entire agreement of the parties concerning the subject matter hereof and supersedes all prior written or oral agreements. This Agreement cannot be amended except by a written document signed by all the parties to this Agreement.

7.20 Counterparts.

This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together constitute one agreement.

7.21 Success of Business.

Franchisee acknowledges that the success of the business venture contemplated by this Agreement depends primarily upon the ability and efforts of Franchisee as an independent business owner. Franchisee acknowledges that neither the Company nor any other person has guaranteed that Franchisee will succeed in the operation of the Franchised Business or has provided any sales or income projections of any kind to Franchisee.

Franchisee further acknowledges that there have been no representations, promises, guarantees or warranties of any kind made by the Company to induce Franchisee to execute this Agreement except as specifically set forth in the Uniform Franchise Offering Circular that has been delivered to Franchisee.

Franchisee further acknowledges that Franchisee has reviewed the Uniform Franchise Offering Circular and has received all information which Franchisee has requested concerning the business operation of the Company, and any other information which, in the opinion of Franchisee, is necessary for Franchisee to decide whether to enter into this Agreement.

NOW THEREFORE, Franchisee has executed and delivered this Agreement on April 24, 2006 to be effective as of the date and year executed by the Company below.

FRANCHISEE

By: _____

Name: Thomas Greene

Title: _____

Address: 746 North 1125 East
Orem UT 84097

Rebecca M Greene
Rebecca M. Greene

WE THE PEOPLE USA, INC.

By: _____

Name: Roy Hibberd

Title: Senior Vice President

By: _____

Name: Melissa Soper

Title: Executive Vice President, General Manager

Effective Date: 5-23-06

THIS AGREEMENT IS NOT EFFECTIVE UNTIL SIGNED BY BOTH CORPORATE OFFICERS OF WE THE PEOPLE USA, INC. NO FIELD REPRESENTATIVE OR SALESMAN IS AUTHORIZED TO EXECUTE THIS AGREEMENT ON BEHALF OF WE THE PEOPLE 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.

SCHEDULE "A"

Exclusive Territory

Listed by zip code

The following zip codes near South Salt Lake in the state of Utah, designated as SLC(1):

84118, 84119, 84120, 84123, 84128

FRANCHISEE:

Signature

Rebecca M Greene

Thomas Greene,
Printed Name and Title

Rebecca M. Greene

FRANCHISOR:

WE THE PEOPLE USA, INC.

By: _____
Name: Roy Hibberd
Title: Senior Vice President

By: _____
Name: Melissa Soper
Title: Executive Vice President, General Manager

SCHEDULE "B"

Telephone Number Transfer Agreement

SCHEDULE "B"

TELEPHONE NUMBER TRANSFER AGREEMENT

THIS TELEPHONE NUMBER TRANSFER AGREEMENT (this "Transfer Agreement") is entered into as of 13th day of May, 2006 by and between We the People USA, Inc. ("Franchisor") and **Thomas Greene** ("**Franchisee**").

WHEREAS, Franchisor and Franchisee have entered into that certain Franchise Agreement dated May 13, 2006 (the "Franchise Agreement"); and

WHEREAS, pursuant to the Franchise Agreement, Franchisee has agreed to conditionally assign to Franchisor its right, title and interest in and to the telephone and facsimile numbers and accounts described below.

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. This Transfer Agreement is entered into and subject to the terms and conditions of the Franchise Agreement, which terms and conditions are incorporated herein by this reference and made part hereof. All capitalized terms not otherwise defined herein have the meanings set forth in the Franchise Agreement.

2. Conditional Assignment.

   (a) Franchisee hereby sells, assigns, transfers, conveys and sets over unto Franchisor its right, title and interest in and to the telephone and facsimile numbers and accounts set forth in Exhibit "1" attached hereto, together with any and all other telephone and facsimile numbers and accounts used by Franchisee in or in connection with the Franchised Business (collectively, the "Accounts").

   (b) Franchisee may exercise and enforce all of its rights in relation to the Accounts, and shall be solely responsible for all fees and charges accrued in connection with the Accounts, until an Event of Default occurs under the Franchise Agreement and Franchisor exercises its rights under this Transfer Agreement, following which Franchisor shall have the exclusive right and Franchisee shall have no further right in and to the Accounts.

   (c) Franchisee shall notify Franchisor from time to time upon adoption of any new Accounts by Franchisee or the Franchised Business, and promptly upon request be Franchisor shall date and execute an amended Exhibit "1" reflecting such new Accounts. Upon execution, such amended Exhibit "1" shall thereafter replace and supersede the Exhibit "V' attached hereto.

3. Event of Default. Upon the occurrence and during the continuance of an Event of Default, Franchisor may, without further notice to, or consent of, Franchisee, exercise any rights and remedies of Franchisee in relation to the Accounts, and may notify any other appropriate person of Franchisor's right, title and interest hereunder and thereunder.

4. Further Assurances. At any time or from time to time, upon Franchisor's written request, Franchisee will execute and deliver to Franchisor and any and all applicable telecommunications companies such further documents and do such other acts and things as Franchisor or any such company may request in order to further effect the purposes of this Transfer Agreement, or any amendment or supplement hereto, in accordance with the laws of any applicable jurisdictions.

5. General Authorization. Franchisee does hereby irrevocably constitute and appoint Franchisor and any officer or agent thereof, with full power of substitution, its true and lawful attorney-in-fact with full and irrevocable power and authority in the place and stead of Franchisee and in the name of Franchisee, from time to time in Franchisor's discretion from and after the occurrence and during the continuance of an Event of Default, for the purpose of carrying out the terms of this Transfer Agreement, to take any and all action and to execute any and all instruments which may be necessary to accomplish the purposes of this Transfer Agreement, including, without limitation, for the purpose of enabling Franchisor to exercise any rights with respect to the Accounts.

6. Miscellaneous.

(a) Modification and Amendment. None of the terms or provisions of this Transfer Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by Franchisee and Franchisor.
Schedule B Telephone Number Transfer Agreement

(b) Successors and Assigns. This Transfer Agreement and all obligations of the parties hereunder are binding upon the successors and assigns of Franchisee and will, together with the rights and remedies of Franchisor hereunder, inure to the benefit of Franchisor and its successors and assigns (including without limitation to any successor Franchisor).

(c) GOVERNING LAW. THIS TRANSFER AGREEMENT SHALL BE GOVERNED, CONSTRUED ANE' INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF PENNSYLVANIA.

(d) Counterparts. This Transfer Agreement may be executed by the parties hereto in several counterparts hereof and by the different parties hereto on separate counterparts hereof, all of which counterparts shall together constitute one and the same agreement.

IN WITNESS WHEREOF, the undersigned has caused this Transfer Agreement to be duly executed and delivered as of the date first stated above.

WE THE PEOPLE USA, INC.

Authorized Signature
Roy Hibberd, Senior Vice President

Authorized Signature
Melissa Soper, Exec. Vice President,
General Manager

FRANCHISEE(S):

(Thomas Greene)
Rebecca M Greene
Rebeca M Greene

Authorized Signature

Exhibit "1"

We The People Store Location Numbers

COMPLETE ONLY IF YOU HAVE STORE LOCATION AND PHONE NUMBERS

Telephone: (___) ___ - ____

(___) ___ - ____

(___) ___ - ____

Facsimile: (___) ___ - ____

Account Number(s) and Name of Service Provider(s):

_____

_____

SCHEDULE "C"

Principal Owners' Statement

PRINCIPAL OWNER'S STATEMENT

The undersigned, having reviewed and executed a *We The People USA, Inc.* Franchise Agreement, acknowledges that the Franchise Agreement is presently being considered by **WE THE PEOPLE USA, INC.** ("We The People") for execution and acceptance, and further certifies that the following statements are true and correct:

1. All fees imposed by We The People for the right to operate a We the People franchise have been made payable to We The People only;

2. The undersigned has not received from We The People or any employee or agent thereof and, upon execution of the Franchise Agreement was not relying upon, any financial statements, profit and loss statements, pro formas or other financial information or projections of past, projected, estimated or anticipated earnings, sales or profits of a We The People franchise;

3. No promises or other indications that financial assistance will be offered by We The People or any affiliate, officer, director, employee or agent thereof has been made to the undersigned;

4. No representations, promises or commitments relative to the We The People franchise have been made which are not expressly contained in the Franchise Agreement and the Uniform Franchise Offering Circular;

5. The undersigned has read the Franchise Agreement and understands that any approval or consent to be given by We The People must be in writing and signed by the appropriate officer of We The People;

6. The undersigned received the We The People Uniform Franchise Offering Circular and a copy of its standard Franchise Agreement, at the earlier of: (a) the first personal meeting regarding the offering of the We The People franchise; (b) ten business days before the signing of any Franchise Agreement or related agreement; or (c) ten business days before any payment to We The People;

7. The undersigned received the actual Franchise Agreement and ancillary documents, containing all terms and conditions, at least five or seven, business days, whichever is applicable, prior to the execution of the Franchise Agreement;

8. The undersigned acknowledges that no guarantee has been made by We The People that the undersigned will derive income from the franchise that exceeds the price paid; that the undersigned has no right to a refund of all or a part of the monies paid except as expressly set forth in the Franchise Agreement; and that We The People has not agreed to repurchase any products, equipment or other materials if the undersigned is unsatisfied with the franchise.

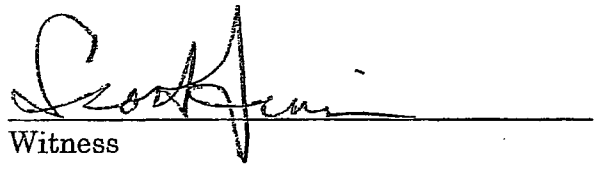
9. The undersigned acknowledges that it has reviewed the Operating Manual prior to the execution of the Franchise Agreement.

10. The undersigned understands and acknowledges that only attorneys can give legal advice and that the independent paralegal document preparation business may be determined to be the unauthorized practice of law and therefore illegal.

PRINCIPAL OWNER'S STATEMENT

Executed this 13th day of May, 2006.

ATTEST:

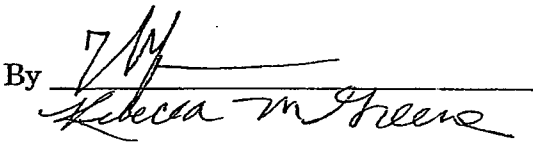


Witness

Witness

FRANCHISEE

Thomas Greene
Rebecca M Greene

By 

Name: Thomas Greene
Title: _____

Sworn to and subscribed before me this _____day of _____, 200__.

_____
NOTARY PUBLIC

_____
Print Name:

___Personally known OR ___ Produced Identification
Type of Identification Produced: Drivers License

(Notary Seal)

My Commission Expires:

SCHEDULE "D"

Principal Owners' Guaranty

PRINCIPAL OWNER'S GUARANTY

THIS PRINCIPAL OWNER'S GUARANTY is made as of the 21st day of April, 2006 by Thomas J. and Rebecca M. Greene, jointly and severally ("Guarantors") to We The People USA, Inc., a Delaware corporation ("WTP").

WHEREAS, upon execution of this Guaranty WTP will enter into a "We The People" Franchise Agreement with Thomas Greene ("Franchisee"); and

WHEREAS, Guarantors are the owners of Franchisee and desire to induce WTP to execute the Franchise Agreement and permit Franchisee to be the franchisee under it;

NOW, THEREFORE, in consideration of WTP's execution of the Franchise Agreement, Guarantors, and each of them, hereby unconditionally and irrevocably guarantee the full performance of each and all of the terms, covenants, and conditions of the Franchise Agreement to be kept or performed by Franchisee, including (without limitation) payment of all sums that become due under the Franchise Agreement, which Guarantors agree to pay on demand in immediately available lawful money of the United States of America, and hereby further agree that:

1. This Guaranty shall continue in favor of WTP notwithstanding any (a) extension, modification, or alteration of the Franchise Agreement made or entered into by or between WTP and Franchisee or their successors or assigns; or (b) assignment of the Franchise Agreement, with or without WTP's consent.

2. No extension, modification, alteration, or assignment of the Franchise Agreement shall in any manner release, discharge, or exonerate Guarantors, or either of them.

3. Guarantors, and each of them, consent to any extension, modification, alteration, or assignment of the Franchise Agreement.

4. This Guaranty shall continue in full force and effect and shall not be changed despite any bankruptcy, reorganization, or insolvency of Franchisee or any successor or assignee of Franchisee, or any disaffirmance or abandonment by a trustee of Franchisee.

5. WTP may assign or transfer this Guaranty in whole or in part, with or without notice, and no assignment or transfer shall operate to extinguish or diminish Guarantors' liability.

6. The liability of Guarantors, and each of them, under this Guaranty shall be primary and WTP may, at its option, proceed against either or both Guarantors and Franchisee for the payment or performance of any obligation of Franchisee under the Franchise Agreement without first seeking payment or performance by or instituting any action against Franchisee, and without joinder of Franchisee in any action to enforce this Guaranty.

7. Guarantors shall pay all costs and expenses, including (without limitation) attorney's fees (including those incurred in connection with any appeal) and expert witness fees, incurred by WTP in collecting or obtaining or attempting to collect or obtain any payment or performance due pursuant to the Franchise Agreement or enforcing this Guaranty.

PRINCIPAL OWNER'S GUARANTY

8. Guarantors, and each of them, waive notice of demand by WTP as well as notice of default by Franchisee under the Franchise Agreement.

9. Any married person who signs this Guaranty expressly agrees that recourse may be had against that person's separate property for all of the person's obligations or liabilities under this Guaranty.

10. This Guaranty shall be binding upon and inure to the benefit of the respective successors in interest, personal representatives, heirs, and assigns of WTP and Guarantors.

11. Guarantors, and each of them, waive presentment, demand for performance, notice of nonperformance, protest, notice of protest, notice of dishonor, notice of default, notice of acceptance of this Guaranty, and diligence, and all other notices or formalities to which Guarantors might otherwise be entitled.

12. Notwithstanding any other provision of this Guaranty, Guarantors' liability pursuant to this Guaranty shall be limited to $1,000,000.

13. Guarantors represent that the Franchisee is a:

☐ Corporation ☐ LLC ☐ Partnership

14. The ownership interests of the Franchisee are held by the following persons (Guarantors):

NAME	HOME ADDRESS	CONTACT INFO. EMAIL/PHONE NO.'S	PERCENTAGE OWNERSHIP
_____ (print)	_____ _____		_____%
_____ (print)	_____ _____		_____%
_____ (print)	_____ _____		_____%
_____ (print)	_____ _____ _____		_____%
	Total Ownership		100%

PRINCIPAL OWNER'S GUARANTY

15. The responsible managing individuals for the Franchisee are:

NAME	TITLE	CONTACT INFO. EMAIL/PHONE NO.'S
_____ (print)	_____	
_____ (print)	_____	
_____ (print)	_____	
_____ (print)	_____	

IN WITNESS WHEREOF, Guarantors have executed this Continuing Personal Guaranty as of the date first above written.

GUARANTORS

_____ (Sign Here)	_____ (Sign Here)
_____ (Print Name)	Thomas J Greene (Print Name)
_____ (Sign Here)	Rebecca M Greene (Sign Here)
_____ (Print Name)	Rebecca M Greene (Print Name)



WE THE PEOPLE USA, INC.

CHECKLIST FOR PROSPECTIVE FRANCHISEES

We want you to be completely comfortable with your decision to purchase a franchise from We The People USA, Inc. (WTP). We created this checklist to help you review the key provisions of our Agreement and the obligations that you will be undertaking when you join our franchise system. Please read this list thoroughly and if you are uncertain about anything you see, please contact us immediately. You must initial each of the boxes indicating that you have read, understand and agree to each of the points. You must then sign this checklist and return it to us before we will be able to approve and execute your Franchise Agreement.

Please initial the bracket next to each statement. One Checklist is needed for each franchise owner however, spouses may use the same Checklist, each spouse initial in one of each of the boxes:

1) Disclosure Statements

[ ] [ ] I have executed and returned the Acknowledgment of Receipt for the UFOC which shows the actual date on which I received it.

[ ] [ ] I acknowledge that I received the We The People USA, Inc. Franchise Agreement with all exhibits, at least five business days before I signed any agreement or paid WTP any money.

[ ] [ ] I have executed and returned the Acknowledgment of Receipt for the Franchise Agreement which shows the actual date on which I received it.

[ ] [ ] I have executed and returned the Patriot Act Certification.

2) Business Planning

[ ] [ ] I understand that the preparation of a business plan for the operation of a We The People store is an important step in the franchisee qualification process and that I must prepare a business plan acceptable to WTP as a condition to being awarded a We The People franchise.

[ ] [ ] I understand that the business plan demonstrates to WTP that I understand the financial aspects of this business as well as the necessity for planning. I acknowledge that WTP's review and acceptance of the business plan is in no way a representation or agreement by WTP that I can achieve the results stated in the business plan.

3) **Site Selection and Lease Negotiations Process**

I understand that, after execution of the Franchise Agreement, WTP will provide me with information and demographic data for potential store sites and will review any potential store location data which I submit in the prescribed format. If such site(s) meets WTP's minimum standards, WTP will work with me to secure such location including the possibility of a tour of the market and the potential sites. After WTP and I agree on a site selection, I may then initiate lease negotiations and WTP may be able to assist in that effort.

Once I have received an offer to lease a site, WTP will review the lease and make recommendations for me to propose to the lessor. I understand that my final store site must be approved by WTP. In addition, my lease must be approved by WTP as it must contain certain provisions required by the Franchise Agreement. Accordingly, I acknowledge that I will obtain WTP's final approval of the site and lease before executing the lease.

I acknowledge that although WTP assists in site selection and approves the lease, I am responsible for all final decisions regarding these items. I understand that WTP's approval is designed to ensure that its minimum standards are met, but that site approval is not an assurance that the site will be successful. Lease approval does not indicate that it has been reviewed for legal sufficiency and I understand that I should consult my own advisors for such a review.

4) **Franchise Agreement**

I understand that I am purchasing the right and license to operate a We The People store according to the terms and conditions stated in the Franchise Agreement.

I understand that the Franchise Agreement gives me the right to use the WTP trademarks, service marks and operating system at the store location designated in my Franchise Agreement.

I understand that my Franchise Agreement and WTP Operating Manuals define all of my rights and obligations in connection with the operation of my We The People store.

I have read the Franchise Agreement in its entirety and have had an opportunity to discuss all questions and concerns with WTP and my business and legal advisors and all questions have been answered to my satisfaction.

I understand this is a 10 year agreement with renewal terms (if acceptable) of 5 year periods.

I understand that there is a non-refundable franchise fee of $89,500 which is due upon execution of the Franchise Agreement. I will be granted an exclusive territory within which WTP cannot locate another We The People franchised store as long as I comply with the terms of the Franchise Agreement.

5) **Type of Business Entity Formed To Operate Store**

I understand that it is my decision to choose the ownership form (e.g. corporation, partnership, limited liability company, etc.) under which I will operate my We The People franchise. If the franchise will have more than one owner, only those individuals who have been personally

approved by WTP may own an interest in the entity that I choose to own the franchise.

I have been fully informed about and understand all steps that I must take to obtain WTP's approval of the ownership form I have chosen. If I choose an ownership form other than a sole proprietorship, such as a corporation, partnership or limited liability company, that entity must be approved by WTP before the franchise may be owned by or transferred to it.

I understand that I may not transfer my franchise to any other business entity, whether or not I own that business entity, without obtaining prior approval from WTP.

6) Required Ongoing Processing and Other Fees

I understand that all legal document preparation services, related in any way to my business, must be done by We The People USA, Inc. and that the Processing Fee for this service is 25% of the purchase price for each legal document prepared for my customers.

I understand that all Processing Fees must be received by WTP before the 10th of every month for the previous month's sales.

I understand that each month I must pay a Supervising Attorney Fee in the amount of $200 per month although WTP reserves the right, with notice to me, to increase the Fee at their discretion. The Fee must be received by WTP before the 10th of every month.

7) Marketing

I understand that the Franchise Agreement requires that I spend $2000 or 8% of my Gross Revenues, whichever is greater, on local advertising each month.

I acknowledge that WTP has made no guarantees regarding the success level that may be achieved by any particular advertising or marketing campaign or activity.

I understand that I may be required to contribute up to 6% of monthly gross sales to a local or regional advertising co-op. This contribution will be credited against the required expenditure for local advertising.

I understand that I may be required to contribute up to 4% of monthly gross sales to a National/Regional advertising fund. This contribution will be credited against the required expenditure for local advertising.

I understand that WTP provides a standard Advertising and Marketing System that I must follow, and that any alterations or adjustments to the Standard Advertising and Marketing System must be pre-approved by WTP.

I understand that WTP has standard franchise store design specifications including interior and exterior design and color scheme ("trade dress") and minimum furniture/equipment requirements (including software), and that in order to comply with the WTP franchise system, I must occasionally upgrade the color and design of my store and comply with new minimum furniture/equipment requirements (including software) within my We The People store.

I agree to provide accurate information regarding the success or failure of marketing activities when

reasonably requested by WTP.

8) Products and Services

I understand that WTP will provide a list legal document preparation services, financial services and other material which I will be required to offer and carry in my store. I understand those services and products may change from time to time at WTP's discretion. I understand that I may not offer any services or merchandise for sale in the store which WTP does not approve.

9) Additional Stores

I understand that the awarding of one We The People Franchise does not automatically make me eligible to operate any additional franchises.

If I desire to open and operate additional stores, I must be approved in accordance with WTP's then current standards for store owners.

If I am granted a franchise for an additional store which is to be located within the exclusive territory granted to me under this exclusive territory or any other We The People Franchise Agreement, the Franchise Fee for the additional store will be the then current franchise fee for the WTP system.

10) Disclosure Of Financial Information and Estimated Initial Investment

I acknowledge that no information regarding financial performance of We The People stores and initial costs, other than what is stated in the UFOC, has been provided to me, unless provided at my request by any existing WTP franchisee in the course of my due diligence investigation of the WTP franchise.

I understand that no person acting on behalf of WTP is authorized to make any representation or claim concerning existing or potential costs, sales, profits or other financial performance of a We The People store which may be in addition to or different from the information contained in the We The People USA, Inc. UFOC.

Name and Title

13 May 06
Date

Signature, Title

Rebecca M Greene

Date

13 May 06

Thomas Greene
Name of Franchisee

WE THE PEOPLE USA, INC.

USA PATRIOT Act Certification

We the People USA, Inc.
1436 Lancaster Ave., Suite 300
Berwyn, Pennsylvania 19312

Re: USA PATRIOT Act Certification in connection with an application for a We the People franchise

Ladies and Gentlemen:

The undersigned is delivering this certificate in connection with the undersigned's execution of a Franchise Agreement by and between the undersigned and We the People USA, Inc. ("WTPUSA") for the acquisition of a We the People franchise. Unless otherwise defined herein or unless the context requires otherwise, all capitalized terms used herein shall have the same meaning ascribed to them in the Franchise Agreement.

The undersigned hereby represents and warrants to WTPUSA the following:

1. The undersigned maintains a place of business that is located at a fixed address (other than an electronic address or post office box) as set forth in the Franchise Agreement.

2. The undersigned's Initial Franchise Fee, processing fees and other payments to WTPUSA under the Franchise Agreement will not directly or indirectly be derived from activities that may contravene federal, state or international laws or regulations, including anti-money laundering laws, and acknowledges that federal regulations and Executive Orders administered by the Office of Foreign Assets Control ("OFAC") of the United States Department of Treasury ("Treasury Department") prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals.

3. Neither the undersigned nor any of its subsidiaries, and, to its knowledge, none of its officers, directors or affiliated entities, appear on any of the following lists maintained by the United States government ("Government Lists"):

   (a) The two lists maintained by the United States Department of Commerce (Denied Persons and Entities; the Persons List can be found at http://www.bxa.doc.gov/DPL/Default.shtm; the Entity List can be found at http://www.bxa.doc.gov/Entities/Default.htm);

   (b) The list maintained by the Treasury Department (Specially Designated Nationals and Blocked Persons, which can be found at http://www.ustreas.gov/ofac/t11sdn.pdf);

(c) Two lists maintained by the United States Department of State (Terrorist Organizations and Debarred Parties, which can be found at http://www.state.gov/s/ct/rls/fs/2001/6531.htm; the List of Debarred Parties can be found at http://www.pmdtc.org/debar059.htm); and

(d) Any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the rules and regulations of OFAC, the Treasury Department, or by any other government agency.

4. The undersigned does not transact business on behalf of, or for the direct or indirect benefit of, any individual or entity named on any Government List.

5. The undersigned, and, to its knowledge, each of its officers or directors, is not a senior foreign political figure,[1] or an immediate family member[2] or close associate[3] of a senior foreign political figure within the meaning of the USA PATRIOT Act of 2001.[4]

The undersigned agrees to provide WTPUSA with any further evidence required by it of the undersigned's identity and of the information provided herein and to promptly notify WTPUSA should the undersigned become aware of any change in the information set forth in this Certification or otherwise provided to WTPUSA. The undersigned acknowledges and agrees that, by law, WTPUSA may be obligated to prohibit additional payments in compliance with governmental regulations, and WTPUSA may also be required to report such action and to disclose the undersigned's identity to any applicable governmental entity in compliance with such regulations.

The undersigned further acknowledges and agrees that many jurisdictions are in the process of changing or creating anti-money laundering, embargo and trade sanctions, or similar laws, regulations, requirements (whether or not with force of law) or regulatory policies and many financial intermediaries are in the process of changing or creating responsive disclosure and compliance policies (collectively, "Requirements") and that WTPUSA could be requested or required to obtain certain assurances from the undersigned, disclose information pertaining to it to governmental, regulatory or other authorities or to financial intermediaries, engage in due diligence or take other related actions in the future. The undersigned acknowledges and agrees

---

1 A "senior foreign political figure" is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a "senior foreign political figure" includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

2 "Immediate family member" of a senior foreign political figure is typically one of the figure's parents, siblings, spouse, children or in-laws.

3 A "close associate" of a senior political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

4 The United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56 (2001).

that it is WTPUSA's policy to comply with the Requirements to which it is or may become subject and to interpret them broadly in favor of compliance. The undersigned hereby agrees, and by reason of owning one or more We the People franchises will be deemed to have agreed, that the undersigned will provide such additional information and take such other actions as may be necessary or advisable for WTPUSA (in WTPUSA's sole discretion) to comply with any Requirements, related legal process or appropriate requests (whether formal or informal) or otherwise. The undersigned hereby consents, and by reason of owning one or more We the People franchises will be deemed to have consented, to disclosure by WTPUSA and its agents to relevant third parties of information pertaining to the undersigned in respect of any Requirement or information requests related thereto, and to any other action that WTPUSA (in WTPUSA's sole discretion) determines is necessary or appropriate in order to comply with the Requirements.

The undersigned hereby certifies that it has read and understands this Certification and that the statements made in this certification are true and correct.

Executed on this 13th day of May, 2006.

By: _____

Name: Thomas J Greene

Title:

Address: 746 North 1125 East
Orem UT 84097

Rebecca M Greene

Rebecca M. Greene



We The People®

April 5, 2006 Via UPS Overnight

Thomas Greene
746 No. 1125 E
Orem, UT 84097

Re: UFOC Number- 010151
We The People USA, Inc. Uniform Franchise Offering Circular (UFOC)

Dear Mr. Greene:

Enclosed please find the March 24, 2006 **amended** Uniform Franchise Offering Circular (UFOC). Since you were sent the previous UFOC within the last 60 days, We The People has amended that UFOC version to reflect a new Sales Director and revised financials. We are required by law to re-disclose you with the amended UFOC reflecting those changes.

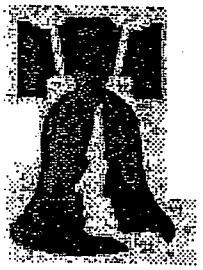
Once again, your receipt of this document at least ten (10) business days prior to your purchase of a We The People franchise is required under Federal and State (if applicable) laws.

As requested before, please remove the attached last page "Franchisor's Copy" titled Acknowledgment of Receipt of Offering Circular, sign and date upon receipt of this package as acknowledgment of receipt, and return this page in the self-addressed stamped envelope provided as soon as possible. We can then move the sales process forward if you so choose.

If you have any questions or concerns, please contact me at the number below.

Sincerely,

Shelley J. Miksis
Corporate Franchise Paralegal
610-640-6430
Enclosure



We The People USA, Inc.

a Delaware corporation
1436 Lancaster Ave., Suite 300
Berwyn, Pennsylvania 19312
(610-296-3400)

Date of Issuance: March 24, 2006

INFORMATION FOR PROSPECTIVE FRANCHISEES REQUIRED BY THE FEDERAL TRADE COMMISSION

To protect you, we've required We The People USA, Inc. to give you this information. We haven't checked it, and don't know if it's correct. It should help you make up your mind. Study it carefully. While it includes some information about your contract, do not rely on it alone to understand your contract. Read all of your contract carefully. Buying a franchise is a complicated investment. Take your time to decide. If possible, show your contract and this information to an advisor, like a lawyer or an accountant. If you find anything you think may be wrong or anything important that's been left out, you should let us know about it. It may be against the law.

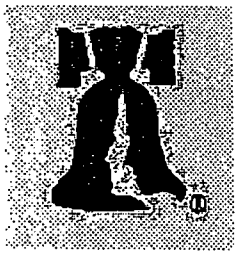
There may also be laws on franchises in your state. Ask your state agencies about them.

FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

MANY STATES REQUIRE FRANCHISORS TO MAKE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR. THESE ADDITIONAL DISCLOSURES ARE INCLUDED IN EXHIBIT "B" OF THIS OFFERING CIRCULAR.

EVEN THOUGH THE FRANCHISE AGREEMENT PROVIDES THAT "HOME STATE" LAW APPLIES, LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. PLEASE REFER TO ANY STATE-SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THE OFFERING CIRCULAR FOR DETAILS.

IN ACCORDANCE WITH THE REQUIREMENTS OF THE FEDERAL TRADE COMMISSION, THIS OFFERING CIRCULAR WAS ISSUED ON MARCH 24, 2006. IF THIS OFFERING HAS BEEN REGISTERED IN A STATE, THE EFFECTIVE DATE OF THIS OFFERING CIRCULAR FOR THAT STATE WILL BE DISCLOSED IN EXHIBIT "F."



FRANCHISE OFFERING CIRCULAR

We The People USA, Inc.
a Delaware corporation
1436 Lancaster Ave., Suite 300
Berwyn, Pennsylvania 19312
(610-296-3400)

We The People USA, Inc. ("We The People") franchises the opportunity to operate a legal document preparation service and provide legal documents to people who choose to represent themselves in basic, uncontested legal matters. We The People designates a supervising attorney licensed in your state who will be available, at your expense, for consultation on legal issues that may be presented by you and your customers. Before your opening for business, you must pay We The People an initial franchise fee of $89,500. The estimated initial investment required ranges from approximately $123,200 to $169,500.

RISK FACTORS:

1. THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO ARBITRATE WITH US ONLY IN THE STATE OF PENNSYLVANIA. IF YOU ARE NOT A PENNSYLVANIA FRANCHISEE, ARBITRATION IN PENNSYLVANIA MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES THAN IN YOUR HOME STATE. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN PENNSYLVANIA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO SUE US ONLY IN THE STATE OF PENNSYLVANIA. THIS PROVISION MAY BE SUPERSEDED BY CERTAIN STATE LAWS. PLEASE REFER TO ANY STATE SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THE OFFERING CIRCULAR FOR DETAILS.

3. THE FRANCHISE AGREEMENT STATES THAT PENNSYLVANIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

4. FRANCHISEES OF THE COMPANY MAY NOT GIVE LEGAL ADVICE, SINCE THE UNAUTHORIZED PRACTICE OF LAW IS PROHIBITED.

5. THE LEGAL DOCUMENT PREPARATION BUSINESS MAY BE CHALLENGED BY THE STATE BAR ASSOCIATION OR OTHER GOVERNMENT AGENCIES IN YOUR STATE. THE LEGAL DOCUMENT PREPARATION BUSINESS MAY BE DETERMINED TO BE THE UNAUTHORIZED PRACTICE OF LAW IN YOUR STATE AND THEREFORE ILLEGAL.

6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information about comparisons of franchisors is available. Call your state administrators listed in Exhibit "D" or your public library for sources of information.

Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this offering circular. If you learn that anything in this offering circular is untrue, contact the Federal Trade Commission and the applicable state administrators listed in Exhibit "D."

Effective Date: See Exhibit "F"

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EXHIBITS

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Schedule "B"	Telephone Number Transfer Agreement
Schedule "C"	Principal Owners' Statement Purchase Affidavit
Schedule "D"	Principal Owners' Guaranty
Schedule "E"	Form of General Release
Schedule "F"	State Specific Amendments to Franchise Agreement
Exhibit "B"	State Specific Addenda to Disclosure Document
Exhibit "C"	Audited Financial Statements
Exhibit "D"	List of State Administrators
Exhibit "E"	Registered Agents for Service of Process
Exhibit "F"	Effective Dates of the Offering Circular in Registration States
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Exhibit "I"	List of Workbooks and Books Currently Offered by Franchisor
Exhibit "J"	Form of Confidentiality Agreement
Exhibit "K"	Form of Promissory Note
Exhibit "L"	FranNet Associates Disclosure
Exhibit "M"	Acknowledgement of Receipt of the Offering Circular

ITEM 1. THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

The franchisor is We The People USA, Inc. ("we," "us," "We The People," or "the Company"). "You" means the person or entity who buys the franchise. If you are a corporation, partnership, or other entity, certain provisions of the franchise agreement also apply to your owners/partners and will be noted.

The Company was incorporated as "WTP Acquisition Corp." on February 22, 2005 under the laws of the State of Delaware, and the name of the Company was changed to "We the People USA, Inc." effective as of March 24, 2005. The Company does business under the name We The People. The Company's principal place of business is 1436 Lancaster Ave., Suite 300, Berwyn, Pennsylvania 19312.

The Company's predecessor entity is IDLD, Inc. ("IDLD"), formerly known as We the People Forms and Service Centers USA, Inc., a California corporation. IDLD's principal place of business is 1435 Estrella Dr., Santa Barbara, CA 93110. IDLD sold substantially all of its assets to the Company pursuant to an asset purchase agreement dated March 7, 2005, as described in further detail below, including all franchise and license agreements. IDLD does not and will not continue to enter into franchise or license agreements for the legal document preparation business.

In January, 1994, Ira Distenfield and Linda Distenfield, entered into a license agreement with We The People Forms and Service Center, Inc., ("WTP FSC") a Florida corporation, with a business address at the time of 7829 North Dale Mabry Highway, Suite 200, Tampa, Florida 33614, and acquired a non-exclusive license (the "Underlying License") to use the We The People name, logo, trademarks, materials, advertising copy, forms, procedures, processing, videos and other related products and services and to sublicense others to do the same.

In 1994, the Distenfields first used the Underlying License and opened the first retail legal document preparation service center known as We The People Forms and Service Center of Santa Barbara, Inc. ("WTP Santa Barbara"). WTP Santa Barbara was incorporated under the laws of the State of California on August 9, 1994 and has been operating since 1994 as a legal document preparation service.

On September 2, 1994, the Distenfields again used the Underlying License and formed a California corporation known as We The People Forms and Service Centers of California, Inc. ("WTP California"). WTP California was initially formed only to sublicense the use of the We The People system. WTP California entered into a sub-license agreement under which it sub-licensed to a third party the use of the We The People system.

In 1996, WTP California entered into an agreement with WTP FSC to purchase certain of its assets, including the We The People concept, logo, trademark, materials, advertising copy, and forms. WTP California did not purchase the rights to use the We The People concept, logo, trademark, and other materials in the areas of Bakersfield, California and Seattle, Washington. There are currently two legal document preparation businesses operating under the We The People name in Bakersfield, California and Seattle, Washington which are not part of our franchise system.

In June 1996, the Distenfields decided to reorganize the affairs of WTP California. That reorganization resulted in the formation of We the People Forms and Service Centers USA, Inc. ("WTP FSC USA") in June 1996, at which time WTP FSC USA began offering

franchises utilizing the We The People name and system. WTP California is no longer an active corporation.

On October 8, 1996, WTP FSC USA began offering We The People Forms and Service Center franchises. On March 7, 2005, the Company purchased substantially all of the operating assets of WTP FSC USA pursuant to an asset purchase agreement. Effective as of March 7, 2005, WTP FSC USA changed its name to "IDLD, Inc.," and no longer offers franchises for businesses substantially similar to the type of business that you will operate under the Franchise Agreement.

AFFILIATES

United States

The Company's affiliate and sole shareholder is Dollar Financial Group, Inc., a New York corporation ("DFG"). DFG's principal place of business is 1436 Lancaster Ave., Suite 300, Berwyn, Pennsylvania 19312. DFG is a leading international financial services company serving under-banked consumers. DFG's customers are typically lower-and-middle-income working class individuals who require basic financial services but, for reasons of convenience and accessibility, purchase some or all of their financial services from DFG rather than from banks and other financial institutions. To meet the needs of these customers, DFG provides a range of diversified consumer financial products and services primarily consisting of check cashing, short-term consumer loans, Western Union money order and money transfer products, reloadable VISA branded debits cards, electronic tax filing and bill payment services. DFG operates a network of 1,335 stores, including 716 company-operated stores, in 34 states, the District of Columbia, Canada and the United Kingdom. Other than through its operation of the Company, DFG has not and does not independently offer franchises of the type offered under this Offering Circular. Other than being a wholly-owned subsidiary of DFG, the Company does not presently have a business relationship with DFG.

Beginning in fiscal year 1999, DFG began re-branding all of its affiliates' check cashing stores under the Money Mart name. They have been offering Cash 'Til Payday loans in Money Mart stores since 1995 and established the first Loan Mart stores offering only Cash 'Til Payday loans in 1997. The types of financial services and products offered by their affiliates can be distinguished by the trade name that they use, i.e., Money Mart, Loan Mart, and Money Mart Express. They have been offering franchises under the names Money Mart and Loan Mart since April 15, 2004. Franchisees offer check cashing, Cash 'Til Payday loans, money orders, money transfers and various other related services, under the trade name Money Mart. Under the Loan Mart name, their affiliates offer Cash 'Til Payday loans, money orders, money transfers and various other related services. Money Mart Express is company owned and not available as a franchise. The franchised stores feature either the trademark Money Mart or Loan Mart, and both franchises use the service mark Cash 'Til Payday. As of June 30, 2005, they had 5 franchised locations and operate 260 Money Mart stores in 14 states and 89 Loan Mart stores in 6 states.

United Kingdom

Our UK affiliate, Cash Centres Limited ("UK"), offers franchises in the United Kingdom under the name The Money Shop. UK is a wholly owned subsidiary of Cash Centres Corporation Limited, which is a wholly owned subsidiary of Dollar Financial UK Limited, which is a wholly owned subsidiary of DFG World, Inc., which in turn, is a wholly owned

subsidiary of DFG. UK offers three tiers of franchises in the United Kingdom, i.e., Full Franchise, Independent Agent, and Group Agent. A **Full Franchise** entitles the franchisee to offer check cashing, and short term unsecured "payday" loans under the trade name Money Shop®. Franchisees are entitled to offer independently, at the franchised location, certain other pre-approved products and services, e.g., gold and jewelry pawn brokering, and foreign exchange. A Full Franchisee is required to follow UK procedures, systems and branding, all of which are audited regularly.

An **Independent Agent Franchise** is intended to provide additional revenue to a pre-existing business by authorizing it to offer check-cashing services, and if requested, short term unsecured "payday" loans. Franchisees seeking an Independent Agent franchise traditionally have a pre-existing core business involving travel, foreign exchange, retail jewelry, pawn broking, or insurance, and believe that the franchised products and services will complement their current offerings and appeal to their customer base. An Independent Agent is entitled to use limited Money Shop branding.

A **Group Agent** franchisee is entitled to offer the same products and services as an Independent Agent. The two are similar in all respects except that a Group Agent franchise will entitle the franchisee to offer the products and services through a multi-site chain of retail locations, typically with a significant presence in shopping centers and areas traditionally associated with shopping, whereas an Independent Agent only is entitled to offer the franchised products and services through one retail location. A Group Agent is entitled to use limited Money Shop branding.

UK does not offer any products or services to our franchisees.

Canada

Our Canadian affiliate, National Money Mart Company ("National"), 2940 Jutland Road, Victoria, BC V8T 5K6, CANADA, is a wholly owned subsidiary of DFG International, Inc., which in turn is a wholly owned subsidiary of DFG. National has offered franchises under the name "Money Mart™" since 1983. Franchisees operate financial service outlets that offer check cashing, payday loans, currency exchange, bill payments, Western Union money transfers, and tax discounting. National is an independent franchise operation and there will be no connection between the Canadian system and our franchise system. As of June 30, 2005, National owns approximately 189 outlets and franchises approximately 115 outlets throughout Canada. National does not offer franchises in any other line of business.

Presently, National does not offer any products or services to our franchisees. National may provide certain contract-personnel services for us in the future, namely, assisting our franchisees in site selection, training, and operational support.

Other than through its operation of the Company, DFG has not and does not independently offer franchises of the type offered under this Offering Circular. Other than being a wholly-owned subsidiary of DFG, the Company does not presently have a business relationship with DFG.

The Company franchises legal document preparation services. You will have the opportunity to provide legal documents to people who choose to represent themselves in basic, uncontested legal matters. An uncontested legal matter is a legal dispute or transaction that is not opposed by another party to or person interested in that legal matter. As part of the We The People franchise system, you will be entitled to use information and technology exclusively authored by the Company to deliver basic legal

document preparation services from your document preparation center ("Center" or "We The People Center").

Your customers insert the required information into the appropriate workbook, provided to you by us, for the type of legal documents they are seeking. The workbooks are written in plain English. A list of workbooks currently offered by the Company is listed on Exhibit "J". You then forward the completed workbooks, along with a purchase order, via facsimile to our document preparation center designated by the Company for your use. We will then forward the completed legal documents back to your We The People Center ready for your customer to pick-up. You are responsible for collecting payment from your customers for the preparation of the legal documents. Upon your receipt of the completed documents, either your customers can file their own documents with the court or, in some states, you can offer the filing of their documents as part of your service. We prepare many types of legal documents, including bankruptcy petitions, divorce petitions, wills and trusts.

The Company operates a document preparation center servicing each state where its franchisees conduct business. The Company will designate a supervising attorney in each state who will be available, at your expense, during reasonable business hours for consultation on general legal issues that may be presented by you or your customers. The supervising attorney does not represent the customer. The supervising attorney does not review each document before it is sent to you. The Company does have all document templates reviewed and approved by the supervising attorney in the state in which your Center is located. The supervising attorney is retained by the Company. The supervising attorneys work out of their own offices. Each supervising attorney has a panel of attorneys that they can refer customers to if the customer needs representation. Although the Company will designate a supervising attorney licensed in your particular state, you acknowledge and agree that the Company is not responsible for advice given by the supervising attorney. Both you and the Company will pay a portion of the supervising attorney's fees. Currently, the franchisee pays $200 per month (See Item 6) and the Company pays $500 per month for the fees of the supervising attorney.

The Company will produce all legal documents that are utilized by you in the operation of your We The People Center. You are not permitted to produce or create any legal documents yourself, nor are you authorized to have any legal documents prepared by any other source. You may not make alterations to any documents we prepare. The legal documents we prepare will comply with the applicable state law for documents of the nature or type, so long as the information provided by the customer and you is accurate.

The Company assumes responsibility for the legal sufficiency of the blank forms and correctness of all documents it prepares based on the information provided by the customer. The Company does not assume responsibility for documents altered by you or for incorrect or inadequate information provided by the customer.

The Company has prepared books covering various legal topics in order to provide your customers with further information about the matters for which these customers have requested legal document preparation services. A list of the books currently offered by the Company is listed on Exhibit "J". At present, the Company sells these books to franchisees at fifty percent of the suggested retail price.

You are not required to have any prior legal training. Our training program focuses on marketing and business development (See Item 11 below).

We The People does not give legal advice to you or your customers. Under no circumstances can you give legal advice to your customers, make court appearances, or provide other services that constitute the practice of law. You cannot advertise or otherwise hold yourself out to the public as practicing, or being entitled to practice, law because this will violate the laws of your state and your agreement with us.

The Company has never offered franchises in any other line of business. The Company has never done business under another name.

As of June 30, 2005, the Company owns and operates 3 document preparation centers of the type that you will operate under the Franchise Agreement.

The Company has authorized various agencies to receive legal service of process for it. These agents and the states in which they are authorized to receive service of process are disclosed in Exhibit "E."

There are certain regulations specific to the legal document preparation industry in which your Center will operate. If your Center is located in California, you must complete certain educational requirements, post a bond, and register as a legal document assistant with the County Clerk of each county where you perform services (See California Business and Professions Code §6402). If your Center is located in Arizona, you must be certified as a legal document preparer (See Arizona Code of Judicial Administration §7-208). Section 110 of the U.S. Bankruptcy Act contains penalties for persons who negligently or fraudulently prepare bankruptcy petitions.

The Company maintains that its business model is a constitutionally protected activity. However, the Company has placed a high priority on compliance with local statutes and rules in particular states. Currently, consent agreements are in place in the states of Connecticut and Texas regarding the implementation and maintenance of We The People franchises, including clear standards and practices regarding our business model. In addition, similar consent discussions are expected to be finalized in the states of North Carolina and Tennessee in 2005.

In addition, all franchisees, regardless of their location, must comply with the laws and regulations applicable to businesses in general.

All states have laws prohibiting the unauthorized practice of law. These laws are discussed more fully in the Company's Confidential Compliance Manual, a copy of which will be loaned to you. You cannot give legal advice. Based upon our experience with state enforcement authorities and legal advice we have obtained, we believe that the preparation of basic legal forms like those involved in your franchise does not constitute the unauthorized practice of law. However, your investment in this franchise is a risk because the legal document preparation business may be challenged by the state bar association or government agencies in your state, and there is no guarantee that your franchise will not be adversely affected by laws or regulations relating to this industry. The legal document preparation business may be determined to be the unauthorized practice of law in your state and therefore illegal.

You must become a Notary Public before opening your We The People Center. The first step to becoming a Notary Public is to call the National Notary Association. They may be contacted by telephone at 1 (800) US NOTARY or by visiting their website at *www.nationalnotary.org*. The National Notary Association will send you information on

how to prepare and register as a Notary Public and whether or not your state requires that you take an exam before becoming a Notary Public. The process of becoming a Notary Public can take up to 90 days to complete.

The market for the products or services that you will offer consists of the general public. Your competitors will include attorneys, paralegals, other legal document preparation services, and providers of similar services. As of the date of this UFOC, the Company has knowledge of one other licensor/franchisor for similar services: Legal Express, located at 6030 Hollywood Blvd., Suite 220, Hollywood, FL 33024.

ITEM 2. BUSINESS EXPERIENCE

Chairman of the Board, Chief Executive Officer, Director: Jeffrey Weiss

Mr. Weiss has been an Officer and Director of the Company since March 15, 2005. In October 2005, Mr. Weiss was named Chairman of the Board and CEO. Mr. Weiss has served as the Chairman and Chief Executive Officer of DFG and its parent Dollar Financial Corp. ("DFC") since May 1990, when DFC was acquired by Bear Stearns Acquisition XII, Inc., an affiliate of Bear Stearns & Co., Inc. ("Bear Stearns").

President and Director: Donald Gayhardt

Mr. Gayhardt has been an Officer and Director of the Company since March 15, 2005. In October 2005, Mr. Gayhardt was named President of the Company. Mr. Gayhardt has served as the President of DFG and DFC since December 1998 and Chief Financial Officer of DFG and DFC since April 2001.

Director: Randall Underwood

Randall Underwood has served as a Director for the Company since March 15, 2005. Mr. Underwood joined DFG as Executive Vice President and Chief Financial Officer in June 2004. Previously, Mr. Underwood served for three years as Senior Vice President, global finance and administration and Chief Financial Officer for The Coleman Company, Inc. in Wichita, Kansas. Before his tenure at The Coleman Company, Mr. Underwood held a position as General Partner with Strategic Development Partners, Inc. in Wichita, Kansas from 1999 through 2001.

Executive Vice President, General Manager and Director: Melissa Soper

Ms. Soper was named Executive Vice President and General Manager of the Company in July 2005 and was named to the Board of Directors in October 2005. Ms. Soper is responsible for the day-to-day management of the Company overseeing document processing, administration and company owned stores. She began her employment with the parent company Dollar Financial Group in February 1995 as DFG's VP of Human Resources. She was an integral member of it's international, executive management team focused on strategic planning and organization development in support of maximizing the organizations intellectual assets to achieve key financial and operational objectives. Prior to this role, Ms. Soper was responsible for the human resources and training functions for Dollar's US retail stores, assisting with the growth of the US stores from 130 locations to 320 locations through a combination of store acquisitions and new store development. Working closing with operations, she led the efforts to create the organizational structure to

support a growing retail chain. Prior to joining Dollar, Melissa held both operational and human resources positions with a national hotel chain.

Senior Vice President, Franchise Relations and Director: Roy Hibberd

Roy Hibberd was named Senior Vice President, Franchise Relations in July 2005 and was named to the Board of Directors in October 2005. He is responsible for franchise relations, sales, compliance, legislative matters and public relations. Roy also serves as Senior Vice President and General Counsel of the parent company of DFG, Dollar Financial Corp., in Berwyn, Pennsylvania, a position he has held from 2005 until present. Prior to joining the Company, Roy held the position of Franchise Practice Managing Director with Smooth Engine, Inc. in New York from 2004 to 2005, providing consulting services on a variety of franchise and business issues. From 2003 to 2004, Roy was a franchise consultant with Millenium Partners, LLC in Princeton, New Jersey. From 2000 to 2003, Roy was Managing Director of the U.S. for Virtual Internet in London, England. There he advised Fortune 1000 companies on online Intellectual Property protection. Previously, Roy was the Vice President (Americas) for a financial services division of American Express in New York from 1996 to 2000, where he directed operations and led the development and execution of new product delivery strategies, alliances and business development initiatives for owned, franchised and other third party locations in traditional and innovative e-commerce applications. Previous positions have included EVP, COO and General Counsel for Precision Tune Auto Care, a 500 unit retail automotive services franchisor and as VP, and General Counsel for Coldwell Bankers' 1400 unit franchise operations.

Executive Vice President, General Counsel: Jason Searns

Jason Searns has been the Executive Vice President and General Counsel of the Company since March 15, 2005. Mr. Searns had been Senior Vice President and General Counsel of IDLD since October 2000. Mr. Searns had served as a member of IDLD's Board of Directors from 2001 to March 2005.

Vice President of Operations: Mike Thackray

Mike Thackray was named Vice President of Operations of the Company in July 2005. He began his employment with the parent company of DFG, Dollar Financial Corp., in September of 1996. During Mike's nine year tenure with Dollar, he has held various positions in retail store operations, call center management and new product development. Some of Mike's specific accomplishments include the development from ground up of a new US retail store division, an assignment with our subsidiary in the United Kingdom growing our store network internationally, and the development and launch of a pre-paid visa card product in the US. Just prior to joining Dollar, Mike spent two years in a senior management role with Coffee World, a start up company developing a chain of retail coffee outlets. Mike's franchise experience was gained over 20 years with Southland Corporation, the largest chain of convenience stores in the US, focused on operations, marketing and store development for both their corporate and franchise locations.

Director of Finance and Administration: Chuck Stouch

Chuck Stouch has served as Director of Finance and Administration for the Company since March 15, 2005. Mr. Stouch joined DFG as a Project Manager in December 2004. Previously, Mr. Stouch served as a Project Manager with Digital Systems Group, Inc. in

Warminster, Pennsylvania from 1998 to 2004, where he was responsible for the business analysis, documentation, conversion and implementation of a full service proprietary accounting software package. Before his tenure at Digital Systems Group, Inc., Mr. Stouch held the position of Audit Manager with M.D. Oppenheim and Company, CPA, in Philadelphia, Pennsylvania from 1994 to 1998, where he was responsible for the planning and execution of audit engagements focusing in the area of health care, governmental contracts and non-profit organizations. Before his tenure at M.D. Oppenheim and Company, CPA, Mr. Stouch held the position of Audit Manager with Zelenkofske, Axelrod and Company, CPA, in Jenkintown, Pennsylvania from 1990 to 1994, where he was responsible for the planning and execution of audit engagements focusing in the area of government municipalities, manufacturing, professional services and non-profit organizations.

Director of Training: Debra Mulville

Ms. Mulville re-joined the Dollar Financial team in September 2005 as WTP's Director of Training. She has been in the field of Human Resources and Training/Development for over 15 years, starting out with Caesars Hotel and Casino in Atlantic City for over 5 years as a Recruiter. As a Training Coordinator, Ms. Mulville had the responsibility to design, develop, and execute many of their programs, including New Hire, Customer Service, Management, and Leadership Development training. She also partnered with management teams within Caesars to define departmental training needs based on business objectives and customer feedback and develop strategies and action plans.

Prior to Caesars, Ms. Mulville worked for over 5 years at Dollar Financial Group as Director of Training, where she led a team of Market Trainers and managed the design and development of training programs to maximize employee performance and continued learning. Ms. Mulville designed and administered many of Dollar Financial's existing product/sales training programs, management programs, and process improvement initiatives. Ms. Mulville had also been working as a Project Consultant for Dollar Financial Group for several years.

Director of Human Resources, Training Manager: Jennifer Lyons

Ms. Lyons joined the Company in March 2005 as its Training Manager and Director of HR, positions she held with IDLD since January 2003. Ms. Lyons served as Senior Vice President and Director of Operations from April 2000 until January 2003. She assisted in the growth of the company from 32 stores in 3 states to over 120 stores in 25 states, and lead the efforts to create the organizational systems for documentation flow and tracking within the company. Ms. Lyons conducted State and Federal research to create proprietary workbooks and templates. Ms. Lyons drafted and implemented the employee handbook and established HR polices and procedures. She recruited and trained paralegal staff, conducted periodic franchise audits, and acted as in-house paralegal.

Ms. Lyons had been a member of IDLD's Board of Directors from 2001 until 2003. In January 2003, Ms. Lyons became a Project Consultant and Trainer for IDLD until November of 2004, when she returned full time in her current position. From February 2000 until March 2005, Ms. Lyons had owned and operated three We The People franchises located in California. From 1996 to 1999, Ms. Lyons was a Compliance Auditor for a Class III Medical Device manufacturer. There she was responsible for conducting company-wide

audits to ensure compliance with FDA regulations. From 1990 to 1996, Ms. Lyons worked as a certified paralegal in a private law firm.

Director of Franchise Development: Scott H. Finn

Mr. Finn comes to us with over 10 years of franchise development experience. He joined the Company in February 2006 as the Director of Franchise Development. From September 2005 to 2006, Scott was the Director of Franchise Development to US Lawns in Orlando, Florida. Shortly before, Scott worked as Director of Franchise Development for FiltaFry also in Orlando, Florida from April 2005 to August 31, 2005. Scott served as Director of Franchise Development from December 2001 to March 2005 for Chem-Dry Carpet and Upholstery Cleaning in Logan, Utah. From March 1996 to May 2001 Scott served as General Manager for Press-a-Print, International out of Idaho Falls, ID.

Franchise Development: Susan B. Vazal

Ms. Vazal re-joined the Company from March to September 2005 providing Operations and Training Consulting. Beginning October 2005 she jointed the Franchise Development Team. Ms. Vazal has 25 years of Business Development, Administration, Sales and Training experience in Private Sector and Public Service. From 1989 to 2001 she managed the Government Services Division of DFG, serving as Director from 1997 to 2001. From 2001 to 2005, Ms. Vazal owned and operated a Business Management Consulting and Training Firm.

Franchise Sales Broker: Susan Sidwell

Ms. Sidwell joined the Company in October 2005 as a Franchise Sales Broker. From 2004 to March 2005, Susan was a franchise consultant to IDLD, Inc. in Santa Barbara, California. Previously, Susan was a franchisee and area franchisee of Mail Boxes Etc. for territories in the Northeast, Northern California and Nevada from 1986 to 2004.

Franchise Sales Broker: Randy Sidwell

Mr. Sidwell also joined the Company in October 2005 as a Franchise Sales Broker. From 2004 to March 2005, Randy was a franchise consultant to IDLD, Inc. in Santa Barbara, California. Previously, he was a franchisee and area franchisee of Mail Boxes Etc. for territories in the Northeast, Northern California and Nevada from 1986 to 2004.

FranNet: The Franchise Connection

We The People has contracted with Franchise Mutual Benefit Corporation ("FranNet"), a California non-profit mutual benefit corporation to provide referrals of potential We The People franchise candidates. All applicable United States FranNet Sales Associates Disclosures are attached to this Circular as "Exhibit L".

ITEM 3. LITIGATION

The following cases allege unfair and deceptive conduct in violation of §110 of the U.S. Bankruptcy Act and seek a permanent injunction from future repetition of the conduct:

Current Litigation

Martini v. We The People USA et. al, U.S. Bankruptcy Court Eastern District of New York (Case No. 03-22074), February 19, 2004. The alleged unfair/deceptive conduct involved allegations that the offering of the services of the supervising attorney and the use of the "Bankruptcy Overview" were deceptive, and that the preparer had given legal advice to bankruptcy customers. WTP FSC USA has been scheduled for mediation. In September 2005, an interim settlement has been reached and the parties are in the process of finalizing the terms for a final stipulation.

McDow v. We The People USA, et. al., U.S. Bankruptcy Court for the District of Maryland (Adv. Proc. No. 02 05899), November 21, 2002. WTP FSC USA has denied the allegations. The plaintiff seeks injunctive relief based on the unauthorized practice of law (unfair/deceptive conduct under § 110). They also seek fines for failure to identify fees and disgorgement for excessive fees charged.

United States Trustee v. Donald Karel, U.S. Bankruptcy Trustee for the Northern District of Illinois (Adversary Proceeding No. 02A00277), March 22, 2002. The complaint alleges the unauthorized practice of law in addition to unfair and deceptive conduct consisting of distributing false and misleading materials and collecting filing fees. On February 3, 2005, judgment was entered in which WTP FSC USA was enjoined from engaging in the unauthorized practice of law. WTP FSC USA is currently negotiating a settlement with the U.S. Trustee.

Clippard v. Vincent Gould, et. al., U.S. Bankruptcy Court for the Middle District of Tennessee, (Civil No. 303-0475A), September 4, 2003. The Court found WTP FSC USA to have violated (and entered an injunction to prevent it from further violating) the subsections of 11 U.S.C. § 110 by failing to properly identify itself, using the term "legal" in advertising, receiving a fee in excess of the value of the services provided, distributing materials found to be unfair and deceptive and engaging in the unauthorized practice of law. The court restricted the bankruptcy preparation model employed by WTP FSC USA and the fee that could be charged for these services. The case is currently being briefed for appeal.

In re Butterworth, (04-1449-M) Eastern District of Oklahoma, Commenced September 9, 2004. This case, along with approximately 12 other cases, were initiated by a panel trustee and have been stayed pending the outcome of the May case discussed directly below. The unfair and deceptive acts alleged are the distributing of materials found to be false and misleading.

May v. WTPUSA, (04-01228-M) Eastern District of Oklahoma, Commenced November 9, 2004. The unfair and deceptive acts alleged are the distributing of materials found to be false and misleading. WTP FSC USA has denied the allegations and is currently negotiating a settlement with the U.S. Trustee.

In re Langford, In re Lowery, (B-04-87012 and B-04-12447, Middle District of North Carolina, Commenced November 9, 2004. These cases allege unfair and deceptive acts consisting of distributing materials found to be false and misleading and the charging of a fee alleged to be excessive. Trial in these matters has been concluded and the parties are presented their post-trial briefs in August.

North Carolina State Bar v. Leapfrog Enterprises, Inc., et. al. (Case No. 01CVS 0813). This case, filed August 25, 2003 in the General Court of Justice Superior Court Division of Wake County, North Carolina, against local franchisees of We The People, added We The People USA, Inc. as a party in July 2005. The original complaint was for the unauthorized practice of law seeking injunctive relief and related damages. Mediation was held August 24, 2004 with an agreement on certain principles and to draft a final agreement consistent with those principles. The settlement process is ongoing.

DeAngelis v. Vearling, et. al, U.S. Bankruptcy Court for the District of Delaware, (Adversary No. 03-58721), November 17, 2003. This case alleges unfair and deceptive practices consisting of distributing documents, charging an excessive fee, and failing to identify all who participated in the document preparation process. WTP FSC USA has denied the allegations. This case is currently in the pre-trial stage.

In re Moore, 290 BR 287 (Bankr. E.D.N.C. 2002) was an order to show cause filed on September 30, 2002. On March 20, 2003, the bankruptcy court issued an order that enjoined WTP FSC USA from touting and offering the services of a supervising attorney and from providing certain pamphlets to customers in connection with the preparation of bankruptcy petitions. The bankruptcy court certified the case to the United States District Court for the Eastern District of North Carolina on March 20, 2003. WTP FSC USA filed an appeal on March 27, 2003 and the 9th Circuit is expected to provide a decision soon.

In re: Gaftick, United States Bankruptcy Court, Eastern District of New York (Case No. 104-20061) March 17, 2005. The debtor and trustee brought a motion for disgorgement under Chapter 7 for injunctive relief, disgorgement and certification of 11 U.S.C. § 110 violations to the District Court. The primary fact contention in this case is that the Company's staff were orally advising consumers on which exemptions to select, as well as providing other legal advice. It also contended Section 110 violations regarding advertising deception (i.e., that the price in our ads did not indicate that there were additional costs for copying and filing fees). Adjustments were made to our ads to indicate this distinction. This case is currently pending a post-trial briefing.

Martini v. We the People Forms and Service Centers USA, Inc., et. al., United States Bankruptcy Court, District of Connecticut (Case No. 04-33852 (LMW)) May 4, 2005. Application for temporary restraining order and permanent injunction. Similar to the Gaftick case above, this action alleges oral advice being given by the store as well as general allegations of Section 110 violations of deceptive business practices. The Company has agreed to a preliminary stipulated injunction pending resolution of the case in mediation. In September 2005, an interim settlement was reached and the parties are in the process of finalizing the terms for a final stipulation.

United States Trustee v. We the People Forms and Service Centers USA, Inc., now known as IDLD Inc., et. al., United States Bankruptcy Court for the District of Oregon (Case No. 04-65875 (AER7), Adversary No. 05-067-AER) April 6, 2005. This matter includes allegations of oral legal advice by We the People staff as well as general violations of Section 110 in the form of deceptive business conduct through the offering of the services

of the supervising attorney (based on the fact that the supervising attorney could only answer general questions and not specific legal questions). Complaint seeking to enjoin the Company from engaging in conduct in violation of 11 U.S.C. § 110 and for related relief. The Company has recently filed an answer.

The following cases involve or involved allegations other than unfair and deceptive conduct in violation of §110 of the U.S. Bankruptcy Act:

State of Tennessee v. We The People USA et. al., Davidson County Chancery Court, (Case No. 04-727-IV), March 15, 2004. Plaintiff alleges violation of the unauthorized practice of law statute and consumer protection statutes. WTP FSC USA denies the allegations and the case is in settlement negotiations.

Manus v. We The People Forms and Services of Crystal Lake, Inc. et. al., (Case No. 01 CH 187). This case, filed March 15, 2001 in the Circuit Court of the Nineteenth Judicial Circuit of McHenry County, Illinois, by a customer of the local We The People franchise and the Illinois State Bar association for the unauthorized practice of law and related damages. The defendant subsequently filed a counterclaim against the Illinois State Bar for defamation and damages. The defendant has denied the allegations and the matter is in the pre-trial phase.

Eisen v. We The People Forms and Service Centers USA, Inc. (Adversary Nos. 05-227, 05-228, 05-229, 05-2230, 05-5233) U.S. Bankruptcy Court for the Eastern District of Michigan filed May 18, 2005. WTP Forms and Service Centers, USA, Inc. was added as a party in August 2005, replacing an employee as a defendant and has denied the allegations.

Sally Attia et. al. v. Dollar Financial Corp.; We The People USA, Inc., US District Court, Southern District of New York, (ECF Case 05 Civ. 7133 KMW). On August 11, 2005, Sally S. Attia and two other attorneys, purporting to sue on behalf of a nationwide class of all U.S. bankruptcy attorneys, commenced an antitrust action against us in the United States District Court for the Southern District of New York. They allege that we and IDLD, Inc. have unlawfully restrained competition in the market for bankruptcy services through our advertising and other practices, and they seek class-action status, damages in an indeterminate amount (including punitive and treble damages under the Sherman and Clayton Acts) and other relief. On August 12, 2005, the court denied plaintiffs' request for expedited or ex parte injunctive relief. Our motion to dismiss this action is presently scheduled to be submitted on October 7, 2005.

Concluded Litigation

Dry Ink Corporation v. Troy N. Thompson, et. al., Santa Barbara Superior Court (Case No. 0166267). In December 1999, Dry Ink Corporation ("Dry Ink") purchased the We The People franchise in Marina del Rey, California from Troy and Christine Thompson. On December 3, 2001, Dry Ink filed this action against the Thompsons, WTP FSC USA and Ira Distenfield seeking damages and rescission for alleged violation of the franchise investment law; fraud, concealment and failure of consideration; violation of the unfair business practices act; and violation of the Cartwright Act. The case was dismissed without prejudice on November 8, 2002.

Sandra L. Gomez and Sonya Gomez v. We The People Forms and Service Centers USA, Inc. et. al., Santa Barbara Superior Court (Case No. 1041197). On March 26, 2001, Sandra L. Gomez and Sonya Gomez ("Gomez"), a customer of We The People, filed this action seeking damages for alleged breach of contract, constructive fraud and deceit (contract),

negligence, constructive fraud (tort), and legal malpractice. The case was submitted to mediation. On December 20, 2001 the parties reached a settlement agreement under which various insurance carriers of WTP FSC USA paid approximately $125,000 to Gomez and the entire case was dismissed with prejudice.

Nash et. al. v. We The People Forms and Service Centers USA, Inc., Ira Distenfield, Linda Distenfield, Santa Barbara Superior Court (Case No. 1038274). On January 22, 2001, franchisee Nash et. al. ("Nash") filed this action against WTP FSC USA and the Distenfields seeking damages and rescission for the alleged failure to comply with applicable state and federal franchise laws, and for fraud, concealment and failure of consideration. WTP FSC USA filed a counterclaim against Nash for breach of contract. The case was submitted to mediation. On December 4, 2001 the parties reached a settlement agreement under which WTP FSC USA paid $99,900 to Nash and the entire case was dismissed with prejudice.

We The People Forms and Service Centers USA, Inc. v. Conway, Ventura County, California, Simi Valley Branch (Case No. SC028221). In November, 2000, WTP FSC USA filed an action against Conway seeking injunctive relief for unlawful and deceptive business practices for failure to assign telephone numbers after Conway abandoned her franchise. On January 18, 2001, WTP FSC USA obtained an injunction against Conway. The entire action was dismissed on February 14, 2001.

Gerald Reed, Beatrice Reed and We The People Forms and Service Centers of Santa Maria v. We The People Forms and Service Centers of California, Inc., Ira Distenfield, Linda Distenfield, Santa Maria Court for Santa Barbara County (Case No. 1005472). On December 8, 1999, Gerald Reed and Beatrice Reed and We The People Forms and Service Centers of Santa Maria (the "Reeds") filed an action against WTP California seeking damages and rescission for alleged unfair business practice, breach of contract, rescission based on fraudulent concealment, declaratory relief and slander. Shortly after filing, settlement negotiations began. On or about November 21, 2000, the parties entered into a settlement agreement under which WTP California made a payment to the Reeds in the amount of $60,000, the parties exchanged mutual releases and the entire action was dismissed with prejudice. There was no admission of liability or wrong doing by WTP California as part of the settlement. WTP California has denied and continues to deny all of the allegations claimed in this action.

We The People Forms and Service Centers of California, Inc. and We The People Forms and Service Centers USA, Inc. v. Gerald Reed, Beatrice Reed and We The People Forms and Service Centers of Santa Maria, Santa Maria Court for Santa Barbara County (Case No. 1007485). On April 12, 2000, WTP FSC USA and WTP California filed this action for damages and injunctive relief for alleged breach of contract, breach of implied covenant of good faith and fair dealing, trademark infringement, tradename infringement, dilution, false advertising, unfair competition, and intentional interference with prospective advantage. On or about November 21, 2000, the parties entered into a settlement agreement under which WTP FSC USA made a payment to the Reeds in the amount of $60,000, the parties exchanged mutual releases and the entire action was dismissed with prejudice.

Lawrence Christy v. We The People Forms and Service Centers USA, Inc. et al., Superior Court of New Jersey, Camden County Law Division (Docket No. L-5809-01). On September 12, 2001, franchisee Lawrence Christy ("Christy") filed this action against WTP

FSC USA seeking damages for alleged violation of the New Jersey Consumer Fraud Act, intentional misrepresentation, breach of contract, and breach of the implied covenant of good faith and fair dealing. The parties entered into a Stipulated Settlement on January 4, 2004. Without admitting any liability, WTP FSC USA has undertaken a good faith effort to resell the franchised territory on behalf of the franchisee. WTP FSC USA has made a $50,000 down payment to the franchisee, which is fully refundable from the sales proceeds.

Unauthorized Practice of Law Committee v. Alight, Inc., et. al., (Case No. 03-10279), District Court of the 44th Judicial District of Dallas County, Texas, November 10, 2003. Plaintiff alleges the unauthorized practice of law by WTP FSC USA. The case was settled by Consent Decree in June 2004 requiring procedures of operation for the We The People model in Texas.

Judith Conway v. We The People Forms and Service Centers USA, Inc. et. al., Santa Barbara Superior Court (Case No. 01042809). On May 21, 2001, Judith Conway ("Conway") filed this action against WTP FSC USA and the Distenfields seeking damages and rescission for alleged violation of the franchise investment law; fraud, concealment and failure of consideration; violation of the unfair business practices act; and violation of the Cartwright Act. The damages sought by Conway in this action exceed $89,500. The case was dismissed, as a result of arbitration, in January 2005.

Thompson v. We The People, Adversary No. A03-90089-DMD, The debtor sought damages against the local franchise and WTP FSC USA for allegedly engaging in unfair business practices. The U.S. Bankruptcy Court for the District of Alaska on October 22, 2004 dismissed the damages portion of the complaint, but found that WTP had committed certain technical violations of Section 110, for which the court fined WTP $2,000 and imposed a $2,000 statutory penalty.

In re Paysour, (Civil No.04-12132) Commenced April 20, 2004 regarding impropriety of bankruptcy preparation services. Settled by stipulation and fine.

United States of America vs. We The People Forms and Service Centers, USA, Inc., US District Court, Central District of California, Case No. CV-04-10075(GHK) The Federal Trade Commission filed a complaint against WTP FSC USA to secure civil penalties, a permanent injunction, and other equitable relief for violation of the FTC Franchise Rule. WTP FSC USA denied liability for any of the violations alleged in the complaint, the parties agreed to settlement of the action without adjudication of any issue of law or fact, and a Stipulated Judgment and Order for Permanent Injunction was entered on December 17, 2004. Under the terms of the stipulation, WTP FSC USA is permanently enjoined from violating any provision of the FTC Act or the FTC Franchise Rule, and judgment in the amount of $286,000 was entered against WTP FSC USA as a civil penalty.

Mary Fulton, et al., v. Habbo G. Fokkena, United States Trustee, United States District Court for the District of Colorado, Case No. 04-AP-29. This is the consolidation of two bankruptcy cases, In re March, Case No. 02-27221-SBB, filed against a We The People franchisee on February 5, 2003, and In re Kimball, Case No. 02-22875, filed against a We The People franchisee on January 9, 2003. A previous decision in the case has been vacated on appeal and the trustees refilled the case (04-MK-29) on June 4, 2004. WTP FSC USA has denied the allegations.

McVay v. We the People Forms and Service Centers USA, Inc., et. al., United States District Court for the District of Colorado (Case No. 04-MK-30 (CBS)) April 26, 2005. This

case primarily involved challenges to the Company's business model and, in particular, the use of our overview materials and the use of our supervising attorney to answer consumer questions. The trustees' allegations were that this constituted deceptive business practices under Section 110 of the bankruptcy law. The Company agreed to a stipulated final judgment which adjusted the Company's business model to remove the materials and supervising attorney while still allowing the sale and/or distribution of governmental and "commercially published" materials.

Motley v Clippard, U.S. Bankruptcy Court for the Eastern District of Tennessee, (Civil No. 3:05-CV-33 and 3:05-CV-41-51). The matter was re-assigned in April and the Company is no longer a party to the action.

In the Matter of We The People USA, Inc. March 24, 2006 The Company entered into a Consent Order with the Minnesota Commissioner of Commerce, which ordered the Company to cease and desist from offering or selling in the State of Minnesota any franchise until registration in compliance with Chapter 80C of the Minnesota Statutes (2004) (or a qualified exemption) has been achieved. The Company has never offered or sold a We The People USA, Inc. franchise in Minnesota however, the Minnesota Commissioner of Commerce has characterized a sale of a license, by the previous owner of the We The People trademarks and We The People franchise system, as an unregistered franchise. The Company was ordered to offer rescission to the owner of this license.

Other than these 33 actions, no litigation is required to be disclosed in this Offering Circular.

ITEM 4. BANKRUPTCY

No person identified as an officer, predecessor, owner, partner in Items 1 or 2 of this offering circular has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this Item.

ITEM 5. INITIAL FRANCHISE FEE

You must pay an initial franchise fee of $89,500 to us when you sign the Franchise Agreement. If (i) you fail to commence business within 120 days after signing the Franchise Agreement; (ii) you fail to complete the initial training program; or (iii) we fail to agree on a site for your Center within 90 days after signing the Franchise Agreement, we may terminate the Franchise Agreement effective immediately. Upon this termination, we will retain $10,000 of your initial franchise fee as compensation for services rendered to the time of termination and return the balance to you upon your surrender of workbooks and other materials we have provided you. The complete initial franchisee fee will also be refunded in the event the legal document preparation business is determined to be illegal in your state. There are no refunds of the initial franchise fees paid to us for any other reasons. Accordingly, we recommend that you become a Notary Public before signing the Franchise Agreement, as the Franchise Agreement requires you to become a Notary Public before opening your Center (a process which can take up to 90 days to complete). If you wish, you may review the Manuals at our home office or one of our regional offices before signing the Franchise Agreement. However, if you review the Manuals before signing a Franchise Agreement, you agree to sign our form of Confidentiality Agreement (attached hereto as Exhibit "J").

ITEM 6. OTHER FEES

Name of Fee	Amount	Due Date	Remarks (Note 1)
Processing Fee	(i) 25% of the purchase price received by you for each legal document prepared by the Company for your customers, but no less than 25% of the suggested list price for these items plus (ii) 25% of the Gross Revenues (Note 2) received by you arising from, attributable to, or in any way derived from the operation of your Center (other than Gross revenues received for document preparation in (i) above)	10th day of each month for the preceding month.	The Company will provide you with suggested list prices for you to use as a guide to determine what you should charge your customers for preparation of legal documents, but the Company shall not require that you sell your products or services at any specified minimum prices.
Supervising attorney fee	$200 per month (Note 3)	10th day of each month	The supervising attorney appointed by the Company consults on legal issues that may be presented by you and your customers.
Advertising Cooperatives	Between 4% and 6% of your Gross Revenues (Note 4)	10th day of each month	The Company may establish cooperatives in franchisee's area at the Company's discretion, but has not done so yet. In this event, franchisee is required to participate in the cooperative (Note 4).

Name of Fee	Amount	Due Date	Remarks (Note 1)
Promotional Fund	Between 2% and 4% of your Gross Revenues (Note 4)	10th day of each month	The Company may establish a cooperative advertising program, but has not done so yet (Note 4).
Independent Advertising	Greater of $2,000 or 8% of your Gross Revenues per month	As agreed with third parties	Payable to third parties, not to the Company.
Renewal Fees	$2,500	Upon signing of then-current franchise agreement	Your renewal franchise agreement may provide for increased fees. Amount subject to increase per CPI increase.
Transfer	$7,500	Before sale or transfer of your franchise	Amount subject to increase per CPI increase.
Extra Consulting Fee (Note 5)	$250 per day plus expenses	Upon invoice	
Insurance	Costs and premium	As incurred, upon demand	If you fail to obtain or maintain insurance coverage, and we do so on your behalf, you must reimburse us.
Audit	Costs of audit	Upon invoice	Payable if audit shows an understatement of Processing Fees or other fees paid to the Company of 2% or more of the total Processing Fees or other fees due in any 12-month period (including the date when the underpayment occurred)
Indemnity	Will vary under circumstances	If incurred, on demand	You must indemnify and reimburse us for our costs and any judgment if we are sued for claims relating to the operation of your franchised business.
Late payment	Interest at a rate of 6% per year or the maximum rate as may be permitted by applicable law	Upon invoice	Payable if any fees paid to the Company are more than 10 days past due

Notes:

1. Except as specifically noted otherwise, all fees described above in Item 6 are payable to the Company and are not refundable for any reason.

2. As used herein, "Gross Revenues" shall mean any and all income, cash, credits, property or other consideration of any kind or nature, received directly or indirectly, by you or your affiliates, arising from, attributable to, or in any way derived from the operation of your Center, including without limitation from the sale of books and other legal document preparation products or from the provision of legal document preparation services by you.

3. The current supervisory fee is $200 per month payable to the Company. The Company reserves the right to increase the supervisory fee periodically upon written notice to you to reflect increased costs in legal support services.

4. The Company does not currently collect promotional fund payments, but anticipates the creation of a national, promotional fund in large metropolitan areas where the costs of media may be prohibitive for individual franchisees (See Item 11 and §4.4 of the Franchise Agreement). If created, the amount of payments to the promotional fund will not exceed 4% of your Gross Revenues. Overall, your monthly advertising expenditures will not exceed the greater of $2,000 or 8% of your Gross Revenues, taking into account local, regional (Cooperative) and promotional advertising requirements. Contributions to the promotional fund will be counted towards the required minimum level of advertising.

5. In its sole discretion, the Company will provide limited consultation on operations, promotional, marketing and advertising techniques, and customer relations. Additionally, upon your request, field representatives will be available for on-site consultation and assistance on a fee basis by appointment only. The Company's current fee for this assistance is $250 per day plus expenses, which include, travel expenses, lodging, computer research time, and telephone use charges. The Company reserves the right to change its fee structure upon written notice to you.

ITEM 7. INITIAL INVESTMENT

Expenditure	Amount	Method of Payment	When Due	To Whom Paid
Initial franchise fee	$89,500 (Note 1)	Lump sum	Signing of agreement	Company
Travel and living expenses while training	$1,000 to $5,000 (Note 2)	Lump sum	During training	Airlines, hotels, restaurants
Real estate (Note 3)	$2,500 to $10,000	As incurred	Before opening	Contractor or Lessor
Furniture and Fixtures (Note 4)	$5,000 to $10,000	Lump sum or monthly payments	Before opening	Vendors
Equipment (Note 5)	$4,000 to $6,000	Lump sum or monthly payments	Before opening	Vendors
Interior Signs	$300 to $500	Lump Sum	Before Opening	Vendors

Expenditure	Amount	Method of Payment	When Due	To Whom Paid
Exterior Signs (Note 6)	$900 to $3,500 plus local permit fees	Lump sum	Before opening	Approved Vendors
Start-up inventory and supplies	$1,000 to $2,500	Lump sum	Before opening	Vendors
Rent, Security and Utility Deposits (Note 7)	$7,200 to $24,000	Lump sum	Before opening	Landlord
Insurance (Note 8)	$300 to $1,000	Lump sum or monthly payments	Before opening	Insurance providers
Legal, Accounting and Other Expenses (Note 9)	$500 to $2,500	Lump sum	Before opening or as incurred	Attorney, CPA
Advertising- 3 months	$6,000	Lump sum or monthly payments	As incurred	Advertising vendors
Additional funds – 3 months	$5,000 to $10,000	As incurred	As incurred	Employees, suppliers, utilities
Total (Note 10)	$123,200 to $169,500			

Notes:

1. See Item 5 for conditions of a partial refund.

2. You must pay all of your personal expenses incurred during the initial training, including your travel, meals, lodging and other expenses. This estimate is based upon training for two individuals. These expenses are within your control and may vary depending upon your hotel and transportation accommodations.

3. Your Center will typically be located in a retail shopping area, and the size of the Center will be approximately 1,000 square feet. Costs of leasehold improvements, which may include floor coverings, wall treatments, counters, ceilings, painting, window coverings, plumbing, electrical, carpentry, and related work and contractor fees, will vary significantly depending on the condition and location of the Center, the demand for the Center among prospective lessees, and any construction or other allowances granted by the landlord after negotiations. These improvement costs also include construction permit fees and, as appropriate, government imposed impact and other fees. You will need to check with local contractors and government agencies to establish the actual rates for these services in your community and at your specific location.

4. You must pay for the cost of installation, freight and taxes for the furniture, fixtures and equipment for your Center. The low end of the range assumes that your Center will be between approximately 900 and 1,100 square feet. The high end of the range assumes that your Center will exceed 1,100 square feet.

5. This item includes certain costs for required computers, software, facsimile machines, and copy machines for your Center. The low end of the range assumes that you will locate and purchase some used equipment. The high end of the range assumes that all new equipment is purchased.

6. The property in which your Center is located will have, in all probability, restrictions on the size, design and types of signs that may be used to advertise your Center. You must comply with these restrictions and any local ordinances. The low figure is a realistic estimate of the cost you will incur, and the high figure represents the cost of the most elaborate signs likely to be installed at your Center.

7. The amount of rent for your Center and the security deposit (usually one month's rent) will depend on the location, condition, and demand for the location among prospective lessees, and your financial and creditworthiness as determined by your landlord. The range we provided assumes that you will pay one month's rent as a security deposit. The high figure also assumes that you must make other utility deposits for electric, gas and water service.

8. You must maintain the types and amounts of insurance coverage disclosed in the Confidential Operating Manual. Insurance coverage is normally expected to include general commercial liability, automobile and workers' compensation insurance.

9. You must secure local business licenses and permits, and register your use of an assumed business name (fictitious name) for your Center. Your fictitious name must first be approved by the Company. You are strictly prohibited from using the name We The People Centers or any variation of it as or as part of the name of your business entity. The figures include an estimate of your cost for attorneys' fees and expenses related to helping secure the necessary licenses and permits for your Center and for certified public accountant's fees and expenses related to setting up accounting and payroll procedures. The figures do not include local municipality fees.

10. The Company relied on its officers' judgment and its years of experience in the legal document preparation business in preparing these estimates. The actual costs of a We The People franchise will vary based upon factors such as location, size, local economic conditions, competition and demographics. Except as disclosed in Item 5, all amounts are non-refundable.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Sale of legal documents by you must be done in strict compliance with our restrictions. You must first deliver a document workbook and purchase order to the Company for each legal document that you would like us to prepare on behalf of your customers. We will prepare the legal documents for your Center for the Processing Fee disclosed in Item 6. You are not permitted to produce any legal documents yourself, nor are you authorized to have any legal documents prepared by any other source. You may not make alterations to any documents we prepare. The Company derives revenue from the required purchase of workbook/forms processing in an amount equal to the Processing Fee discussed in Item 6.

For the period beginning March 7, 2005 and ending June 30, 2005, the Company earned $3,055,000 in processing revenues.

Upon our approval of the site for your Center, you must construct and install the tenant improvements, trade fixtures, and interior décor in accordance with design specifications established by the Company. The estimated cost of improvements and fixtures purchased in accordance with specifications represents from 6% to 11% of your total initial investment. This estimated cost is an establishment cost only. The Processing Fee discussed in Item 6 and the amounts paid to the Company to purchase Company books, if any, are the only operating costs you will incur as a required purchase. See Item 6 for a more detailed cost description.

You must purchase all of your Center's stationery, letterhead, envelopes, business cards, window signs, and brochures utilizing the standard colors, logos and type styles of the Company. The purchase of these items is not a material cost in establishing or operating your business. There are no purchasing or distribution cooperatives.

You must purchase all products, supplies and materials from suppliers who meet or adequately demonstrate the ability to comply with the Company's specifications and standards. The Company issues standards and specifications regarding products and services to you through the Operating Manual. The Company does not provide you with its criteria for supplier approval. The Company will approve independent suppliers only if their products meet the reasonable quality standards and specifications established by the Company. You must submit a sample of the product to the Company for review. The Company does not presently charge any fee for its review but reserves the right to do so in the future. Any fee charged by the Company to review independent suppliers shall be based upon the actual cost incurred by the Company in reviewing and approving the potential independent supplier. Within 30 days of the Company's receipt of the sample and specifications, the Company will respond to you in writing of its approval or disapproval of your use of the product.

You will not be required to purchase your computer hardware or any nonproprietary software programs from us or from any specific designee on the approved list of suppliers (See Item 11(H) below). The Company does not currently utilize a POS system, but if in the future the Company institutes a POS system for use by franchisees, you will be required to purchase and license the POS system, including all software used in the system. The Company negotiates purchase arrangements with suppliers, including price terms, for the benefit of its franchisees. The Company does not provide material benefits (for example renewal or granting additional franchises) to you based on your use of our designated or approved sources.

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 OFFERING CIRCULAR.

	Obligation	Franchise Agreement	Offering Circular
a	Site selection and acquisition/lease	§§2.1, 3.1	Item 11
b	Pre-opening purchases/leases	§§3.1, 3.2, 3.8.6, 3.18	Items 8 & 11
c	Site development and other pre-opening requirements	§§3.2, 3.5	Items 7 & 11
d	Initial and ongoing training	§2.4	Item 11
e	Opening	§3.5	Item 11
f	Fees	Article 4	Items 5, 6, & 7
g	Compliance with standards and policies – Operating Manual	§§2.3, 3.9	Item 11
h	Trademarks and proprietary information	§§1.1, 3.8, 3.16	Items 13, 14
i	Restrictions on products/services offered	§§1.1, 3.10	Item 16
j	Warranty and customer service requirements	None	
k	Territorial development and sales quotas	None	
l	Ongoing product/service purchases	§§3.10, 3.11, 3.26	Items 8 & 16
m	Maintenance, appearance and remodeling requirements	§§3.4, 3.15	Item 11
n	Insurance	§3.18	Items 6 & 7
o	Advertising	§§3.13,4.4	Items 6, 7, & 11
p	Indemnification	§3.22	Item 6
q	Owner's participation/management/	§3.3	Item 15
r	Records and reports	§3.14	
s	Inspections and audits	§§3.14	Item 6
t	Transfer	Article 5	Items 6 & 17
u	Renewal	§1.3	Item 17
v	Post-termination obligations	§6.2	Item 17
w	Non-competition covenants	§3.17	Item 17
x	Dispute resolution	§7.2	Item 17
y	Exclusive Territory	§1.2	Item 12
z	Regional and Annual Meetings	§§2.9 & 2.10	Item 11

ITEM 10. FINANCING

Although the Company has not done so to date, from time to time, the Company may offer financing for the purchase of its franchise. All financing, if offered, will be provided at commercially reasonable terms which will depend upon prevailing market interest rates in effect at the time of financing. If the Company offers financing, it will do so subject to

terms and conditions substantially similar to those found in the Company's form of Promissory Note (attached hereto as Exhibit "K").

ITEM 11. FRANCHISOR'S OBLIGATIONS

Except as listed below, the Company need not provide any assistance to you.

The Company's obligations before opening:

1. Designate or assist in identification and selection of an Exclusive Territory for your Center (See §1.2 and Schedule "A" of the Franchise Agreement).

2. Assist you in selecting a site and approve the site. Your Center will typically be located in a retail shopping area, and the size of the Center will be approximately 1,000 square feet. Within 90 days after signing the Franchise Agreement, you must locate and secure a site for your Center. To obtain approval for the site by the Company, you must give the Company written notice of the proposed location. Within 30 days of the Company's receipt of the proposed site location, the Company will respond to you in writing with its approval or disapproval of the proposed site (See §2.1 of the Franchise Agreement). Generally, you will open your business within 120 days after signing the Franchise Agreement. If the parties, in good faith, fail to agree on a site within 90 days, we may terminate the Franchise Agreement and retain $10,000 of your initial franchise fee.

3. The Company will provide you with a limited review of the proposed lease for your Center to confirm that it complies with the terms disclosed in the Franchise Agreement (See §2.2 of the Franchise Agreement). Our approval of a lease for the site does not constitute an assurance that your rights and interests are adequately protected. You should have your attorney review and evaluate the lease.

4. The Company will lend you a copy of the We The People Confidential Operating Manual and a copy of the We The People Confidential Compliance Manual to use during the term of the franchise (See §2.3 of the Franchise Agreement). You may wish to review the Manuals at the Company's headquarters or at any of our regional offices before you purchase the franchise.

5. The Company will conduct an initial training program in the management and operation of your Center (See §2.4 of the Franchise Agreement). The Company will provide the initial training at no cost to you, but, as noted below, you will be responsible for all travel, lodging, meals and personal expenses during training. You or the majority partner or owner must attend and successfully complete the training program to the satisfaction of the Company before the opening of your store. Subsequent to the opening of your store, should you, your manager or partner desire to attend the initial training program, the Company reserves the right to charge for this training. As of June 30, 2005, the Company's charge for this training program is $500.

The four-day initial training program currently takes place in Santa Barbara, California, or in our headquarters in Berwyn, Pennsylvania, but is subject to change at the Company's discretion. The program consists of both classroom training and on-site training in one of our We The People stores. Classroom training will cover the following topics:

Subject	Materials	Classroom Hours	Instructor
Company History and Initiatives and Legal Self-Help Movement	Operating Manual	1 hour	Training Department; Company Officer
Compliance and Role of the Supervising Attorney	Compliance Manual	2 hours	Training Department; General Counsel; Supervising Attorney
Legal System	Operations Manual	2 hours	Training Department
Site Selection and Office Setup	Operations Manual, handouts	2 hours	Training Department
Customer and Community Relations	Operations Manual, handouts	2 hours	Training Department

The training will be completed approximately 90 days after you sign the Franchise Agreement. The Company provides you, at no cost, all of the necessary training materials. The Company does not charge you for the initial training, but you must pay all of your own travel, lodging, meals and personal expenses during training. The training is administered by the Training Department, which consists of:

- Debra Mulville, Director of Training, has 15 years Training and Development experience, and has worked with Dollar Financial Corp. for 8 years as Director of Training and Project Consultant. Ms. Mulville began her training and development career with Caesar's Hotel and Casino in Atlantic City as a Recruiter. As their Training Coordinator, she designed, developed and executed their New Hire, Customer Service, Management and Leadership Development Programs.
- Jennifer Lyons, Training Manager, has worked with the Company and its predecessor for 6 years as Director of Human Resources; Project Consultant and former Director of Processing. Ms. Lyons has an extensive legal background as a Certified Paralegal in Family Law, Estate Planning and Business Litigation and has also owned/operated three We The People franchises.

In addition to the Training Department, the following individuals may also be presenters:

- Jason Searns, General Counsel, has worked with the Company and its predecessor for 7 years. He was formerly the Supervising Attorney for the State of Colorado. Mr. Searns practiced law in Denver, Colorado in private practice as a sole

practitioner. Since 1991, Mr. Searns has taught in the M.B.A. program at Webster University in Denver, Colorado.

- Hayley Salvo, Assistant Director of Processing, has worked with the Company and its predecessor for 4 years. Ms. Salvo graduated from U.C.S.B. with a BS degree in Law and Society.

6. The Company, at your expense, will promptly place an opening order for letterhead, envelopes, business cards, window signs, and brochures utilizing the standard colors, logos and type styles of the Company. At no cost to you, a representative of the Company will assist you in the opening of the Center (this assistance to be provided on-site) and in establishing procedures essential to the operation of a We The People Center (See §2.5 of the Franchise Agreement).

The Company's obligations during the operation of your Center:

1. The Company will produce all legal documents that are utilized in the operation of your Center (See §2.6 of the Franchise Agreement) at its Company-operated processing centers. These centers are located on properties leased from third parties and are not owned by the Company. Document preparation time typically takes 2 to 7 days, but may take up to 14 days depending on the complexity of the document.

2. The Company will designate a supervising attorney who will be available for consultation on legal issues that may be presented by you and your customers (See §2.7 of the Franchise Agreement). Per §2.7 of the Franchise Agreement, the supervising attorneys will be available to you during normal business hours.

In its sole discretion, the Company may provide limited consultation on operations, promotional, marketing and advertising techniques, and customer relations. Additionally, upon your request, field representatives will be available for on-site consultation and assistance on a fee basis by appointment only. The Company's current fee for assistance is $250 per day plus expenses, which includes travel expenses, lodging, computer research time, and telephone use charges. The Company reserves the right to change its fee structure upon written notice to you (See §2.8 of the Franchise Agreement).

The Company may conduct regional meetings on a periodic basis to discuss changes in local court rules and other topics that are relevant to the operation of the franchised business. The Company estimates that it will not have more than three regional meetings in any calendar year and that a regional meeting will last for one day. Regional meetings will be held at locations selected by the Company to accommodate franchisees in the same geographic area. You must attend all scheduled regional meetings. There will be no registration fee or other charge for the regional meetings, but you must pay all related travel, food, lodging and other personal expenses you incur (See §2.9 of the Franchise Agreement).

The Company may conduct an annual national meeting for all We The People franchisees. The Company estimates that the annual meeting will last for two to three days. Annual meetings will be held at a location selected by the Company, which may not be in your state. You must attend all annual meetings. There will be no registration fee or

other charge for the annual meeting, but you must pay all related travel, food, lodging and other personal expenses you incur (See §2.10 of the Franchise Agreement).

The Company and its agents have the right to enter and inspect your premises, the right to observe the manner in which you are rendering services, and the right to confer with your employees, customers and business associates (See §3.14 of the Franchise Agreement).

You must conduct advertising, sales and promotional materials at your own cost. You must maintain a bold type listing in the telephone yellow pages directories that serve your Exclusive Territory. You must use the advertising, sales and promotional material found in the Company's Confidential Operating Manual. The Company must approve in writing all independently produced materials before you use them, including any broadcast advertising and promotions. To obtain approval, you must submit a complete copy of the proposed advertising to the Company for review. You may use ad copy that has been approved by the Company without obtaining subsequent approval if you do not make any substantive changes to the ad copy (See §3.13 of the Franchise Agreement).

The Company may provide advertising and promotional services through a separate promotional fund that some franchisees may be required to participate in based on their geographic location. This promotional fund has not yet been established, but the Company reserves the right to establish it in the future. The promotional fund will be administered by the Company or an advertising agency selected by the Company. The Company may establish a franchisee advisory committee to provide suggestions regarding use of the promotional fund. The amount of the contribution will be determined by the Company and will not be less than 2% or more than 4% of your Gross Revenue. The Company will account annually to the franchisees for all promotional fund contributions (See §4.4 of the Franchise Agreement).

The Company reserves the right to require cooperatives to be formed, changed, dissolved or merged.

Generally, you will open your business within 120 days after signing the Franchise Agreement. Factors which may affect the time to open your business include finding a satisfactory location, negotiating a lease, obtaining financing or building permits, zoning and local ordinances, weather conditions, shortages, and delayed delivery or installation of equipment, fixtures and signs.

You must have a basic office computer with at least 512MB of memory, a 160GB hard drive, 56K modem, CD ROM and 3½" floppy disk drive. You must install, maintain and use computer software programs to maintain data and business records for your Center. We recommend Quickbooks as your accounting program and Adobe Acrobat Reader as your document image reader. We do not require you to use any specific brand of hardware. You must maintain at all times the ability to receive and transmit communications from and to the Company over the internet, using DSL (or cable modem technology, if available). We currently do not require that we have independent access to the information and data in your computer systems. We reserve the right to uniformly require all franchisees to install and maintain certain hardware and software, including software that will interface with our computer system over the internet which, after having been fully tested and approved for use by all franchisees, will be listed in the Confidential Operating Manual as a mandatory requirement for all franchisees. We do not currently utilize a POS system, but

if in the future we institute a POS system for use by franchisees, you will be required to purchase and license the POS system, including all software used in the system.

To ensure full operational efficiency and communication capability between our computers and yours, you must at all times, at your own expense, keep your computer system in good repair and must purchase certain annual maintenance and service contracts from the manufacturer of the hardware or the licensor of the software. You must upgrade/update your software programs, as needed. We estimate that the annual cost of the maintenance and upgrades/updates is approximately $150 per year. You will not be required to purchase your computer system or any non-proprietary software programs from us or from any specific designee.

ITEM 12. TERRITORY

Except as otherwise provided, you will be granted an exclusive geographic territory, defined by zip codes or other geographic boundaries as determined by the Company in its sole discretion after giving consideration to relevant demographic information including population density and average household income (the "Exclusive Territory"). The Company obtains this demographic information from the most recently published data from the United States Census Bureau or other government agencies. The actual geographic boundaries of the Exclusive Territory will be set forth on an exhibit to be signed by both you and the Company and attached to the Franchise Agreement. There is no "minimum" Exclusive Territory granted by the Company. The size of the Exclusive Territory will depend on the factors listed at the beginning of this paragraph. If you are not in default under the Franchise Agreement, the Company will not grant any other person a franchise to open a We The People Center within your Exclusive Territory, nor will the Company open a We The People Center within your Exclusive Territory.

Your Exclusive Territory does not include sales via the internet. The Company reserves the right to sell and to allow its designees to sell We The People services via the internet.

If the Company sells a We The People service to a customer via the internet and that customer resides outside the Exclusive Territory of any We The People franchisee, the Company will retain 100% of the Net Profit from the sale. If the Company sells a We The People service to a customer completely via the internet with no assistance, consultation or involvement by a We The People franchisee, and that customer resides in the Exclusive Territory of that franchisee, the Company will pay that franchisee 15% of the Net Profit from the sale. If the Company sells a We The People service to a customer via the internet with some assistance, consultation or involvement by a We the People franchisee, and that customer resides in the Exclusive Territory of that franchisee, the Company will pay that franchisee 25% of the Net Profit from the sale. "Net Profit" means the purchase price received by the Company for the legal document prepared less the applicable Processing Fee charged by the Company therefor.

You may not operate a website using any of the Company's names or trademarks or advertising the services of your franchised business without the Company's prior written approval. You must comply with all applicable rules and regulations related to electronic communications, including without limitation e-mail and telephone communications, via the Internet or any other communications network in the course of operating your franchised business.

You have the right to operate your business from one location within your Exclusive Territory that is approved by the Company. You cannot move your business without the written consent of the Company. Except as set forth below, the Company will not operate or grant franchises for similar or competitive businesses within your Exclusive Territory using the We The People trademarks. You cannot advertise or solicit orders within another franchisee's or company-owned exclusive territory. The Company retains the right to do business through alternative marketing plans or systems under its trademarks and to operate any business which does not utilize the Company's trademarks. The Company further retains the right to sell tangible products bearing the Marks through non-franchised, unaffiliated entities.

You do not receive the right to acquire additional franchises within your Exclusive Territory or contiguous territories.

There are no minimum sales quotas. Except as may occur upon renewal or transfer of your franchise agreement, the Company does not have the right to modify your Exclusive Territory.

ITEM 13. TRADEMARKS

You have the right and obligation to operate your business under the name We The People Center. You may also use the Company's other trademarks in the operation of your business. The Company has registered the following trademark with the U.S. Patent and Trademark Office ("PTO"):

Mark	Registration Number	Registration Date	Register
We The People, plus design	2,075,797	July 1, 1997	Principal

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

Except as described below, there are no agreements that limit the rights of the Company to use or license its trademarks. You must follow our rules when you use the marks, including use on all printed materials in the manner and in the form prescribed by us. All uses of the We the People name and its trademarks must be in form and substance approved by the Company in writing. You cannot use any mark as part of your corporate or legal business name or with modifying words, designs or symbols (except for those we license to you). You cannot use any other trademark in combination with the Company name or any of its trademarks without the prior express written approval of the Company. You cannot use any mark in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing.

There are currently two legal document preparation businesses operating under the We The People name in Bakersfield, California and Seattle, Washington which are not We The People franchisees. This is because, as described in Item 1, our predecessor WTP California did not purchase the rights to use the We The People concept, logo, trademark, and other materials in the areas of Bakersfield, California and Seattle, Washington.

Except as described above, there are currently no superior rights or infringing uses actually known to the Company that could materially affect your use of the Company's trademark in the United States.

You must notify us immediately if you learn about an infringement of or challenge to your use of our trademark. We will take the action we think appropriate. We are not required to pursue any infringement actions and our failure to do so gives you no rights under the Franchise Agreement. We are not required to defend you against a claim relating to your use of our trademark, nor will we reimburse you for your liability and reasonable costs incurred by you in connection with defending the use of our trademark. To receive reimbursement you must have notified us immediately when you learned about the infringement or challenge, and you must have us approve your anticipated costs before they are incurred by you.

You must, at your sole cost, modify or discontinue the use of a trademark if we modify or discontinue it. You must not directly or indirectly contest our right to our trademarks, trade secrets or business techniques that are part of our business.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The Company does not own any patents that are material to the franchised business.

The Company owns the following copyright registrations:

Title	Registration Number	Registration Date
We the People Bringing Justice to All	SRu470349	March 25, 2002
Bankruptcy Over Chapter 7 and Chapter 13 California	TXu1032580	March 12, 2002
Maryland Operations Manual	TXu1007742	July 9, 2001
We the People: Property Transfer Procedures After Death	TXu950520	May 11, 2000

The Company has not filed an application for a copyright registration for the Confidential Operating Manual, but the Company claims ownership of, and all copyrights for, all manuals, all books concerning various legal topics prepared by the Company and provided to the Company's customers, and other written materials originating from the Company. We assert a proprietary interest and right in and to our Confidential Manuals, books provided to customers and all other materials provided by us to you for use with your Center. You must take all steps that are necessary to protect the proprietary information from publication, communication or other unauthorized disclosure. You cannot disclose any of the proprietary information, use it in any way, or assist any other person to use it either during the term of your franchise or anytime following it. The Confidential Manuals remain the sole property of the Company. You must promptly return the Confidential Manuals to the Company upon the expiration, non-renewal, surrender or termination of your franchise.

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

You are not required to participate personally in the day-to-day operation of the franchised business. If you will not participate personally in the operation of the franchised business, then you must designate a manager who will devote his/her full time and best efforts to the day-to-day operations of the franchised business. You and the manager must satisfactorily complete the initial training program before you open the franchised business.

The Company imposes no limitation as to who will manage your We The People Center, except that this manager must comply with all applicable laws (which may require that the manager obtain all requisite operating/business licenses).

You must ensure that your manager(s) comply fully with all applicable terms of the Franchise Agreement including maintaining all trade secrets, not competing with your Center, and safeguarding all We The People documents, manuals, and other proprietary information provided to you by us.

If you are a business entity, your owners must personally guarantee your obligations under the Franchise Agreement and agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You can only sell legal documents that are prepared by the Company. You cannot produce any legal documents yourself, nor can you have any legal documents prepared by any other source, without the prior written consent of the Company. You may not make alterations to any documents we prepare (See Item 8 above). Per §3.10 of the Franchise Agreement, you must offer all of the approved documents and books offered by the Company.

Except as disclosed above, you must purchase all other products, supplies and materials from suppliers who meet or adequately demonstrate the capacity or ability to comply with the Company's specifications and standards (See Item 8 above).

The Company has the right to add or delete authorized goods and services that you are required to offer, in our unrestricted discretion.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

	Provision	Agreement	Summary
a	Term of the franchise	§1.3.1	10 years
b	Renewal or extension of the term	§1.3.2	You may renew the franchise for two successive five-year periods.
c	Requirements for you to renew or extend	§1.3.4	Sign then-current form of the Company's franchise agreement, 180 days notice, repair or replacement of equipment, payment of renewal fee, sign general release; the Company has the right to modify the Exclusive Territory.

	Provision	Agreement	Summary
d	Termination by you	None	
e	Termination by the Company without cause	None	
f	Termination by the Company with cause	§6.1	The Company can terminate your franchise if you default.
g	"Cause" defined – defaults which can be cured	§6.1.1	You have 10 business days in which to cure a default that can be cured.
h	"Cause" defined – defaults which cannot be cured.	§§6.1.2, 6.1.3	See §§6.1.2(a)-(q), 6.1.3(a)-(c)
i	Your obligations on termination/non-renewal	§6.2	Obligations include payment of all amounts due and a complete change in identity of Center.
j	Assignment of the contract by the Company	§5.1	The Company cannot transfer its obligations under the franchise unless the Company first determines, in its sole judgment, that the transferee shall perform the Company's obligations disclosed in the Franchise Agreement following the transfer.
k	"Transfer" by you – definition	§5.2	Includes transfer of assets and change in ownership.
l	The Company's approval of transfer by you	§5.2	The Company must approve all transfers, but cannot unreasonably withhold its consent.
m	Conditions for Company approval of transfer	§5.2	New franchisee qualify, complete training, sign then-current form of the Company's franchise agreement, repair premises, you sign the Company's form of release, pay the transfer fee; the Company has the right to modify the Exclusive Territory.
n	The Company's right of first refusal to acquire your business.	§5.4	The Company can match any offer that you receive.
o	The Company's option to purchase your business	None	
p	Your death or disability	§5.3	Franchise must be transferred to a qualified successor within 6 months.

	Provision	Agreement	Summary
q	Non-competition covenants during the term of the franchise	§3.17	No interest in a competing business.
r	Non-competition covenants after the franchise is terminated or expires	§3.17	No interest in a competing business for 2 years within your Exclusive Territory or within 25 miles of the location of any other franchise or company-owned location.
s	Modification of the agreement	§7.19	Requires consent of you and the Company. The Company may amend the operating manual.
t	Integration/merger clause	§7.19	The written franchise agreement is the only binding agreement between you and the Company.
u	Dispute resolution by arbitration	§7.2	Most disputes must be resolved by arbitration in Pennsylvania.
v	Choice of forum	§7.3	Pennsylvania, unless otherwise required by another state's law. Please refer to Exhibit "B" to this Offering Circular for State Specific Disclosure and Schedule "B" to the Franchise Agreement for State Specific Amendments to your Franchise Agreement.
w	Choice of law	§7.1	Pennsylvania, unless otherwise required by another state's law. Please refer to Exhibit "B" to this Offering Circular for State Specific Disclosure and Schedule "B" to the Franchise Agreement for State Specific Amendments to your Franchise Agreement.

These states have statutes which may supersede the Franchise Agreement in your relationship with the Company including the areas of termination and renewal of your franchise: Ark. Code Ann. § 4-72-201 (Michie); Cal. Corp. code §§ 31000 - 31516 (West) Cal. Bus. & Prof. Code §§ 20000 - 20043 (West); Conn. Gen. Stat. § 42-133e; Del. Code Ann. Tit. 6 § 2552; Haw. Rev. Stat. § 482E-1 - 482E-12; Ill. Rev. Stat. Ch. 815 para. 705/1 - 705/44; Ind. Code §§ 1 - 51; Ind. Code Ann. § 23-2-2.7 (West); Iowa Code § 523H.1 - 523H.17; Md. Code Ann., Bus. Reg. §§ 14-201 - 14-233; Mich. Comp. Laws §§ 445.1501 -445.1545; Minn. Stat. §§ 80C.01 - 80C.22; Minn. Stat. §§ 80C.01 - 80C.14; Miss. Code Ann. § 75-24-51; Mo. Ann. Stat. § 407.400 (Vernon); Neb. Rev. Stat. § 87-401; N.J. Stat. Ann. § 56:10-1 (West); N.Y. Gen. Bus. Law §§ 680 - 695; N.D. Cent. Code § 51-19-01; Or. Rev. Stat. §§ 650.005 - 650.085; R.I. Gen. Laws §§ 19-28.1-1 - 19-28.1-34; S.D. Codified Laws Ann. §§ 37-5A-1 - 37-5A-87; Tex. Rev. Civ. Stat. Ann. Art. 16.01; Va. Code Ann. §§ 13.1-557 -13.1-574; Wa. Rev. Code §§ 19.100.010 - 19.100.940; Wis. Stat. §§ 553.01 - 553.78; Wis. Stat. §§ 135.01 -135.07. These and other states may have court decisions which may supersede the franchise agreement in your relationship with the Company including the areas of termination and renewal of your franchise, choice of forum and choice of law. The provisions of the Franchise Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et. seq.). Please refer to Exhibit "B" to this Offering Circular for State Specific Disclosure and Schedule "B" to the Franchise Agreement for State Specific Amendments to your Franchise Agreement.

ITEM 18. PUBLIC FIGURES

The Company does not currently use any public figures to promote its franchise.

ITEM 19. EARNINGS CLAIMS

The Company does not furnish or authorize its salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of a We The People Center. Actual results vary from unit to unit and the Company cannot estimate the results of any particular franchise.

ITEM 20. LIST OF OUTLETS

Status of Company Owned Businesses

June 30, 2005/2004/2003/2002*

State	At fiscal year end 2005	At fiscal year end 2004*	At fiscal year end 2003*	At fiscal year end 2002*
California	0	0	4	4
Illinois	0	0	0	0
Minnesota	0	0	1	1
New York	3	0	0	0
Totals	**3**	**0**	**5**	**5**

* Fiscal year ends of the Company's Predecessor, which ended as of December 31 of each calendar year.

Franchise Status Summary

June 30, 2005/ 2004*/2003*/2002*

State	Transfers	Canceled or Terminated	Not Renewed	Reacquired by We The People	Left the System Other	Total from Left Columns*	Operating At Year End
Alaska							1/1/1/0
Arizona		0/0/0/0		0/0/0/0		0/0/0/0	5/5/5/4
California	2/0/0/0						68/62/57/54
Colorado							9/9/7/4
Connecticut							4/4/2/2
Florida	0/1/0/0						6/6/6/6
Georgia				0/1/0/0			2/2/2/1
Hawaii							1/1/1/1
Idaho							2/2/2/1
Illinois				0/1/0/0			4/4/4/4
Indiana							1/0/0/0
Kansas							3/3/3/0
Kentucky							1/1/1/0
Maryland		0/0/1/0			0/2/0/0	0/0/1/0	2/2/4/5
Michigan							2/2/1/0
Minnesota							1/1/1/1**
Missouri							1/1/1/1
Mississippi					1/0/0/0		0/1/0/0
Nebraska							2/1/1/1
New Jersey		0/0/0/2			0/1/0/0	0/0/0/2	2/2/3/3
New York							34/33/19/2
New Mexico							1/0/0/0
Nevada		0/0/1/0				0/0/1/0	3/3/2/3
North Carolina				0/1/0/0			2/2/2/2
Ohio							1/1/1/0
Oklahoma							1/1/0/0
Oregon							3/3/1/0
Pennsylvania							3/3/3/1
Rhode Island							1/1/0/0
Tennessee				0/2/0/0			2/2/2/0
Texas				0/2/0/0			4/2/2/1
Virginia							0/0/0/0
Wisconsin							1/0/0/0
Totals	2/1/0/0	0/0/2/2	0/0/0/0	0/7/0/0	1/2/0/0	3/10/2/2	173/162/125/98

* Fiscal year ends of the company's predecessor, which ended as of December 31 of each calendar year.

** This represents a license agreement between WTP FSC USA and WTP-Minnesota, Inc.

1. The numbers in the "Total" column may exceed the number of stores affected because several events may have affected the same store. For example, the same store may have had multiple owners.

2. Most of the stores listed in the Reacquired by We The People column are also listed in the Transfer column because they were resold.

3. See Exhibit "G" of this Offering Circular for a list of franchisees as of June 30, 2005.

Projected Openings As of June 30, 2005

State	Franchise Signed But Business Not Open	Franchises in Next Fiscal Year	Company Openings in Next Fiscal Year
Alabama	0	0	0
Arkansas	0	0	0
Arizona	0	2	2
California	7	12	6
Connecticut	0	1	2
Florida	0	8	1
Georgia	0	2	0
Hawaii	0	1	1
Illinois	0	2	0
Indiana	1	2	0
Iowa	1	1	0
Louisiana	1	0	0
Massachusetts	1	0	0
Michigan	0	4	0
Minnesota	0	0	0
Mississippi	0	0	0
Nebraska	0	0	0
New Jersey	1	4	1
New York	0	6	26
North Carolina	0	0	0
Oregon	0	0	0
Pennsylvania	1	6	2
South Carolina	0	0	0
Tennessee	0	0	0
Texas	3	8	0
Utah	1	3	0
Virginia	0	0	0
Washington	1	2	0
Wisconsin	0	1	0
Totals	**19**	**65**	**41**

The name and last known home address and telephone number of every franchisee whose franchise has, within the most recently completed fiscal year, been terminated, canceled, or not renewed, or who has, during the same time period, otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement, or who has not

communicated with the Company within 10 weeks of the application date is disclosed in Exhibit "H" of this Offering Circular.

ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit "C" is an internally prepared Balance Sheet of Company as of June 30, 2005 (which is unaudited and not prepared in accordance with GAAP), together with the audited financial statements of DFG, which absolutely and unconditionally guarantees to assume the Company's duties and obligations under the Franchise Agreement, for the fiscal year ended June 30, 2005 and June 30, 2004. The audited financial statements of DFG were reported on by DFG's independent certified public accountants. Also included are the interim financial statements of Dollar Financial Corp. for the period ending December 31, 2005.

ITEM 22. CONTRACTS

Attached are copies of all of the agreements for use regarding the offering of this franchise:

Exhibit "A"	Franchise Agreement
Schedule "A"	Exclusive Territory
Schedule "B"	Telephone Number Transfer Agreement
Schedule "C"	Principal Owners' Statement
Schedule "D"	Principal Owners' Guaranty
Schedule "E"	State Specific Amendments to Franchise Agreement
Schedule "F"	General Release
Exhibit "J"	Form of Confidentiality Agreement
Exhibit "K"	Form of Promissory Note

ITEM 23. RECEIPT

Two copies of an Acknowledgment of your receipt of this Offering Circular appear as Exhibit "M." Thank you for printing your full name in the appropriate spaces and for signing and dating both copies. Please return the one marked "Franchisor's Copy" to us and retain the one marked "Franchisee's Copy" for your records.

EXHIBIT "A"

WE THE PEOPLE USA, INC.

FRANCHISE AGREEMENT IN A FORM FOR EXECUTION

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SCHEDULES:

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Schedule "B" Telephone Number Transfer Agreement
Schedule "C" Principal Owners' Statement
Schedule "D" Principal Owners' Guaranty
Schedule "E" Form of General Release
Schedule "F" State Specific Amendments to Franchise Agreement

WE THE PEOPLE USA, INC.

FRANCHISE AGREEMENT

This Franchise Agreement (the "Agreement") is made by and between We The People USA, Inc., a Delaware corporation (the "Company"), whose address is 1436 Lancaster Ave., Suite 300, Berwyn, Pennsylvania 19312, and _____, whose address is set forth on the signature page hereof ("Franchisee").

RECITALS

A. The Company owns proprietary knowhow and trade secrets relating to the establishment, marketing, promotion, and operation of businesses that provide legal document preparation services (a "We The People Center").

B. The Company has expended time, effort, and money to develop and protect business plans, procedures, training programs, marketing identity and unique marketing methods (collectively, the "System") in connection with the operation of We The People Centers.

C. The Company has rights to the name, distinctive logo, and identifying commercial symbol and design "We The People" and any additional trademarks, trade names, service marks, and other commercial symbols the Company may develop for use by its franchisees (collectively, the "Marks").

D. The Company maintains high standards of quality for its products and services such that valuable goodwill is attached to the Marks.

E. Franchisee desires to obtain the right to own and operate a We The People Center franchise on the terms and conditions set forth herein.

In consideration of the foregoing and the promises contained herein, the parties agree as follows:

1. FRANCHISE AND TERM

1.1 Grant of Franchise.

The Company grants to Franchisee the right to use the Marks and the System of the Company to provide legal document preparation services (the "Franchised Business") to the public from a single storefront location ("Franchisee's Center") on the terms and conditions set forth in this Agreement. Franchisee cannot use the *We The People* name, the Marks or the System in any other business, or in connection with any Web Site (as described in Section 3.8.4) or offer any products or services that are not included within the Franchised Business, without the prior written consent of the Company.

1.2 Exclusive Territory.

Except as otherwise provided herein, Franchisee will be granted an exclusive, geographic territory defined by zip codes or other geographic boundaries as determined by the Company in its sole discretion after giving consideration to relevant demographic information including population density and average household income (the "Exclusive Territory"). The actual geographic boundaries of the Exclusive Territory will be set forth on Schedule "A" to this Agreement to be executed by both the Company and Franchisee. So

long as Franchisee is not in default under this Agreement, the Company will not grant any other person a franchise to open a We The People Center within the Exclusive Territory, nor will the Company open a We The People Center within the Exclusive Territory.

Franchisee cannot advertise or solicit orders within another franchisee's or Company-owned Exclusive Territory. The Company retains the right to do business through alternative marketing plans or systems under the Marks and to operate any business which does not utilize the Marks. The Company further retains to right to sell tangible products bearing the Marks through non-franchised, unaffiliated entities. Franchisee does not receive the right to acquire additional franchises within Franchisee's Exclusive Territory or contiguous territories.

If the Company sells a We The People service to a customer via the internet and that customer resides outside the Exclusive Territory of any We The People franchisee, the Company will retain 100% of the Net Profit (as defined below) from the sale. If the Company sells a We The People service to a customer completely via the internet with no assistance, consultation or involvement by a We The People franchisee, and that customer resides in the Exclusive Territory of such franchisee, the Company will pay that franchisee 15% of the Net Profit from the sale. If the Company sells a We The People service to a customer via the internet with some assistance, consultation or involvement by a We the People franchisee, and that customer resides in the Exclusive Territory of such franchisee, the Company will pay that franchisee 25% of the Net Profit from the sale.

As used herein, "Net Profit" shall mean the purchase price received by the Company for the legal document prepared less the applicable Processing Fee (as defined below) charged by the Company therefor.

1.3 Term.

1.3.1 Initial Term. This Agreement is effective and binding for an initial term of ten years commencing on the date of its execution by the Company, unless sooner terminated as provided herein.

1.3.2 Renewal Term. If Franchisee is not in default under this Agreement, Franchisee may renew the franchise for two successive five year terms on the same terms and conditions on which the Company is then customarily granting new franchises; or, if the Company is not granting any new franchises, then on the same terms and conditions on which the Company is then customarily granting renewal franchises, provided, however, that Franchisee shall comply with all of the provisions set forth in Section 1.3.4.

1.3.3 Refusal to Renew. Notwithstanding the foregoing provisions, the Company is not obligated to renew the franchise if:

(a) Franchisee has repeatedly failed to make payments or reports within ten business days of the date on which they are actually due; or

(b) Franchisee has repeatedly been in default of this Agreement; or

(c) Franchisee has failed to operate its We The People Center in compliance with the Confidential Manuals (as set forth in Section 2.3); or

(d) The Franchisee has failed or refused to take remedial actions recommended by the Company to improve Franchisee's business operations.

1.3.4 Conditions to Renewal. Prior to and as a condition to renewal of this Agreement, Franchisee shall perform all of the following obligations:

(a) Franchisee must give the Company written notice of its intent to renew the franchise not more than 180 calendar days nor less than 90 calendar days prior to the expiration of the preceding term.

(b) Franchisee shall repair or replace, at Franchisee's cost and expense, equipment (including electronic cash register, computer hardware or software systems or Web-enabled video camera), signs, interior and exterior decor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Franchised Business as the Company may reasonably require and shall obtain, at Franchisee's cost and expense, any new or additional equipment, fixtures, supplies and other products and materials that may be reasonably required by the Company for Franchisee to offer and sell new items or services from Franchisee's Center or to provide the services of the Franchised Business by alternative means and shall otherwise modernize the Center premises, equipment (including electronic cash register, computer hardware or software systems or Web-enabled video camera), signs, interior and exterior decor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Center, as reasonably required by the Company to reflect the then-current standards and image of the System as contained in the Confidential Operating Manual (as defined below) or otherwise provided in writing by the Company.

(c) Franchisee, and the majority partner(s), member(s) or shareholder(s) of Franchisee, if Franchisee is a partnership, a limited liability company or a corporation, and the Franchisee's designated manager, if applicable, shall execute a general release of any and all claims against the Company and its affiliates, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement or under federal, state or local laws, rules, regulations or orders.

(d) Franchisee shall execute the Company's then-current form of renewal franchise agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, higher percentage Processing Fees, advertising contributions or expenditure requirements, and/or smaller Exclusive Territory.

(e) Franchisee shall pay the Company the renewal fee set forth in Section 4.6.

(f) Franchisee, and the majority partner(s), member(s) or shareholder(s) of Franchisee, if Franchisee is a partnership, a limited liability company or a corporation, and the Franchisee's designated manager, if applicable, shall execute the Company's then-current form of Principal Owner's Guaranty (attached hereto as Schedule "D").

1.4 Location of Franchisee's Center.

The location of Franchisee's Center must be within the Exclusive Territory. Franchisee cannot relocate Franchisee's Center or operate at any location other than the Site without the prior written consent of the Company.

2. OBLIGATIONS OF THE COMPANY

2.1 Site Selection.

The Company will provide guidance to Franchisee in the selection of a site for Franchisee's Center within the Exclusive Territory. Final site selection for Franchisee's Center will be subject to the approval of the Company. Within 30 days of the Company's receipt of the proposed site location, the Company will respond to Franchisee in writing of its approval or disapproval of the proposed site (following approval, the "Site"). Franchisee specifically acknowledges that site approval by the Company is not to be interpreted as a guarantee of success or profitability of the We The People Center that is to be operated at the Site.

2.2 Lease Review.

Franchisee must submit a copy of the proposed lease for Franchisee's Center for the Company to review. Franchisee acknowledges that the Company's review of the lease does not constitute an assurance that the rights and interests of the Franchisee are adequately protected. Section 3.1 below sets forth certain provisions that must be included in the lease for Franchisee's Center.

2.3 Confidential Manuals.

The Company will lend Franchisee a copy of the We The People Confidential Operating Manual and any state specific addenda in connection therewith (the "Confidential Operating Manual"), and a copy of the We The People Confidential Compliance Manual and any state specific addenda in connection therewith (the "Confidential Compliance Manual" and together with the Confidential Operating Manual, the "Confidential Manuals"), as each of the foregoing may be supplemented from time to time by the Company in its sole discretion to use during the term of this Agreement. The Company may from time to time revise the contents of the Confidential Operating Manual to convey to Franchisee advancements and new developments in sales, marketing, operational techniques, and other items and procedures relevant to the operation of the Franchised Business, and the Company may from time to time revise the contents of the Confidential Compliance Manual to update Franchisee's legal compliance requirements. The Company may send new pages or a completely revised Confidential Manual to Franchisee, at no cost to Franchisee.

2.4 Training.

The Company will conduct a training program in the management and operation of the Franchised Business. The training program will consist of approximately 49 hours of classroom and on-the-job instruction at the Company's business offices or other location that the Company may select for the benefit of Franchisee. Franchisee, if Franchisee is an individual, or the majority partner(s), member(s) or shareholder(s) of Franchisee, if Franchisee is a partnership, a limited liability company or a corporation, and the Franchisee's designated manager, if applicable, must attend and successfully complete the training program to the satisfaction of the Company prior to the opening of the Franchised

Business. Two people may attend the initial training program without charge. The Company will provide Franchisee with the necessary training materials. Franchisee must pay all travel, food, lodging, and other expenses incurred by Franchisee and its employees in connection with attendance at the training program.

If Franchisee fails to complete the training program to the satisfaction of the Company, then the Company may terminate this Agreement effective immediately. Upon termination, the Company will retain $10,000 of the Initial Franchise Fee (as defined in Section 4.1) as compensation for services rendered to the time of termination and will promptly refund the balance of the Initial Franchise Fee to Franchisee.

2.5 Center Opening.

The Company, at the expense of the Franchisee, will promptly place an opening order for letterhead, envelopes, business cards, window signs, and brochures utilizing the standard colors, logos and type styles of the Company. A representative of the Company will advise and assist Franchisee in the opening of Franchisee's Center and in establishing procedures essential to the operation of a We The People Center.

2.6 Document Preparation.

The Company will produce all legal documents that are utilized by the Franchisee in the operation of the Franchised Business. The Company has had all document templates reviewed and approved by an attorney licensed in the state in which Franchisee's Center is located and agrees that the documents will comply with applicable state law so long as the information provided by the customer and Franchisee is accurate.

2.7 Supervising Attorney.

The Company will designate a supervising attorney who will be available during reasonable business hours for consultation on legal issues that may be presented by We The People customers and franchisees. Although the Company will designate a supervising attorney licensed in Franchisee's particular state, Franchisee acknowledges and agrees that the Company is not responsible for advice given by the supervising attorney.

2.8 Advisory Services.

The Company may provide, as and to the extent required and reasonable in the Company's judgment, limited consultation on operations, promotional, marketing and advertising techniques, and customer relations.

Upon Franchisee's request, field representatives will be available for on-site consultation and assistance on a fee basis by appointment only. The Company's current fee for such assistance is $250 per day plus expenses, including travel expenses, lodging, computer research time, and telephone use charges. The Company reserves the right to change its fee structure from time to time upon written notice to its franchisees.

2.9 Regional Meetings.

The Company may conduct regional meetings on a periodic basis to discuss changes and developments in the We The People System and other topics that are relevant to the operation of the Franchised Business. Franchisee must attend all scheduled regional meetings. There will be no registration fee or other charge for the regional meetings, but Franchisee must pay all travel, food, lodging and other expenses incurred in connection with attendance.

2.10 Annual Meetings.

The Company may conduct an annual national meeting for all We The People franchisees. Franchisee must attend all annual meetings. There will be no registration fee or other charge for the annual meeting, but Franchisee must pay all travel, food, lodging and other expenses incurred in connection with attendance.

2.11 Suggested Prices.

The Company will provide Franchisee from time to time with suggested prices for the preparation of legal documents. Notwithstanding the foregoing, the Company shall not require the Franchisee to sell its products or services at any specified minimum prices.

2.12 Computation.

The Company will give Franchisee 30 days' written notice of any change in the manner in which Processing Fees are computed.

3. OBLIGATIONS OF FRANCHISEE

3.1 Lease.

Franchisee must secure a site for Franchisee's Center within the Exclusive Territory. Franchisee must execute a lease or otherwise secure premises for the operation of Franchisee's Center within 90 days after execution of this Agreement by the Company. If (i) the Company and Franchisee fail to agree on a site within 90 days, or (ii) Franchisee does not open for business within 120 days of the date of this Agreement, the Company may terminate this Agreement effective immediately. Upon such termination, the Company will retain $10,000 of the Initial Franchise Fee as compensation for services rendered to the time of termination. In the event of such termination, Company will promptly refund the balance of the Initial Franchise Fee to Franchisee following Franchisee's return of the Workbooks and any other Proprietary Information furnished by Company.

Any lease entered into by Franchisee must provide the following:

(a) That landlord will give the Company written notice of any act or omission which would result in a breach or default of the lease by Franchisee and that the Company will have the option, but not the obligation, to cure the breach or default;

(b) That upon any breach or default of the lease by Franchisee, or upon termination or expiration of this Agreement, the Company will have the right, but not the obligation, to assume Franchisee's position as tenant under the lease and to assume liability for all rent and other charges payable to the landlord that accrue under the lease after the date of assumption;

(c) A lease term which is at least equal to the initial term of this Agreement;

(d) An acknowledgement by landlord that the Company is not the tenant and that the Company is not responsible for tenant's obligations under the lease.

Franchisee acknowledges that the Company has advised Franchisee to have an attorney review and evaluate the lease.

The Company may purchase or lease the Site and then lease the Site to Franchisee at its fair market rental value.

3.2 Tenant Improvements.

Upon approval of the lease for Franchisee's Center, Franchisee must commence construction and installation of the tenant improvements, trade fixtures, and interior décor in accordance with design specifications set forth in the Confidential Operating Manual. Franchisee must have its retained professionals (architects and contractors) secure the necessary building permits for its interior design plans and must ensure their compliance with applicable laws, ordinances, building codes and permit requirements as well as with Franchisee's lease requirements and restrictions. Franchisee will not make any changes to the layout or design without the prior written consent of the Company. Franchisee must submit a copy of the drawings for any proposed change to the layout or design to the Company for review.

Franchisee must promptly obtain a telephone number and a separate facsimile number for Franchisee's Center. Franchisee must give the Company written notice of the numbers when they are issued by the telephone company. Upon termination of this Agreement, Franchisee, at the option of the Company, shall assign to the Company all rights to the telephone numbers of Franchisee's Center and any related Yellow Pages trademark listing or other business listings and execute the Telephone Number Transfer Agreement form attached hereto as Schedule "B" and all other forms and documents required by the Company and any telephone company at any time to transfer such service and numbers to the Company. Further, Franchisee shall assign to the Company all Internet listings, domain names, Internet Accounts, advertising on the Internet or World Wide Web, websites, listings with search engines, e-mail addresses or any other similar listing or usage related to the Franchised Business. Franchisee hereby appoints the Company its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, e-mail addresses or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

3.3 Owner Participation.

Franchisee is not required to participate personally in the day-to-day operation of Franchisee's Center. If Franchisee will not participate personally in the operation of Franchisee's Center, then Franchisee must designate a manager who must devote his/her full time and best efforts to the day-to-day operations of Franchisee's Center. Franchisee and the designated manager must both attend and successfully complete the initial training program to the satisfaction of the Company. Franchisee must ensure that its manager(s) comply fully with all applicable terms of this Agreement, including maintaining all trade secrets, not competing with Franchisee's Center, and safeguarding all We The People documents, manuals, and other proprietary information provided to Franchisee by the Company.

3.4 Employees.

Franchisee must hire and train all employees who are necessary for the operation of Franchisee's Center. Franchisee will be solely responsible for the terms of employment, including compensation, benefits, training and supervision.

3.5 Opening of Business.

Franchisee must commence business operations upon completion of the tenant improvements and the issuance of a certificate of occupancy for Franchisee's Center. Thereafter, Franchisee must continually operate the Franchised Business at Franchisee's Center as a full-time business enterprise.

3.6 Business Hours.

Franchisee must keep Franchisee's Center open for business during the hours specified in the Confidential Operating Manual unless otherwise authorized in writing by the Company.

3.7 Apparel.

Franchisee and its employees must wear professional business apparel as described in the Confidential Operating Manual.

3.8 Name and Marks.

All uses of the We The People name and Marks must be in form and substance approved by the Company in writing. In addition, Franchisee shall comply with the following requirements in connection with the We The People name and Marks:

3.8.1 Use of Name.

Franchisee must conduct Franchisee's Center only under the We The People name and Marks and in strict compliance with this Agreement and the Confidential Manuals. Franchisee agrees to not to use any other trademark in combination with the We The People name or any Mark without the prior express written approval of the Company.

3.8.2 Proprietary Rights. Franchisee acknowledges the Company's exclusive right, title and interest in the Marks, and will not take any action contesting or impairing the right, title or interest of the Company. Franchisee will not represent that Franchisee has any ownership rights in the Marks, and acknowledges that its use thereof will not create in its favor any right, title, or interest in or to the Marks. Franchisee must affix trademark notices and indication of registration when necessary or proper in accordance with applicable laws, and must add notices of any new trademarks or service marks owned by the Company during the term of this Agreement.

3.8.3 Display of Name. At all times during the term of this Agreement, Franchisee will use the Marks in all advertising, promotion, and communications involving the Franchised Business, including yellow pages listings, signs, banners, business cards, stationery, promotional and advertising materials, forms, contracts, and all other materials that identify the Franchised Business. All use of the We The People names and the Marks by Franchisee must clearly state that each We The People Center is independently owned and operated.

3.8.4 Internet Use. Franchisee may not operate a website using any of the Company's names or Marks or advertising the services of the Franchised Business without the Company's prior written approval. Franchisee shall comply with all applicable rules and regulations related to electronic communications, including without limitation e-mail and telephone communications, via the Internet or any other communications network in the course of operating the Franchised Business.

3.8.5 Franchisee's Name. Franchisee cannot use the We The People name or Marks as part of its corporate, partnership, limited liability company or other form of legal business name. Franchisee is authorized and required to adopt a fictitious trade name incorporating the words "We The People Center" in compliance with all fictitious name registration laws. Franchisee will, within 30 days after termination of this Agreement, amend its fictitious business name registrations to remove the words "We The People Center" and all marks and logos associated therewith from its business name.

3.8.6 Signs. Franchisee must install and maintain standard signs in accordance with the specifications established by the Company. The Company, at the sole expense of the Franchisee, may place an order for approved outdoor signs. Franchisee may not use any other signs, banners or visual displays in connection with Franchisee's Center without the prior written consent of the Company.

3.8.7 Protection of Marks. Franchisee must promptly notify the Company of any unauthorized use of the We The People name or Marks, or any colorable imitations of the Marks, by third parties. Franchisee must promptly notify the Company of any claim, demand or suit against Franchisee based on, or arising out of, Franchisee's use of the We The People name or Marks. Franchisee acknowledges that Franchisee has no authority to defend or prosecute any action relating to the We The People name or Marks, and that the Company, at its sole discretion, may elect to defend or prosecute any action relating to the Marks. If the Company undertakes the defense or prosecution of any litigation relating to the Marks, Franchisee will execute all documents and do all acts that may be necessary, at the determination of the Company's legal counsel, to carry out the litigation.

3.9 Confidential Manuals.

In order to protect the reputation and goodwill associated with the Marks, and to maintain the uniform standards of quality and operations thereunder, Franchisee must conduct its Franchised Business in strict accordance with the Confidential Manuals, which may be amended from time to time at the sole discretion of the Company. Franchisee acknowledges that it will be responsible for reviewing and understanding the contents of the Confidential Manuals and all amendments made thereto. Franchisee will insert any updated pages at the Confidential Manuals upon receipt from the Company, and will remove all superseded pages and return them to the Company within five business days.

3.10 Products and Services; Expenses.

Franchisee will at all times offer those products and services prescribed by the Company in the Confidential Operating Manual to be offered by franchisees, and Franchisee will not offer any products or services that are not specifically approved under this Agreement, in the Confidential Operating Manual, or otherwise in writing by the Company Operating Expenses. Franchisee will pay its own costs of doing business, including rent, telephone, utilities, insurance and other fixed and variable expenses as they become due.

3.11 Document Preparation.

Franchisee will instruct its customers to insert the required information into the appropriate workbook for the type of legal documents they are seeking. Franchisee must forward the completed workbooks, along with a purchase order, to the Document Preparation Center designated by the Company for Franchisee's use. The Company will return the completed legal documents to Franchisee's Center. The foregoing requirements

may be changed from time to time by the Company as a result of technological advancements in the submission and transmission of such information.

Franchisee acknowledges that the Company will produce all legal documents that are utilized by Franchisee in the operation of Franchisee's Center. Franchisee is not permitted to produce or create any legal documents itself, nor is Franchisee authorized to have any legal documents prepared by any other source. Franchisee may not make alterations to any documents the Company prepares. The Company does not assume responsibility for documents altered by Franchisee or for incorrect or inadequate information provided by Franchisee's customers.

3.12 Unauthorized Practice of Law is Prohibited.

The unauthorized and unlicensed practice of law is illegal and is strictly forbidden by this Agreement. Franchisee cannot advertise or otherwise hold itself out to the public as practicing, or being entitled to practice, law. Franchisee acknowledges that it shall be required to comply with all rules, statutes and regulations pertaining to the legal document preparation business applicable in the jurisdiction in which Franchisee conducts the Franchised Business. Such particular rules, statutes and regulations of individual states shall be listed in Franchisee's Confidential Compliance Manual.

Franchisee cannot offer legal advice to its customers. Franchisee must refer all legal questions that are presented by its customers to the supervising attorney who is designated by the Company.

3.13 Independent Advertising.

Franchisee must maintain a bold type listing in the telephone yellow pages directories that serve Franchisee's Exclusive Territory. Franchisee, at its own expense, must also conduct other advertising and promotional activities as reasonably required to enhance public awareness, the goodwill and the image of the Franchised Business. Franchisee must spend the greater of (a) $2,000 and (b) eight percent (8%) of Franchisee's Gross Revenues (as defined below) per month in advertising and promotional activities.

Franchisee cannot use any advertising, sales or promotional materials other than those in the Confidential Operating Manual, or conduct any broadcast advertising or promotion, without first obtaining the written approval of the Company. To obtain approval, Franchisee must submit a copy of the proposed advertising to the Company for review. Franchisee may use ad copy that has been approved by the Company without obtaining subsequent approval so long as Franchisee does not make any substantive changes to the ad copy.

3.14 Accounting Records and Reports; Inspections.

Franchisee must maintain during the term of this Agreement, and shall preserve for at least five (5) years from the date of their preparation, full and complete records of Franchisee's Center in accordance with generally accepted accounting principles and the standards and manuals provided by the Company. Franchisee will submit to the Company such information and accounting data as the Company may reasonably request, including income statements showing operations for each calendar month and calendar year to date. Franchisee acknowledges that the accounting standards and reporting requirements established by the Company may require a computer system and designated software.

The Company has the right during reasonable business hours to inspect and audit Franchisee's books, records, ledgers, journals, bank statements, sales tax reports, income tax returns, cash control systems and other business and accounting records pertaining to Franchisee's Center. If any audit shows that Franchisee has underpaid any Processing Fees, promotional fund contributions, or other amounts due to the Company, Franchisee must immediately make payment to the Company to correct the underpayment. If the underpayment exceeds 2% of the total Processing Fees, promotional fund contributions, or any other amounts due in any twelve-month period which includes the date when the underpayment occurred, Franchisee must also pay or reimburse the Company for the costs of conducting the audit. In addition, Franchisee will be obligated to pay any late charges due under Section 4.7 as a result of Franchisee's underpayment.

In addition, in order to preserve the validity and integrity of the Marks, and to assure that Franchisee is properly employing the We The People System in the operation of Franchisee's Center, the Company and its agents have the right to enter and inspect Franchisee's Center, the right to observe the manner in which Franchisee is rendering its services, and the right to confer with Franchisee's employees, customers and business associates.

3.15 Maintenance and Repair; Hardware/Software Requirements.

Franchisee must maintain the condition and appearance of Franchisee's Center in a manner consistent with the image of We The People Centers as specified in the Confidential Operating Manual. Franchisee will perform all maintenance that is reasonably required from time to time to maintain the condition, appearance and efficient operation of Franchisee's Center including replacement of worn-out or obsolete fixtures, equipment, signs, supplies and inventory, repair of the interior and exterior of the premises, and periodic cleaning and decorating. If at any time, in the Company's reasonable judgment, the general state of repair, appearance or cleanliness of Franchisee's Center does not meet the Company's standards, the Company will give Franchisee written notice specifying the action(s) to be taken by Franchisee to correct the deficiency, and Franchisee will initiate the required action immediately upon receipt of the notice.

Franchisee is required to install, maintain and use specified computer software programs to maintain data and business records for Franchisee's Center. Franchisee must at all times maintain the ability to receive and transmit communications from and to the Company over the internet. The Company reserves the right to uniformly require all franchisees to install and maintain certain hardware and software, including software that will interface with the Company's computer system over the internet which, after having been fully tested and approved for use by all franchisees, will be listed in the Confidential Operating Manual as a mandatory requirement for all franchisees. To ensure full operational efficiency and communication capability with the Company's computers, Franchisee must at all times, at Franchisee's own expense, keep its computer system in good repair and must purchase certain annual maintenance and service contracts from the manufacturer of the hardware or the licensor of the software. If in the future the Company institutes a POS System ("POS System") for use by franchisees, the Company may require that Franchisee purchase or license from the Company or designated suppliers and have installed all components of the POS System, including, without limitation, all software, which may change from time to time. Franchisee shall obtain and maintain an internet account that provides, direct web access and shall maintain a browser capable of accessing the Company's intranet website at all times.

3.16 Confidentiality.

Franchisee acknowledges that during the term of this Agreement, Franchisee, its principals and its employees will have access to, become acquainted with, and have disclosed to it by the Company confidential or proprietary information, programs, legal document forms, devices, methods, techniques and processes that are not generally known to the public pertaining to the promotion, marketing, operation and management of a legal document preparation service, including the System and the information contained in the Confidential Operating Manual (the "Proprietary Information"). Moreover, Franchisee acknowledges that since the Company's parent company is a public company, Franchisee's obligation under this Agreement to keep Proprietary Information confidential is even more pronounced. Therefore, at all times, both during the term of this Agreement and after its expiration or termination for any reason, Franchisee must take all steps necessary to preserve and protect the Proprietary Information from publication, communication or other unauthorized disclosure. Franchisee must not disclose any of the Proprietary Information, use it in any way, or assist any other person or entity in using it either during the term of this Agreement or at any time thereafter. The proprietary Confidential Manuals are the sole property of the Company and must promptly be returned upon the expiration, non-renewal, or other termination of this Agreement.

3.17 Competition.

3.17.1 In-Term Covenants. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable training, trade secrets and confidential information, including, without limitation, the Proprietary Information. Franchisee acknowledges that such specialized training, trade secrets and confidential information provide a competitive advantage and will be valuable to Franchisee in the development and operation of Franchisee's Center, and that gaining access to such specialized training, trade secrets and confidential information is, therefore, a primary reason why Franchisee is entering into this Agreement. In consideration for such specialized training, trade secrets, confidential information and rights, Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by the Company, Franchisee shall not, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person or entity:

(i) Divert, or attempt to divert, any business or customer of the franchised business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(ii) Own, maintain, operate, engage in, have any financial or beneficial interest in (including any interest in a legal entity), advise, assist or make loans to, any business located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which the Company has used, sought registration of or registered the Marks or any variations thereof or operates or licenses others to operate a business under the Marks or any variations thereof, which business is of a character and concept similar to the Franchised Business, including a business that provides legal document preparation services, and/or any other business in which the Company may engage in the future.

3.17.2 Post-Term Covenants. Franchisee acknowledges and agrees that the pursuit of the activities forbidden by this Section 3.17 would necessarily involve the use or disclosure of Proprietary Information in breach of Section 3.16. Therefore, in consideration for the specialized training, trade secrets, confidential information and rights described in Section 3.17.1, Franchisee covenants that for a continuous uninterrupted period commencing upon the expiration, termination of, or transfer of all of Franchisee's interest in, this Agreement and continuing for two years thereafter, except as otherwise approved in writing by the Company, Franchisee shall not, directly or indirectly, for itself, or through, on behalf of or in conjunction with any person or entity:

(i) Divert, or attempt to divert, any business or customer of the franchised business hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(ii) Employ, or seek to employ, any person who is at that time or was within the preceding ninety (90) days employed by the Company, any of its affiliates or by any other franchisee or developer of the Company, or otherwise directly or indirectly induce such person to leave that person's employment, except as may be approved in writing by the Company.

(iii) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in a legal entity), advise, assist or make loans to, any business that is of a character and concept similar to the Franchised Business, including a business that provides legal document preparation services and/or any other business in which the Company may engage in the future, which business is, or is intended to be, located within the Exclusive Territory or within a twenty-five (25) mile radius of the location of any franchisee or Company-owned center in existence or under construction at any given time during such period.

3.17.3 Public Company. Section 3.17.1(ii) and 3.17.2(iii) shall not apply to ownership of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation.

3.17.4 Reasonableness. The parties acknowledge and agree that each of the covenants contained in this Section are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company. The parties agree that each of these covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which the Company is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

3.17.5 Reduction of Scope. Franchisee understands and acknowledges that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section, or any portion thereof, without Franchisee's consent,

effective immediately upon notice to Franchisee; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding any provision in this Agreement to the contrary.

3.17.6 No Defense. Franchisee expressly agrees that the existence of any claims it may have against the Company, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by the Company of the covenants in this Section.

3.17.7 Injunctive Relief. Failure to comply with the requirements of Section 3.16 or this Section 3.17 shall constitute a material event of default under this Agreement. Franchisee and acknowledges that a violation of the terms of Section 3.16 or this Section 3.17 would result in irreparable injury to the Company for which no adequate remedy at law may be available, and Company accordingly may secure an injunction, without the need to post a bond, prohibiting any conduct by Franchisee in violation of the terms of Section 3.16 or this Section 3.17. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by the Company in connection with the enforcement of Section 3.16 or this Section 3.17, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of Section 3.16 or this Section 3.17.

3.17.8 Judicial Proceedings. If, in any judicial proceeding, a court refuses to enforce any of the covenants set forth in Section 3.16 or this Section 3.17, the unenforceable covenant will be amended to relate to such lesser period or geographical area that will be enforceable. Each of these covenants is a separate and independent covenant in each of the separate counties and states in the United States in which the Company transacts business. To the extent any covenant may be determined to be judicially unenforceable in any county or state, that covenant will not be affected with respect to any other county or state. If, in any judicial proceeding, a court refuses to enforce any of the covenants set forth in Section 3.16 or this Section 3.17, the unenforceable covenant will be amended to relate to such lesser period or geographical area that will be enforceable.

3.18 Insurance.

Franchisee must purchase and maintain comprehensive liability insurance with a combined single limit for bodily injury, death, or property damage in the amount set forth in the Confidential Operating Manual and must purchase and maintain All Risk coverage on the contents of Franchisee's Center in an amount not less than 80% of the replacement cost. All insurance policies must be issued by insurance companies of recognized responsibility and must be satisfactory to the Company in form, substance and coverage. Every insurance policy must contain a provision that the policy cannot be canceled without 30 days prior written notice to the Company.

All required insurance policies shall name the Company and its affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds, and shall include a waiver of subrogation in favor of the additional insureds. All such insurance policies shall provide that any interest of the additional insureds therein shall not be affected by any breach by the Company of any policy provisions. All public liability and property damage policies shall contain a provision that the additional insureds, although

named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to them by reason of the negligence of Franchisee or its servants, agents or employees.

The Company may periodically increase the required minimum limits of liability coverage or require Franchisee to maintain additional types of insurance.

Franchisee must maintain workers' compensation insurance, unemployment insurance, and all other types of insurance that may be required by applicable law with minimum limits of liability as required by law.

Franchisee must deliver a certificate of the issuing insurance company to the Company evidencing each policy that is required under this Agreement. If Franchisee fails to obtain any insurance that is required under this Agreement, the Company may, but is not obligated to, obtain the required insurance at the sole cost and expense of Franchisee. All costs incurred by the Company must be reimbursed immediately upon demand, together with interest as specified at section 4.7 of this Agreement.

3.19 Taxes.

Franchisee will promptly pay when due all payroll, sales and use taxes, all taxes and assessments against the premises or the equipment used in Franchisee's Center, all liens or encumbrances against any of its property, and all accounts and other indebtedness incurred by Franchisee in the operation of Franchisee's Center.

3.20 Compliance with Law.

Franchisee will comply with all federal, state, and local laws and regulations pertaining to the operation of the Franchised Business and will obtain all permits, certificates or licenses necessary for the operation of the Franchised Business. Franchisee will pay when due all state, city, and county licensing and permit fees in connection with the operation of the Franchised Business.

3.21 Franchise Sales Promotion.

At the request of the Company, Franchisee will maintain a display containing information furnished by the Company regarding the availability of We The People franchises.

3.22 Indemnity.

Franchisee agrees to indemnify and hold the Company harmless from and against, and reimburse the Company for, all claims, demands, losses, damages, judgments, orders, decrees, actions, lawsuits, proceedings, costs, liabilities, and expenses (including reasonable attorneys' fees and costs of suit) on account of any actual or alleged loss, injury or damage to any person or property arising out of or in connection with (i) the operation of the Franchised Business, (ii) any transaction between Franchisee and any third party, (iii) any claims by any of Franchisee's customers, (iv) any claims by Franchisee's employees, or (v) Franchisee's improper use of the Marks. This indemnification will survive the termination of this Agreement.

3.23 Business Entity Franchisee.

If Franchisee is a business entity, Franchisee represents, warrants and covenants that:

(a) Franchisee is duly organized and validly existing under the state law of its formation and it is duly qualified and authorized to do business in each jurisdiction in which its business activities require qualification;

(b) The execution of this Agreement and the performance of the transactions contemplated hereby are within Franchisee's power, are permitted under all documents governing its organization and management, and have been duly authorized;

(c) The person executing this Agreement on behalf of Franchisee has the requisite authority to bind it to this Agreement;

(d) A complete and accurate list of all the stockholders, partners, members or other investors who own or hold a direct or indirect equity interest in Franchisee, and a description of the nature of their interest, is set out in the Principal Owner's Statement attached as Schedule "C" to this Agreement;

(e) Each person named on the Principal Owner's Statement will execute the Principal Owner's Guaranty, attached as Schedule "D" to this Agreement.

3.24 Litigation.

3.24.1 Franchisee as Defendant. If Franchisee is sued by a third party in an action involving this Agreement, the Company, or the Marks, Franchisee will notify the Company in writing within ten days of commencement of the action or the issuance of any order, writ, injunction, award, or decree of any court, agency, or other judicial or governmental instrumentality. Upon receipt of the notice, the Company will have the right, in an appropriate case, to intervene in the litigation with counsel of its own choice. If the Company intervenes, the Company will pay its own costs, expenses and attorney's fees.

3.24.2 Franchisee as Plaintiff. Franchisee cannot institute any action related to the Company or the operation of Franchisee's Center without prior notice to and consent from the Company, unless the Company's interests are adverse. Upon receipt of the notice, the Company will have the right to take the action contemplated by Franchisee in Franchisee's name or, if appropriate, in the Company's own name, if the Company determines it to be reasonably necessary in good faith for the continued protection of other franchisees or the System. Any recovery of money damages will be shared between the parties as their interests may appear. The fees and expenses incurred in obtaining the recovery will be paid first and shared between the parties on the same basis.

3.25 Notary.

Franchisee must become a Notary Public prior to opening Franchisee's Center. The process of becoming a Notary Public can take up to 90 days to complete.

3.26 Supplies.

Franchisee must purchase all stationery, letterhead, envelopes, business cards, window signs, and brochures utilizing the standard colors, logos and type styles of the Company from suppliers who meet or adequately demonstrate the ability to comply with the Company's specifications and standards. The Company will approve independent suppliers only if their products meet the reasonable quality standards and specifications established by the Company. Franchisee must submit a sample of the product to the Company for review. The Company may charge for its review such fee as may be prescribed from time to time in the Confidential Operating Manual. Upon the Company's

review of the sample and the specifications, the Company will respond to Franchisee in writing of its approval or disapproval of Franchisee's use of the product.

4. FEES AND PAYMENTS

4.1 Initial Fee.

Franchisee will pay to the Company an Initial Franchise Fee of $89,500. The Initial Franchise Fee is payable in full upon the execution of this Agreement. The Initial Franchise Fee will be refunded in the event the legal document preparation business is determined to be illegal in Franchisee's state. Other than as specifically provided in this Section 4.1 or the other provisions of this Agreement, the Initial Franchise Fee is not refundable, in whole or in part.

4.2 Processing Fee.

In consideration for the preparation of legal documents and the continuing use of the Company's names, the Marks and the System, Franchisee will pay a Processing Fee (as defined below) to the Company for every legal document that is prepared by the Company for Franchisee's customers and for all other revenues derived from the operation of Franchisee's Center. Franchisee will pay to the Company: (a) 25% of the Gross Revenues received by Franchisee for each legal document prepared for Franchisee's customers, but no less than 25% of the suggested list price for these items; and (b) a fee of 25% of the Gross Revenues received by Franchisee arising from, attributable to, or in any way derived from the operation of Franchisee's Center ((a) and (b) collectively, a "Processing Fee"). The Company may provide to Franchisee a monthly report itemizing the total amount Franchisee owes the Company for Processing Fees for the previous month.

Processing fees are due and payable in full by the tenth day of each month for all legal documents that are processed in the preceding calendar month. Payments of Processing Fees are not refundable.

4.3 Supervising Attorney Fee.

Franchisee must pay the Company a monthly fee for the supervising attorney. The current supervisory fee is $200 per month. The Company reserves the right to increase the supervisory fee from time to time upon written notice to Franchisee to reflect increased costs in legal support services. The supervising attorney fee is due and payable in full by the tenth day of each month. Payments of supervising attorney fees are not refundable.

4.4 Advertising Cooperative; Promotional Fund.

4.4.1 Establishment of Cooperative. Franchisee agrees that the Company shall have the right, in its sole discretion, to designate any geographic area in which two (2) or more Centers are located as a region for purposes of establishing an advertising cooperative ("Cooperative"). The members of the Cooperative for any area shall, at a minimum, consist of all Centers located in such area. Each Cooperative shall be organized and governed in a form and manner, and shall commence operation on a date, determined in advance by the Company in its sole discretion. Each Cooperative shall be organized for the exclusive purposes of administering advertising programs and developing, subject to the Company's approval pursuant to Section 3.13, promotional materials for use by the members in conducting advertising. If at the time of the execution of this Agreement a Cooperative has been established for a geographic area that encompasses the

Franchisee's Center, or if any such Cooperative is established during the term of this Agreement, Franchisee shall execute such documents as are required by the Company immediately upon the request of the Company and shall become a member of the Cooperative pursuant to the terms of those documents. No advertising or promotional plans or materials may be used by the Cooperative or furnished to its members without the prior consent of the Company or its representative. All such plans and materials shall be submitted to the Company in accordance with the procedure set forth in Section 3.13.

The amount of Franchisee's monthly contribution to the Cooperative shall be no less than four percent (4%) and no greater than six percent (6%) of Franchisee's Gross Revenues, subject to the Company's discretion. Notwithstanding the above, the payment of any such Cooperative Fee shall be applied toward satisfaction of the Franchisee's advertising requirement set forth in Section 3.13. Franchisee shall submit to the Cooperative and to the Company such statements and reports as may be required by the Company or by the Cooperative. All contributions to the Cooperative shall be maintained and administered in accordance with the documents governing the Cooperative. The Cooperative shall be operated solely as a conduit for the collection and expenditure of the Cooperative fees described above.

4.4.2 Promotional Fund. In addition to the establishment of Cooperatives as described in Section 4.4.1, the Company may, but is not obligated to, establish a cooperative advertising program. If the Company does establish a cooperative advertising program, Franchisee will pay to the Company each month as a contribution to the We The People Promotional Fund (the "Promotional Fund") an amount no less than two percent (2%) and no greater than four percent (4%) of Franchisee's monthly Gross Revenues, subject to the Company's discretion. Notwithstanding the above, the payment of any such Promotional Fund contributions shall be applied toward satisfaction of the Franchisee's advertising requirement set forth in Section 3.13.

Promotional Fund contributions are due and payable in full by the tenth day of each month based on the Gross Revenues in the preceding calendar month. Contributions to the Promotional Fund are not refundable.

4.4.3 Use. The Company will not commingle Promotional Fund contributions with its general funds, but will hold all Promotional Fund contributions separate from all its general funds in one or more designated accounts.

The Promotional Fund may be used for the following purposes:

(a) To purchase national, regional and local advertising in broadcast and print media as determined by the Company;

(b) To prepare and distribute camera-ready advertising copy for use in local advertising, script or text for broadcast advertising, signs, posters, brochures, banners, and other point-of-sale advertising and promotional materials;

(c) To obtain the services of advertising and public relations professionals;

(d) To carry on other advertising and promotional activities that the Company may reasonably deem advisable to increase demand for services offered by a We The People Center; and

(e) To pay the reasonable expenses of administering the Promotional Fund, including the reasonable compensation of the Company's employees and expenses of the franchise advisory committee while working on behalf of the Promotional Fund.

4.4.4 Administration. The Promotional Fund will be administered by the Company or by an advertising agency selected by the Company. The Company, in its sole discretion, may establish a franchisee advisory committee to provide input and suggestions regarding use of the Promotional Fund and the effectiveness of programs funded by the Promotional Fund.

4.4.5 Accounting. The Company will account to Franchisee annually for all Promotional Fund contributions. The accounting will be made by written report setting forth the total contributions received from all franchisees as a group, and all expenditures made by the Company, together with the balance on account in the Promotional Fund as of the date of the report.

4.4.6 Gross Revenues. As used herein, "Gross Revenues" shall mean any and all income, cash, credits, property or other consideration of any kind or nature, received directly or indirectly, by Franchisee or its affiliates, arising from, attributable to, or in any way derived from the operation of Franchisee's Center, including without limitation from the sale of books and other legal document preparation products or from the provision of legal document preparation services by Franchisee.

4.4.7 Advertising Limit. Notwithstanding anything in this Agreement to the contrary, other than the cost of Franchisee's yellow pages listing described in Section 3.13, Franchisee's monthly advertising expenditures pursuant to Sections 3.13, 4.4.1 and 4.4.2 above shall not exceed eight percent (8%) of Franchisee's monthly Gross Revenues.

4.5 Transfer Fee.

Upon any transfer or assignment of the Franchised Business, Franchisee will pay to the Company a transfer fee of $7,500, provided that such amount shall increase proportionate to the percentage increase in the Consumer Price Index for All Urban Consumers published by the U.S. Department of Labor, Bureau of Labor Statistics (or a comparable index) for the period commencing on the date of this Agreement and terminating upon the date of transfer.

4.6 Renewal Fee.

Upon any renewal of this Agreement Franchisee will pay to the Company a renewal fee of $2,500, provided that such amount shall increase proportionate to the percentage increase of the Consumer Price Index for All Urban Consumers published by the U.S. Department of Labor, Bureau of Labor Statistics (or a comparable index) for the period commencing on the date of this Agreement and terminating upon the date of renewal.

4.7 Late Payment.

Franchisee agrees that if any payment to the Company is not received within 10 calendar days after its due date, or if a reimbursement owed to the Company, upon demand by the Company, Franchisee will pay interest on the delinquent amount at the rate of 6% per year, or the maximum rate as may be permitted by applicable law, from the date payment was due to the date payment is received by the Company.

4.8 Electronic Funds Transfer.

Franchisee agrees that the Company shall have the right to withdraw funds from Franchisee's designated bank account each month by electronic funds transfer ("EFT") in the amount of all fees and payments described in this Section 4. Such withdrawals shall be drawn on the tenth day of each month for the amount of the Processing Fees with respect to Franchisee's Gross Revenues for the preceding month, as evidenced by the most recent Processing Fee report. If a Processing Fee report has not been received for a particular month, then the Company may process an EFT for the Processing Fee for the subject month based on the most recent Processing Fee report provided to the Company by Franchisee; provided that if a Processing Fee report for the subject month is subsequently received and reflects (A) that the actual amount of the Processing Fee due was more than the amount of the EFT by the Company, then the Company shall be entitled to withdraw additional funds through EFT from Franchisee's designated bank account for the difference; or (B) that the actual amount of the Processing Fee due was less than the amount of the EFT by the Company, then the Company shall, at its option, return the excess amount to Franchisee or credit the excess amount to the payment of Franchisee's future Processing Fee obligations.

Upon execution of this Agreement and at any time thereafter at the Company's request, Franchisee shall execute such documents or forms as the Company deems necessary for the Company to process EFTs from Franchisee's designated bank account for the payments due hereunder. Should any EFT not be honored by Franchisee's bank for any reason, Franchisee agrees that it shall be responsible for that payment plus a service charge applied by the Company and the bank, if any. Franchisee further agrees that it shall at all times maintain in the designated bank account funds sufficient to pay all Processing Fee and required Fund contributions when due. If Processing Fee payments are not received when due, late charges may be assessed by the Company in accordance with Section 4.7. Upon written notice to Franchisee, Franchisee may be required to pay such Processing Fees directly to the Company, by another method of payment, in lieu of EFT at the Company's sole discretion. Franchisee shall coordinate with the Company any changes in its depository account so that no interruptions in the automatic disbursement of the Processing Fee or other amounts occur.

5. TRANSFERABILITY

5.1 Transfer by the Company.

There are no restrictions on the right of the Company to sell or assign this Agreement in whole or in part; provided, however, that the Company will not assign or otherwise transfer its responsibilities to fulfill contractual obligations to its franchisees unless the Company first determines, in its sole judgment, that the transferee shall perform the Company's obligations set forth in this Agreement following such transfer.

5.2 Transfer by Franchisee.

Franchisee cannot sell, assign, transfer, or convey any interest in this Agreement or in the Franchised Business without the prior written consent of the Company. Any purported assignment not having the prior written consent of the Company will be null and void and will constitute a material default under this Agreement.

If Franchisee is a corporation or a limited liability company (the "Corporation"), then any issuance, redemption, or transfer of the equity or voting securities of the Corporation, or any disposition of the assets of the Corporation in one transaction or in a series of

transactions which, in the aggregate, results in either (i) more than a 25% change in the beneficial ownership of Corporation or (ii) a change in the voting control of the Corporation constitutes a transfer which requires the written consent of the Company. The bylaws of the Corporation and all share certificates evidencing ownership of this Corporation must contain the following provision:

> "The transfer of stock in this Corporation is subject to the restrictive provisions of a Franchise Agreement with We The People USA, Inc. Reference is made to the Franchise Agreement for all particulars."

If Franchisee is a general or limited partnership (the "Partnership"), then the admission of a new partner, or the redemption, purchase, liquidation, or transfer of a Partnership interest, or any disposition of the assets of the Partnership, in one transaction or in a series of transactions which, in the aggregate, results in either (i) more than a 25% change in the beneficial ownership of the Partnership or (ii) a change in the voting control of the Partnership constitutes a transfer which requires the written consent of the Company. The Partnership Agreement must contain the following provision:

> "The transfer of a legal or beneficial interest in the partnership is subject to the restrictive provisions of a Franchise Agreement with We The People USA, Inc. Reference is made to the Franchise Agreement for all particulars."

The following requirements must be met to the full satisfaction of the Company as a condition to any transfer:

(a) The proposed transferee or its principals must complete the Company's confidential questionnaire, must meet the Company's reasonable requirements for experience, net worth, and character, as applied by the Company on a nondiscriminatory basis in selecting new franchisees, and must have or obtain before transfer all licenses required by law for operation of the Franchised Business.

(b) The proposed transferee, and its designated manager (if applicable), must attend and satisfactorily complete the Company's initial training program.

(c) The proposed transferee (and each of its partners or shareholders) must execute the then-current form of franchise agreement, except that the initial term will be the same as the remaining term of the original franchise agreement.

(d) All maintenance, repairs, and renovation required to bring Franchisee's Center into compliance with the Company's standards must have been completed.

(e) The transferor and each of its partners, shareholders, officers and directors must execute a general release, in form and substance satisfactory to the Company, of any and all claims against the Company, its shareholders, officers, directors, employees and agents, affiliates or subsidiaries, and their respective officers, directors, agents and employees.

(f) The transfer fee must have been paid in full.

No sale, assignment, transfer, conveyance, encumbrance or gift of any interest in this Agreement, or in the Franchised Business will relieve Franchisee, or the shareholders or partners participating in any transfer, of the confidentiality or non-competition provisions of this Agreement.

5.3 Death or Disability.

Upon the death or permanent disability of Franchisee if Franchisee is an individual, or upon the death or disability of the majority shareholder or partner of Franchisee if Franchisee is a corporation or a partnership, the spouse, adult children, or estate will have the right to participate in the ownership of the Franchised Business under the terms of this Agreement for a period of 6 months from the date of death or disability. During that time, the spouse, adult children, or estate must either:

(a) Satisfy all of the qualifications for a transferee or purchaser of a We The People franchise, except that no transfer fee or initial franchise fee will be charged; or

(b) Sell, transfer, or assign the franchise to a person who satisfies all of the qualifications for a transferee or purchaser of a We The People franchise.

5.4 Right of First Refusal.

If at any time during the term of this Agreement, Franchisee receives a bona fide offer to purchase the franchise, which offer Franchisee is willing to accept, Franchisee must prior to accepting give the Company written notice of the terms of the offer, the name and all other identifying information of the offeror and copies of all proposed transfer documents. The Company may elect to purchase the franchise on the same terms contained in the transfer documents within ten business days after the Company's receipt of the transfer documents. If the Company fails to give written notice of election within ten business days, Franchisee may sell to the offeror on the terms offered, subject to the provisions relating to transferability as set forth in this Article 5; provided that Franchisee shall furnish to the Company copies of all transfer documents signed by Franchisee in connection with the transfer. If the Company elects to purchase, the purchase must be completed within 120 calendar days from the date of the Company's notice of election to purchase. If Franchisee receives a subsequent offer to purchase the franchise, or if any of the terms of the previous offer are changed from those initially disclosed to the Company, Franchisee must resubmit to the Company written notice of terms of the new or changed offer and the proposed transfer documents containing the new or changed offer, and the Company shall have the same rights described above with respect to the new or changed offer.

6. TERMINATION AND DEFAULTS

6.1 Termination by the Company.

6.1.1 With Opportunity to Cure. Unless otherwise specifically provided in this Agreement, the Company may terminate this Agreement if Franchisee fails to cure any default within ten business days after the Company gives written notice of default to Franchisee.

6.1.2 Automatic Termination. This Agreement shall automatically terminate without any need for notice by the Company if:

(a) Franchisee or the Franchised Business is declared bankrupt or judicially determined to be insolvent; or

(b) All or a substantial part of the assets of Franchisee or the Franchised Business are assigned to or for the benefit of any creditor; or

(c) Franchisee admits its inability to pay its debts as they come due.

6.1.3 Without Opportunity to Cure. The Company may terminate this Agreement immediately, without opportunity to cure, if:

(a) Franchisee abandons the franchise by failing to operate the Franchised Business for five consecutive calendar days during which Franchisee is required to operate the business under the terms of this Agreement, or any shorter period after which it is not unreasonable under the facts and circumstances for the Company to conclude that Franchisee does not intend to continue to operate the franchise; or

(b) The Company and Franchisee mutually agree in writing to terminate the franchise; or

(c) Franchisee makes any material misrepresentations to the Company relating to the acquisition of the Franchised Business; or

(d) Franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the System; or

(e) Franchisee fails, for a period of 30 calendar days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business; or

(f) Franchisee, after curing any default after notice and opportunity to cure, engages in the same noncompliance whether or not corrected after notice; or

(g) Franchisee repeatedly fails to comply with one or more requirements of the franchise or the Confidential Manuals, whether or not corrected after notice; or

(h) The Franchised Business is seized, taken over or foreclosed by a government official in the exercise of his duties, or seized, taken over, or foreclosed by a creditor, lien holder or lessor, provided that a final judgment against Franchisee remains unsatisfied for 30 calendar days (unless an appeal bond has been filed); or

(i) A levy of execution has been made upon the license granted by this Agreement or upon any property used in the Franchised Business, and it is not discharged within five business days; or

(j) Franchisee is convicted of, or pleads nolo contendere to, a felony or any other criminal misconduct which is relevant to the operation of the franchise, other than motor vehicle traffic laws; or

(k) Franchisee fails to pay any franchise fees or other amounts due to the Company or any affiliate within five business days after receiving written notice that the fees are overdue; or

(l) Franchisee fails to maintain the confidentiality of any of the Proprietary Information, or any other documents or materials embodying the Proprietary Information; or

(m)Franchisee attempts to assign or transfer its rights under this Agreement other than in accordance with Article 5; or

(n) Franchisee violates any of the provisions of Section 3.8 of this Agreement.

6.1.4 Savings Clause. If any valid, applicable law or regulation of a governmental authority having jurisdiction over this Agreement and the parties hereto limits the Company's rights of termination hereunder, or requires longer notice periods than those set forth above, this Agreement will be deemed amended to conform to the minimum notice periods or restrictions on termination.

6.2 Rights and Duties of Parties Upon Expiration or Termination.

Upon termination or expiration of this Agreement for any reason, all rights of Franchisee under this Agreement will immediately terminate, but Franchisee will have the following duties which survive termination of this Agreement:

(a) Franchisee must promptly pay the Company all sums owing under this Agreement, including all damages, costs, expenses, and reasonable attorneys' fees, incurred by the Company by reason of default on the part of Franchisee, whether or not the expenses occur before or after the termination or expiration of the franchise.

(b) Franchisee must immediately cease use of the Marks in advertising, forms, manuals, slogans, signs or in any other manner. Franchisee will not represent or advertise that Franchisee was formerly a We The People franchisee, or that Franchisee did business under the Marks or the System.

(c) Franchisee must ensure at its own expense that all use of the Marks in connection with Franchisee is removed at the earliest possible time from all telephone directories, directory assistance records, building directories, signboards, membership rosters and every other place and publication.

(d) Franchisee must take all action to cancel any assumed name or equivalent registration that contains any of the Marks. Franchisee will furnish the Company with satisfactory evidence of cancellation.

(e) Franchisee must deliver to the Company, or its duly authorized representative, all materials and papers upon which the Marks appear. Franchisee will not, at any time, adopt or use any word or mark which is similar to or confusingly similar to the Marks.

(f) Franchisee will assign to the Company all of Franchisee's interest in the telephone numbers that were used in the operation of the Franchised Business as set forth in Section 3.2.

(g) At the request of the Company, Franchisee will assign all its interest in any lease for its business location and equipment to the Company or the Company's designee, and the assignee will assume all continuing obligations thereunder. Franchisee grants a limited, irrevocable power of attorney to the Company to execute all assignment documents in the name and on behalf of Franchisee. If the business location is not assigned to the Company or its designee, then Franchisee, at its expense, must make such changes to the signs, displays and interior decor as the Company requests to effectively distinguish the premises from its former appearance and from the appearance of other We The People franchises. Franchisee agrees that if Franchisee fails to make the requested changes within 30 days, the Company may enter the premises to make the changes and charge the Franchisee for all fees thereby incurred.

(h) Franchisee must return to the Company the Confidential Manuals, all copies or extracts thereof, and all other documents and records that are reasonably necessary or important to the continuation of the Franchised Business, including all client and customer lists and legal documents.

(i) The Company will be released and forever discharged of any and all claims Franchisee may have against the Company, its subsidiaries or affiliates, and their respective officers, directors, agents and employees regarding Franchisee's previous participation in the System.

7. MISCELLANEOUS

7.1 Governing Law.

This Agreement will be interpreted, construed and governed according to the internal laws of the State of Pennsylvania, and not the laws pertaining to choice or conflict of laws, except that:

(a) The laws of the state in which Franchisee's Center is to be located that govern the offer, sale, and registration of franchises, including any "Little FTC Act," will apply to the offer, sale, and registration of the franchise granted by this Agreement;

(b) The laws of the jurisdiction in which any action to enforce any covenants not-to-compete will govern those covenants without giving effect to the principles pertaining to choice or conflict of laws;

(c) The U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.) will govern all matters related to Franchisee's use of the Marks; and

(d) The Federal Arbitration Act (9 U.S.C. §1 et seq.) will govern all matters related to arbitration.

7.2 Arbitration.

7.2.1 Procedure. Any dispute, controversy or claim arising out of or relating to this Agreement, other than a claim for injunctive relief, will be settled by binding arbitration, conducted on an individual and not a class basis, under the rules of the American Arbitration Association ("AAA"), and judgment on the award may be entered in any court of competent jurisdiction. The arbitration will be conducted through the AAA office closest to the Company's corporate offices before a panel of three arbitrators. Each party will select one arbitrator, and the two arbitrators designated by the parties will select the third arbitrator. All provisions of the Pennsylvania Rules of Civil Procedure relating to discovery in civil lawsuits will be applicable to the arbitration proceedings. The arbitrators will render a decision based on, and consistent with, Pennsylvania law and with the facts and evidence that are properly introduced at the hearing. If there are any disputes in matters of public policy, restraint of trade, securities laws, or any other matter that cannot be the subject of arbitration, those matters will be separated and will be brought before a court of competent jurisdiction after completion of the arbitration proceedings. If the parties cannot agree on the separation of matters to be determined by arbitration, the parties will present their positions to the arbitrators, and their decision regarding the appropriateness of arbitration will be determinative and binding on the parties. Each party will bear its own costs and expenses in preparing for and participating in the arbitration hearing except that (a) each party will pay one-half of the compensation

payable to the arbitrators, one-half of any fees to the AAA and one-half of any other costs related to the hearing proceedings, and (b) the arbitrators will have the authority to award attorney's fees to the prevailing party. It is expressly agreed by each of the parties hereto that no arbitration can be commenced except in conformity with this Section 7.2.

7.2.2 Limits on Arbitrator. IN PROCEEDING WITH ARBITRATION AND IN MAKING DETERMINATIONS HEREUNDER, THE ARBITRATORS SHALL NOT EXTEND, MODIFY OR SUSPEND ANY TERMS OF THIS AGREEMENT OR THE REASONABLE STANDARDS OF BUSINESS PERFORMANCE AND OPERATION ESTABLISHED BY THE COMPANY IN GOOD FAITH. NOTICE OF OR REQUEST TO OR DEMAND FOR ARBITRATION SHALL NOT STAY, POSTPONE OR RESCIND THE EFFECTIVENESS OF ANY TERMINATION OF THIS AGREEMENT. THE ARBITRATORS SHALL APPLY PENNSYLVANIA LAW AND THE TERMS OF THIS AGREEMENT IN REACHING THEIR DECISION.

7.2.3 Waiver of Certain Damages. FRANCHISEE HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST THE COMPANY, ITS AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS AND EMPLOYEES, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREES THAT IN THE EVENT OF A DISPUTE, FRANCHISEE SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

7.3 Venue.

7.3.1 General. WITH RESPECT TO ANY CLAIMS, CONTROVERSIES OR DISPUTES THAT ARE NOT FINALLY RESOLVED THROUGH MEDIATION OR ARBITRATION, OR AS OTHERWISE PROVIDED ABOVE, FRANCHISEE HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE STATE COURTS OF PENNSYLVANIA AND THE FEDERAL DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA. FRANCHISEE HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. FRANCHISEE HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON IT IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY PENNSYLVANIA OR FEDERAL LAW. FRANCHISEE FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE CHESTER COUNTY, PENNSYLVANIA; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION (1) FOR

MONIES OWED, (2) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF OR (3) INVOLVING POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE COMPANY MAY BRING SUCH ACTION IN ANY STATE OR FEDERAL DISTRICT COURT THAT HAS JURISDICTION. WITH RESPECT TO ALL CLAIMS, CONTROVERSIES, DISPUTES OR ACTIONS, RELATED TO THIS AGREEMENT OR THE RELATIONSHIP CREATED THEREBY, THIS AGREEMENT AND ANY SUCH RELATED CLAIMS, CONTROVERSIES, DISPUTES OR ACTIONS SHALL BE GOVERNED, ENFORCED AND INTERPRETED UNDER PENNSYLVANIA LAW.

7.3.2 Mutual Benefit. FRANCHISEE AND THE COMPANY ACKNOWLEDGE THAT THE PARTIES' AGREEMENT REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH IN SECTION 7.3 PROVIDE EACH OF THE PARTIES WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT. EACH OF FRANCHISEE AND THE COMPANY FURTHER ACKNOWLEDGES THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT AND THAT EACH PARTY'S AGREEMENT REGARDING APPLICABLE STATE LAW AND CHOICE OF FORUM HAVE BEEN NEGOTIATED FOR IN GOOD FAITH AND ARE PART OF THE BENEFIT OF THE BARGAIN REFLECTED BY THIS AGREEMENT.

7.3.3 Performance in Berwyn, Pennsylvania. FRANCHISEE AND THE COMPANY ACKNOWLEDGE THAT THE EXECUTION OF THIS AGREEMENT AND ACCEPTANCE OF THE TERMS BY THE PARTIES OCCURRED IN BERWYN, PENNSYLVANIA, AND FURTHER ACKNOWLEDGE THAT THE PERFORMANCE OF CERTAIN OBLIGATIONS OF FRANCHISEE ARISING UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF MONIES DUE HEREUNDER.

7.4 Waiver of Jury Trial.

The parties, for themselves and their successors, assigns, heirs and personal representatives, waive the right to a jury trial in any action or proceeding based on, or arising out of, this Agreement.

7.5 Waiver.

Failure of either party to enforce any provision of this Agreement, or waiver by either party of any default, will not operate as a waiver of successive defaults.

7.6 Notices and Communications.

All notices hereunder must be in writing and must be duly given by hand delivery or sent by facsimile, telegram, registered or certified mail, via overnight delivery, postage prepaid, addressed:

If to the Company: We The People USA, Inc.
1436 Lancaster Ave., Suite 300
Berwyn, Pennsylvania 19312
Attn: Office of the General Counsel

If to Franchisee: the address set forth on the signature page to this Agreement,

or at such other address as either party may specify by notice to the other party. Any notice will be deemed to have been given at the time of personal delivery or, in the case of facsimile, telegram or telex, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or registered or certified mail, three business days after the date and time of mailing. If Franchisee is a business entity, Franchisee must designate in writing to the Company the name and address of its agent to receive notice. Notice to the agent will be conclusively presumed to be full and adequate notice to Franchisee.

7.7 Attorneys' Fees.

If any legal action is necessary to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to recover reasonable compensation for preparation, investigation and court costs, and reasonable attorneys' fees, as fixed by a court of competent jurisdiction.

7.8 Remedies Cumulative.

All rights and remedies of the parties enumerated in this Agreement are cumulative, and, except as specifically contemplated otherwise by this Agreement, none will exclude any other right or remedy allowed at law or in equity.

7.9 Other Franchises.

Franchisee acknowledges that the Company contemplates granting other franchises similar to the franchise granted herein.

7.10 Relationship of the Parties.

Franchisee is an independent contractor. Franchisee is not authorized to make any contract, agreement, warranty, or representation, or to create any obligation, express or implied, on behalf of the Company. The Company will not be liable for any act, omission, contract, debt, tax, or other obligation of Franchisee. This Agreement does not make Franchisee and the Company partners or joint venturers or make them agents, servants or employees of the other. Franchisee will advise its suppliers of its independent ownership of the Franchised Business.

7.11 Severability.

If any term or provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other terms and provisions of this Agreement will remain in full force and effect so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner that is materially adverse to either party. Upon the determination that any term or provision is invalid, illegal, or incapable of being enforced, the parties will negotiate in good faith to modify this Agreement to effect the original intent of the parties as closely as possible.

7.12 Joint and Several Obligations.

If Franchisee consists of more than one individual or entity, Franchisee's liability under this Agreement are joint and several.

7.13 Business Entities.

Each reference in this Agreement to a corporation or partnership will be deemed to refer to a limited liability company or any other legal entity or organization. Each reference to the organizational documents, equity owners, directors, and officers of a corporation will be deemed to refer to the functional equivalents of the organizational documents, equity owners, directors, and officers of a limited liability company or any other legal entity or organization.

7.14 State Required Addendum.

If the franchise regulatory authority for the state in which Franchisee is located requires certain terms and conditions to be included in this Agreement, those terms and conditions will be found on the state required amendments attached hereto as Schedule "E" and incorporated herein by reference.

7.15 Consents and Approvals.

Whenever the consent or approval of the Company is required under this Agreement, such consent may be withheld by the Company in its sole discretion.

7.16 Force Majeure.

If Franchisee is delayed in commencing operations for causes beyond the control of Franchisee such as fire, flood, or earthquake ("Force Majeure"), then the date of commencement for Franchisee will be extended for a period equivalent to the time of the delay. In addition, if Franchisee fails to operate the Franchised Business due to Force Majeure, the period in which such Force Majeure is in effect shall not be counted for the number of days required prior to the Company having the right to terminate this Agreement under Section 6.13(a).

7.17 Consent to Relief.

If Franchisee becomes the subject of a voluntary or involuntary case under any chapter of the Bankruptcy Code, Franchisee hereby consents to relief from the automatic stay imposed by 11 U.S.C. § 362(a) upon the filing of an appropriate motion by the Company so the Company may exercise its right to setoff any funds the Company holds or owes to Franchisee in order to satisfy any claims the Company has or may have against Franchisee in the bankruptcy case.

7.18 Limitation of Claims.

Franchisee and the Company agree that any and all claims by the Franchisee against the Company arising out of, or relating to, the making of, interpretation of, or performance under, directly or indirectly, this Agreement, may not be commenced by Franchisee, unless brought before the earlier of (a) the expiration of one (1) year after the act, transaction or occurrence upon which such action is based; or (b) the expiration of one (1) year after Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against the Company; or (c) one year after this Agreement expires or is terminated for any reason. Franchisee agrees that any action not brought by it within the periods required under this Section 7.18 shall forever be barred as a claim, counterclaim, defense, or set off.

7.19 Entire Agreement.

This Agreement and any agreement or document referenced herein, and their respective schedules and attachments, constitute the entire agreement of the parties concerning the subject matter hereof and supersedes all prior written or oral agreements. This Agreement cannot be amended except by a written document signed by all the parties to this Agreement.

7.20 Counterparts.

This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together constitute one agreement.

7.21 Success of Business.

Franchisee acknowledges that the success of the business venture contemplated by this Agreement depends primarily upon the ability and efforts of Franchisee as an independent business owner. Franchisee acknowledges that neither the Company nor any other person has guaranteed that Franchisee will succeed in the operation of the Franchised Business or has provided any sales or income projections of any kind to Franchisee.

Franchisee further acknowledges that there have been no representations, promises, guarantees or warranties of any kind made by the Company to induce Franchisee to execute this Agreement except as specifically set forth in the Uniform Franchise Offering Circular that has been delivered to Franchisee.

Franchisee further acknowledges that Franchisee has reviewed the Uniform Franchise Offering Circular and has received all information which Franchisee has requested concerning the business operation of the Company, and any other information which, in the opinion of Franchisee, is necessary for Franchisee to decide whether to enter into this Agreement.

NOW THEREFORE, Franchisee has executed and delivered this Agreement on _____, 200___ to be effective as of the date and year executed by the Company below.

FRANCHISEE

_____

By: _____

Name: _____

Title: _____

Address: _____

_____

WE THE PEOPLE USA, INC.

By: _____
Name: Roy Hibberd
Title: Senior Vice President and Director

By: _____
Name: Melissa Soper
Title: Executive Vice President, General Manager and Director

Effective Date:_____

THIS AGREEMENT IS NOT EFFECTIVE UNTIL SIGNED BY BOTH CORPORATE OFFICERS OF WE THE PEOPLE USA, INC. NO FIELD REPRESENTATIVE OR SALESMAN IS AUTHORIZED TO EXECUTE THIS AGREEMENT ON BEHALF OF WE THE PEOPLE 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.

SCHEDULE "A"

Exclusive Territory

Listed by zip code

FRANCHISEE:

_____ _____

Signature **Printed Name and Title**

FRANCHISOR:

WE THE PEOPLE USA, INC.

By: _____
Name: Roy Hibberd
Title: Senior Vice President and Director

By: _____
Name: Melissa Soper
Title: Executive Vice President, General Manager and Director

SCHEDULE "B"

TELEPHONE NUMBER TRANSFER AGREEMENT

THIS TELEPHONE NUMBER TRANSFER AGREEMENT (this "Transfer Agreement") is entered into as of _____, 20__ by and between We the People USA, Inc. ("Franchisor") and _____("Franchisee").

WHEREAS, Franchisor and Franchisee have entered into that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement"); and

WHEREAS, pursuant to the Franchise Agreement, Franchisee has agreed to conditionally assign to Franchisor its right, title and interest in and to the telephone and facsimile numbers and accounts described below.

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. This Transfer Agreement is entered into and subject to the terms and conditions of the Franchise Agreement, which terms and conditions are incorporated herein by this reference and made part hereof. All capitalized terms not otherwise defined herein have the meanings set forth in the Franchise Agreement.

2. Conditional Assignment.

(a) Franchisee hereby sells, assigns, transfers, conveys and sets over unto Franchisor its right, title and interest in and to the telephone and facsimile numbers and accounts set forth in Exhibit "1" attached hereto, together with any and all other telephone and facsimile numbers and accounts used by Franchisee in or in connection with the Franchised Business (collectively, the "Accounts").

(b) Franchisee may exercise and enforce all of its rights in relation to the Accounts, and shall be solely responsible for all fees and charges accrued in connection with the Accounts, until an Event of Default occurs under the Franchise Agreement and Franchisor exercises its rights under this Transfer Agreement, following which Franchisor shall have the exclusive right and Franchisee shall have no further right in and to the Accounts.

(c) Franchisee shall notify Franchisor from time to time upon adoption of any new Accounts by Franchisee or the Franchised Business, and promptly upon request be Franchisor shall date and execute an amended Exhibit "1" reflecting such new

Accounts. Upon execution, such amended Exhibit "1" shall thereafter replace and supersede the Exhibit "V' attached hereto.

3. Event of Default. Upon the occurrence and during the continuance of an Event of Default, Franchisor may, without further notice to, or consent of, Franchisee, exercise any rights and remedies of Franchisee in relation to the Accounts, and may notify any other appropriate person of Franchisor's right, title and interest hereunder and thereunder.

4. Further Assurances. At any time or from time to time, upon Franchisor's written request, Franchisee will execute and deliver to Franchisor and any and all applicable telecommunications companies such further documents and do such other acts and things as Franchisor or any such company may request in order to further effect the purposes of this Transfer Agreement, or any amendment or supplement hereto, in accordance with the laws of any applicable jurisdictions.
5. General Authorization. Franchisee does hereby irrevocably constitute and appoint Franchisor and any officer or agent thereof, with full power of substitution, its true and lawful attorney-in-fact with full and irrevocable power and authority in the place and stead of Franchisee and in the name of Franchisee, from time to time in Franchisor's discretion from and after the occurrence and during the continuance of an Event of Default, for the purpose of carrying out the terms of this Transfer Agreement, to take any and all action and to execute any and all instruments which may be necessary to accomplish the purposes of this Transfer Agreement, including, without limitation, for the purpose of enabling Franchisor to exercise any rights with respect to the Accounts.

6. Miscellaneous.

(a) Modification and Amendment. None of the terms or provisions of this Transfer Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by Franchisee and Franchisor.
Schedule B Telephone Number Transfer Agreement

(b) Successors and Assigns. This Transfer Agreement and all obligations of the parties hereunder are binding upon the successors and assigns of Franchisee and will, together with the rights and remedies of Franchisor hereunder, inure to the benefit of Franchisor and its successors and assigns (including without limitation to any successor Franchisor).

(c) GOVERNING LAW. THIS TRANSFER AGREEMENT SHALL BE GOVERNED, CONSTRUED ANE' INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF PENNSYLVANIA.

(d) Counterparts. This Transfer Agreement may be executed by the parties hereto in several counterparts hereof and by the different parties hereto on separate

counterparts hereof, all of which counterparts shall together constitute one and the same agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned has caused this Transfer Agreement to be duly executed and delivered as of the date first stated above.

WE THE PEOPLE USA, INC.

_____
Authorized Signature
Roy Hibberd, Senior Vice President and Director

_____
Authorized Signature
Melissa Soper, Exec. Vice President, General Manager and Director

FRANCHISEE(S):

_____
(business entity or individual name)

_____
Authorized Signature

Exhibit "1"

We The People Store Location Numbers

COMPLETE ONLY IF YOU HAVE STORE LOCATION AND PHONE NUMBERS

Telephone: (___) ___ - ____

(___) ___ - ____

(___) ___ - ____

Facsimile: (___) ___ - ____

Account Number(s) and Name of Service Provider(s):

_____

_____

SCHEDULE "C"

Principal Owners' Statement

PRINCIPAL OWNER'S STATEMENT

The undersigned, having reviewed and executed a *We The People USA, Inc.* Franchise Agreement, acknowledges that the Franchise Agreement is presently being considered by **WE THE PEOPLE USA, INC.** ("We The People") for execution and acceptance, and further certifies that the following statements are true and correct:

1. All fees imposed by We The People for the right to operate a We the People franchise have been made payable to We The People only;

2. The undersigned has not received from We The People or any employee or agent thereof and, upon execution of the Franchise Agreement was not relying upon, any financial statements, profit and loss statements, pro formas or other financial information or projections of past, projected, estimated or anticipated earnings, sales or profits of a We The People franchise;

3. No promises or other indications that financial assistance will be offered by We The People or any affiliate, officer, director, employee or agent thereof has been made to the undersigned;

4. No representations, promises or commitments relative to the We The People franchise have been made which are not expressly contained in the Franchise Agreement and the Uniform Franchise Offering Circular;

5. The undersigned has read the Franchise Agreement and understands that any approval or consent to be given by We The People must be in writing and signed by the appropriate officer of We The People;

6. The undersigned received the We The People Uniform Franchise Offering Circular and a copy of its standard Franchise Agreement, at the earlier of: (a) the first personal meeting regarding the offering of the We The People franchise; (b) ten business days before the signing of any Franchise Agreement or related agreement; or (c) ten business days before any payment to We The People;

7. The undersigned received the actual Franchise Agreement and ancillary documents, containing all terms and conditions, at least five or seven, business days, whichever is applicable, prior to the execution of the Franchise Agreement;

8. The undersigned acknowledges that no guarantee has been made by We The People that the undersigned will derive income from the franchise that exceeds the price paid; that the undersigned has no right to a refund of all or a part of the monies paid except as expressly set forth in the Franchise Agreement; and that We The People has not agreed to repurchase any products, equipment or other materials if the undersigned is unsatisfied with the franchise.

9. The undersigned acknowledges that it has reviewed the Operating Manual prior to the execution of the Franchise Agreement.

10. The undersigned understands and acknowledges that only attorneys can give legal advice and that the independent paralegal document preparation business may be determined to be the unauthorized practice of law and therefore illegal.

PRINCIPAL OWNER'S STATEMENT

Executed this _____ day of _____, 200__.

ATTEST:

FRANCHISEE

_____ _____

Witness

_____ By _____

Witness

Name: _____

Title: _____

Sworn to and subscribed before me this _____day of _____, 200__.

_____

NOTARY PUBLIC

_____

Print Name:

___Personally known OR ___ Produced Identification
Type of Identification Produced: Drivers License

(Notary Seal)

My Commission Expires:

SCHEDULE "D"

Principal Owners' Guaranty

PRINCIPAL OWNER'S GUARANTY

THIS PRINCIPAL OWNER'S GUARANTY is made as of the ____ day of _____, 200_ by _____, jointly and severally ("Guarantors") to We The People USA, Inc., a Delaware corporation ("WTP").

WHEREAS, upon execution of this Guaranty WTP will enter into a "We The People" Franchise Agreement with _____ ("Franchisee"); and

WHEREAS, Guarantors are the _____ of Franchisee and desire to induce WTP to execute the Franchise Agreement and permit Franchisee to be the franchisee under it;

NOW, THEREFORE, in consideration of WTP's execution of the Franchise Agreement, Guarantors, and each of them, hereby unconditionally and irrevocably guarantee the full performance of each and all of the terms, covenants, and conditions of the Franchise Agreement to be kept or performed by Franchisee, including (without limitation) payment of all sums that become due under the Franchise Agreement, which Guarantors agree to pay on demand in immediately available lawful money of the United States of America, and hereby further agree that:

1. This Guaranty shall continue in favor of WTP notwithstanding any (a) extension, modification, or alteration of the Franchise Agreement made or entered into by or between WTP and Franchisee or their successors or assigns; or (b) assignment of the Franchise Agreement, with or without WTP's consent.

2. No extension, modification, alteration, or assignment of the Franchise Agreement shall in any manner release, discharge, or exonerate Guarantors, or either of them.

3. Guarantors, and each of them, consent to any extension, modification, alteration, or assignment of the Franchise Agreement.

4. This Guaranty shall continue in full force and effect and shall not be changed despite any bankruptcy, reorganization, or insolvency of Franchisee or any successor or assignee of Franchisee, or any disaffirmance or abandonment by a trustee of Franchisee.

5. WTP may assign or transfer this Guaranty in whole or in part, with or without notice, and no assignment or transfer shall operate to extinguish or diminish Guarantors' liability.

6. The liability of Guarantors, and each of them, under this Guaranty shall be primary and WTP may, at its option, proceed against either or both Guarantors and Franchisee for the payment or performance of any obligation of Franchisee under the Franchise Agreement without first seeking payment or performance by or instituting any action against Franchisee, and without joinder of Franchisee in any action to enforce this Guaranty.

7. Guarantors shall pay all costs and expenses, including (without limitation) attorney's fees (including those incurred in connection with any appeal) and expert witness fees, incurred by WTP in collecting or obtaining or attempting to collect or obtain any payment or performance due pursuant to the Franchise Agreement or enforcing this Guaranty.

PRINCIPAL OWNER'S GUARANTY

15. The responsible managing individuals for the Franchisee are:

NAME	TITLE	CONTACT INFO. EMAIL/PHONE NO.'S
_____ (print)	_____	
_____ (print)	_____	
_____ (print)	_____	
_____ (print)	_____	

IN WITNESS WHEREOF, Guarantors have executed this Continuing Personal Guaranty as of the date first above written.

GUARANTORS

_____ (Sign Here)	_____ (Sign Here)
_____ (Print Name)	_____ (Print Name)
_____ (Sign Here)	_____ (Sign Here)
_____ (Print Name)	_____ (Print Name)

SCHEDULE "E"

Form of General Release

We The People USA, Inc.

General Release

Release-General Provisions. Pursuant to Section ____ of that certain Franchise Agreement (the "Franchise Agreement") between the undersigned Franchisee Parties (as defined below) and We The People USA, Inc. ("Franchisor"), the Franchisee Parties, jointly and severally, hereby release and forever discharge each and all of the Franchisor Parties (as defined below) of and from any and all causes of action, in law or in equity, suits, debts, liens, defaults under contracts, leases, agreements or promises, liabilities, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, howsoever arising, **known or unknown**, fixed or contingent, past or present, that the Franchisee Parties now have or may hereafter have against all or any of the Franchisor Parties by reason of any matter, cause or thing whatsoever from the beginning of time to the date hereof, including, without limitation, claims arising under the Franchise Agreement or under federal, state or local laws, rules, regulations or orders (the "Claims"), it being the mutual intention of the parties that this release be unqualifiedly general in scope and effect and that any Claims against any of the Franchisor Parties are hereby forever canceled and forgiven.

THE FRANCHISEE PARTIES ACKNOWLEDGE THAT THEY ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

THE FRANCHISEE PARTIES, BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, JURISDICTIONS IN WHICH THE FRANCHISEE PARTIES RESIDE AND THE LOCATION OF FRANCHISED UNITS.

All releases given by the Franchisee Parties are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document.

No Assignment or Transfer of Interest. The Franchisee Parties represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Franchisee Parties may have against any or all of the Franchisor Parties, all Claims having been fully and finally extinguished, and the Franchisee Parties agree to forever indemnify and hold the Franchisor Parties

harmless from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred by any of the Franchisor Parties as a result of any person asserting any assignment or transfer, or any rights or claims under such assignment or transfer.

Attorneys Fees. If the Franchisee Parties, or anyone acting for, or on behalf of, the Franchisee Parties or claiming to have received, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit arising out of, based upon or relating to any of the Claims released hereunder or in any manner asserts against all or any of the Franchisor Parties any of the Claims released hereunder, the Franchisee Parties agree to pay all attorneys' fees and other costs incurred by any of the Franchisor Parties in defending or otherwise responding to said suit or assertion directly to the Franchisor Parties incurring such costs.

"Franchisee Parties" – The Franchisee (as defined in the Franchise Agreement), and the majority partner(s), member(s) or shareholder(s) of the Franchisee, if Franchisee is a partnership, a limited liability company, or a corporation, and Franchisee's designated manager, if applicable.

"Franchisor Parties" – We The People USA, Inc., and each and all of the following, whether past, current and/or future: each and all company(ies)/person(s) acting by, through, under, in concert, affiliated and/or associated in any way, with us, together with each and all of the partners, shareholders, officers, directors, agents, attorneys, independent contractors, accountants, representatives and/or employees of us and/or any of the foregoing in their corporate and individual capacities, as well as each and all of the successors and/or assigns of us and/or any of the foregoing.

Date of Releases, Joint and Several Liability. The releases granted hereunder shall be deemed effective as of both the date hereof and the date of any transfer of the Franchise and/or the Franchise Agreement and/or any termination of the Franchise and/or the Franchise Agreement. The liabilities and obligations of each of the Franchisee Parties (and any other person/entity providing releases to the Franchisor Parties) shall be joint and several.

FRANCHISEE PARTIES

By:	_____	By:	_____
Name:	_____	Name:	_____
Date:	_____	Date:	_____
By:	_____	By:	_____
Name:	_____	Name:	_____
Date:	_____	Date:	_____

SCHEDULE "D"

Principal Owners' Guaranty

PRINCIPAL OWNER'S GUARANTY

THIS PRINCIPAL OWNER'S GUARANTY is made as of the ____ day of _____, 200_ by _____, jointly and severally ("Guarantors") to We The People USA, Inc., a Delaware corporation ("WTP").

WHEREAS, upon execution of this Guaranty WTP will enter into a "We The People" Franchise Agreement with _____ ("Franchisee"); and

WHEREAS, Guarantors are the _____ of Franchisee and desire to induce WTP to execute the Franchise Agreement and permit Franchisee to be the franchisee under it;

NOW, THEREFORE, in consideration of WTP's execution of the Franchise Agreement, Guarantors, and each of them, hereby unconditionally and irrevocably guarantee the full performance of each and all of the terms, covenants, and conditions of the Franchise Agreement to be kept or performed by Franchisee, including (without limitation) payment of all sums that become due under the Franchise Agreement, which Guarantors agree to pay on demand in immediately available lawful money of the United States of America, and hereby further agree that:

1. This Guaranty shall continue in favor of WTP notwithstanding any (a) extension, modification, or alteration of the Franchise Agreement made or entered into by or between WTP and Franchisee or their successors or assigns; or (b) assignment of the Franchise Agreement, with or without WTP's consent.

2. No extension, modification, alteration, or assignment of the Franchise Agreement shall in any manner release, discharge, or exonerate Guarantors, or either of them.

3. Guarantors, and each of them, consent to any extension, modification, alteration, or assignment of the Franchise Agreement.

4. This Guaranty shall continue in full force and effect and shall not be changed despite any bankruptcy, reorganization, or insolvency of Franchisee or any successor or assignee of Franchisee, or any disaffirmance or abandonment by a trustee of Franchisee.

5. WTP may assign or transfer this Guaranty in whole or in part, with or without notice, and no assignment or transfer shall operate to extinguish or diminish Guarantors' liability.

6. The liability of Guarantors, and each of them, under this Guaranty shall be primary and WTP may, at its option, proceed against either or both Guarantors and Franchisee for the payment or performance of any obligation of Franchisee under the Franchise Agreement without first seeking payment or performance by or instituting any action against Franchisee, and without joinder of Franchisee in any action to enforce this Guaranty.

7. Guarantors shall pay all costs and expenses, including (without limitation) attorney's fees (including those incurred in connection with any appeal) and expert witness fees, incurred by WTP in collecting or obtaining or attempting to collect or obtain any payment or performance due pursuant to the Franchise Agreement or enforcing this Guaranty.

PRINCIPAL OWNER'S GUARANTY

15. The responsible managing individuals for the Franchisee are:

NAME	TITLE	CONTACT INFO. EMAIL/PHONE NO.'S
_____ (print)	_____	
_____ (print)	_____	
_____ (print)	_____	
_____ (print)	_____	

IN WITNESS WHEREOF, Guarantors have executed this Continuing Personal Guaranty as of the date first above written.

GUARANTORS

_____ (Sign Here)

_____ (Print Name)

_____ (Sign Here)

_____ (Print Name)

_____ (Sign Here)

_____ (Print Name)

_____ (Sign Here)

_____ (Print Name)

SCHEDULE "E"

Form of General Release

We The People USA, Inc.

General Release

Release-General Provisions. Pursuant to Section ___ of that certain Franchise Agreement (the "Franchise Agreement") between the undersigned Franchisee Parties (as defined below) and We The People USA, Inc. ("Franchisor"), the Franchisee Parties, jointly and severally, hereby release and forever discharge each and all of the Franchisor Parties (as defined below) of and from any and all causes of action, in law or in equity, suits, debts, liens, defaults under contracts, leases, agreements or promises, liabilities, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, howsoever arising, **known or unknown**, fixed or contingent, past or present, that the Franchisee Parties now have or may hereafter have against all or any of the Franchisor Parties by reason of any matter, cause or thing whatsoever from the beginning of time to the date hereof, including, without limitation, claims arising under the Franchise Agreement or under federal, state or local laws, rules, regulations or orders (the "Claims"), it being the mutual intention of the parties that this release be unqualifiedly general in scope and effect and that any Claims against any of the Franchisor Parties are hereby forever canceled and forgiven.

THE FRANCHISEE PARTIES ACKNOWLEDGE THAT THEY ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

THE FRANCHISEE PARTIES, BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, JURISDICTIONS IN WHICH THE FRANCHISEE PARTIES RESIDE AND THE LOCATION OF FRANCHISED UNITS.

All releases given by the Franchisee Parties are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document.

No Assignment or Transfer of Interest. The Franchisee Parties represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Franchisee Parties may have against any or all of the Franchisor Parties, all Claims having been fully and finally extinguished, and the Franchisee Parties agree to forever indemnify and hold the Franchisor Parties

harmless from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred by any of the Franchisor Parties as a result of any person asserting any assignment or transfer, or any rights or claims under such assignment or transfer.

Attorneys Fees. If the Franchisee Parties, or anyone acting for, or on behalf of, the Franchisee Parties or claiming to have received, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit arising out of, based upon or relating to any of the Claims released hereunder or in any manner asserts against all or any of the Franchisor Parties any of the Claims released hereunder, the Franchisee Parties agree to pay all attorneys' fees and other costs incurred by any of the Franchisor Parties in defending or otherwise responding to said suit or assertion directly to the Franchisor Parties incurring such costs.

"Franchisee Parties" – The Franchisee (as defined in the Franchise Agreement), and the majority partner(s), member(s) or shareholder(s) of the Franchisee, if Franchisee is a partnership, a limited liability company, or a corporation, and Franchisee's designated manager, if applicable.

"Franchisor Parties" – We The People USA, Inc., and each and all of the following, whether past, current and/or future: each and all company(ies)/person(s) acting by, through, under, in concert, affiliated and/or associated in any way, with us, together with each and all of the partners, shareholders, officers, directors, agents, attorneys, independent contractors, accountants, representatives and/or employees of us and/or any of the foregoing in their corporate and individual capacities, as well as each and all of the successors and/or assigns of us and/or any of the foregoing.

Date of Releases, Joint and Several Liability. The releases granted hereunder shall be deemed effective as of both the date hereof and the date of any transfer of the Franchise and/or the Franchise Agreement and/or any termination of the Franchise and/or the Franchise Agreement. The liabilities and obligations of each of the Franchisee Parties (and any other person/entity providing releases to the Franchisor Parties) shall be joint and several.

FRANCHISEE PARTIES

By:	_____	By:	_____
Name:	_____	Name:	_____
Date:	_____	Date:	_____
By:	_____	By:	_____
Name:	_____	Name:	_____
Date:	_____	Date:	_____

SCHEDULE "F"

State Specific Amendments

To

Franchise Agreement

WE THE PEOPLE USA, INC.

FRANCHISE AGREEMENT

WASHINGTON AMENDMENT

The parties to the attached We The People Franchise Agreement (the "Agreement") amend the Agreement as follows:

1. If any of the provisions of the Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the Agreement.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In witness whereof, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Washington Amendment to the Agreement to be effective on the day and year executed by We The People USA, Inc.

We The People USA, Inc.	**FRANCHISEE:**
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____, 200___	Date: _____, 200___

WE THE PEOPLE USA, INC.

FRANCHISE AGREEMENT

WISCONSIN AMENDMENT

The parties to the attached We The People Franchise Agreement (the "Agreement") amend the Agreement as follows:

1. Section 7.1 Governing Law is amended by the addition of the following:

"The Wisconsin Fair Dealership Law (Chapter 135 Wis. Stats.) supersedes any provisions contained in this Agreement that are inconsistent with that Law."

In witness whereof, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Wisconsin Amendment to the Agreement to be effective on the day and year executed by We The People USA, Inc.

We The People USA, Inc.	**FRANCHISEE:**
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____, 200___	Date: _____, 200___

WE THE PEOPLE USA, INC.

FRANCHISE AGREEMENT

MARYLAND AMENDMENT

Section 1.3.4 of the Franchise Agreement is hereby amended as follows:

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Section 7.1 Governing Law is amended by the addition of the following:

The Maryland Franchise Registration and Disclosure Law ("Law") supersedes any provisions contained in this Agreement that are inconsistent with that Law. Accordingly, you may sue in Maryland for claims arising under the Law. You must bring any claims arising under the Law within 3 years after the grant of your franchise.

SECTION 14-226 OF THE LAW PROHIBITS A FRANCHISOR FROM REQUIRING A PROSPECTIVE FRANCHISEE TO ASSENT TO ANY RELEASE, ESTOPPEL OR WAIVER OF LIABILITY AS A CONDITION OF PURCHASING A FRANCHISE. TO THE EXTENT THE FRANCHISE AGREEMENT REQUIRES YOU TO DISCLAIM THE OCCURRENCE AND/OR ACKNOWLEDGE THE NON-OCCURRENCE OF ACTS THAT WOULD CONSTITUTE A VIOLATION OF THE LAW IN ORDER TO PURCHASE YOUR FRANCHISE, SUCH REPRESENTATIONS ARE NOT INTENDED TO NOR SHALL THEY ACT AS A RELEASE, ESTOPPEL, OR WAIVER OF ANY LIABILITY INCURRED UNDER THE LAW.

EXHIBIT "B"

WE THE PEOPLE USA, INC.

FRANCHISE OFFERING CIRCULAR

STATE SPECIFIC ADDENDA

TO

THE FRANCHISE DISCLOSURE DOCUMENT

WE THE PEOPLE USA, INC.

UNIFORM FRANCHISE OFFERING CIRCULAR

NEW YORK ADDENDUM

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT "D" 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 OFFERING CIRCULAR. IF YOU LEARN THAT ANYTHING IN THIS OFFERING CIRCULAR IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. AND THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

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

THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK, ARTICLE 33, SECTIONS 680 THROUGH 695, AND THE CODES, RULES AND REGULATIONS OF THE STATE OF NEW YORK, TITLE 13, CHAPTER VII, SECTIONS 200.1 THROUGH 201.16 MAY SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR. THE FOLLOWING ADDITIONAL DISCLOSURE PROVISIONS ARE REQUIRED UNDER NEW YORK LAW AND SUPERSEDE THE CORRESPONDING DISCLOSURE PROVISIONS IN THE BODY OF THE UNIFORM FRANCHISE OFFERING CIRCULAR REQUIRED BY THE FEDERAL TRADE COMMISSION.

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WE THE PEOPLE USA, INC.

UNIFORM FRANCHISE OFFERING CIRCULAR

NEW YORK ADDENDUM

In recognition of the requirements of the New York State Franchise Ace, the We the People USA, Inc. Offering Circular for use in New York is amended as follows:

1. Item 3 is amended in full as follows:

Except as set forth in the Uniform Franchise Offering Circular, no person or company identified in Items 1 or 2 of this Offering Circular has any administrative, criminal or civil action pending against that person alleging: a felony; a violation of any franchise, antitrust or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; unfair or deceptive trade practices or comparable civil or misdemeanor allegations.

Except as set forth in the Uniform Franchise Offering Circular, no person or company identified in Items 1 or 2 of this Offering Circular has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the ten 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.

Except as set forth in the Uniform Franchise Offering Circular, no person or company identified in Items 1 or 2 of this Offering Circular is subject to any 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 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 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.

WE THE PEOPLE USA, INC.

UNIFORM FRANCHISE OFFERING CIRCULAR

NEW YORK ADDENDUM

2. Item 4 is amended by the addition of the following:

Except as set forth above, neither the Company nor any of its officers 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 if its debts under the bankruptcy code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the Company held this position in the company or partnership.

3. Item 17 is amended as follows:

THE FOLLOWING TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AGREEMENT PERTAINING TO TERMINATION, ASSIGNMENT AND CHOICE OF LAW WHICH MAY BE SUPERSEDED BY THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK.

	Provision	**Franchise Agreement**	**Summary**
d.	Termination by you	None	You may terminate the Franchise Agreement on any grounds available by law.
j.	Assignment of contract by the Company	§5.1	The Company cannot transfer its obligations under the franchise unless adequate provision has been made to provide services to you.
w.	Choice of Law	§7.1	California unless otherwise required by state law. The foregoing Choice of Law should not be considered a waiver of any right conferred upon you or us by the General Business Law of the State of New York.

WE THE PEOPLE USA, INC.

UNIFORM FRANCHISE OFFERING CIRCULAR

RHODE ISLAND ADDENDUM

ITEM 17 of the Offering Circular for use in the State of Rhode Island is amended by the addition of the following:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of laws of another state is void with respect to a claim otherwise enforceable under the Act." The Act supersedes any provisions contained in the franchise agreement that are inconsistent with the Act.

WE THE PEOPLE USA, INC.

UNIFORM FRANCHISE OFFERING CIRCULAR

VIRGINIA ADDENDUM

THIS OFFERING CIRCULAR IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THIS OFFERING CIRCULAR AND ALL CONTRACTS OR AGREEMENTS SHOULD BE READ CAREFULLY IN THEIR ENTIRETY FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

A FEDERAL TRADE COMMISSION RULE MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE WITHOUT FIRST PROVIDING THIS OFFERING CIRCULAR TO THE PROSPECTIVE FRANCHISEE AT THE EARLIER OF: (1) THE FIRST PERSONAL METING; OR (2) TEN BUSINESS DAYS BEFORE THE SIGNING OF ANY FRANCHISE OR RELATED AGREEMENT; OR (3) TEN BUSINESS DAYS BEFORE ANY PAYMENT. THE PROSPECTIVE FRANCHISEE MUST ALSO RECEIVE A FRANCHISE AGREEMENT CONTAINING ALL MATERIAL TERMS AT LEAST FIVE BUSINESS DAYS PRIOR TO THE SIGNING OF THE FRANCHISE AGREEMENT.

ALTHOUGH THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE VIRGINIA RETAIL FRANCHISING ACT AS AMENDED, REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING OF THE VIRGINIA STATE CORPORATION COMMISSION OR A FINDING BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, ACCURATE OR NOT MISLEADING.

IF THIS OFFERING CIRCULAR IS NOT DELIVERED ON TIME, OR IF IT CONTAINS A FALSE, INCOMPLETE, INACCURATE OR MISLEADING STATEMENT, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON D.C. 20580 AND TO THE DIVISION OF SECURITIES AND RETAIL FRANCHISING, 1300 EAST MAIN STREET, 9TH FLOOR, RICHMOND, VIRGINIA 23219.

WE THE PEOPLE USA, INC.

UNIFORM FRANCHISE OFFERING CIRCULAR

WASHINGTON ADDENDUM

If any of the provisions of the franchise offering circular or franchise agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the franchise offering circular and franchise agreement with regard to any franchise sold in Washington.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

WE THE PEOPLE USA, INC.

UNIFORM FRANCHISE OFFERING CIRCULAR

WISCONSIN ADDENDUM

THE WISCONSIN FAIR DEALERSHIP ACT REQUIRES THAT THE PROSPECTIVE FRANCHISEE RECEIVES A COPY OF THIS DISCLOSURE STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE, AT LEAST 10 BUSINESS DAYS PRIOR TO THE EXECUTION OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 10 BUSINESS DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION.

The Wisconsin Fair Dealership Law provides that the Company cannot terminate, cancel, fail to renew or substantially change the competitive circumstances of your franchise agreement without good cause. That Law further provides that the Company must provide you with at least 90 days prior written notice of termination, cancellation, nonrenewal or substantial change in competitive circumstances. You have 60 days to cure the deficiency, and if the deficiency is cured the notice is void.

ITEM 17 of the Offering Circular for use in the State of Wisconsin is amended by the addition of the following:

The Wisconsin Fair Dealership Law (Chapter 135, Wis. Stats.) supersedes any provisions contained in the franchise agreement that are inconsistent with that Law.

WE THE PEOPLE USA, INC.

FRANCHISE AGREEMENT

MARYLAND AMENDMENT

Section 1.3.4 of the Franchise Agreement is hereby amended as follows:

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Section 7.1 Governing Law is amended by the addition of the following:

The Maryland Franchise Registration and Disclosure Law ("Law") supersedes any provisions contained in this Agreement that are inconsistent with that Law. Accordingly, you may sue in Maryland for claims arising under the Law. You must bring any claims arising under the Law within 3 years after the grant of your franchise.

SECTION 14-226 OF THE LAW PROHIBITS A FRANCHISOR FROM REQUIRING A PROSPECTIVE FRANCHISEE TO ASSENT TO ANY RELEASE, ESTOPPEL OR WAIVER OF LIABILITY AS A CONDITION OF PURCHASING A FRANCHISE. TO THE EXTENT THE FRANCHISE AGREEMENT REQUIRES YOU TO DISCLAIM THE OCCURRENCE AND/OR ACKNOWLEDGE THE NON-OCCURRENCE OF ACTS THAT WOULD CONSTITUTE A VIOLATION OF THE LAW IN ORDER TO PURCHASE YOUR FRANCHISE, SUCH REPRESENTATIONS ARE NOT INTENDED TO NOR SHALL THEY ACT AS A RELEASE, ESTOPPEL, OR WAIVER OF ANY LIABILITY INCURRED UNDER THE LAW.

EXHIBIT "C"

WE THE PEOPLE USA, INC.

FRANCHISE OFFERING CIRCULAR

FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Dollar Financial Corp.

We have audited the accompanying consolidated balance sheets of Dollar Financial Group, Inc. as of June 30, 2005 and 2004, and the related consolidated statements of operations, shareholder's equity, and cash flows for each of the three years in the period ended June 30, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Dollar Financial Group, Inc. at June 30, 2005 and 2004, and the consolidated results of its operations and its cash flows for each of the three years in the period ended June 30, 2005, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
September 12, 2005

WE THE PEOPLE USA, INC.
BALANCE SHEET
(In thousands)

	June 30, 2005
Assets	
Cash and cash equivalents	$ 320
Loans and other receivables, net of reserve	678
Prepaid expenses	-
Due from affiliates	
Property and equipment, net of accumulated depreciation	174
Goodwill and other intangibles, net of accumulated amortization	20,249
Other	15
	$ 21,436
Liabilities and shareholder's deficit	
Deferred Franchise Fees	$ 4,269
Accounts payable	162
Accrued expenses and other liabilities	478
Due to affiliates	17,243
Shareholder's deficit:	
Retained earnings	(716)
Total shareholder's deficit	(716)
	$ 21,436

WE THE PEOPLE USA, INC.
STATEMENTS OF OPERATIONS
(In thousands)
For the Period March 7, 2005 to June 30, 2005

	Amount
Revenue	$ 3,055
Store and regional expenses:	
Salaries and benefits	1,176
Occupancy	104
Depreciation	2
Other	1,251
Total store and regional expenses	2,533
Corporate and other expenses:	
Management Fees	1,200
Amortization	38
Loss before income taxes	(716)
Income tax provision	
Net loss	$ (716)

WE THE PEOPLE USA, INC.
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Dollar Financial Corp.

We have audited the accompanying consolidated balance sheets of Dollar Financial Group, Inc. as of June 30, 2005 and 2004, and the related consolidated statements of operations, shareholder's equity, and cash flows for each of the three years in the period ended June 30, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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Ernst & Young LLP

September 12, 2005

DOLLAR FINANCIAL GROUP, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands except share amounts)

	June 30, 2004	June 30, 2005
ASSETS		
Cash and cash equivalents	$ 69,266	$ 92,500
Loans receivable		
Loans receivable	32,902	41,353
Less: Allowance for loan losses	(2,315)	(2,707)
Loans receivable, net	30,587	38,646
Other consumer lending receivables	7,404	7,996
Other receivables	4,056	4,125
Income taxes receivable	6,125	1,053
Prepaid expenses	4,380	6,858
Deferred income taxes, net of valuation allowance of $3,946 and $12,035	-	71
Notes and interest receivable – officers	3,354	73
Due from parent	5,682	398
Property and equipment, net of accumulated depreciation of $49,540 and $62,555	27,965	35,611
Goodwill and other intangibles, net of accumulated Amortization of $22,449 and $23,079	149,118	186,190
Debt issuance costs, net of accumulated amortization of $987 and $2,633	11,160	10,558
Other	2,827	3,970
	$ 321,924	$ 387,974
LIABILITIES AND SHAREHOLDER'S EQUITY		
Accounts payable	$ 15,863	$ 23,807
Foreign income tax payable	5,979	4,648
Accrued expenses and other liabilities	17,206	22,153
Accrued interest payable	3,578	3,291
Deferred tax liability	-	2,352
9.75% Senior Notes due 2011	241,176	271,764
Other long term debt	105	-
Shareholder's equity:		
Common stock, $1 par value: 20,000 shares authorized; 100 shares issued and outstanding at June 30, 2004 and June 30, 2005	-	-
Additional paid-in capital	21,617	21,617
Retained Earnings	2,587	17,636
Accumulated other comprehensive income	13,813	20,506
Total shareholder's equity	38,017	59,759
	$ 321,924	$ 387,974

See accompanying notes.

DOLLAR FINANCIAL GROUP, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	Year Ended June 30,		
	2003	2004	2005
Revenues:			
Check Cashing	$ 108,435	$ 117,397	$ 128,748
Consumer lending:			
Fees from consumer lending	107,580	122,461	153,304
Provision for loan losses and adjustment to servicing income	(24,995)	(24,489)	(29,725)
Consumer lending, net	82,585	97,972	123,579
Money transfer fees	11,652	13,032	14,771
Other	16,716	17,706	24,468
Total revenues	219,388	246,107	291,566
Store and regional expenses:			
Salaries and benefits	69,799	76,008	87,040
Occupancy	18,856	19,805	22,854
Depreciation	5,859	6,546	7,190
Returned checks, net and cash shortages	8,531	9,132	10,477
Telephone and communications	5,538	5,665	5,827
Advertising	5,899	6,943	8,421
Bank charges	3,138	3,744	3,960
Armored carrier expenses	2,873	3,051	3,660
Other	21,787	24,463	28,637
Total store and regional expenses	142,280	155,357	178,066
Store and regional margin	77,108	90,750	113,500
Corporate and other expenses:			
Corporate expenses	31,241	32,813	44,652
Other depreciation and amortization	3,320	3,286	3,812
Interest expense, net of interest income of $173, $179, and $114	20,168	25,303	26,237
Loss on extinguishment of debt	-	7,486	-
Litigation settlement costs	2,750	-	-
Other	3,987	361	154
Income before income taxes	15,642	21,501	38,645
Income tax provision	13,511	16,589	19,986
Net income	$ 2,131	$ 4,912	$ 18,659

See accompanying notes.

DOLLAR FINANCIAL GROUP, INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY
(In thousands, except share data)

	Common Stock Outstanding Shares	Common Stock Outstanding Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Shareholder's (Deficit) Equity
Balance, June 30, 2002	100	$ -	$ 50,957	$ 6,903	$ (4,345)	$ 53,515
Comprehensive income:						
Foreign currency translation					12,042	12,042
Net income				2,131		2,131
Total comprehensive income						14,173
Balance, June 30, 2003	100	-	50,957	9,034	7,697	67,688
Comprehensive income						
Foreign currency translation					6,116	6,116
Net income				4,912		4,912
Total comprehensive income						11,028
Dividends paid to parent			(29,340)	(11,359)		(40,699)
Balance, June 30, 2004	100	-	21,617	2,587	13,813	38,017
Comprehensive income:						
Foreign currency translation					6,729	6,729
Other Cash flow hedges					(36)	(36)
Net income				18,659		18,659
Total comprehensive income:						25,352
Dividends paid to parent				(3,610)		(3,610)
Balance, June 30, 2005	100	$ -	$ 21,617	$ 17,636	$ 20,506	$ 59,759

See accompanying notes.

DOLLAR FINANCIAL GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended June 30,		
	2003	2004	2005
Cash flows from operating activities:			
Net income	$ 2,131	$ 4,912	$ 18,659
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	10,971	11,570	12,504
Loss on extinguishment of debt	-	7,486	-
Losses on store closings and sales	3,987	187	665
Foreign currency (gain) loss on revaluation of subordinated notes payable	(398)	(838)	180
Deferred tax (benefit) provision	783	(838)	2,352
Change in assets and liabilities (net of effect of acquisitions):			
Increase in loans and other receivables	(9,602)	(8,987)	(3,555)
(Increase) decrease in income taxes receivable	(1,626)	(1,801)	5,072
Decrease (increase) in prepaid expenses and other	1,375	(760)	(4,039)
(Decrease) increase in accounts payable, income taxes payable, accrued expenses and other liabilities and accrued interest payable	(3,789)	9,441	4,640
Net cash provided by operating activities	3,832	20,372	35,879
Cash flows from investing activities:			
Acquisitions, net of cash acquired	(3,251)	(550)	(29,950)
Gross proceeds from sale of fixed assets	-	81	-
Additions to property and equipment	(7,428)	(8,150)	(14,857)
Net cash used in investing activities	(10,679)	(8,619)	(44,807)
Cash flows from financing activities:			
Redemption of 10.875% Senior Subordinated Notes due 2006	-	(20,734)	-
Redemption of collateralized borrowings		(8,277)	
Other debt payments	(3)	(72)	(106)
Other collateralized borrowings	8,000		
Issuance of 9.75% Senior Notes due 2011	-	241,176	30,750
Redemption of 10.875% Senior Notes due 2006		(211,170)	
Net decrease in revolving credit facilities	(17,237)	(61,699)	-
Payment of debt issuance costs	(690)	(10,929)	(727)
Net (increase) decrease in due from parent	(967)	(4,064)	3,284
Dividend paid to parent		(40,699)	(3,610)
Net cash (used in) provided by financing activities	(10,897)	(16,468)	29,591
Effect of exchange rate changes on cash and cash equivalents	2,916	2,176	2,571
Net (decrease) increase in cash and cash equivalents	(14,828)	(2,539)	23,234
Cash and cash equivalents at beginning of period	86,633	71,805	69,266
Cash and cash equivalents at end of period	$ 71,805	$ 69,266	$ 92,500
Supplemental disclosures of cash flow information:			
Interest paid	$ 18,436	$ 21,485	$ 24,489
Income taxes paid	$ 14,548	$ 13,858	$ 15,820

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2005

1. Organization and Business

The accompanying consolidated financial statements are those of Dollar Financial Group, Inc. (the "Company") and its wholly-owned subsidiaries. The Company is a wholly-owned subsidiary of Dollar Financial Corp. ("Corp"). The activities of Dollar Financial Corp. consist primarily of its investment in the Company. Dollar Financial Corp. has no employees or operating activities.

The Company is a New York corporation formed in 1979. The Company, through its subsidiaries, provides retail financial services to the general public through a network of 1,335 locations (of which 716 are company owned) operating as Money Mart®, The Money Shop, Loan Mart® and Insta-Cheques in 16 states, the District of Columbia, Canada and the United Kingdom. The services provided at the Company's retail locations include check cashing, short-term consumer loans, sale of money orders, money transfer services and various other related services. In addition, the Company's newly acquired business, We The People USA, Inc. offers retail based legal document preparation services through a network of two company-owned stores and 168 franchised locations in 32 states.

Dollar Financial Corp. is the sole record and beneficial owner of all of the Company's outstanding common stock.

2. Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. On an ongoing basis, management evaluates its estimates and judgments. Management bases its estimates on historical experience or various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Reclassification

Certain prior year amounts have been reclassified to conform to current year presentation. These reclassifications have no effect on net income or shareholder's equity.

Revenue recognition

With respect to company-operated stores, revenues from the Company's check cashing, money order sales, money transfer, bill payment services and other miscellaneous services reported in other revenues on its statement of operations are all recognized when the transactions are completed at the point-of-sale in the store.

2. Significant Accounting Policies (continued)

With respect to the Company's franchised locations, the Company recognizes initial franchise fees upon fulfillment of all significant obligations to the franchisee. Royalties from franchisees are recognized as earned. The standard franchise agreements grant to the franchisee the right to develop and operate a store and use the associated trade names, trademarks, and service marks within the standards and guidelines established by the Company. As part of the franchise agreement, the Company provides certain pre-opening assistance including site selection and evaluation, design plans, operating manuals, software and training. After the franchised location has opened, the Company must also provide updates to the software, samples of certain advertising and promotional materials and other post-opening assistance that the Company determines is necessary. Initial franchise fees included in revenues were $283,000, $389,000 and $455,000 for the years ended June 30, 2003, 2004 and 2005, respectively. Total franchise revenues were $6.3 million, $7.5 million and $11.3 million for the years ended June 30, 2003, 2004 and 2005, respectively.

For short term consumer loans that the Company makes directly, which have terms ranging from 1 to 37 days, revenue is recognized using the interest method. Loan origination fees are recognized as an adjustment to the yield on the related loan.

In addition to the short-term consumer loans originated and funded by the Company, the Company also had relationships with two banks, County Bank of Rehoboth Beach, Delaware and First Bank of Delaware. Pursuant to these relationships, the Company marketed and serviced short-term consumer loans, which had terms ranging from 7 to 23 days, that were funded by the banks. The banks were responsible for the application review process and determining whether to approve an application and fund a loan. As a result, the banks' loans are not reflected on the Company's balance sheets. The Company earned a marketing and servicing fee for each loan that was paid by borrowers to the banks.

On March 2, 2005, the FDIC issued revised Payday Lending Guidance which, among other things, limits the period a customer may have payday loans outstanding from any FDIC-insured bank to three months during a twelve-month period. The Payday Lending Guidance became effective on July 1, 2005. As a result of the Payday Lending Guidance, the Company is transitioning from the bank-funded consumer loan model to the company-funded consumer loan model in most of the states where it previously offered bank-funded consumer loans. As part of this transition, it terminated its relationship with County Bank and will amend its relationship with First Bank in the quarter ending September 30, 2005.

For loans funded by County Bank, the Company recognized net servicing fee income ratably over the life of the related loan. In addition, each month County Bank withheld certain servicing fees payable to the Company in order to maintain a cash reserve. The amount of the reserve was equal to a fixed percentage of outstanding loans at the beginning of the month plus a percentage of the finance charges collected during the month. Each month, net credit losses were applied against County Bank's cash reserve. Any excess reserve was then remitted to the Company as a collection bonus. The remainder of the finance charges not applied to the reserve were either used to pay costs incurred by County Bank related to the short term loan program, retained by the bank as interest on the loan or distributed to the Company as a servicing fee.

For loans funded by First Bank of Delaware, the Company recognizes net servicing fee income ratably over the life of the related loan. In addition, the bank has established a target loss rate for the loans marketed and serviced by the Company. Servicing fees payable to the Company are reduced if actual losses exceed this target loss rate by the amount they exceed it. If actual losses are below the target loss rate, the difference is paid to the Company as a servicing fee. The measurement of the actual loss rate and settlement of servicing fees occurs twice every month.

Because the Company's servicing fees are reduced by loan losses incurred by the banks, it has established a reserve for servicing fee adjustments. To estimate the appropriate reserve for servicing fee adjustments, the Company considers the amount of outstanding loans owed to the banks, historical loans charged off, current collections patterns and current economic trends. The reserve is then based on net write-offs, expressed as a percentage of loans originated and extended on behalf of the banks applied against the total amount of the banks' outstanding loans. This reserve is reported in accrued expenses and other liabilities on the Company's balance sheet and was $1.4 million at June 30, 2004 and $1.3 million at June 30, 2005.

2. Significant Accounting Policies (continued)

If one of the banks suffers a loss on a loan, the Company immediately records a charge-off against the reserve for servicing fee adjustments for the entire amount of the unpaid item. A recovery is credited to the reserve during the period in which the recovery is made. Each month, the Company replenishes the reserve in an amount equal to the net losses charged to the reserve in that month. This replenishment, as well as any additional provisions to the reserve for servicing fees adjustments as a result of the calculations set forth above, is charged against revenues.

Cash and Cash Equivalents

Cash includes cash in stores and demand deposits with financial institutions. Cash equivalents are defined as short-term, highly liquid investments both readily convertible to known amounts of cash and so near maturity that there is insignificant risk of changes in value because of changes in interest rates.

Loans Receivable, Net

Unsecured short-term and longer-term installment loans that the Company originates on its own behalf are reflected on the balance sheet in loans receivable, net. Loans receivable, net are reported net of a reserve related to consumer lending as described below in the company-funded consumer loan loss reserves policy.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed using either the straight-line or double declining balance method over the estimated useful lives of the assets, which vary from three to five years. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term (including renewal options that are reasonably assured), which ranges from 1 to 5 years, or the estimated useful life of the related asset.

Intangible Assets

Under the provisions of SFAS 142, "Goodwill and Other Intangible Assets" intangible assets, including goodwill, that are not subject to amortization will be tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired, using a two-step impairment assessment. The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired, and the second step of the impairment test is not necessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss if any (see Note 11). The Company has completed the required impairment tests and determined that goodwill was not impaired at June 30, 2005.

Debt Issuance Costs

Debt issuance costs are amortized using the effective yield method over the remaining term of the related debt (see Note 6).

Store and Regional Expenses

The direct costs incurred in operating the Company's stores have been classified as store expenses. Store expenses include salaries and benefits of store and regional employees, rent and other occupancy costs, depreciation of property and equipment, bank charges, armored carrier services, returned checks, net and cash shortages, advertising, telephone and telecommunication and other costs incurred by the stores. Excluded from store operations are the corporate expenses of the Company, which include salaries and benefits of corporate employees, professional fees and travel costs.

2. Significant Accounting Policies (continued)

Company-Funded Consumer Loan Loss Reserves Policy

The Company maintains a loan loss reserve for anticipated losses for loans it makes directly through some of its company-operated locations. To estimate the appropriate level of loan loss reserves, the Company considers the amount of outstanding loans owed to it, historical loans charged off, current collection patterns and current economic trends. The Company's current loan loss reserve is based on its net charge-offs, expressed as a percentage of loans originated and extended for the last twelve months applied against the total amount of outstanding loans that it makes directly. As these conditions change, the Company may need to make additional provisions in future periods.

When a loan is originated, the customer receives the cash proceeds in exchange for a post-dated check or a written authorization to initiate a charge to the customer's bank account on the stated maturity date of the loan. If the check or the debit to the customer's account is returned from the bank unpaid, the Company immediately records a charge-off against the consumer loan loss reserve for the entire amount of the unpaid item. A recovery is credited to the reserve during the period in which the recovery is made. Each month, the Company replenishes the reserve in an amount equal to the net losses charged to the reserve in that month. This replenishment, as well as any additional provisions to the loan loss reserve as a result of the calculations in the preceding paragraph, is charged against revenues.

Check Cashing Returned Item Policy

The Company charges operating expense for losses on returned checks during the period in which such checks are returned. Recoveries on returned checks are credited to operating expense in the period during which recovery is made. This direct method for recording returned check losses and recoveries eliminates the need for an allowance for returned checks. The net expense for bad checks included in returned checks, net and cash shortages in the accompanying consolidated statements of operations was $6.7 million, $7.7 million and $9.0 million for the years ended June 30, 2003, 2004 and 2005, respectively.

Income Taxes

The Company uses the liability method to account for income taxes. Accordingly, deferred income taxes have been determined by applying current tax rates to temporary differences between the amount of assets and liabilities determined for income tax and financial reporting purposes.

The Company intends to reinvest its foreign earnings and as a result the Company has not provided a deferred tax liability on foreign earnings.

Employees' Retirement Plan

Retirement benefits are provided to substantially all U.S. full-time employees who have completed 1,000 hours of service through a defined contribution retirement plan. The Company will match 50% of each employee's contribution, up to 8% of the employee's compensation. In addition, a discretionary contribution may be made if the Company meets its financial objectives. The amount of contributions charged to expense was $775,000, $720,000 and $791,000 for the years ended June 30, 2003, 2004 and 2005, respectively.

Effective December 31, 2004, the Company established the Dollar Financial Corp. Deferred Compensation Plan (the "Plan"). The Plan's primary purpose is to provide tax-advantageous asset accumulation for a select group of management and highly compensated employees. Eligible employees may elect to defer up to fifty percent of base salary and/or one hundred percent of bonus earned. The Administrator, persons appointed by the Company's Board of Directors, may further limit the minimum or maximum amount deferred by any Participants, for any reason. There were no employer contributions to the Plan during the fiscal year ending June 30, 2005. Employer contributions to the Plan during the fiscal year ending June 30, 2005 were $650,000 and are included in accrued expenses and other liabilities on the Company's balance sheet as of June 30, 2005.

2. Significant Accounting Policies (continued)

Advertising Costs

The Company expenses advertising costs as incurred. Advertising costs charged to expense were $6.9 million, $7.4 million and $8.4 million for the years ended June 30, 2003, 2004 and 2005, respectively.

Fair Value of Financial Instruments

The carrying values of the revolving credit facilities approximate fair values, as these obligations carry a variable interest rate. The fair value of the Company's 9.75% Senior Notes due 2011 is based on the quoted market value. The Company's financial instruments consist of cash and cash equivalents, loan and other consumer lending receivables, which are short-term in nature and their fair value approximates their carrying value.

Derivatives

Operations in the United Kingdom and Canada have exposed the Company to shifts in currency valuations. From time to time, the Company may elect to purchase put options in order to protect earnings in the United Kingdom and Canada against foreign currency fluctuations. Out of the money put options may be purchased because they cost less than completely averting risk, and the maximum downside is limited to the difference between the strike price and exchange rate at the date of purchase and the price of the contracts. At June 30, 2005, the Company held put options with an aggregate notional value of $(CAN) 28.8 million and £(GBP) 6.6 million to protect the future currency exposure in Canada and the United Kingdom throughout fiscal year 2006. The Company uses purchased options designated as cash flow hedges to protect against the foreign currency exchange rate risks inherent in its forecasted earnings denominated in currencies other than the U.S. dollar. The Company's cash flow hedges have a duration of less than twelve months. For derivative instruments that are designated and qualify as cash flow hedges, the effective portions of the gain or loss on the derivative instrument are initially recorded in accumulated other comprehensive income as a separate component of shareholder's equity and subsequently reclassified into earnings in the period during which the hedged transaction is recognized in earnings. The ineffective portion of the gain or loss is reported in corporate expenses on the statement of operations. For options designated as hedges, hedge effectiveness is measured by comparing the cumulative change in the hedge contract with the cumulative change in the hedged item, both of which are based on forward rates. As of June 30, 2005 no amounts were excluded from the assessment of hedge effectiveness. There was no ineffectiveness in the Company's cash flow hedges for the year ended June 30, 2005. As of June 30, 2005, amounts related to derivatives qualifying as cash flow hedges amounted to a reduction of shareholder's equity of $37,000 all of which is expected to be transferred to earnings in the next six months along with the earnings effects of the related forecasted transactions. The fair market value of the put options at June 30, 2005 was $254,000 and is included in other assets on the balance sheet.

Foreign Currency Translation and Transactions

The Company operates check cashing and financial services outlets in Canada and the United Kingdom. The financial statements of these foreign businesses have been translated into U.S. dollars in accordance with U.S. generally accepted accounting principles. All balance sheet accounts are translated at the current exchange rate at each period end and income statement items are translated at the average exchange rate for the period; resulting translation adjustments are made directly to a separate component of shareholder's equity. Gains or losses resulting from foreign currency transactions are included in corporate expenses.

Stock Based Compensation Plan

At June 30, 2005, the Company offered stock option plans, under which shares of our parent company's common stock may be awarded to employees or consultants of the Company. The Company has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25) and related interpretations in accounting for its employee stock options. Under APB 25, because the exercise price of the Company's employee stock options equals or exceeds the estimated market price of the underlying stock on the date of grant, no compensation expense is recognized.

2. Significant Accounting Policies (continued)

Recent Accounting Pronouncement

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123R, *Share-Based Payments,* (SFAS 123R). SFAS 123R revises Statement of Financial Accounting Standards No. 123 (SFAS 123), *Accounting for Stock-Based Compensation* and supersedes Accounting principles Board Opinion No. 25 (APB 25), *Accounting for Stock Issued to Employees*. In March 2005, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 107 ("SAB 107") relating to the adoption of SFAS 123R. SFAS 123R requires the compensation cost relating to share-based payment transactions to be recognized in a company's financial statement. SFAS 123R applies to transactions in which an entity exchanges its equity instruments for goods or services and may apply to liabilities an entity may incur for goods or services that are based on the fair value of those equity instruments. Under SFAS 123R, we will be required to follow a fair-value approach using an option-pricing model, such as the Black-Scholes option valuation model, at the date of a stock option grant. The Company will recognize the compensation cost for stock-based awards issued after June 30, 2005, on a straight-line basis over the requisite service period for the entire award. This statement is effective as of the beginning of the first interim or annual reporting period that begins after June 15, 2005 and therefore, we will adopt the standard during the first quarter of fiscal 2006. We do not expect the impact of SFAS 123R on the financial statements to be significant due to the minimal unvested options outstanding at June 30, 2005 resulting from the acceleration of the vesting as approved by the Compensation Committee of the Board of Directors on June 30, 2005.

3. Supplementary Cash Flow Information

Non-cash transactions

On November 13, 2003 Dollar Financial Corp. exchanged $49.4 million, or 50% of the accreted value of its 13.0% Senior Discount Notes for 16.0% Senior Notes due 2012 and $49.4 million, or 50% of the accreted value of its 13.0% Senior Discount Notes for 13.95% Senior Notes due 2012. On November 15, 2004, Dollar Financial Corp. elected to capitalize $6.5 million of interest on its 16.0% Senior Notes due 2012 and it's 13.95% Senior Subordinated Notes due 2012. On February 2, 2005, the Company wrote off $1.5 million of unamortized original issue discount related to the 13.95% Senior Subordinated Notes. Additionally, Dollar Financial Corp. forgave $2.5 million of accrued interest under the management loans and accepted certain of the management individuals' exchange of shares of its common stock held by them in satisfaction of $6.7 million principal amount of such loans. On March 7, 2005, Corp, as part of the consideration for the acquisition of WTP, issued $2.0 million in unregistered shares of its common stock (141,935 shares).

4. Stock Based Compensation Plan

Corp.'s 1999 Stock Incentive Plan (the "1999 Plan") states that 784,393 shares of its common stock may be awarded to employees or consultants of the Company. The awards, at the discretion of Corp's Board of Directors, may be issued as nonqualified stock options or incentive stock options. Stock appreciation rights ("SARs") may also be granted in tandem with the nonqualified stock options or the incentive stock options. Exercise of the SARs cancels the option for an equal number of shares and exercise of the nonqualified stock options or incentive stock options cancels the SARs for an equal number of shares. The number of shares issued under the 1999 Plan is subject to adjustment as specified in the 1999 Plan provisions. No options may be granted after February 15, 2009. The options are exercisable in 20% increments annually on the first, second, third, fourth and fifth anniversary of the grant date, unless otherwise accelerated, and have a term of ten years from the date of issuance.

During the year ended June 30, 2004, 301,920 nonqualified stock options were granted under the 1999 Plan at an exercise price of $10.09, the estimated fair market value of the common stock on the date of grant. All options granted under the 1999 Plan became 100% exercisable in conjunction with Corp's Initial Public Offering on January 28, 2005.

Corp's 2005 Stock Incentive Plan (the "2005 Plan") states that 1,843,906 shares of its common stock may be awarded to employees or consultants of the Company. The awards, at the discretion of the Corp's Board of Directors, may be issued as nonqualified stock options or incentive stock options. Stock appreciation rights ("SARs") may also be granted in tandem with the nonqualified stock options or the incentive stock options. Exercise of the SARs cancels the option for an equal number of shares and exercise of the nonqualified stock options or incentive stock options cancels the SARs for an equal number of shares. The number of shares issued under the 2005 Plan is subject to adjustment as specified in the 2005 Plan provisions. No options may be granted after January 24, 2015. The options are exercisable in 20% increments annually on the first, second, third, fourth and fifth anniversary of the grant date, unless otherwise accelerated, and have a term of ten years from the date of issuance.

During the year ended June 30, 2005, 534,283 nonqualified stock options were granted under the 2005 Plan at an exercise price of $11.70 and 5,000 options at an exercise price of $9.76 both of which grants were equal to the market price of the underlying stock on the grant date. In addition, an additional 534,283 nonqualified stock options were granted during the year ended June 30, 2005 under the 2005 Plan at an exercise price of $16.00. On June 30, 2005, Corp.'s Board of Directors approved the acceleration of the vesting of all but 5,000 options previously granted under the 2005 Plan.

4. Stock Based Compensation Plan (continued)

The following table presents information on stock options:

	Shares	Price Per Share
Options outstanding at June 30, 2002 (361,877 shares exercisable)	613,830	$5.81/$13.06
Granted	-	-
Exercised	-	-
Forfeited	(74,370)	$5.81/$13.06
Options outstanding at June 30, 2003 (435,137 shares exercisable)	539,460	$5.81/$13.06
Granted	301,920	$10.09
Exercised	-	-
Forfeited	(59,940)	$5.81/$13.06
Options outstanding at June 30, 2004 (466,200 shares exercisable)	781,440	$5.81/$10.09/$13.06
Granted	1,073,566	$9.76 - $16.00
Exercised	(11,100)	$5.81
Forfeited	-	-
Options outstanding at June 30, 2005 (1,838,906 shares exercisable)	1,843,906	$5.81 - $16.00

The following table presents information on stock options by exercise price:

	Options Outstanding		Options Exercisable
Exercise Price	Number Outstanding at June 30, 2005	Weighted Average Remaining Contractual Life (Years)	Number Exercisable at June 30, 2005
$ 5.81	435,120	3.6	435,120
$ 9.76	5,000	9.8	-
$ 10.09	301,920	8.5	301,920
$ 11.70	534,283	9.8	534,283
$ 13.06	33,300	5.4	33,300
$ 16.00	534,283	9.8	534,283
	1,843,906	8.0	1,838,906

5. Property and Equipment

Property and equipment at June 30, 2004 and 2005 consist of (in thousands):

	June 30, 2004	June 30, 2005
Land	$ 172	$ 170
Leasehold improvements	24,982	33,531
Equipment and furniture	52,351	64,465
	77,505	98,166
Less: accumulated depreciation	(49,540)	(62,555)
Property and equipment, net	$ 27,965	$ 35,611

Depreciation expense amounted to $9.0 million, $9.7 million and $10.9 million for the years ended June 30, 2003, 2004 and 2005, respectively.

6. Debt

The Company had debt obligations at June 30, 2004 and 2005 as follows (in thousands):

	June 30, 2004	June 30, 2005
9.75% Senior Notes due November 13, 2011; interest payable semi-annually on May 15 and November 15	$ 241,176	$ 271,764
Other	105	-
	$ 241,281	$ 271,764

On May 6, 2004, the Company consummated an offering of $20.0 million principal amount of 9.75% Senior Notes due 2011. The notes were offered as additional debt securities under the indenture pursuant to which the Company had issued $220.0 million of notes in November 2003 (the "New Notes Indenture"). The notes issued in November 2003 and the notes issued in May 2004 constitute a single class of securities under the New Notes Indenture. The net proceeds from the May 2004 note offering were distributed to the Company to redeem approximately $9.1 million aggregate principal amount of its 16.0% senior notes due 2012 and approximately $9.1 million aggregate principal amount of its 13.95% senior subordinated notes due 2012.

On June 23, 2005, the Company consummated an offering of $30.0 million principal amount of 9.75% Senior Notes due 2011. The notes were offered as additional debt securities under the indenture pursuant to which the Company had issued $220.0 million of notes in November 2003. The notes issued in November 2003, May 2004 and the notes issued in June 2005 constitute a single class of securities under the New Notes Indenture. The net proceeds from the June 2005 note offering were used to repay all of the Company's outstanding indebtedness under the Company's domestic revolving credit facility which was approximately $17.9 million. The remaining amounts were used for general working capital purposes.

6. Debt (continued)

The 9.75% Senior Notes are redeemable, in whole or in part, at the Company's option, at any time on or after November 15, 2007. If redeemed during the twelve month period commencing November 15 of the years indicated below, the 9.75% Senior Notes will be redeemable at the following redemption prices, expressed as percentages of the principal amount, plus accrued and unpaid interest and liquidated damages, if any, to the date of redemption:

Year	Percentage
2007	104.875%
2008	102.438%
2009 and thereafter	100.000%

Prior to November 15, 2006, the Company may redeem up to 35% of the aggregate principal amount of the 9.75% Senior Notes with the net proceeds of certain equity issuances at a redemption price equal to 109.75% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages, if any, to the date of redemption.

The revolving credit facility ("Credit Facility") consists of a $55.0 million senior secured reducing revolving credit facility. The commitment under the Credit Facility was reduced by $750,000 on January 2, 2004 and on the first business day of each calendar quarter thereafter, and is subject to additional reductions based on excess cash flow up to a maximum reduction, including quarterly reductions, of $15.0 million. The commitment may be subject to further reductions in the event the Company engages in certain issuances of securities or asset disposals. Under the Credit Facility, up to $20.0 million may be used in connection with letters of credit. Amounts outstanding under the Credit Facility bear interest at either (i) the higher of (a) the federal funds rate plus 0.50% per annum or (b) the rate publicly announced by Wells Fargo, San Francisco, as its "prime rate," plus 3.00% at June 30, 2005, (ii) the LIBOR Rate (as defined therein) plus 4.25% at June 30, 2005, or (iii) the one day Eurodollar Rate (as defined therein) plus 4.25% at June 30, 2005, determined at the Company's option. At June 30, 2005, the Company's borrowing capacity was $37.3 million and there was none outstanding.

The 9.75% Senior Notes and the Credit Facility contain certain financial and other restrictive covenants, which, among other things, require the Company to achieve certain financial ratios, limit capital expenditures, restrict payment of dividends and require certain approvals in the event the Company wants to increase the borrowings. At June 30, 2005, the Company is in compliance with all covenants.

The Company established a Canadian dollar overdraft credit facility to fund peak working capital needs for its Canadian operations. The overdraft credit facility, which has no stated maturity date, provides for a commitment of up to approximately $10.0 million in Canadian equivalent of which none were outstanding as of June 30, 2004 and 2005. Amounts outstanding under the facility bear interest at Canadian prime and are secured by $10.0 million letter of credit issued by Wells Fargo Bank under the Credit Facility.

6. **Debt (continued)**

The total fair market value of the 9.75% Senior Notes due 2011 at June 30, 2005 was approximately $278.1 million.

Interest expense is $20.3 million, $25.5 million and $26.4 million for the years ended June 30, 2003, 2004 and 2005, respectively.

7. **Income Taxes**

The Company and its subsidiaries file a consolidated federal income tax return with Corp., but the Company calculates its provision and prepares its income tax note as if it were on a stand-alone basis.

The provision for income taxes for the years ended June 30, 2003, 2004 and 2005 consists of the following (in thousands):

	Year Ended June 30,		
	2003	2004	2005
Federal:			
Current	$ (603)	$ 2,196	$ (1,810)
Deferred	705	(968)	1,758
	102	1,228	(52)
Foreign taxes:			
Current	13,088	15,232	19,444
Deferred	-	-	594
	13,088	15,232	20,038
State:			
Current	243		
Deferred	78	129	-
	321	129	-
	$ 13,511	$ 16,589	$ 19,986

The significant components of the Company's deferred tax assets and liabilities at June 30, 2004 and 2005 are as follows (in thousands):

	June 30,	
	2004	2005
Deferred tax assets:		
Loss reserves	$ 1,219	$ 788
Foreign withholding taxes	6	6
Depreciation	2,051	2,340
Accrued compensation	1,130	216
Reserve for store closings	215	-
Other accrued expenses	268	221
Net operating loss carry forwards	-	8,464
Other	85	71
Gross deferred tax assets	4,974	12,106
Valuation allowance	(3,946)	(12,035)
Deferred tax liabilities:		
Amortization and other temporary differences	(1,028)	(2,352)
Net deferred tax asset (liability)	$ -	$ (2,281)

7. Income Taxes (continued)

U.S. income taxes have not been provided on undistributed earnings of international subsidiaries. The Company's intention is to reinvest these earnings permanently or to repatriate the earnings only when it is tax effective to do so. Accordingly, the Company believes that any U.S. tax on repatriated earnings would be substantially offset by U.S. foreign tax credits.

Differences between effective income tax rates and the statutory U.S. federal income tax rates are as follows (in thousands):

	Year Ended June 30,		
	2003	2004	2005
Tax provision at federal statutory state	$ 5,475	$ 7,523	$ 13,525
Add (deduct):			
Federal and State tax provision	199	-	(746)
Canadian withholding	-	-	(1,130)
Foreign taxes	2,419	1,122	452
US tax on foreign earnings	5,162	2,349	-
Canadian restructuring		5,143	
Other permanent differences	256	452	(204)
Valuation allowance	-	-	8,089
Tax provision at effective tax rate	$ 13,511	$ 16,589	$ 19,986

During fiscal 2004, the Company refinanced its debt and significant deferred tax assets were generated. The Company provided a valuation allowance against its deferred tax assets at June 30, 2005 and 2004 which amounted to $3.9 million and $12.0 million, respectively. Because Corp. may not realize the benefits of the Company's deferred tax assets, the Company provided a valuation allowance against all deferred tax assets. The federal net operating loss carry forwards will begin to expire in 2024, if not utilized.

Foreign, federal and state income taxes of approximately $14.5 million, $13.9 million and $15.8 million were paid during the years ended June 30, 2003, 2004 and 2005, respectively.

8. Loss on Extinguishment of Debt

On November 13, 2003, the Company issued $220.0 million principal amount of 9.75% senior notes due 2011. The proceeds from this offering were used to redeem all of its outstanding 10.875% senior notes and its outstanding 10.875% senior subordinated notes to refinance its credit facility, to distribute a portion of the proceeds to Corp. to redeem an equal amount of the Company's senior discount notes and to pay fees and expenses with respect to these transactions and a related note exchange transaction involving its senior discount notes. On June 30, 2004, the Company terminated an agreement under which it sold a participation interest in a portion of the short-term consumer loans originated by the Company in the United Kingdom to a third party. Associated with the termination of this agreement the Company paid $276,660 representing a prepayment penalty. On May 6, 2004, the Company consummated an offering of $20.0 million principal amount of 9.75% Senior Notes due 2011. The notes were offered as additional debt securities under the indenture pursuant to which the Company had issued $220.0 million of notes in November 2003. The notes issued in November 2003 and the notes issued in May 2004 constitute a single class of securities. The net proceeds from the May 2004 note offering were distributed to Corp to redeem approximately $9.1 million aggregate principal amount of its 16.0% senior notes due 2012 and approximately $9.1 million aggregate principal amount of its 13.95% senior subordinated notes due 2012.

The loss incurred on the extinguishment of debt is as follows (in thousands):

	2004	2005
Call Premium		
Dollar Financial Group, Inc. 10.875% Senior Notes	$ 1,980	$ -
Dollar Financial Group, Inc. 10.875% Senior Subordinated Notes	733	-
Write-off of original issue discount, net		
Prepayment penalty on the extinguishment of collateralized borrowings	277	-
Write-off of previously capitalized deferred issuance costs, net	4,496	-
	$ 7,486	$ -

9. Commitments

The Company has various non-cancelable operating leases for office and retail space and certain equipment with terms ranging from one to five years, most of which contain standard optional renewal clauses. Total rent expense under operating leases amounted to $16.1 million, $16.9 million and $19.7 million for the years ended June 30, 2003, 2004 and 2005, respectively.

At June 30, 2005, future minimum lease payments for operating leases are as follows (in thousands):

Year	Amount
2006	$ 19,894
2007	17,378
2008	14,337
2009	11,251
2010	7,354
Thereafter	7,427
	$ 77,641

10. Acquisitions

The following acquisitions have been accounted for under the purchase method of accounting.

On January 4, 2005, the Company entered into an agreement to acquire substantially all of the outstanding shares of International Paper Converters Limited, d/b/a Cheque Changer Limited ("IPC"). The aggregate purchase price for this acquisition was $2.7 million and was funded through excess internal cash. The excess of the purchase price over the fair value of identifiable assets acquired was $2.5 million. The 17 company-owned stores and two franchised stores acquired further strengthens the Company's market share by expanding its customer base in the United Kingdom. The company believes that for these reasons, along with the earnings potential for these stores, the allocation of a portion of the purchase price to goodwill is appropriate.

On January 31, 2005, the Company entered into an agreement to acquire substantially all of the assets of Alexandria Financial Services, LLC, Alexandria Acquisition, LLC, American Check Cashers of Lafayette, LLC, ACC of Lake Charles, LLC and Southern Financial Services of Louisiana, LLC (collectively, "American"). The aggregate purchase price for this acquisition was $9.9 million in cash. The agreement also includes a maximum revenue-based earn out of up to $2.4 million which is payable on January 31, 2006. The Company's revolving credit facility was used to fund the purchase. The excess of the purchase price over the fair value of identifiable assets acquired was $9.1 million. The 24 stores acquired further strengthens the Company's market share by expanding its customer base in the Louisiana market and for that reason, along with the earnings potential for these stores, the Company believes the allocation of a portion of the purchase price to goodwill is appropriate.

On March 7, 2005, the Company entered into an agreement to acquire substantially all of the assets of We The People Forms and Service Centers USA, Inc. ("WTP") relating to WTP's retail-based legal document preparation services business. The aggregate purchase price for this acquisition was $14.0 million, consisting of $10.5 million in cash, $2 million in unregistered shares of the Company's common stock and a $1.5 million escrow amount (25% of which is to be distributed on each of December 31, 2005, March 31, 2006, June 30, 2006 and September 30, 2006) assuming no indemnification claims. In addition, the Company assumed $750,000 in liabilities and assumed approximately $5.0 million in refundable deposits related to certain franchise agreements. The Company allocated a portion of the purchase price to purchased franchise agreements for $1.3 million and other assets for $0.1 million. The agreement also includes a maximum revenue-based earn out of up to $3.0 million which is payable over a two year period. Although the Company completed the acquisition of WTP on March 7, 2005, management is still finalizing the purchase price allocation based on its analysis of the fair value of the assets acquired and liabilities assumed. The Company's revolving credit facility and unregistered shares of the Company's common stock was used to fund the purchase. The excess of the purchase price over the preliminary fair value of identifiable assets acquired was $16.8 million. The Company believes that due to the franchising revenues generated from the network of 170 franchise locations and the potential to sell additional franchises, the preliminary allocation of a portion of the purchase price to goodwill is appropriate.

On May 16, 2005, the Company acquired substantially all of the assets of Tenant Financial Enterprises, Inc. ("Tenant"), consisting of five financial services stores in Arizona. The aggregate purchase price for this acquisition was $1.7 million in cash. The excess of the purchase price over the fair value of identifiable assets acquired was $1.7 million. The five stores acquired further strengthens the Company's market share by expanding its customer base in the Arizona market and for that reason, the Company believes the allocation the purchase price to goodwill is appropriate.

During fiscal year ending June 30, 2005, the Company completed various other acquisitions resulting in an aggregate increase in goodwill of $2.1 million. As these acquisitions strengthened the Company's market share by expanding its customer base, along with the earnings potential of the stores acquired, the Company believes the allocation of a portion or all of the purchase price of these acquisitions to goodwill is appropriate.

10. Acquisitions (continued)

Following is the allocation of the purchase price for acquisitions during fiscal 2005 (in millions):

	IPC	American	WTP	Tenant	Other	Total
Purchase Price	$ 2.7	$ 9.9	$ 14.0	$ 1.7	$ 2.3	$ 30.6
Net Assets acquired:						
Purchased franchise agreements			(1.3)			(1.3)
Refundable deposits			5.0			5.0
Other (assets) and liabilities	(0.2)	(0.8)	1.2		(0.2)	-
Goodwill	$ 2.5	$ 9.1	$ 18.9	$ 1.7	$ 2.1	$ 34.3

The following unaudited pro forma information for the years ended June 30, 2004 and 2005 presents the results of operations as if the acquisitions had occurred as of the beginning of the periods presented. The pro forma operating results include the results of these acquisitions for the indicated periods and reflect the amortization of identifiable intangible assets arising from the acquisitions, increased interest expense on acquisition debt and the income tax impact as of the respective purchase dates of IPC, American and WTP. Pro forma results of operations are not necessarily indicative of the results of operations that would have occurred had the purchase been made on the date above or the results which may occur in the future.

	Fiscal year ended June 30,	
	2004	2005
	(Unaudited – in thousands)	
Revenues	$ 265,985	$ 298,948
Net income (loss)	$ 7,378	$ 20,091

11. Goodwill and Other Intangibles

In accordance with the provisions of SFAS No. 142, the Company is required to perform goodwill impairment tests on at least an annual basis. There can be no assurance that future goodwill impairment tests will not result in a charge to earnings. During fiscal 2003, the Company paid $2.0 million in additional consideration based upon a future results of operations earn-out agreement related to one of its United Kingdom acquisitions. This amount has been included as goodwill on the Consolidated Balance Sheet. The Company has covenants not to compete and franchise agreements purchased in acquisitions, which are deemed to have a definite life and will continue to be amortized. Amortization for these intangibles for the years ended June 30, 2005, 2004 and 2003 was $57,000, $95,000 and $173,000, respectively. The estimated aggregate amortization expense for each of the five succeeding fiscal years ending June 30, is:

Fiscal Year Ending June 30,	Amount (In thousands)
2006	$ 106.7
2007	106.7
2008	106.7
2009	106.7
2010	106.7
Thereafter	615.9
	$ 1,149.4

11. Goodwill and Other Intangibles (continued)

The following table reflects the components of intangible assets (in thousands):

	June 30, 2004		June 30, 2005	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Non-amortized intangible assets:				
Cost in excess of net assets acquired	$ 169,115	$ 20,016	$ 205,572	$ 20,532
Amortized intangible assets:				
Covenants not to compete	2,452	2,433	2,510	2,510
Franchise agreements			1,187	37
	$ 2,452	$ 2,433	$ 3,697	$ 2,547

The changes in the carrying amount of goodwill and other intangibles by reportable segment for the fiscal years ended June 30, 2004 and 2005 are as follows:

	United States	Canada	United Kingdom	Total
Balance at June 30, 2003	$ 56,609	$ 38,394	$ 48,413	$ 143,416
Amortization of other intangibles	(95)	-	-	(95)
Acquisitions			550	550
Foreign currency translation adjustments	-	427	4,820	5,247
Balance at June 30, 2004	56,514	38,821	53,783	149,118
Amortization of other intangibles	(56)	-	-	(56)
Acquisitions	31,077		3,223	34,300
Foreign currency translation adjustments	-	3,638	(810)	2,828
Balance at June 30, 2005	$ 87,535	$ 42,459	$ 56,196	$ 186,190

12. Contingent Liabilities

In addition to the legal proceedings discussed below, which the Company is defending vigorously, the Company is involved in routine litigation and administrative proceedings arising in the ordinary course of business. Although the Company believes that the resolution of these proceedings will not materially adversely impact its business, there can be no assurances in that regard.

While the Company believes there is no legal basis for liability, due to the uncertainty surrounding the litigation process, the Company is unable to reasonably estimate a range of loss, if any, at this time. While the outcome of these matters is currently not determinable, the Company does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

Canadian Legal Proceedings

On August 19, 2003 a former customer in Ontario, Canada, Margaret Smith, commenced an action against the Company and the Company's Canadian subsidiary on behalf of a purported class of Canadian borrowers (except those residing in British Columbia) who, Smith claims, were subjected to usurious charges in payday-loan transactions. The action, which is pending in the Ontario Superior Court of Justice, alleges violations of a Canadian federal law proscribing usury and seeks restitution and damages, including punitive damages. On February 1 and 2, 2005, the Company brought a motion to stay the action against it on jurisdictional grounds; and the Company's Canadian subsidiary brought a motion to stay the action against it based on its arbitration clause. The court recently denied these motions. The Company has appealed the dismissal of our jurisdiction motion. The Company's Canadian subsidiary has also appealed the dismissal of its motion to stay and Smith has brought a motion to quash its appeal. These appeals and the motion to quash are pending.

12. Contingent Liabilities (continued)

On October 21, 2003, another former customer, Kenneth D. Mortillaro, commenced a similar action against the Company's Canadian subsidiary, but this action has since been stayed on consent because it is a duplicate action.

On November 6, 2003, the Company learned of substantially similar claims asserted on behalf of a purported class of Alberta borrowers by Gareth Young, a former customer of the Company's Canadian subsidiary. The *Young* action is pending in the Court of Queens Bench of Alberta and seeks damages and other relief. The Company is named as a defendant in this action but it has not been served with the statement of claim to date. Like the plaintiff in the *MacKinnon* action referred to below, Mortillaro, Smith and Young have signed agreements to arbitrate all disputes with the Company.

On January 29, 2003, a former customer, Kurt MacKinnon, commenced an action against the Company's Canadian subsidiary and 26 other Canadian lenders on behalf of a purported class of British Columbia residents who, MacKinnon claims, were overcharged in payday-loan transactions. The action, which is pending in the Supreme Court of British Columbia, alleges violations of laws proscribing usury and unconscionable trade practices and seeks restitution and damages, including punitive damages, in an unknown amount. On February 3, 2004, the Company's Canadian subsidiary's motion to stay the action and to compel arbitration of MacKinnon's claims, as required by his agreement with the Company's Canadian subsidiary, was denied; the Company's Canadian subsidiary appealed this ruling. On September 24, 2004, the Court of Appeal for British Columbia reversed the lower court's ruling and remanded the matter to the lower court for further proceedings consistent with the appellate decision.

On March 1, 2005, MacKinnon's application for class certification of his action was dismissed. As a result the Company's Canadian subsidiary renewed its application for a stay of this action based on its arbitration clause but that motion has been adjourned pending the outcome of the various proceedings described below.

MacKinnon appealed the dismissal of his certification motion. This appeal is pending. MacKinnon also brought a series of motions seeking to have the motions judge reconsider her decision. On June 16, 2005 the motions judge ordered that MacKinnon could proceed with his claims against the Company's Canadian subsidiary in a newly constituted action, and could reapply for certification of his action as a class proceeding rather than proceeding with his appeal. On July 21, 2005 the Company's Canadian subsidiary was granted leave to appeal that decision. That appeal is now pending. MacKinnon brought a further motion in which he asked the motions judge to vary her certification motion order to state that his certification motion was not dismissed but adjourned to permit him to re-apply for certification. On June 16, 2005, the motions judge dismissed this motion as unnecessary because she granted MacKinnon's first motion. MacKinnon has brought a cross-appeal of this dismissal. This cross-appeal is pending. Each of these appeals and cross-appeals will be argued together.

On April 15, 2005 the solicitor acting for MacKinnon commenced a further identical proposed class action against the Company's Canadian subsidiary on behalf of another former customer, Louise Parsons. The solicitor has indicated to the court that this second action will not proceed pending the appeals and cross-appeals described above and so the motions judge court held that an order staying the action was not necessary.

Similar class actions have been commenced against the Company's Canadian subsidiary in Manitoba, New Brunswick, Nova Scotia and Newfoundland. The Company is named as a defendant in the actions commenced in Nova Scotia and Newfoundland but it has not been served with the statements of claim in these actions to date. The claims in these additional actions are substantially similar to those of the Ontario actions referred to above.

At this time, it is too early to determine the likelihood of an unfavorable outcome or the ultimate liability, if any, of these matters.

12. Contingent Liabilities (continued)

California Legal Proceedings

The Company is a defendant in four lawsuits commenced by the same law firm. Each is pled as a class action, and each alleges violations of California's wage-and-hour laws. The named plaintiffs are the Company's former employees Vernell Woods (commenced August 22, 2000), Juan Castillo (commenced May 1, 2003), Stanley Chin (commenced May 7, 2003) and Kenneth Williams (commenced June 3, 2003). Each of these suits seeks an unspecified amount of damages and other relief in connection with allegations that the Company misclassified California store *(Woods)* and area *(Castillo)* managers as "exempt" from a state law requiring the payment of overtime compensation, that the Company failed to provide non-management employees with meal and rest breaks required under state law *(Chin)* and that the Company computed bonuses payable to its store managers using an impermissible profit-sharing formula *(Williams)*. All of these cases, except *Woods*, are pending in the California state Superior Courts. The Company compelled arbitration of Woods' claims, where the arbitrator has certified a class of current and former store managers and set trial for August 2005. The court in the *Williams* case granted class certification in February 2005. The court in the *Chin* case denied class certification in April 2005. There is no class determination in the *Castillo* case. In January 2003, without admitting liability, the Company sought to settle the *Woods* case, which the Company believes to be the most significant of these suits, by offering each class member an amount intended in good faith to settle his or her claim. These settlement offers have been accepted by class members who, in the aggregate worked 92% of all weeks worked by the class during the relevant period. The Company recorded a charge of $2.8 million related to this matter during fiscal 2003. Woods' counsel is presently disputing through arbitration the validity of the settlements accepted by the individual class members.

At this time, it is too early to determine the likelihood of an unfavorable outcome or the ultimate liability, if any, of these matters.

In addition to the litigation discussed above, the Company is involved in routine litigation and administrative proceedings arising in the ordinary course of business.

13. Credit Risk

At June 30, 2004 and 2005, the Company had 11 and 10, respectively, bank accounts in major U.S. financial institutions in the aggregate amount of $4,640,000 and $3,504,547, respectively, which exceeded Federal Deposit Insurance Corporation deposit protection limits. The Canadian Federal Banking system provides customers with similar deposit insurance through the Canadian Deposit Insurance Corporation ("CDIC"). At June 30, 2004 and 2005, the Company's Canadian subsidiary had 13 bank accounts totaling $1,274,666 and $7,657,540, respectively, which exceeded CDIC limits. At June 30, 2004 and 2005 the Company's United Kingdom operations had 32 and 40 bank accounts, respectively, totaling $11,698,000 and $12,087,461. These financial institutions have strong credit ratings, and management believes credit risk relating to these deposits is minimal.

Since June 13, 2002, the Company has acted as a servicer for County Bank of Rehoboth Beach, Delaware and since October 18, 2002, for First Bank of Delaware. On March 2, 2005, the FDIC issued revised Payday Lending Guidance which, among other things, limits the period a customer may have payday loans outstanding from any FDIC-insured bank to three months during a twelve-month period. The Payday Lending Guidance became effective on July 1, 2005. As a result of the Payday Lending Guidance, the Company is transitioning from the bank-funded consumer loan model to the company-funded consumer loan model in most of the states where it previously offered bank-funded consumer loans. As part of this transition, the Company terminated its relationship with County Bank and will amend its relationship with First Bank during the first quarter of fiscal year 2006.

As of June 30, 2005, the Company had completed the transition of 241 stores in the following states to the company-funded loan model: Arizona, California, Hawaii, New Mexico, Nevada, Utah, Washington and the District of Columbia. Since June 30, 2005, the Company has transitioned all stores in the remaining states where enabling legislation exists, with the exception of Ohio. In August 2005, we received license approval from the state of Ohio to offer payday loans under state law. Until this license was approved, we continued to offer bank funded loans in the 22 Ohio locations under the 90 day loan limitation. On August 26, 2005 the Company began offering company-funded loans in the Ohio stores.

13. Credit Risk (continued)

On behalf of First Bank in the United States, the Company markets unsecured short-term loans to customers with established bank accounts and verifiable sources of income. Historically, loans have been made for amounts up to $1,000, with terms of 7 to 23 days. Under these programs, the Company earns servicing fees, which may be reduced if the related loans are not collected. The Company maintains a reserve for estimated reductions. In addition, the Company maintains a reserve for anticipated losses for loans the Company makes directly. In order to estimate the appropriate level of these reserves, the Company considers the amount of outstanding loans owed to it, as well as loans owed to First Bank and serviced by the Company, the historical loans charged-off, current collection patterns and current economic trends. As these conditions change, additional allowances might be required in future periods. During fiscal 2005, County Bank originated or extended approximately $115.5 million of loans through the Company locations and document transmitters. First Bank originated or extended approximately $303.2 million of loans through the Company during this period. County Bank originated or extended approximately $136.2 million of loans through the Company locations and document transmitters during fiscal 2004 and First Bank originated or extended approximately $249.1 million of loans through the Company for the same period.

The Company also originates unsecured short-term loans to customers on its own account in Canada, the United Kingdom and certain United States markets. The Company bears the entire risk of loss related to these loans. In the United States, these loans are made for amounts up to $1,000, with terms of 7 to 37 days. In Canada, loans are issued to qualified borrowers based on a percentage of the borrowers' income with terms of 1 to 35 days. The Company issues loans in the United Kingdom for up to £600, with a term of 28 days. The Company originated or extended approximately $684.7 million of the short-term consumer loans through its locations and document transmitters during fiscal 2005 and approximately $491.4 million through its locations and document transmitters during 2004. In addition, beginning in fiscal 2003 the Company acted as a direct lender of longer-term installment loans in the United Kingdom. This product was introduced in certain U.S. and Canadian markets at the end of fiscal year 2004. In the United States for fiscal 2005, the Company originated 414 installment loans with an average principal amount of $781 and a weighted average term of approximately 275 days. The Company originated or extended installment loans through its locations in the United States of approximately $324 thousand in fiscal 2005. In Canada, the Company originated 2,167 installment loans with an average principal amount of $1,180 and a weighted average term of approximately 215 days. The Company originated or extended installment loans through its locations in Canada of approximately $2.6 million in fiscal 2005. In the United Kingdom for fiscal 2005, the Company originated 6,935 installment loans with an average principal amount of $1,079 and a weighted average term of approximately 365 days. In the United Kingdom for fiscal 2004, the Company originated 4,675 longer-term installment loans with an average principal amount of $845 and a weighted average term of approximately 365 days. The Company originated or extended installment loans through its locations in the United Kingdom of approximately $7.5 million in fiscal 2005 and $3.9 million in fiscal 2004.

On November 15, 2002, the Company entered into an agreement with a third party to sell, without recourse, subject to certain obligations, a participation interest in a portion of short-term consumer loans originated by the Company in the United Kingdom. The transfer of assets was treated as a financing under FAS 140 and is included in Other Collateralized Borrowings on the balance sheet. The Agreement gave the third party a first priority lien, charge, and security interest in the assets pledged. The Agreement provided for collateralized borrowings up to $10.0 million against which $8.0 million of the loans receivable had been pledged at June 30, 2003. Under the Agreement, the third party retained the right to reduce the amount of borrowings to no less than $4.0 million. The Company paid an annual interest rate of 15.6% on the amount borrowed, which was subject to loss rates on the related loans. On June 30, 2004 the Company terminated the agreement and paid $8.0 million

13. Credit Risk (continued)

to repurchase the participation interest, $104,000 of accrued interest and $276,660 representing a prepayment penalty. In connection with the repurchase of the participation interest, the liens on the loans receivable were released.

The Company had approximately $41.4 million and $32.9 million of loans on its balance sheet at June 30, 2005 and 2004, respectively, which is reflected in loans receivable. Loans receivable, net at June 30, 2005 and 2004 are reported net of a reserve of $2.7 million and $2.3 million, respectively, related to consumer lending. Net charge-offs for company-originated loans, which are charged against the allowance for loan losses for the fiscal years ended June 30, 2005, 2004 and 2003 were $14.4 million, $9.0 million and $10.4 million, respectively. For the years ended June 30, 2005, 2004 and 2003, total consumer lending revenue, net earned by the Company was $123.6 million, $98.0 million and $82.6 million, respectively.

Activity in the allowance for loan losses during the fiscal years ended 2003, 2004 and 2005 was as follows (in thousands):

Allowance for Loan Losses	Year ended June 30,		
	2003	2004	2005
Balance at beginning of year	$ 1,694	$ 1,344	$ 2,315
Provision charged to loan revenues	9,967	9,928	14,793
Foreign currency translation	75	15	(78)
Net Charge-offs	(10,392)	(8,972)	(14,373)
Balance at end of year	$ 1,344	$ 2,315	$ 2,707

14. Geographic Segment Information

All operations for which geographic data is presented below are in one principal industry (check cashing and ancillary services) (in thousands):

2003	United States	Canada	United Kingdom	Total
Identifiable assets	$ 132,944	$ 88,240	$ 77,105	$ 298,289
Goodwill and other intangibles, net	56,609	38,394	48,413	143,416
Sales to unaffiliated customers:				
Check cashing	49,147	33,301	25,987	108,435
Consumer lending:				
Fees from consumer lending	70,340	22,492	14,748	107,580
Provision for loan losses and adjustment to servicing revenue	(19,368)	(3,247)	(2,380)	(24,995)
Consumer lending, net	50,972	19,245	12,368	82,585
Money transfers	4,675	5,143	1,834	11,652
Other	5,678	9,334	1,704	16,716
Total sales to unaffiliated customers	110,472	67,023	41,893	219,388
Interest expense, net	17,615	(917)	3,470	20,168
Depreciation and amortization	5,377	1,837	1,965	9,179
(Loss) income before income taxes	(18,688)	26,058	8,272	15,642
Income tax provision	(1,262)	12,069	2,704	13,511
2004				
Identifiable assets	$ 130,266	$ 92,835	$ 98,823	$ 321,924
Goodwill and other intangibles, net	56,514	38,821	53,783	149,118
Sales to unaffiliated customers:				
Check cashing	47,716	38,483	31,198	117,397
Consumer lending:				
Fees from consumer lending	71,577	31,479	19,405	122,461
Provision for loan losses and adjustment to servicing revenue	(17,504)	(3,001)	(3,984)	(24,489)
Consumer lending, net	54,073	28,478	15,421	97,972
Money transfers	4,525	5,775	2,732	13,032
Other	3,546	11,730	2,430	17,706
Total sales to unaffiliated customers	109,860	84,466	51,781	246,107
Interest expense, net	18,427	2,492	4,384	25,303
Depreciation and amortization	5,220	2,476	2,136	9,832
(Loss) income before income taxes	(17,801)	27,418	11,884	21,501
Income tax provision	3,534	10,111	2,944	16,589

14. Geographic Segment Information (continued)

2005	United States	Canada	United Kingdom	Total
Identifiable assets	$ 160,447	$ 117,987	$ 109,540	$ 387,974
Goodwill and other intangibles, net	87,535	42,459	56,196	186,190
Sales to unaffiliated customers:				
Check cashing	46,596	43,686	38,466	128,748
Consumer lending:				
Fees from consumer lending	78,795	48,680	25,829	153,304
Provision for loan losses and adjustment to servicing revenue	(18,127)	(5,819)	(5,779)	(29,725)
Consumer lending, net	60,668	42,861	20,050	123,579
Money transfers	4,239	6,845	3,687	14,771
Other	6,625	14,832	3,011	24,468
Total sales to unaffiliated customers	118,128	108,224	65,214	291,566
Interest expense, net	22,585	650	3,002	26,237
Depreciation and amortization	5,739	3,240	2,023	11,002
(Loss) income before income taxes	(16,036)	38,251	16,430	38,645
Income tax provision	(52)	15,172	4,866	19,986

15. Related Party Transactions

During fiscal 1999, the Company issued loans to certain members of management to pay personal income tax expense associated with the exercise of certain options and grants of certain stock. In conjunction with Corp.'s initial public offering, the Company forgave accrued interest under the management loans (in aggregate amount of approximately $2.5 million) and accepted the management individuals exchange of shares of Corp.'s common stock held by them in full satisfaction of the principal amount of such loans (in the aggregate amount of approximately $6.7 million). For the purposes of the exchange, Corp. valued its common stock at the initial public offering price.

Under an amended and restated management services agreement among Leonard Green & Partners, L.P., the Company and Corp., Corp. agreed to pay Leonard Green & Partners, L.P. an annual fee equal to $1.0 million for ongoing management, consulting and financial planning services, as well as reimbursement of any out-of-pocket expenses incurred. The agreement was scheduled to terminate on November 13, 2008. However the parties terminated the agreement in conjunction with the closing of Corp.'s initial public equity offering because Corp. believes it is appropriate as a public company to minimize related party transactions. In connection with this termination, Corp. paid Leonard Green & Partners, L.P. accrued fees of $1.2 million and a termination fee of $2.5 million.

In conjunction with Corp.'s initial public equity offering, the Company's Chairman and Chief Executive Officer, as the only selling stockholder, participated in the costs of the underwriter's fee. No other de minimus costs were proportionately shared.

The Board of Directors authorized the payment of dividends of $3.6 million to its Parent in January, 2005. At June 30, 2005, the Company had a receivable from its Parent in the amount of $2.9 million.

16. Subsidiary Guarantor Financial Information

The Company's payment obligations under its 9.75% Senior Notes due 2011 are jointly and severally guaranteed (such guarantees, the "Guarantees") on a full and unconditional basis by Corp and by the Company's existing and future domestic subsidiaries (the "Guarantors"). Guarantees of the notes by Guarantors directly owning, now or in the future, capital stock of foreign subsidiaries will be secured by second priority liens on 65% of the capital stock of such foreign subsidiaries. In the event the Company directly owns a foreign subsidiary in the future, the notes will be secured by a second priority lien on 65% of the capital stock of any such foreign subsidiary (such capital stock of foreign subsidiaries referenced in this paragraph collectively, the "Collateral"). The non-guarantors consist of the Company's foreign subsidiaries ("Non-guarantors").

The Guarantees of the notes:

- rank equal in right of payment with all existing and future unsubordinated indebtedness of the Guarantors;
- rank senior in right of payment to all existing and future subordinated indebtedness of the Guarantors; and
- are effectively junior to any indebtedness of the Company, including indebtedness under the Company's senior secured reducing revolving credit facility, that is either (1) secured by a lien on the Collateral that is senior or prior to the second priority liens securing the Guarantees of the notes or (2) secured by assets that are not part of the Collateral to the extent of the value of the assets securing such indebtedness.

Separate financial statements of each Guarantor that is a subsidiary of the Company have not been presented because they are not required by securities laws and management has determined that they would not be material to investors. The accompanying tables set forth the condensed consolidating balance sheets at June 30, 2005 and 2004 and the condensed consolidating statements of operations and cash flows for the twelve months ended June 30, 2005, 2004 and 2003 of the Company, the combined Guarantors, the combined Non-Guarantors and the consolidated Company.

16. Consolidating Financial Statements (continued)

Consolidating Balance Sheets
June 30, 2005
(In thousands)

	Dollar Financial Group, Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 1,771	$ 28,278	$ 62,451	$ -	$ 92,500
Loans receivable					
Loans receivable	-	6,243	35,110	-	41,353
Less: Allowance for loan losses	-	(470)	(2,237)		(2,707)
Loans receivable, net	-	5,773	32,873	-	38,646
Other consumer lending receivables	7,996	-	-		7,996
Other receivables	92	1,278	2,969	(216)	4,123
Income taxes receivable	1,797	-	-	(744)	1,053
Prepaid expenses	2,258	690	3,910	-	6,858
Deferred tax asset	-	-	71	-	71
Due from affiliates	5,622	48,271	-	(53,893)	-
Due from parent	2,398	-	-	(2,000)	398
Property and equipment, net	3,625	8,831	23,155	-	35,611
Goodwill and other intangibles, net	-	87,535	98,655	-	186,190
Debt issuance costs, net	10,558	-	-	-	10,558
Investment in subsidiaries	308,052	9,801	9,660	(327,513)	-
Other	26	501	3,443	-	3,970
	$ 344,195	$ 190,958	$ 237,187	$ (384,366)	$ 387,974
LIABILITIES AND SHAREHOLDER'S EQUITY					
Accounts payable	$ 2,399	$ 9,450	$ 11,958	$ -	$ 23,807
Income taxes payable	-	744	-	(744)	-
Foreign income taxes payable			4,648		4,648
Accrued expenses and other liabilities	5,954	4,328	12,071	-	22,353
Accrued interest payable	3,291		216	(216)	3,291
Deferred tax liability	1,028	729	595	-	2,352
Due to affiliates			55,893	(55,893)	
9.75% Senior Notes due 2011	271,764	-	-	-	271,764
	284,436	15,251	85,381	(56,853)	328,215
Shareholder's equity					
Common stock					
Additional paid in capital	21,617	83,309	30,259	(113,568)	21,617
Retained earnings	17,636	88,104	106,410	(194,514)	17,636
Accumulated other comprehensive income	20,506	4,294	15,137	(19,431)	20,506
Total shareholder's equity	59,759	175,707	151,806	(327,513)	59,759
	$ 344,195	$ 190,958	$ 237,187	$ (384,366)	$ 387,974

16. Consolidating Financial Statements (continued)

Consolidating Statements of Operations

Year ended June 30, 2005

(In thousands)

	Dollar Financial Group, Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations	Consolidated
Revenues:					
Check cashing	$ -	$ 46,596	$ 82,152	$ -	$ 128,748
Consumer lending:					
Fees from consumer lending	-	78,795	74,509	-	153,304
Provision for loan losses and adjustment to servicing income	-	(18,127)	(11,598)	-	(29,725)
Consumer lending, net	-	60,668	62,911	-	123,579
Money transfer fees	-	4,239	10,532	-	14,771
Other	-	6,625	17,843	-	24,468
Total revenues	-	118,128	173,438	-	291,566
Store and regional expenses:					
Salaries and benefits	-	45,006	42,034	-	87,040
Occupancy	-	11,475	11,379	-	22,854
Depreciation	-	3,573	3,617	-	7,190
Returned checks, net and cash shortages	-	4,612	5,865	-	10,477
Telephone and communications	-	3,696	2,131	-	5,827
Advertising	-	3,789	4,632	-	8,421
Bank charges	-	1,939	2,021	-	3,960
Armored carrier expenses	-	1,499	2,161	-	3,660
Other	-	14,540	14,097	-	28,637
Total store and regional expenses	-	90,129	87,937	-	178,066
Store and regional margin	-	27,999	85,501	-	113,500
Corporate and other expenses:					
Corporate expenses	20,931	180	23,541	-	44,652
Management fee	(11,892)	10,125	1,767	-	-
Other depreciation and amortization	2,106	60	1,646	-	3,812
Interest expense, net	23,182	(597)	3,652	-	26,237
Other	(81)	21	214	-	154
(Loss) income before income taxes	(34,246)	18,210	54,681	-	38,645
Income tax (benefit) provision	(9,566)	9,514	20,038	-	19,986
(Loss) income before equity in net income of subsidiaries	(24,680)	8,696	34,643	-	18,659
Equity in net income of subsidiaries					
Domestic subsidiary guarantors	8,696	-	-	(8,696)	-
Foreign subsidiary non-guarantors	34,643	-	-	(34,643)	-
Net income	$ 18,659	$ 8,696	$ 34,643	$ (43,339)	$ 18,659

16. Consolidating Financial Statements (continued)

Consolidating Statements of Cash Flows

Year ended June 30, 2005

(In thousands)

	Dollar Financial Group, Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income	$ 18,659	$ 8,696	$ 34,643	$ (43,339)	$ 18,659
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities					
Undistributed income of subsidiaries	(43,339)	-	-	43,339	-
Depreciation and amortization	3,613	3,626	5,265	-	12,504
(Gain) loss on store closings and sales	-	(155)	221	-	66
Foreign currency loss on revaluation subordinated notes payable	-	180	-	-	180
Deferred tax provision	1,028	729	595	-	2,352
Change in assets and liabilities (net of effect of acquisitions):					
Decrease (increase) in loans and other receivables	3,696	(920)	(6,263)	(68)	(3,555)
Decrease (increase) in income taxes receivable	39,061	-	6,117	(40,106)	5,072
Increase in prepaid expenses and other	(1,214)	(264)	(2,561)	-	(4,039)
Increase (decrease) in accounts payable, income taxes payable, accrued expenses and other liabilities and accrued interest payable	4,112	(40,273)	627	40,174	4,640
Net cash provided by (used in) operating activities	25,616	(28,381)	38,644	-	35,879
Cash flows from investing activities:					
Acquisitions, net of cash acquired	-	(25,881)	(4,069)	-	(29,950)
Additions to property and equipment	(852)	(5,532)	(8,473)	-	(14,857)
Net decrease in due from affiliates	-	65,890	-	(65,890)	-
Net cash (used in) provided by investing activities	(852)	34,477	(12,542)	(65,890)	(44,807)
Cash flows from financing activities:					
Other debt payments	(93)	-	(13)	-	(106)
Issuance of 9 ¾% Senior Notes due 2011	30,750	-	-	-	30,750
Payment of debt issuance costs	(727)	-	-	-	(727)
Net decrease due from parent	8,284	-	-	-	8,284
Net decrease in due to affiliates	(57,539)	-	(8,351)	65,890	-
Dividend paid to parent	(3,610)	-	-	-	(3,610)
Net cash used in financing activities	(27,935)	-	(8,364)	65,890	29,591
Effect of exchange rate changes on cash and cash equivalents	-	-	2,571	-	2,571
Net (decrease) increase in cash and cash equivalents	(3,171)	6,096	20,309	-	23,234
Cash and cash equivalents at beginning of period	4,942	22,182	42,142	-	69,266
Cash and cash equivalents at end of period	$ 1,771	$ 28,278	$ 62,451	$ -	$ 92,500

16. Consolidating Financial Statements (continued)

Consolidating Balance Sheets
June 30, 2004
(In thousands)

	Dollar Financial Group, Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 4,942	$ 22,182	$ 42,142	$ -	$ 69,266
Loans receivable					
Loans receivable	-	4,838	28,064	-	32,902
Less: Allowance for loan losses	-	(694)	(1,621)	-	(2,315)
Loans receivable, net	-	4,144	26,443	-	30,587
Other consumer lending receivables	7,274	130	-	-	7,404
Other receivables	1,156	824	2,360	(284)	4,056
Income taxes receivable	40,858	-	6,117	(40,850)	6,125
Prepaid expenses	1,041	731	2,608	-	4,380
Notes and interest receivable-officers	3,354	-	-	-	3,354
Due from affiliates	-	117,472	-	(117,472)	-
Due from parent	5,682	-	-	-	5,682
Property and equipment, net	4,702	6,255	17,008	-	27,965
Goodwill and other intangibles, net	-	56,514	92,604	-	149,118
Debt issuance costs, net	11,160	-	-	-	11,160
Investment in subsidiaries	259,437	9,801	6,705	(275,943)	-
Other	29	422	2,376	-	2,827
	$ 339,635	$ 218,475	$ 198,363	$ (434,549)	$ 321,924
LIABILITIES AND SHAREHOLDER'S EQUITY					
Accounts payable	$ 408	$ 6,058	$ 9,397	$ -	$ 15,863
Income taxes payable	-	40,850	-	(40,850)	-
Foreign income taxes payable	-	-	5,979	-	5,979
Accrued expenses and other liabilities	3,286	3,772	10,148	-	17,206
Accrued interest payable	2,974	-	888	(284)	3,578
Due to affiliate	53,681	-	63,791	(117,472)	-
9.75% Senior Notes due 2011	241,176	-	-	-	241,176
Other long-term debt	93	-	12	-	105
	301,618	50,680	90,215	(158,606)	283,907
Shareholder's equity					
Common stock	-	-	-	-	-
Additional paid in capital	21,617	83,309	27,304	(110,613)	21,617
Retained earnings	2,587	79,409	71,767	(151,176)	2,587
Accumulated other comprehensive income	13,813	5,077	9,077	(14,154)	13,813
Total shareholder's equity	38,017	167,795	108,148	(275,943)	38,017
	$ 339,635	$ 218,475	$ 198,363	$ (434,549)	$ 321,924

16. Consolidating Financial Statements (continued)

Consolidating Statements of Operations

Year ended June 30, 2004

(In thousands)

	Dollar Financial Group, Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations	Consolidated
Revenues:					
Check cashing	$ -	$ 47,717	$ 69,680	$ -	$ 117,397
Consumer lending:					
Fees from consumer lending	-	71,577	50,884	-	122,461
Provision for loan losses and adjustment to servicing income	-	(17,505)	(6,984)	-	(24,489)
Consumer lending, net	-	54,072	43,900	-	97,972
Money transfer fees	-	4,525	8,507	-	13,032
Other	-	3,546	14,160	-	17,706
Total revenues	-	109,860	136,247	-	246,107
Store and regional expenses:					
Salaries and benefits	-	41,510	34,498	-	76,008
Occupancy	-	10,988	8,817	-	19,805
Depreciation	-	3,458	3,088	-	6,546
Returned checks, net and cash shortages	-	4,275	4,857	-	9,132
Telephone and communications	-	3,756	1,909	-	5,665
Advertising	-	3,778	3,165	-	6,943
Bank charges	-	2,140	1,604	-	3,744
Armored carrier expenses	-	1,381	1,670	-	3,051
Other	-	12,739	11,724	-	24,463
Total store and regional expenses	-	84,025	71,332	-	155,357
Store and regional margin	-	25,835	64,915	-	90,750
Corporate and other expenses:					
Corporate expenses	16,625	(2)	16,190	-	32,813
Management fee	(709)	-	709	-	-
Other depreciation and amortization	1,723	39	1,524	-	3,286
Interest expense, net	20,311	(1,883)	6,875	-	25,303
Loss on extinguishment of debt	7,209	-	277	-	7,486
Other	296	29	36	-	361
(Loss) income before income taxes	(45,455)	27,652	39,304	-	21,501
Income tax provision	(17,279)	20,814	13,054	-	16,589
(Loss) income before equity in net income of subsidiaries	(28,176)	6,838	26,250	-	4,912
Equity in net income of subsidiaries					
Domestic subsidiary guarantors	6,838	-	-	(6,838)	-
Foreign subsidiary non-guarantors	26,250	-	-	(26,250)	-
Net income	$ 4,912	$ 6,838	$ 26,250	$ (33,088)	$ 4,912

16. Consolidating Financial Statements (continued)

Consolidating Statements of Cash Flows

Year ended June 30, 2004

(In thousands)

	Dollar Financial Group, Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income	$ 4,912	$ 6,838	$ 26,250	$ (33,088)	$ 4,912
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:					
Undistributed income of subsidiary	(33,088)	-	-	33,088	-
Depreciation and amortization	3,272	3,502	4,796		11,570
Loss on extinguishment of debt	7,209	-	277	-	7,486
Losses on store closings and sales	120	30	37		187
Foreign currency gain on revaluation of subordinated notes payable			(838)		(838)
Deferred tax provision	1,064	(1,902)	-	-	(838)
Change in assets and liabilities (net of effect of acquisitions):					
Decrease (increase) in loans and other receivables	977	(1,942)	(7,982)	(40)	(8,987)
Increase in income taxes receivable	(18,486)		(5,836)	22,521	(1,801)
(Increase) decrease in prepaid expenses and other	(205)	557	(1,112)	-	(760)
Increase (decrease) in accounts payable, income taxes payable, accrued expenses and other liabilities and accrued interest payable	736	21,792	9,394	(22,481)	9,441
Net cash (used in) provided by operating activities	(33,489)	28,875	24,986		20,372
Cash flows from investing activities:					
Acquisitions, net of cash acquired	-	-	(550)	-	(550)
Gross proceeds from sale of fixed assets			81		81
Additions to property and equipment	(481)	(1,490)	(6,179)	-	(8,150)
Net decrease in due from affiliates		(31,416)		31,416	
Net cash used in investing activities	(481)	(32,906)	(6,648)	31,416	(8,619)
Cash flows from financing activities:					
Redemption of subordinated notes	(20,734)				(20,734)
Redemption of collateralized borrowings	-	-	(8,277)	-	(8,277)
Other debt borrowings (payments)	93		(165)		(72)
Issuance of 9.75% Senior Notes due 2011	241,176	-	-	-	241,176
Redemption of 10.875% Senior Notes due 2006	(111,170)				(111,170)
Net decrease in revolving credit facilities	(60,764)	-	(935)	-	(61,699)
Payment of debt issuance costs	(10,929)				(10,929)
Net decrease in due from parent	(4,064)	-	-	-	(4,064)
Net increase (decrease) in due to affiliates	38,022		(6,606)	(31,416)	
Dividend paid to parent	(40,699)	-	-	-	(40,699)
Net cash provided by (used in) financing activities	30,931		(15,983)	(31,416)	(16,468)
Effect of exchange rate changes on cash and cash equivalents			2,176		2,176
Net (decrease) increase in cash and cash equivalents	(3,039)	(4,031)	4,531	-	(2,539)
Cash and cash equivalents at beginning of period	7,981	26,213	37,611	-	71,805
Cash and cash equivalents at beginning of period	$ 4,942	$ 22,182	$ 42,142	$ -	$ 69,266

16. Consolidating Financial Statements (continued)

Consolidating Statements of Operations

Year ended June 30, 2003

(In thousands)

	Dollar Financial Group, Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations	Consolidated
Revenues	$ -	$ 110,472	$ 108,916	$ -	$ 219,388
Store and regional expenses:					
Salaries and benefits	-	41,520	28,279	-	69,799
Occupancy	-	11,130	7,726	-	18,856
Depreciation	-	3,255	2,604	-	5,859
Other	-	29,198	18,568	-	47,766
Total store and regional expenses	-	85,103	57,177	-	142,280
Store and regional margin	-	25,369	51,739	-	77,108
Corporate and other expenses:					
Corporate expenses	19,036	23	12,182	-	31,241
Management fees	(9,159)	7,779	1,380	-	-
Other depreciation and amortization	2,062	60	1,198	-	3,320
Interest expense, net	16,648	966	2,554	-	20,168
Litigation settlement costs	-	2,750	-	-	2,750
Other	3,485	407	95	-	3,987
(Loss) income before income taxes	(32,072)	13,384	34,330	-	15,642
Income tax (benefit) provision	(11,100)	9,838	14,773	-	13,511
(Loss) income before equity in net income of subsidiaries	(20,972)	3,546	19,557	-	2,131
Equity in net income of subsidiaries					
Domestic subsidiary guarantors	3,546	-	-	(3,546)	-
Foreign subsidiary non-guarantors	19,557	-	-	(19,557)	-
Net income	$ 2,131	$ 3,546	$ 19,557	$ (23,103)	$ 2,131

16. Consolidating Financial Statements (continued)

Consolidating Statements of Cash Flows

Year ended June 30, 2003

(In thousands)

	Dollar Financial Group, Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income	$ 2,131	$ 3,546	$ 19,557	$ (23,103)	$ 2,131
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:					
Undistributed income of subsidiaries	(23,103)	-	-	23,103	-
Depreciation and amortization	3,853	3,316	3,802		10,971
Losses on store closings and sales	3,485	407	95	-	3,987
Foreign currency loss on revaluation subordinated notes payable	-	-	(398)	-	(398)
Deferred tax provision	102	681			783
Change in assets and liabilities (net of effect of acquisitions):					
(Increase) decrease in loans and other receivables	(7,106)	6,060	(4,307)	(4,249)	(9,602)
(Increase) decrease in income taxes receivable	(10,961)	1	(281)	9,615	(1,626)
Decrease in prepaid expenses and other	96	800	479		1,375
Increase (decrease) in accounts payable, income taxes payable, accrued expenses and other liabilities and accrued interest payable	(5,469)	10,798	(3,752)	(5,366)	(3,789)
Net cash (used in) provided by operating activities	(36,972)	25,609	15,195		3,832
Cash flows from investing activities:					
Acquisitions, net of cash acquired	-	-	(3,251)	-	(3,251)
Additions to property and equipment	(874)	(1,074)	(5,480)		(7,428)
Net decrease in due from affiliates	-	(39,727)	-	39,727	-
Net cash (used in) provided by investing activities	(874)	(40,801)	(8,731)	39,727	(10,679)
Cash flows from financing activities:					
Other debt payments	-	-	(3)	-	(3)
Other collateralized borrowings			8,000		8,000
Net decrease in revolving credit facilities	(7,836)	-	(9,401)	-	(17,237)
Payment of debt issuance costs	(490)		(200)		(690)
Net increase due from parent	(967)	-	-	-	(967)
Net increase (decrease) in due to affiliates	53,374		(13,647)	(39,727)	
Net cash provided by (used in) financing activities	44,081	-	(15,251)	(39,727)	(10,897)
Effect of exchange rate changes on cash and cash equivalents	-	-	2,916	-	2,916
Net increase (decrease) in cash and cash equivalents	6,235	(15,192)	(5,871)		(14,828)
Cash and cash equivalents at beginning of period	1,746	41,405	43,482		86,633
Cash and cash equivalents at end of period	$ 7,981	$ 26,213	$ 37,611	$ -	$ 71,805

17. Subsequent Events

On July 8, 2005, the Company entered into an amendment and restatement of its Credit Facility to increase the maximum amount of the Credit Facility from $55 million to $80 million. The amendment and restatement reduced the rate of interest and fees payable under the Credit Facility and eliminated the quarterly reductions to the commitment amount. In addition, the amendment and restatement extended the term of the credit facility for one additional year to November 12, 2009. At the Company's request, existing lenders and/or additional lenders may agree to increase the maximum amount of the credit facility to $100 million. Under the credit facility, up to $30.0 million may be used in connection with letters of credit.

DOLLAR FINANCIAL CORP.

INTERIM FINANCIAL STATEMENTS

FROM
JULY 1, 2005 TO DECEMBER 31, 2005

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

DOLLAR FINANCIAL CORP.
INTERIM CONSOLIDATED BALANCE SHEETS
(In thousands except share and per share amounts)

	June 30, 2005	December 31, 2005 (unaudited)
ASSETS		
Cash and cash equivalents	$ 92,504	$ 100,102
Loans receivable	41,353	56,539
Less: Allowance for loan losses	(2,707)	(4,096)
Loans receivable, net	38,646	52,443
Other consumer lending receivables, net	7,996	3,976
Other receivables	4,399	7,432
Income taxes receivable	1,053	2,085
Prepaid expenses	6,858	5,917
Deferred tax asset, net of valuation allowance of $37,460 and $41,474	71	90
Property and equipment, net of accumulated depreciation of $62,555 and $67,319	35,611	36,103
Goodwill and other intangibles, net of accumulated amortization of $23,079 and $20,825	186,190	194,598
Debt issuance costs, net of accumulated amortization of $2,633 and $3,628	10,558	10,374
Other	3,970	3,014
	$ 387,856	$ 416,134
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$ 19,256	$ 23,016
Foreign income taxes payable	1,648	4,912
Accrued expenses and other liabilities	26,909	22,581
Accrued interest payable	3,291	3,314
Deferred tax liability	2,352	3,194
Revolving credit facilities	—	20,500
9.75% Senior Notes due 2011	271,764	271,626
Other long-term debt	—	733
Shareholders' equity:		
Common stock, $0.001 par value; 55,500,000 shares authorized; 18,080,652 shares and 18,102,727 shares issued and outstanding at June 30, 2005 and December 31, 2005, respectively	18	18
Additional paid-in capital	160,997	161,195
Accumulated deficit	(121,885)	(116,568)
Accumulated other comprehensive income	20,506	21,613
Total shareholders' equity	59,636	66,258
	$ 387,856	$ 416,134

See notes to interim unaudited consolidated financial statements.

DOLLAR FINANCIAL CORP.
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands except share and per share amounts)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2004	2005	2004	2005
Revenues:				
Check Cashing	$ 32,733	$ 35,224	$ 63,095	$ 69,571
Consumer lending:				
Fees from consumer lending	39,538	41,094	76,745	77,332
Provision for loan losses and adjustment to servicing income	(8,772)	(7,748)	(18,209)	(16,521)
Consumer lending, net	30,766	33,346	58,536	60,811
Money transfer fees	3,685	4,262	7,193	8,220
Franchise fees and royalties	1,375	2,487	2,214	5,403
Other	3,847	5,348	7,501	11,127
Total revenues	72,406	80,667	138,539	155,132
Store and regional expenses:				
Salaries and benefits	22,456	26,004	43,343	51,195
Occupancy	5,612	6,752	11,006	13,470
Depreciation	1,821	1,835	3,575	3,667
Returned checks, net and cash shortages	2,938	3,128	5,222	6,387
Telephone and communications	1,477	1,445	2,950	2,866
Advertising	2,289	2,653	5,121	4,822
Bank charges	977	1,135	1,913	2,244
Armored carrier expenses	890	1,036	1,714	2,022
Other	7,179	8,690	14,271	15,999
Total store and regional expenses	45,439	52,658	89,115	102,672
Store and regional margin	26,967	28,009	49,424	52,460
Corporate and other expenses:				
Corporate expenses	9,519	10,410	17,750	19,582
Management fee	251	—	528	—
Other depreciation and amortization	1,150	886	2,081	1,811
Interest expense, net of interest income	9,802	7,458	19,471	14,679
Other	(142)	142	(56)	418
Income before income taxes	6,587	9,133	9,650	15,970
Income tax provision	5,254	6,115	8,608	10,653
Net income	$ 1,133	$ 3,018	$ 1,042	$ 5,317
Net income per share:				
Basic	$ 0.10	$ 0.17	$ 0.10	$ 0.29
Diluted	$ 0.10	$ 0.16	$ 0.09	$ 0.29
Weighted average shares outstanding:				
Basic	10,965,779	18,102,727	10,965,779	18,095,881
Diluted	11,367,575	18,358,187	11,367,575	18,392,674

See notes to interim unaudited consolidated financial statements.

DOLLAR FINANCIAL CORP.
INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands, except share data)

	Common Stock		Additional		Accumulated Other		Management	Total Shareholders'
	Shares	Amount	Paid-in Capital	Accumulated Deficit	Comprehensive (Loss) Income	Treasury Stock	Equity Loan	(Deficit) Equity
Balance, June 30, 2004	10,965,779	$ 11	$ 61,470	$ (120,916)	$ 13,813	$ (956)	$ (4,309)	$ (50,887)
Comprehensive income								
Foreign currency translation					6,729			6,729
Other comprehensive loss					(36)			(36)
Net loss				(357)				(357)
Total comprehensive income								6,336
Initial public stock offering	7,378,125	7	106,932					106,939
Repayment of notes receivable from officer	(416,287)					(6,661)	4,309	(2,352)
Accrued interest on notes receivable from officers			(2,464)					(2,464)
We The People acquisition	141,935		2,000					2,000
Retirement of treasury stock			(7,005)	(612)		7,617		
Share options excercised	11,100		64					64
Balance, June 30, 2005	18,080,652	18	160,997	(121,885)	20,506			59,636
Comprehensive income								
Foreign currency translation					1,155			1,155
Other comprehensive income					(48)			(48)
Net income				5,317				5,317
Total comprehensive income								6,424
Share options excercised	22,075		144					144
Non-cash stock compensation			54					54
Balance, December 31, 2005 (unaudited)	18,102,727	$ 18	$ 161,195	$ (116,568)	$ 21,613	$	$	$ 66,258

See notes to interim unaudited consolidated financial statements.

DOLLAR FINANCIAL CORP.
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Six Months Ended December 31,	
	2004	2005
Cash flows from operating activities:		
Net income	$ 1,042	$ 5,317
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,288	6,347
Non-cash stock compensation	—	54
(Gains) losses on store closings	(56)	524
Foreign currency loss on revaluation of subordinated borrowings	181	8
Deferred tax (benefit) provision	(164)	799
Change in assets and liabilities, (net of effect of acquisitions):		
Increase in loans and other receivables	(5,820)	(12,670)
Decrease (increase) in income taxes receivable	536	(1,032)
(Increase) decrease in prepaid expenses and other	(455)	1,642
Increase (decrease) in accounts payable, income taxes payable, accrued expenses and other liabilities and accrued interest payable	8,673	(765)
Net cash provided by operating activities	10,225	224
Cash flows from investing activities:		
Acquisitions, net of cash acquired	(658)	(6,141)
Additions to property and equipment	(5,589)	(7,702)
Net cash used in investing activities	(6,247)	(13,843)
Cash flows from financing activities:		
Proceeds from the exercise of stock options	—	144
Other debt payments (borrowings)	(51)	733
Net increase in revolving credit facilities	11,000	20,500
Payment of initial public stock offering costs	(397)	—
Payment of debt issuance costs	(103)	(1,218)
Net cash provided by financing activities	10,449	20,159
Effect of exchange rate changes on cash and cash equivalents	4,419	1,058
Net increase in cash and cash equivalents	18,846	7,598
Cash and cash equivalents at beginning of period	69,270	92,504
Cash and cash equivalents at end of period	$88,116	$100,102

See notes to interim unaudited consolidated financial statements.

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited interim consolidated financial statements are of Dollar Financial Corp. and its wholly owned subsidiaries (collectively the "Company"). The Company is the parent company of Dollar Financial Group, Inc. ("OPCO") and its wholly owned subsidiaries. The activities of the Company consist primarily of its investment in OPCO. The Company's unaudited interim consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information, the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnotes required by U.S. generally accepted accounting principles for complete financial statements and should be read in conjunction with the Company's audited consolidated financial statements in its annual report on Form 10-K (File No. 000-50866) for the fiscal year ended June 30, 2005 filed with the Securities and Exchange Commission. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results of interim periods are not necessarily indicative of the results that may be expected for a full fiscal year.

The Company is a Delaware corporation incorporated in April 1990 as DFG Holdings, Inc. The Company operates a store network of 1,329 locations (of which 747 are company-owned) operating as Money Mart® , The Money Shop, Loan Mart®, Insta-Cheques® and We The People® in 36 states, the District of Columbia, Canada and the United Kingdom. This network includes 1,164 locations (including 725 company-owned) in 18 states offering financial services including check cashing, short-term consumer loans, sale of money orders, money transfer services and various other related services. Also included in this network is the Company's newly acquired business, We The People USA, which offers retail based legal documentation preparation services through a network of 22 company-owned and 143 franchised locations in 31 states.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. On an ongoing basis, management evaluates its estimates and judgments including those related to revenue recognition, loss reserves, income taxes and intangible assets. Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company. All significant intercompany accounts and transactions have been eliminated in consolidation.

Reclassification

Certain prior year amounts have been reclassified to conform to current year presentation. These reclassifications have no effect on net income or shareholders' equity.

Revenue Recognition

During fiscal 2006, the Company began to market and service bank-funded consumer installment loans in the United States with terms of four months made by First Bank of Delaware ("First Bank"). First Bank is responsible for the application review process and for determining whether to approve an application and fund a loan. As a result, loans are not recorded on the Company's balance sheet. The Company earns a marketing and servicing fee for each loan that is paid by a borrower to First Bank. The servicing fee is recognized ratably using the effective interest rate method. This fee is reduced by losses incurred by the bank on such loans. The Company maintains a reserve for future servicing fee adjustments based on the bank's outstanding loan balance. This liability was $518,000 at December 31, 2005 and is included in accrued expenses and other liabilities.

If a First Bank borrower defaults, the Company's servicing fee is reduced. The Company anticipates that it will collect a portion of the defaulted loans, increasing its earned servicing fee; accordingly, a servicing fee receivable is maintained, along with a corresponding allowance. To estimate the appropriate allowance, the Company considers the amount of outstanding bank loans, historical loans charged off, current and expected collection patterns and current economic trends. The allowance for servicing fees due from the bank was $487,000 at December 31, 2005 and is included in other consumer loans receivable, net.

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DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings Per Share

Basic earnings per share are computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share are computed by dividing net income by the weighted average number of common shares outstanding, after adjusting for the dilutive effect of stock options. The following table presents the reconciliation of the numerator and denominator used in the calculation of basic and diluted earnings per share (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2004	2005	2004	2005
Net income	$ 1,133	$ 3,018	$ 1,042	$ 5,317
Reconciliation of denominator:				
Weighted average of common shares outstanding — basic	10,966	18,103	10,966	18,096
Effect of dilutive stock options	402	255	402	297
Weighted average number of common shares outstanding — diluted	11,368	18,358	11,368	18,393

Stock Based Employee Compensation

At December 31, 2005, the Company offered stock option plans under which shares of common stock may be awarded to directors, employees or consultants of the Company and OPCO. In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123R, *Share-Based Payment* (SFAS 123R). SFAS 123R revises Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation* (SFAS 123), and supersedes Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* (APB 25). In March 2005, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 107 (SAB 107) relating to the adoption of SFAS 123R. This statement requires the compensation cost relating to share-based payment transactions to be recognized in a company's financial statements. SFAS 123R applies to transactions in which an entity exchanges its equity instruments for goods or services and may apply to liabilities an entity may incur for goods or services that are based on the fair value of those equity instruments. Public companies are required to adopt the new standard using a modified prospective method and may elect to restate prior periods using the modified retrospective method. Under the modified prospective method, companies are required to record compensation cost for new and modified awards over the related vesting period of such awards prospectively and record compensation cost prospectively for the unvested portion, at the date of adoption, of previously issued and outstanding awards over the remaining vesting period of such awards. No change to prior periods presented is permitted under the modified prospective method. Under the modified retrospective method, companies record compensation costs for prior periods retrospectively through restatement of such periods using the exact pro forma amounts disclosed in the companies' footnotes. Also, in the period of adoption and after, companies record compensation cost based on the modified prospective method. Under SFAS 123R, the Company is required to follow a fair-value approach using an option-pricing model, such as the Black-Scholes option valuation model, at the date of a stock option grant. Effective July 1, 2005, the Company adopted the modified prospective method and has recognized the compensation cost for stock-based awards issued after June 30, 2005 and unvested awards outstanding at the date of adoption, on a straight-line basis over the requisite service period for the entire award. The additional compensation cost, pursuant to SFAS 123R, included in the statement of operations for the three and six months ended December 31, 2005 was $18,000 and $35,000, respectively, net of related tax effects.

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Stock Based Employee Compensation (continued)

The following table reconciles the required disclosure under SFAS No. 148, which summarizes the amount of stock-based compensation expense, net of related tax effects, which would be included in the determination of net income if the expense recognition provisions of SFAS No. 123R had been applied to all stock option awards in periods presented (in thousands, except per share data):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2004	2005	2004	2005
Net income — as reported	$ 1,133	$ 3,018	$ 1,042	$ 5,317
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	—	18	—	35
Deduct: Total stock option expense determined under the fair value based method, net of related tax benefits	(75)	(18)	(151)	(35)
Net income — pro forma	$ 1,058	$ 3,018	$ 891	$ 5,317
Net income per common share — basic — as reported	0.10	0.17	0.10	0.29
Net income per common share — basic — pro forma	0.10	0.17	0.08	0.29
Net income per common share — diluted — as reported	0.10	0.16	0.09	0.29
Net income per common share — diluted — pro forma	0.09	0.16	0.08	0.29

The weighted average fair value of each employee option grant was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants during the six months ended December 31, 2005 (no options were granted during the three and six months ended December 31, 2004):

	December 31, 2005
Expected volatility	43.6%
Expected life (years)	6.0
Risk-free interest rate	4.11%
Expected dividends	None
Weighted average fair value	$ 5.38

2. DEBT

On July 8, 2005, OPCO entered into a Third Amended and Restated Credit Agreement ("Credit Agreement") which increased OPCO's senior secured revolving credit facility to $80 million from the previous amount of $55.0 million. The Credit Agreement reduced the rate of interest and fees payable under the credit facility and eliminated the quarterly reductions to the commitment amount. In addition, the Credit Agreement extended the term of the facility for one additional year to November 12, 2009. At OPCO's request, existing lenders and/or additional lenders may agree to increase the maximum amount of the credit facility to $100 million. Under the Credit Agreement, up to $30.0 million may be used in connection with letters of credit. The commitment may be subject to reductions in the event the Company engages in certain issuances of debt or equity securities or asset disposals. OPCO's borrowing capacity under the facility is limited to the lesser of the total commitment of $80.0 million or 85% of certain liquid assets. At December 31, 2005, the borrowing capacity was $69.3 million which consisted of the $80.0 million commitment less letters of credit totaling $10.7 million issued

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

2. DEBT (continued)

by Wells Fargo Bank, which guarantees the performance of certain of the Company's contractual obligations. There was $20.5 million outstanding under the facility at December 31, 2005.

Borrowings under the Credit Agreement bear interest based, at OPCO's option, on: (a) the base rate (as defined therein) plus 2.25% at December 31, 2005; (b) the applicable Eurodollar rate (as defined therein) plus 3.50% at December 31, 2005; or (c) LIBO (as defined therein) plus 3.50% at December 31, 2005. All obligations due under the Credit Agreement will mature on November 12, 2009. Interest expense under the credit facility for the three and six months ended December 31, 2005 was $448,000 and $715,000, respectively.

All borrowings and other obligations under the Credit Agreement are secured by all assets of OPCO and are guaranteed by the Company and each of OPCO's existing and future direct and indirect domestic subsidiaries. Borrowings are secured by substantially all of OPCO's assets and the assets of OPCO's domestic subsidiaries.

3. SUBSIDIARY GUARANTOR UNAUDITED FINANCIAL INFORMATION

OPCO's payment obligations under its 9.75% Senior Notes due 2011 are jointly and severally guaranteed (the "Guarantees") on a full and unconditional basis by the Company and by OPCO's existing and future domestic subsidiaries (the "Guarantors"). Guarantees of the notes by Guarantors directly owning, now or in the future, capital stock of foreign subsidiaries will be secured by second priority liens on 65% of the capital stock of such foreign subsidiaries. In the event OPCO directly owns a foreign subsidiary in the future, the notes will be secured by a second priority lien on 65% of the capital stock of any such foreign subsidiary (the "Collateral"). The non-Guarantors consist of OPCO's foreign subsidiaries ("Non-Guarantors").

The Guarantees of the notes:

- rank equal in right of payment with all existing and future unsubordinated indebtedness of the Guarantors;
- rank senior in right of payment to all existing and future subordinated indebtedness of the Guarantors; and
- are effectively junior to any indebtedness of OPCO, including indebtedness under OPCO's senior secured revolving credit facility, that is either (1) secured by a lien on the Collateral that is senior or prior to the second priority liens securing the Guarantees of the notes or (2) secured by assets that are not part of the Collateral to the extent of the value of the assets securing such indebtedness.

Separate financial statements of each Guarantor that is a subsidiary of OPCO have not been presented because management has determined that they would not be material to investors. The accompanying tables set forth the condensed consolidating balance sheets at December 31, 2005 and June 30, 2005, and the condensed consolidating statements of operations and cash flows for the three and six-month periods ended December 31, 2005 and 2004 of the Company, OPCO and the combined Guarantor subsidiaries, the combined Non-Guarantor subsidiaries and the consolidated Company.

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATING BALANCE SHEETS
December 31, 2005
(In thousands)

	Dollar Financial Corp.	Dollar Financial Group, Inc. and Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 200	$ 38,557	$ 61,345	$ —	$ 100,102
Loans receivable					
Loans receivable	—	11,011	45,528	—	56,539
Less: Allowance for loan losses		(919)	(3,177)		(4,096)
Loans receivable, net	—	10,092	42,351	—	52,443
Other consumer lending receivables, net		3,976			3,976
Other receivables	276	2,298	5,222	(364)	7,432
Income taxes receivable		2,085			2,085
Prepaid expenses	—	2,198	3,719	—	5,917
Deferred tax asset			90		90
Due from affiliates	—	43,109	—	(43,109)	—
Due from parent		2,396		(2,396)	
Property and equipment, net	—	12,026	24,077	—	36,103
Goodwill and other intangibles, net		95,788	98,810		194,598
Debt issuance costs, net	—	10,374	—	—	10,374
Investment in subsidiaries	66,183	326,064		(392,247)	
Other	—	738	2,276	—	3,014
	$ 66,659	$ 549,701	$ 237,890	$ (438,116)	$ 416,134
LIABILITIES AND SHAREHOLDERS' EQUITY					
Accounts payable	$ —	$ 11,009	$ 12,007	$ —	$ 23,016
Foreign income taxes payable	—	—	4,912	—	4,912
Accrued expenses and other liabilities	5	12,650	9,926		22,581
Accrued interest payable	—	3,314	364	(364)	3,314
Deferred tax liability		2,546	648		3,194
Due to affiliate	396	—	45,109	(45,505)	—
Revolving credit facilities		20,500			20,500
9.75% Senior Notes due 2011	—	271,626	—	—	271,626
Other long-term debt		733			733
	401	322,378	72,966	(45,869)	349,876
Shareholders' equity					
Common stock	18	—	—	—	18
Additional paid-in capital	150,098	95,125	20,599	(104,627)	161,195
(Accumulated deficit) retained earnings	(105,471)	108,579	125,416	(245,092)	(116,568)
Accumulated other comprehensive income	21,613	23,619	18,909	(42,528)	21,613
Total shareholders' equity	66,258	227,323	164,924	(392,247)	66,258
	$ 66,659	$ 549,701	$ 237,890	$ (438,116)	$ 416,134

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATING BALANCE SHEETS
June 30, 2005
(In thousands)

	Dollar Financial Corp.	Dollar Financial Group, Inc. and Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 4	$ 30,049	$ 62,451	$ —	$ 92,504
Loans receivable					
Loans receivable	—	6,243	35,110	—	41,353
Less: Allowance for loan losses	—	(470)	(2,237)	—	(2,707)
Loans receivable, net	—	5,773	32,873	—	38,646
Other consumer lending receivables, net	—	7,996	—	—	7,996
Other receivables	276	1,370	2,969	(216)	4,399
Income taxes receivable	—	1,053	—	—	1,053
Prepaid expenses	—	2,948	3,910	—	6,858
Deferred tax asset	—	—	71	—	71
Due from affiliates	—	53,893	—	(53,893)	—
Due from parent	—	2,398	—	(2,398)	—
Property and equipment, net	—	12,456	23,155	—	35,611
Goodwill and other intangibles, net	—	87,535	98,655	—	186,190
Debt issuance costs, net	—	10,558	—	—	10,558
Investment in subsidiaries	59,759	317,853	9,660	(387,272)	—
Other	—	527	3,443	—	3,970
	$ 60,039	$ 534,409	$ 237,187	$ (443,779)	$ 387,856

LIABILITIES AND SHAREHOLDERS' EQUITY

Accounts payable	$ —	$ 7,298	$ 11,958	$ —	$ 19,256
Foreign income taxes payable	—	—	4,648	—	4,648
Accrued expenses and other liabilities	5	14,833	12,071	—	26,909
Accrued interest payable	—	3,291	216	(216)	3,291
Deferred tax liability	—	1,757	595	—	2,352
Due to affiliate	398	—	55,893	(56,291)	—
9.75% Senior Notes due 2011	—	271,764	—	—	271,764
	403	298,943	85,381	(56,507)	328,220
Shareholders' equity					
Common stock	18	—	—	—	18
Additional paid-in capital	149,900	104,926	30,259	(124,088)	160,997
(Accumulated deficit) retained earnings	(110,788)	105,740	106,410	(223,247)	(121,885)
Accumulated other comprehensive income	20,506	24,800	15,137	(39,937)	20,506
Total shareholders' equity	59,636	235,466	151,806	(387,272)	59,636
	$ 60,039	$ 534,409	$ 237,187	$ (443,779)	$ 387,856

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATING STATEMENTS OF OPERATIONS
Six Months Ended December 31, 2005
(In thousands)

	Dollar Financial Corp.	Dollar Financial Group, Inc. and Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations	Consolidated
Revenues:					
Check cashing	$ —	$ 23,015	$ 46,556	$ —	$ 69,571
Consumer lending:					
Fees from consumer lending	—	29,760	47,572	—	77,332
Provision for loan losses and adjustment to servicing income	—	(7,882)	(8,639)	—	(16,521)
Consumer lending, net	—	21,878	38,933	—	60,811
Money transfer fees	—	2,044	6,176	—	8,220
Franchise fees and royalties	—	2,927	2,476	—	5,403
Other	—	3,935	7,192	—	11,127
Total revenues	—	53,799	101,333	—	155,132
Store and regional expenses:					
Salaries and benefits	—	25,522	25,673	—	51,195
Occupancy	—	6,960	6,510	—	13,470
Depreciation	—	1,707	1,960	—	3,667
Returned checks, net and cash shortages	—	2,805	3,582	—	6,387
Telephone and telecommunication	—	1,716	1,150	—	2,866
Advertising	—	1,819	3,003	—	4,822
Bank charges	—	980	1,264	—	2,244
Armored carrier services	—	804	1,218	—	2,022
Other	—	7,768	8,231	—	15,999
Total store and regional expenses	—	50,081	52,591	—	102,672
Store and regional margin	—	3,718	48,742	—	52,460
Corporate and other expenses:					
Corporate expenses	—	10,198	9,384	—	19,582
Management fee	—	(7,515)	7,515	—	—
Other depreciation and amortization	—	900	911	—	1,811
Interest expense, net	—	13,787	892	—	14,679
Other	—	416	2	—	418
Equity in subsidiary	(5,317)	—	—	5,317	—
Income (loss) before income taxes	5,317	(14,068)	30,038	(5,317)	15,970
Income tax (benefit) provision	—	(377)	11,030	—	10,653
Net income (loss)	$ 5,317	$ (13,691)	$ 19,008	$ (5,317)	$ 5,317

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATING STATEMENTS OF OPERATIONS
Six Months Ended December 31, 2004
(In thousands)

	Dollar Financial Corp.	Dollar Financial Group, Inc. and Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations	Consolidated
Revenues:					
Check cashing	$ —	$ 21,765	$ 41,330	$ —	$ 63,095
Consumer lending:					
Fees from consumer lending	—	40,367	36,378	—	76,745
Provision for loan losses and adjustment to servicing income	—	(11,283)	(6,926)	—	(18,209)
Consumer lending, net	—	29,084	29,452	—	58,536
Money transfer fees	—	2,076	5,117	—	7,193
Franchise fees and royalties	—	116	2,098	—	2,214
Other	—	1,419	6,082	—	7,501
Total revenues	—	54,460	84,079	—	138,539
Store and regional expenses:					
Salaries and benefits	—	21,902	21,441	—	43,343
Occupancy	—	5,627	5,379	—	11,006
Depreciation	—	1,936	1,639	—	3,575
Returned checks, net and cash shortages	—	2,352	2,870	—	5,222
Telephone and telecommunication	—	1,867	1,083	—	2,950
Advertising	—	2,320	2,801	—	5,121
Bank charges	—	981	932	—	1,913
Armored carrier services	—	715	999	—	1,714
Other	—	6,666	7,605	—	14,271
Total store and regional expenses	—	44,366	44,749	—	89,115
Store and regional margin	—	10,094	39,330	—	49,424
Corporate and other expenses:					
Corporate expenses	—	8,931	8,819	—	17,750
Management fee	528	(252)	252	—	528
Other depreciation and amortization	—	1,159	922	—	2,081
Interest expense, net	6,495	10,900	2,076	—	19,471
Other	—	(175)	119	—	(56)
Equity in subsidiary	(8,065)	—	—	8,065	—
Income (loss) before income taxes	1,042	(10,469)	27,142	(8,065)	9,650
Income tax (benefit) provision	—	(829)	9,437	—	8,608
Net income (loss)	$ 1,042	$ (9,640)	$ 17,705	$ (8,065)	$ 1,042

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATING STATEMENTS OF CASH FLOWS
Six Months Ended December 31, 2005
(In thousands)

	Dollar Financial Corp.	Dollar Financial Group, Inc. and Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income (loss)	$ 5,317	$ (13,691)	$ 19,008	$ (5,317)	$ 5,317
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Undistributed income of subsidiary	(5,317)	—	—	5,317	—
Depreciation and amortization	—	3,475	2,872	—	6,347
Non-cash stock compensation	54				54
Losses on store closings and sales	—	521	3	—	524
Foreign currency loss on revaluation of subordinated borrowings	—	8	—	—	8
Deferred tax provision	—	789	10	—	799
Change in assets and liabilities (net of effect of acquisitions):					
Increase in loans and other receivables	—	(1,157)	(11,877)	364	(12,670)
Increase in income taxes receivable	—	(5,686)	—	4,654	(1,032)
Decrease in prepaid expenses and other	—	539	1,103	—	1,642
Increase (decrease) in accounts payable, income taxes, payable, accrued expenses and other liabilities and accrued interest payable	—	4,808	(555)	(5,018)	(765)
Net cash provided by (used in) operating activities	54	(10,394)	10,564	—	224
Cash flows from investing activities:					
Acquisitions, net of cash acquired	—	(5,836)	(305)	—	(6,141)
Additions to property and equipment	—	(3,390)	(4,312)	—	(7,702)
Net decrease in due from affiliates	—	10,994	—	(10,994)	—
Net cash provided by (used in) investing activities	—	1,768	(4,617)	(10,994)	(13,843)
Cash flows from financing activities:					
Proceeds from the exercise of stock options	144	—	—	—	144
Other debt borrowings	—	733	—	—	733
Net increase in revolving credit facilities	—	20,500	—	—	20,500
Payment of debt issuance costs	—	(1,218)	—	—	(1,218)
Net decrease in due to affiliates and due from parent	(2)	(2,881)	(8,111)	10,994	—
Net cash provided by (used in) financing activities	142	17,134	(8,111)	10,994	20,159
Effect of exchange rate changes on cash and cash equivalents	—	—	1,058	—	1,058
Net increase (decrease) in cash and cash equivalents	196	8,508	(1,106)	—	7,598
Cash and cash equivalents at beginning of period	4	30,049	62,451	—	92,504
Cash and cash equivalents at end of period	$ 200	$ 38,557	$ 61,345	$ —	$ 100,102

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATING STATEMENTS OF CASH FLOWS
Six Months Ended December 31, 2004
(In thousands)

	Dollar Financial Corp.	Dollar Financial Group, Inc. and Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income (loss)	$ 1,042	$ (9,640)	$ 17,705	$ (8,065)	$ 1,042
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:					
Undistributed income of subsidiary	(8,065)	—	—	8,065	—
Depreciation and amortization	17	3,844	2,427	—	6,288
(Gain) losses on store closings and sales	—	(175)	119	—	(56)
Foreign currency loss on revaluation of subordinated borrowings	—	181	—	—	181
Deferred tax benefit	—	—	(164)	—	(164)
Change in assets and liabilities (net of effect of acquisitions):					
Increase in loans and other receivables	(129)	(730)	(5,212)	251	(5,820)
(Increase) decrease in income taxes receivable	—	(2,593)	1,512	547	(534)
(Increase) decrease in prepaid expenses and other	—	(548)	93	—	(455)
Increase (decrease) in accounts payable, income taxes payable, accrued expenses and other liabilities and accrued interest payable	7,191	4,299	(1,019)	(1,798)	8,673
Net cash provided by (used in) operating activities	56	(5,292)	15,461	—	10,225
Cash flows from investing activities:					
Acquisitions, net of cash acquired	—	—	(658)	—	(658)
Additions to property and equipment	—	(1,564)	(4,025)	—	(5,589)
Net decrease in due from affiliates	—	3,180	—	(3,180)	—
Net cash provided by (used in) investing activities	—	1,616	(4,683)	(3,180)	(6,247)
Cash flows from financing activities:					
Other debt payments	—	(44)	(7)	—	(51)
Net increase in revolving credit facilities	—	11,000	—	—	11,000
Payment of initial public stock offering costs	(397)	—	—	—	(397)
Payment of debt issuance costs	(3)	(100)	—	—	(103)
Net increase (decrease) in due to affiliates and due from parent	344	2,276	(5,800)	3,180	—
Net cash (used in) provided by financing activities	(56)	13,132	(5,807)	3,180	10,449
Effect of exchange rate changes on cash and cash equivalents	—	—	4,419	—	4,419
Net increase in cash and cash equivalents	—	9,456	9,390	—	18,846
Cash and cash equivalents at beginning of period	4	27,124	42,142	—	69,270
Cash and cash equivalents at end of period	$ 4	$ 36,580	$ 51,532	$ —	$ 88,116

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

4. GOODWILL AND OTHER INTANGIBLES

In accordance with the adoption provisions of SFAS No. 142, the Company is required to perform goodwill impairment tests on at least an annual basis. The Company performs its annual impairment test as of June 30. There can be no assurance that future goodwill impairment tests will not result in a charge to earnings. A portion of the consideration for the We The People acquisitions was allocated to franchise agreements and territory rights. Territory rights are deemed to have an indefinite useful life and are expected to be available for sale when certain indemnification claims have been resolved as discussed in Note 9. Franchise agreements are deemed to have a definite life and are amortized on a straight-line basis over the estimated useful lives of the agreements which are generally 10 years. These identifiable intangible assets have been included as other intangibles on the Consolidated Balance Sheets. Amortization for franchise agreements for the six months ended December 31, 2005 was $63,000. The amortization expense for the franchise agreements will be as follows:

Fiscal Year Ending June 30,	Amount (in thousands)
2006	$102.9
2007	79.9
2008	79.9
2009	79.9
2010	79.9
Thereafter	265.9
	$688.4

The changes in the carrying amount of goodwill and other intangibles by reportable segment for the fiscal year ended June 30, 2005 and the six months ended December 31, 2005 are as follows (in thousands):

	United States	Canada	United Kingdom	Total
Balance at June 30, 2004	$56,514	$38,821	$53,783	$149,118
Amortization of other intangibles	(56)	—	—	(56)
Acquisitions	31,077	—	3,223	34,300
Foreign currency translation adjustments	—	3,638	(810)	2,828
Balance at June 30, 2005	87,535	42,459	56,196	186,190
Amortization of other intangibles	(51)	—	—	(51)
Acquisitions	8,304	280	25	8,609
Foreign currency translation adjustments	—	2,178	(2,328)	(150)
Balance at December 31, 2005	$95,788	$44,917	$53,893	$194,598

The following table reflects the components of intangible assets (in thousands):

	June 30, 2005		December 31, 2005	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Non-amortized intangible assets:				
Cost in excess of net assets acquired	$ 205,572	$ 20,532	$ 214,466	$ 20,737
Territory rights			181	
	$ 205,572	$ 20,532	$ 214,647	$ 20,737
Amortized intangible assets:				
Covenants not to compete	$ 2,510	$ 2,510	$ —	$ —
Franchise agreements	1,187	37	776	88
	$ 3,697	$ 2,547	$ 776	$ 88

5. COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) is the change in equity from transactions and other events and circumstances from non-owner sources, which includes foreign currency translation and fair value adjustments for cash flow hedges. The following shows the comprehensive income (loss) for the periods stated (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2004	2005	2004	2005
Net income	$ 1,133	$ 3,018	$ 1,042	$ 5,317
Foreign currency translation adjustment	10,086	(3,279)	14,844	1,155
Fair value adjustments for cash flow hedges	(30)	(252)	(320)	(48)
Total comprehensive income (loss)	$ 11,189	$ (513)	$ 15,566	$ 6,424

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

6. GEOGRAPHIC SEGMENT INFORMATION

All operations for which geographic data is presented below are in one principal industry (check cashing, consumer lending and ancillary services) (in thousands):

	United States	Canada	United Kingdom	Total
As of and for the three months ended December 31, 2004				
Identifiable assets	$ 137,490	$ 108,784	$ 109,914	$ 356,188
Goodwill and other intangibles, net	56,498	43,234	57,435	157,167
Sales to unaffiliated customers:				
Check cashing	11,044	11,746	9,943	32,733
Consumer lending:				
Fees from consumer lending	20,677	12,538	6,323	39,538
Provision for loan losses and adjustments to servicing revenue	(5,553)	(1,951)	(1,268)	(8,772)
Consumer lending, net	15,124	10,587	5,055	30,766
Money transfer fees	1,018	1,736	931	3,685
Franchise fees and royalties	116	1,259	—	1,375
Other	791	2,274	782	3,847
Total sales to unaffiliated customers	28,093	27,602	16,711	72,406
Interest expense, net	8,788	268	746	9,802
Depreciation and amortization	1,568	800	605	2,971
(Loss) income before income taxes	(9,101)	10,775	4,713	6,387
Income tax provision	53	3,848	1,353	5,254
For the six months ended December 31, 2004				
Sales to unaffiliated customers:				
Check cashing	$ 21,765	$ 22,145	$ 19,185	$ 63,095
Consumer lending:				
Fees from consumer lending	40,367	24,019	12,359	76,745
Provision for loan losses and adjustments to servicing revenue	(11,283)	(3,869)	(3,057)	(18,209)
Consumer lending, net	29,084	20,150	9,302	58,536
Money transfer fees	2,076	3,356	1,761	7,193
Franchise fees and royalties	116	2,098	—	2,214
Other	1,419	4,552	1,530	7,501
Total sales to unaffiliated customers	54,460	52,301	31,778	138,539
Interest expense, net	17,595	592	1,484	19,471
Depreciation and amortization	3,095	1,490	1,071	5,656
(Loss) income before income taxes	(17,492)	19,259	7,903	9,650
Income tax provision	(829)	7,089	2,348	8,608

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

6. GEOGRAPHIC SEGMENT INFORMATION (continued)

	United States	Canada	United Kingdom	Total
As of and for the three months ended December 31, 2005				
Identifiable assets	$178,244	$124,556	$113,334	$416,134
Goodwill and other intangibles, net	95,788	44,917	53,893	194,598
Sales to unaffiliated customers:				
Check cashing	11,662	12,891	10,671	35,224
Consumer lending:				
Fees from consumer lending	15,968	17,419	7,707	41,094
Provision for loan losses and adjustments to servicing revenue	(3,398)	(2,736)	(1,614)	(7,748)
Consumer lending, net	12,570	14,683	6,093	33,346
Money transfer fees	1,019	2,119	1,124	4,262
Franchise fees and royalties	1,306	1,181	—	2,487
Other	1,702	2,688	958	5,348
Total sales to unaffiliated customers	28,259	33,562	18,846	80,667
Interest expense, net	7,120	(386)	704	7,438
Depreciation and amortization	1,292	893	606	2,791
(Loss) income before income taxes	(3,388)	11,505	1,016	9,133
Income tax provision	1,471	4,385	259	6,115
For the six months ended December 31, 2005				
Sales to unaffiliated customers:				
Check cashing	$ 23,015	$ 25,091	$ 21,465	$ 69,571
Consumer lending:				
Fees from consumer lending	29,760	32,476	15,096	77,332
Provision for loan losses and adjustments to servicing revenue	(7,882)	(5,462)	(3,177)	(16,521)
Consumer lending, net	21,878	27,014	11,919	60,811
Money transfer fees	2,044	4,033	2,143	8,220
Franchise fees and royalties	2,927	2,476	—	5,403
Other	3,935	5,306	1,886	11,127
Total sales to unaffiliated customers	53,799	63,920	37,413	155,132
Interest expense (income), net	15,787	(531)	1,423	14,679
Depreciation and amortization	2,607	1,647	1,224	5,478
(Loss) income before income taxes	(14,068)	24,255	5,783	15,970
Income tax provision	(378)	9,383	1,648	10,653

7. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Operations in the United Kingdom and Canada have exposed the Company to shifts in currency valuations. From time to time, the Company may elect to purchase put options in order to protect earnings in the United Kingdom and Canada against foreign currency fluctuations. Out of the money put options may be purchased because they cost less than completely averting risk, and the maximum downside is limited to the difference between the strike price and exchange rate at the date of purchase and the price of the contracts. At December 31, 2005, the Company held put options with an aggregate notional value of $(CAN) 33.0 million and £(GBP) 6.6 million to protect the currency exposure in Canada and the United Kingdom through June 30, 2006. The Company uses purchased options designated as cash flow hedges to protect against the foreign currency exchange rate risks inherent in its forecasted earnings denominated in currencies other than the U.S. dollar. The Company's cash flow hedges have a duration of less than twelve months. For derivative instruments that are designated and qualify as cash flow hedges, the effective portions of the gain or loss on the derivative instrument are initially recorded

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

7. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (continued)

in accumulated other comprehensive income as a separate component of shareholders' equity and subsequently reclassified into earnings in the period during which the hedged transaction is recognized in earnings. The ineffective portion of the gain or loss is reported in corporate expenses on the statement of operations. For options designated as hedges, hedge effectiveness is measured by comparing the cumulative change in the hedge contract with the cumulative change in the hedged item, both of which are based on forward rates. As of December 31, 2005, no amounts were excluded from the assessment of hedge effectiveness. There was no ineffectiveness in the Company's cash flow hedges for the three or six months ended December 31, 2005. As of December 31, 2005, amounts related to derivatives qualifying as cash flow hedges amounted to a decrease of shareholders' equity of $48,000 all of which is expected to be transferred to earnings in the next six months along with the earnings effects of the related forecasted transactions. The fair market value of the outstanding puts held by the Company at December 31, 2005 was $326,000 and is included in other assets on the balance sheet.

Although the Company's revolving credit facility and Canadian overdraft credit facility carry variable rates of interest, most of the Company's average outstanding indebtedness carries a fixed rate of interest. A change in interest rates is not expected to have a material impact on the consolidated financial position, results of operations or cash flows of the Company.

8. CONTINGENT LIABILITIES

In addition to the legal proceedings discussed below, which the Company is defending vigorously, the Company is involved in routine litigation and administrative proceedings arising in the ordinary course of business. Although the Company believes that the resolution of these proceedings will not materially adversely impact its business, there can be no assurances in that regard.

Canadian Legal Proceedings

On August 19, 2003, a former customer in Ontario, Canada, Margaret Smith, commenced an action against the Company and its Canadian subsidiary on behalf of a purported class of Canadian borrowers (except those residing in British Columbia) who, Smith claims, were subjected to usurious charges in payday-loan transactions. The action, which is pending in the Ontario Superior Court of Justice, alleges violations of a Canadian federal law proscribing usury and seeks restitution and damages, including punitive damages. The Company's Canadian subsidiary's motions to stay the action on grounds of arbitrability and lack of jurisdiction were denied and are presently on appeal.

On October 21, 2003, another former customer, Kenneth D. Mortillaro, commenced a similar action against the Company's Canadian subsidiary, but this action has since been stayed on consent because it is a duplicate action.

On November 6, 2003, Gareth Young, a former customer, commenced a purported class action in the Court of Queen's Bench of Alberta, Canada on behalf of a class of consumers who obtained short-term loans from the Company's Canadian subsidiary in Alberta, alleging, among other things, that the charge to borrowers in connection with such loans is usurious. On December 9, 2005, the Company's Canadian subsidiary settled this action, subject to court approval. The Company believes the settlement will not have a material impact on its financial condition or results of operations. The Company believes that it has adequately reserved for the costs of the ultimate settlement and of legal and administrative costs associated with the settlement. The amount of the provision is subject to revision, and it is possible that the final cost of the settlement could differ materially from the amount currently provided.

On January 29, 2003, a former customer, Kurt MacKinnon, commenced an action against the Company's Canadian subsidiary and 26 other Canadian lenders on behalf of a purported class of British Columbia residents who, MacKinnon claims, were overcharged in payday-loan transactions. The action, which is pending in the Supreme Court of British Columbia, alleges violations of laws proscribing usury and unconscionable trade practices and seeks restitution and damages, including punitive damages, in an unknown amount. Following initial denial, MacKinnon obtained an order permitting him to re-apply for class certification, which order is currently under appeal.

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

8. CONTINGENT LIABILITIES (continued)

On April 15, 2005, the solicitor acting for MacKinnon commenced a proposed class action against the Company's Canadian subsidiary on behalf of another former customer, Louise Parsons. The solicitor has indicated to the court that this second action will not proceed pending the appeal described above.

Similar class actions have been commenced against the Company's Canadian subsidiary in Manitoba, New Brunswick, Nova Scotia and Newfoundland. The Company is named as a defendant in the actions commenced in Nova Scotia and Newfoundland but it has not been served with the statements of claim in these actions to date. The claims in these additional actions are substantially similar to those of the Ontario actions referred to above.

Except with respect to the Alberta action, at this time it is too early to determine the likelihood of an unfavorable outcome or the ultimate liability, if any, of these matters.

California Legal Proceedings

The Company is the defendant in four lawsuits commenced by the same law firm. Each is pled as a class action, and each alleges violations of California's wage-and-hour laws. The named plaintiffs are the Company's former employees Vernell Woods (commenced August 22, 2000), Juan Castillo (commenced May 1, 2003), Stanley Chin (commenced May 7, 2003) and Kenneth Williams (commenced June 3, 2003). Each of these suits seeks an unspecified amount of damages and other relief in connection with allegations that the Company misclassified California store *(Woods)* and area *(Castillo)* managers as "exempt" from a state law requiring the payment of overtime compensation, that the Company failed to provide non-management employees with meal and rest breaks required under state law *(Chin)* and that the Company computed bonuses payable to its store managers using an impermissible profit-sharing formula *(Williams)*. All of these cases, except *Woods*, are pending in the California state Superior Courts. The Company compelled arbitration of Woods' claims, where the arbitrator has certified a class of current and former store managers and set trial for March 2006. The court in the *Williams* case granted class certification in February 2005. The court in the *Chin* case denied class certification in April 2005; that determination is presently on appeal. The court in the *Castillo* case denied class certification in November 2005. In January 2003, without admitting liability, the Company sought to settle the *Woods* case, which it believes to be the most significant of these suits, by offering each class member an amount intended in good faith to settle his or her claim. These settlement offers have been accepted by class members who, in the aggregate worked 92% of all weeks worked by the class during the relevant period. The Company recorded a charge of $2.8 million related to this matter during fiscal 2003. Woods' counsel is presently disputing through arbitration the validity of the settlements accepted by the individual class members.

At this time, it is too early to determine the likelihood of an unfavorable outcome or the ultimate liability, if any, of these matters.

We The People Legal Proceedings

The Company's business model for its legal document preparation services business is being challenged in the courts, as described below, which could result in the Company's discontinuation of these services in any one or more jurisdictions.

The company from which the Company bought the assets of its We The People business, We The People Forms and Service Centers USA, Inc. (the "Former WTP"), and/or certain of the Company's franchisees are defendants in various lawsuits. These actions, which are pending in North Carolina, Illinois, and Georgia state courts, allege violations of the unauthorized practice of law statute and various consumer protection statutes of those states. There are presently eight stores operated by franchisees in these three states. These cases seek damages and/or injunctive relief, which could prevent the Company and its franchisees from preparing legal documents in accordance with the Company's present business model. The Illinois case has been pending since March 2001. The Georgia case was commenced against the Company's local franchisee in May 2005. The North Carolina case has been pending since the summer of 2003.

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

8. CONTINGENT LIABILITIES (continued)

On February 9, 2006, We The People and the TN Department of Consumer Affairs ("the Department") reached a mutual agreement to end a lawsuit filed by the Department against We The People and its two Tennessee franchisees that had alleged violations of the Tennessee unauthorized practice of law statutes and the Tennessee Consumer Protection Act. The agreement, which was confirmed by the court, allows We The People to continue its operations in Tennessee however, We The People agreed to make some adjustments to its services and advertisements. Additionally, as part of the resolution of the dispute, We The People will make a payment to the State that will be available to be distributed as refunds to eligible consumers. WTP had denied any liability or any wrongdoing, and no wrongdoing was found by either the court or the Department.

The state bar association in Mississippi has commenced an investigation regarding the Company's and its local franchisee's legal document preparation activities within that state. The franchisee operates one store in Mississippi. Although the Company believes that it has adequately addressed the issues initially raised in the investigation and demonstrated that the Company's activities and those of its local franchisee do not constitute the unauthorized practice of law, the Company believes it is likely that a lawsuit containing allegations similar to those asserted in the North Carolina, Illinois, Tennessee and Georgia proceedings will be filed against the Company and/or its local franchisees.

The Former WTP and/or certain of the Company's franchisees are defendants in adversary proceedings commenced by various United States Bankruptcy trustees in bankruptcy courts in the Eastern District of New York, the District of Maryland, the Northern District of Illinois, the Middle District of Tennessee, the Eastern District of Tennessee, the Eastern District of Oklahoma, the Middle District of North Carolina, the District of Idaho, the District of Oregon, the Eastern District of Michigan, the Central District of Texas and the District of Delaware. The actions in New York, Connecticut, Maryland, Delaware and Oklahoma have recently been settled by Consent Order and Stipulation. The Company also believes that the actions in Illinois and Idaho will be settled in the near future. In each of these adversary proceedings, the United States Bankruptcy trustee alleges that the defendants violated certain requirements of Section 110 of the United States Bankruptcy Code, which governs the preparation of bankruptcy petitions by non-attorneys, and engaged in fraudulent, unfair and deceptive conduct which constitutes the unauthorized practice of law.

In March 2003, the Former WTP, on behalf of its local franchisee, filed an appeal from a decision of the United States District Court for the District of Idaho which had reduced the fee that the Former WTP franchisee could charge for its bankruptcy petition preparation services and ruled that the Former WTP's business model for the preparation of bankruptcy petitions was deceptive or unfair, resulted in the charging of excessive fees and constituted the unauthorized practice of law. On June 17, 2005, the United States Court of Appeals for the Ninth Circuit affirmed this decision, without reaching the issues related to unauthorized practice of law. On May 10, 2005, the Company, the Former WTP and certain of the Company's local franchisees temporarily settled two of the bankruptcy adversary proceedings pending in the District of Connecticut and in the Southern District of New York by entering into stipulated preliminary injunctions regarding preparation of bankruptcy petitions within these judicial districts pending the final resolution of these proceedings. Each of the adversary proceedings temporarily settled is being referred to mediation, together with certain other matters currently pending in the Southern District of New York and in the Eastern District of New York against the Former WTP and certain of the Company's franchisees, in an effort to develop a protocol for the Company and its franchisees located within all Federal judicial districts in New York, Vermont and Connecticut to comply with Section 110 of the Bankruptcy Code.

In December 2004, the Former WTP entered into a stipulated judgment based on an alleged violation of the Federal Trade Commission's Franchise Rule. Under the terms of the judgment, the Former WTP paid a $286,000 fine and is permanently enjoined from violating the Federal Trade Commission Act and the Franchise Rule and is required to comply with certain compliance training, monitoring and reporting and recordkeeping obligations. The Company has requested the Federal Trade Commission to confirm that it agrees with the Company's interpretation that these obligations are applicable only to the Company's legal document preparation services business.

On August 11, 2005, Sally S. Attia and two other attorneys, purporting to sue on behalf of a nationwide class of all U.S. bankruptcy attorneys, commenced an antitrust action against the Company in the United States District Court for the Southern District of New York. They allege that the Company and the Former WTP have unlawfully restrained competition in the market for bankruptcy services through the Company's advertising and other practices, and they seek class-action status, damages in an indeterminate amount (including punitive and treble damages under the Sherman and Clayton Acts) and other relief. On August 12, 2005, the court denied plaintiffs' request for expedited or *ex parte* injunctive relief. Our motion to dismiss this action was submitted on October 7, 2005, and we are presently awaiting a decision.

At this time, it is too early to determine the likelihood of an unfavorable outcome or the ultimate liability, if any, of these matters.

In addition to the matters described above, the Company continues to respond to inquiries it receives from state bar associations and state regulatory authorities from time to time as a routine part of its business regarding its legal document preparation services business and its franchisees.

While the Company believes there is no legal basis for liability, due to the uncertainty surrounding the litigation process, the Company is unable to reasonably estimate a range of loss, if any, at this time. While the outcome of these matters is currently not determinable, the Company does not expect that the ultimate cost to resolve these matters will have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

DOLLAR FINANCIAL CORP.
NOTES TO INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

9. ACQUISITIONS

The following acquisitions have been accounted for under the purchase method of accounting.

On March 7, 2005, the Company entered into an agreement to acquire substantially all of the assets of We The People Forms and Service Centers USA, Inc. ("WTP") relating to WTP's retail-based legal document preparation services business. The aggregate purchase price for this acquisition was $14.0 million, consisting of $10.5 million in cash paid at closing, $2.0 million in unregistered shares of the Company's common stock and $1.5 million paid at closing to an escrow account to secure certain indemnification liabilities of WTP. In May 2005, $250,000 of the escrow amount was distributed to the seller and 25% of the remaining escrow amount is scheduled to be distributed on each of December 31, 2005, March 31, 2006, June 30, 2006 and September 30, 2006, assuming no indemnification claims at such times. In addition, the Company assumed $750,000 in liabilities and assumed approximately $7.6 million in refundable deposits related to certain franchise agreements. The Company allocated a portion of the purchase price to purchased franchise agreements for $1.2 million and other assets for $1.1 million, with the remainder allocated to goodwill. The agreement also includes a maximum revenue-based earn out of up to $3.0 million which is payable over a two-year period. Although the Company completed the acquisition of WTP on March 7, 2005, management is still finalizing the purchase price allocation based on its analysis of the fair value of the assets acquired and liabilities assumed.

The Company is pursuing indemnification claims against the former shareholders of WTP on account of asserted breaches of representations and warranties with respect to both undisclosed liabilities and other matters arising out of the acquisition and has instituted a related lawsuit. Pending the resolution of these claims, the Company has determined to withhold the December 31, 2005 escrow distribution described above. The Company has terminated the employment of Ira and Linda Distenfield, the former shareholders of WTP. At this time, it is too early to determine the outcome of these claims and lawsuit and the impact on the Company of the undisclosed liabilities.

The Company's revolving credit facility and unregistered shares of the Company's common stock were used to fund the purchase. The excess of the purchase price over the preliminary fair value of net identifiable assets acquired was $21.5 million. The Company believes that due to the revenues generated from the network of 170 locations and the potential to sell additional franchises, the preliminary allocation of a portion of the purchase price to goodwill is appropriate.

Following is the allocation of the purchase price for the WTP acquisition (in millions):

	WTP
Purchase price	$ 14.0
Net assets acquired:	
Purchased franchise agreements	(1.2)
Refundable deposits	7.6
Other (assets) and liabilities	1.1
Goodwill	$ 21.5

In July 2005, the Company purchased 26 We The People franchisee-owned stores, converting them to company-owned and -operated stores, and related franchise territory for future development. The aggregate purchase price for these acquisitions was $4.9 million and was funded through excess internal cash. The excess of the purchase price over the fair value of identifiable assets acquired was $4.5 million. The Company believes that due to the earnings potential from the 26 acquired stores and from franchising opportunities in the acquired territories, the allocation of a portion of the purchase price to goodwill is appropriate.

In October 2005, the Company purchased three We The People franchisee-owned stores, converting them to company-owned and – operated stores, and related franchise territories for future development. In addition, the Company acquired three undeveloped territories from franchisees for future development. The aggregate purchase price for these acquisitions was $1.6 million, consisting of $833,000 in cash paid at closing and a $733,000 note payable. The Company allocated $181,000 of the purchase price to territory rights. The excess of the purchase price over the fair value of identifiable assets acquired was $1.1 million. The Company believes that due to the earnings potential from the acquired stores and territory rights and from the franchising opportunities in the acquired territories, the allocation of a portion of the purchase price to goodwill is appropriate.

DOLLAR FINANCIAL CORP.
SUPPLEMENTAL STATISTICAL DATA

	December 31, 2004	December 31, 2005
Company Operating Data:		
Stores in operation:		
Company-owned	656	747
Franchised stores and check cashing merchants	474	582
Total	1,130	1,329

	Three Months Ended December 31,		Six Months Ended December 31,	
	2004	2005	2004	2005
Check Cashing Data:				
Face amount of checks cashed (in millions)	$ 883	$ 941	$ 1,699	$ 1,858
Face amount of average check	$ 418	$ 441	$ 411	$ 440
Face amount of average check (excluding Canada and the United Kingdom)	$ 368	$ 393	$ 368	$ 391
Average fee per check	$ 15.49	$ 16.50	$ 15.26	$ 16.47
Number of checks cashed (in thousands)	2,113	2,135	4,135	4,223

	Three Months Ended December 31,		Six Months Ended December 31,	
	2004	2005	2004	2005
Check Cashing Collections Data:				
Face amount of returned checks (in thousands)	$ 7,895	$ 9,639	$ 15,496	$ 19,906
Collections (in thousands)	(5,481)	(6,993)	(10,856)	(14,291)
Net write-offs (in thousands)	$ 2,414	$ 2,646	$ 4,640	$ 5,615
Collections as a percentage of returned checks	69.4%	72.5%	70.1%	71.8%
Net write-offs as a percentage of check cashing revenues	7.4%	7.5%	7.4%	8.1%
Net write-offs as a percentage of the face amount of checks cashed	0.27%	0.28%	0.27%	0.30%

The following chart presents a summary of our consumer lending operations, including loan originations, which includes loan extensions and revenues for the following periods (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2004	2005	2004	2005
U.S. company funded consumer loan originations (1) (2)	$ 18,507	$ 61,960	$ 37,069	$ 129,596
Canadian company funded consumer loan originations (2)	118,027	143,981	225,168	273,073
U.K. company funded consumer loan originations (2)	42,780	46,740	85,478	94,478
Total company funded consumer loan originations	$ 179,314	$ 252,681	$ 347,715	$ 497,147
Servicing revenues, net (3)	$ 13,868	$ 3,933	$ 26,018	$ 5,341
U.S. company funded consumer loan revenues (3)	2,711	10,415	5,485	20,254
Canadian company funded consumer loan revenues	12,538	17,419	24,018	32,476
U.K. company funded consumer loan revenues	6,323	7,708	12,359	15,097
Provision for loan losses on company funded loans	(4,674)	(6,129)	(9,344)	(12,357)
Total consumer lending revenues, net	$ 30,766	$ 33,346	$ 58,536	$ 60,811
Gross charge-offs of company funded consumer loans (3)	$ 16,476	$ 26,753	$ 32,554	$ 51,520
Recoveries of company funded consumer loans (3)	(11,912)	(20,670)	(23,380)	(40,401)
Net charge-offs on company funded consumer loans	$ 4,564	$ 6,083	$ 9,174	$ 11,119
Gross charge-offs of company funded consumer loans as a percentage of total company funded consumer loan originations	9.2%	10.6%	9.4%	10.4%
Recoveries of company funded consumer loans as a percentage of total company funded consumer loan originations	6.6%	8.2%	6.7%	8.1%
Net charge-offs on company funded consumer loans as a percentage of total company funded consumer loan originations	2.5%	2.4%	2.6%	2.2%

(1) Our company operated stores in the United States originate company-funded and bank-funded short-term consumer loans.

(2) All consumer loans originated in Canada and the United Kingdom are company funded.

(3) The variance between the two periods is primarily related to our transition in the United States for short-term consumer loans from the bank-funded to the company-funded model.

EXHIBIT "D"

WE THE PEOPLE USA, INC.

FRANCHISE OFFERING CIRCULAR

LIST OF STATE ADMINISTRATORS

STATE ADMINISTRATORS

The following are the state administrators responsible for the review, registration, and oversight of franchises in that state:

CALIFORNIA

Department of Corporations
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
Telephone: 1 866 275-2677

CONNECTICUT

Banking Commissioner
Department of Banking
260 Constitution Plaza
Hartford, Connecticut 06103-1800
Telephone: (860) 240-8299

FLORIDA

Department of Consumer Services
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800
Telephone: (850) 488-2221

HAWAII

Department of Commerce
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
Telephone: (808) 586-2722

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
Telephone: (217) 782-1090

INDIANA

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

IOWA

Regulated Industries Unit
Iowa Securities Bureau
340 Maple Street
Des Moines, Iowa 50319
Telephone: (515) 281-4441

MARYLAND

Office of Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
Telephone: (410) 576-6360

MICHIGAN

Franchise Administrator
Consumer Protection Division
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48913
Telephone: (517) 373-7117

MINNESOTA

Franchise Examiner
Department of Commerce
85 East 7th Place, Suite 600
St. Paul, Minnesota 55101
Telephone: (651) 296-4026

NEBRASKA

Department of Banking and Finance
1200 "N" Street, Suite 311
Lincoln, Nebraska 68509
Telephone: (402) 471-2171

NEW YORK

Bureau of Investor Protection and Securities
Department of State
120 Broadway, 23rd Floor
New York, New York 10271
Telephone: (212) 416-8236

NORTH DAKOTA

Franchise Examiner
North Dakota Securities Dept.
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505
Telephone: (701) 328-2910

OREGON

Department of Consumer & Business Services
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97301-3881
Telephone: (503) 378-4387

RHODE ISLAND

Securities Examiner
Department of Business Regulation
233 Richmond Street, Suite 232
Providence, Rhode Island 02903
Telephone: (401) 222-3048

SOUTH DAKOTA

Franchise Administrator
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501-3138
Telephone: (605) 773-4823

TEXAS

Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, Texas 78711
Telephone: (512) 475-1769

UTAH

Division of Consumer Protection
Department of Commerce
160 East Three Hundred South
Salt Lake City, Utah 84114-6704
Telephone: (801) 530-6601

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
Telephone: (804) 371-9051

WASHINGTON

Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Tumwater, Washington 98501
Telephone: (360) 902-8760

WISCONSIN

Franchise Administrator
Wisconsin Securities Commission
345 West Washington Avenue
Madison, Wisconsin 53701
Telephone: (608) 266-3431

FEDERAL TRADE COMMISSION

Bureau of Consumer Protection
Federal Trade Commission
Pennsylvania Avenue at 6th Street, NW
Washington, D.C. 20580
Telephone: (202) 326-3128

EXHIBIT "E"

WE THE PEOPLE USA, INC.

FRANCHISE OFFERING CIRCULAR

REGISTERED AGENTS

FOR SERVICE OF PROCESS

REGISTERED AGENTS FOR SERVICE OF PROCESS

The following state offices or officials as our agents for service of process in those states:

CALIFORNIA

California Corporations Commissioner
320 West 4th Street
Los Angeles, California 90013-2344
Telephone: (213) 576-7500
Toll-free: (866) 275-2677

CONNECTICUT

Banking Commissioner
Department of Banking
260 Constitution Plaza
Hartford, Connecticut 06103-1800
Telephone: (860) 240-8299

HAWAII

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

ILLINOIS

Attorney General
500 South Second Street
Springfield, Illinois 62706
Telephone: (217) 782-1090

NEW YORK

Secretary of State
41 State Street
Albany, New York 12231
Telephone: (518) 474-0050

INDIANA

Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
Telephone: (317) 232-6681

MARYLAND

Maryland Securities Commissioner
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
Telephone: (410) 576-6360

MICHIGAN

Attorney General
Consumer Protection, Franchise Section
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 49913
Telephone: (517) 373-7117

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 East 7th Place, Suite 600
St. Paul, Minnesota 55101
Telephone: (651) 296-4026

SOUTH DAKOTA

Franchise Administrator
Division of Securities
118 West Capitol
Pierre, South Dakota 57501-2000
Telephone: (605) 773-4013

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - Fifth Floor
Department 414
Bismarck, North Dakota 58505-0510
Telephone: (701) 328-4712

OREGON

Director
Department of Consumer & Business Services
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97301-3881
Telephone: (503) 378-4387

RHODE ISLAND

Director
Department of Business Regulation
233 Richmond Street
Suite 232
Providence, Rhode Island 02903
Telephone: (401) 222-3048

VIRGINIA

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
Telephone: (804) 371-9733

WASHINGTON

Department of Financial Institutions
Securities Division
210 – 11th Avenue Southwest, Room 300
Olympia, Washington 98504
Telephone: (360) 902-8760

WISCONSIN

Department of Financial Institutions
Securities Commission
345 West Washington Avenue
Madison, Wisconsin 53701
Telephone: (608) 266-3431

EXHIBIT "F"

WE THE PEOPLE USA, INC.

FRANCHISE OFFERING CIRCULAR

EFFECTIVE DATES OF THIS OFFERING CIRCULAR IN REGISTRATION STATES

EFFECTIVE DATES OF FRANCHISE REGISTRATION

California	November 15, 2005
Illinois	February 3, 2006
Indiana	October 31, 2005
Maryland	December 15, 2005
Michigan	November 1, 2005
Minnesota	_____*
New York	October 26, 2005
North Dakota	November 30, 2005
Rhode Island	October 30, 2005
South Dakota	November 11, 2005
Virginia	December 2, 2005
Washington	November 7, 2005
Wisconsin	April 7, 2005
Hawaii	January 19, 2006

* Franchise registration currently pending in these states.

OPERATING FRANCHISEES

EXHIBIT "G"

WE THE PEOPLE USA, INC.

FRANCHISE OFFERING CIRCULAR

OPERATING FRANCHISEES

OPERATING FRANCHISEES

ALASKA

JUDY BROZEK
545 E Northern Lights Blvd
Anchorage, Alaska 99503
(907) 276-3006, (907)260-8007fax

ARIZONA

PAUL & JUDY BROWN
15224 No. 59th Ave
Glendale, AZ 95306
(602) 942-6777 (602) 942-1670 fax

WE THE PEOPLE
2815 So. Alma School Rd
Mesa, AZ 85210
(480) 456- 1412, (480) 456-1896fax

JOHN & MARY LUNGO
2524 Indian School Road
Phoenix, AZ 85016
(602) 340-0290, (602) 956-6080 fax

JOHN & MARY LUNGO
3329 E. Bell Rd. Suite 18
Phoenix, AZ 85032
(602)953-4063, (602)953-4065 fax

MARK & KATIE DEMOREST
2545 E. Speedway Blvd
Tucson, AZ 85716
(520) 318-4987, (520) 318-9987 fax

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HERB & CELIA GOLD
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RICHARD LAYON
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Alhambra, CA 91803
(626) 300-8011, (626) 300-8015 fax

RENA JORDAN
1665 W. Katella Ave.
Anaheim, CA 92802-3021
(714) 772-0449, (714) 772-0745 fax

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Buena Park, CA 90621
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VALERIE SAFAR
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Brea, CA 92821
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Burbank, CA 91502
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VINCE EDDY
528 Myrtlewood Dr.
Calimesa, CA 92320-1505
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(Dick & Barbara Hoppe)
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Chatsworth, CA 91311
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WE THE PEOPLE
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Costa Mesa, CA 92627-2666
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El Cajon, CA 92021
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Encino, CA 91316
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***Eureka*, CA 95501**
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TAMMY & RENE BOJORQUEZ
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***Garden Grove*, CA 92845**
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***Glendale, CA* 91205**
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***Hollywood*, CA 90027**
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Los Angeles, CA 90005
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Franchisees

1826 W. Avenue J
***Lancaster*, CA 93534**
(661) 726-7646, (661) 726-9190 fax

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2115 Bellflower Blvd.
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***Los Angeles*, CA 90017**
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Thousand Oaks, CA 91360
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Torrance, CA 90503
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Van Nuys, CA 91406
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Ventura, CA 93003
(805) 641-2010, (805) 641-3767 fax

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Vista, CA 92081
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3125 28TH St
Boulder, CO 80304
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Brighton, CO 80601
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ALECK GILNER
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Colorado Springs, CO 80918
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62 E. Arapahoe Rd.
(Arapahoe)
Centennial, CO 80122
(303) 991-3651, (303) 991-3654fax

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JILL & GREG SVENSON
7115 E. Hampden Ave
Denver, CO 80224
(303) 302-1000, (303) 302-1001 fax

BARBARA HERSH
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Grand Junction, CO 81505
(970) 263-9191, (970)243-4949 fax

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3489 W. 10th St. #C
Greeley, CO 80634
(970) 352-5444, (970) 352-2024fax

MARY & JOE FULTON
3355 So. Wadsworth Blvd.
Lakewood, Co 80227
(303) 984-2101, (303) 984-2135 fax

MARY & JOE FULTON
7330 W. 88th Ave, Ste E
Westminster, CO 80021
(303) 421-0367, (303) 421-3425 fax

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Newington, **CT** 06111-2910
(860) 665-0540, (860) 665-0391 fax

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165 Bank Street
New London, CT 06320
(860)447-9984, (860)447-9116

WE THE PEOPLE
281 Connecticut Ave
Norwalk, CT 06854
(203) 852-7006, (203) 852-1452 fax

WE THE PEOPLE
163 Post Rd.
Orange, CT 06477
(203)795-9978, (203)795-9791

FLORIDA

WE THE PEOPLE
1701 No. Federal Hwy
Boca Raton, **FL** 33432
(561) 347-5340, (561) 347-5341 fax

CHUCK TRUDELL
1722 Del Prado Blvd.
***Cape Coral*, FL** 33990
(239) 573-7311, (239) 573-6001 fax

MARIA & FIDEL PAIJUS
101 E. Commercial Blvd.
***Fort Lauderdale*, FL** 33334
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Fort Myers, FL 33908
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Sarasota, FL 34239
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Decatur, GA 30030
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561 Forest Parkway Ste. 3
Forest Park, GA 30297
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Boise, ID 83704
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Idaho Falls, ID 93404
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***Berwyn*, IL**
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Reno, *NV* 89511
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Elmwood Park, NJ 07407
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PETER CASPER
534 Bloomfield Ave
Verona, NJ 07044
(973) 857-0057, (973) 857-0097fax

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Bankruptcy 230

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Albuquerque, NM 87110
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NEW YORK

WE THE PEOPLE
42-38 Bell Blvd
Bayside, NY 11361
(718) 224-8704, (718) 224-8710 fax

WE THE PEOPLE
1508 86TH ST STREET
Bay Ridge, NY 11228
(718)259-8181, (718)259-8355 fax

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Bronx, NY 10458
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Albany, NY 12205
(Colonie)
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Bronx, NY 10475
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(Downtown Brooklyn)
Brooklyn, NY 11201
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116-28 Queens Blvd
Forest Hills, NY 11375
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WE THE PEOPLE
1986 Ralph Ave.
Georgetown
Brooklyn, NY 11234
(718) 968-0022,(718) 968-2034 fax

WE THE PEOPLE
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788 A. Manhatten Ave
(Greenpoint)
Brooklyn, NY 11222
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377 West 125th St.
Harlem, NY 10027
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2175 Hylan Blvd.
(Hylan)
Staten Island, NY 10306
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(Inwood)
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(Kingsbridge)
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Kingston, NY 12401
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Lake Ronkonkoma, NY 11779
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WE THE PEOPLE
45-01A Northern Blvd
Long Island City, NY 11101
(718) 392-4300, (718)

MO
LU
Denver

WE THE PEOPLE
250 East Houston St.
(Lower East Side)
New York, NY 10002
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WE THE PEOPLE
447 Mamaroneck Ave.
Mamaroneck, NY 10543
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(516) 333-3306, (516)333-3308fax

WE THE PEOPLE
49 Westchester Sq.
(Westchester Square)
Bronx, NY 10461-3526
(718) 931-7500,(718) 931-7540 fax

WE THE PEOPLE
148 Mamaroneck Ave
White Plains, NY 10601
(914)683-5105, (914)683-0345 fax

<u>NORTH CAROLINA</u>

GEORGE HUNT
624 Tyvola Rd. Suite 101
Charlotte, NC 28217
(704) 665-6353, (704)665-3695

WE THE PEOPLE
4940-C Capital Blvd
Raleigh, NC 27616
(919) 713-0339, (919) 873-0273 fax

<u>OHIO</u>

TERRY/EVA MARTIN
794 Main St
Milford, Ohio 45150
(513)831-3380, (513) 831-3860 fax

OKLAHOMA

LISA & WAYNE PALMER
3747-B South Harvard
Tulsa, OK 74135
(918) 794-0305, (918)794-0307

OREGON

DUANE HANNA
547 NE Bellevue, Suite 108
Bend, OR 97701
(541)317-1287, (541)317-1286

RYAN & HEATHER PETERSON
400 NW Walnut Blvd. #200
Corvallis, OR 97330
(541) 738-9872, (541) 738-9873 fax

RYAN & HEATHER PETERSON
377 Coburg Rd. Suite C
Eugene, OR 97401
(541)345-1128, (541)485-9178fax

CHUCK ATKINS
520 S.E. 10TH Ave.
Hillsboro, OR 97123
(503)693-8885, (503)648-8001fax

PENNSYLVANIA

BOB VEARLING
301 W. Baltimore Pike
Springfield, PA 19018
(610) 626-4141, (610) 626-0848 fax

JOSEPH MATIJASICH
34 West Lancaster Ave
Shilllington, PA 19607
(610) 796-1250, (610) 796-1068 fax

EDIE & MARK MIRAU
718 Market Street
Philadelphia, PA 19106
(Center City)
(215)238-8809, (215) 238-8813fax

EDIE &MARK MIRAU
2836 Cottman Avenue
Philadelphia, PA 19149
(215)333-8281, (215)333-8287fax

RHODE ISLAND

KAREN AND JIM LABROSE
298 Atwells Ave.
***Providence,* RI** 02903
(401)521-4700, (401)521-4242fax

TENNESSEE

WE THE PEOPLE
86 Thompson Lane
Nashville, TN 37211
(615) 445-3611, (615) 445-7704 fax

WE THE PEOPLE
8161 Kingston Pike
Knoxville, TN 37919
(865) 560-2221, (856)560-2721fax

TEXAS

WE THE PEOPLE
13729 Research Blvd. Ste. 850
Austin, TX 78759
(512)996-8558, (512) 996-8445fax

WE THE PEOPLE
7726 Forest Lane
Dallas, TX 75230
(214) 265-8800, (214) 987-0287

MARTHA AND MARTY
1500 N. 10th Street
McAllen, TX 78501
(956)631-0551, (956)631-0552

WE THE PEOPLE
2672 No. Belt Line Rd
Irving, TX 75062
(972) 570-4800, (972)570-5539, fax

WISCONSIN

FRAN PIPER
4210 E. Washington Ave.
Madison, WI 53704
(608)245-5003, (608)249-2994fax

EXHIBIT "H"

WE THE PEOPLE USA, INC.

FRANCHISE OFFERING CIRCULAR

TERMINATED OR CANCELED FRANCHISES

WE THE PEOPLE USA, INC.

Terminated or Canceled Franchisees

THE FOLLOWING IS A LIST OF FRANCHISEES AND THEIR ADDRESSES AND TELEPHONE NUMBERS WHOSE FRANCHISES WERE TERMINATED, CANCELED, NOT RENEWED, TRANSFERRED, OR OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED TO DO BUSINESS DURING THE ONE YEAR PERIOD IMMEDIATELY PRECEDING JUNE 30, 2005 OR WHO HAVE NOT COMMUNICATED WITH THE FRANCHISOR WITHIN 10 WEEKS OF THE DATE OF THIS OFFERING CIRCULAR.

Gerald Czarnecki (left the system 3, transferred 2)
10101 SW Harbor Blvd., Ste. 205
Portland, OR 97219
503-768-3900

Jane Phillips (transferred 1, consolidated 1)
762 E Colorado Blvd.
Pasadena, CA 91101
626-535-0100

Igor Liokumovich (transferred 1, reacquired 1)
650 Columbia Street #212
San Diego, CA 92101

Wes Ike (reacquired 1)
2466 Jade Drive
Lawrenceville, GA 30044

Brad and Liz Child (reacquired)
400 Aprey Lane
Belle Vernon, PA 15012

Steve and Malea De Jesus (reacquired)
302-b SE Greenville Blvd.
Greenville, NC 27858
(252) 355-8107

Calvin & Kathy Geary (left the system)
210 New Road, Ste. 5
Linwood, NJ 08221
(609) 926-0200

Joseph Matijasich (left the system)
34 W. Lancaster Avenue
Shillington, PA 19607

Vincent and Shannon Gould (reacquired)
2825 Harford Drive
Nashville, TN 37211

Jon Langbert (reacquired 2)
9400 N. Central Expressway, Ste. 640
Dallas, TX 75231
214-891-9800

Renee Bevill (left the system)
1553 East County Line Road, Ste. 200
Jackson, MS 39211

EXHIBIT "I"

WE THE PEOPLE USA, INC.

FRANCHISE OFFERING CIRCULAR

LIST OF WORKBOOKS AND BOOKS CURRENTLY OFFERED BY FRANCHISOR

EXHIBIT "I"

LIST OF WORKBOOKS AND BOOKS CURRENTLY OFFERED BY FRANCHISOR

WORKBOOKS OFFERED:

1. Assignment of Interest – Bankruptcy (CHP 7/13)
2. Bankruptcy Amendment
3. Buy-Sell Agreement
4. Civil Law Suit
5. Civil Law Suit Answer
6. Commercial Lease
7. Copyright
8. DBA's
9. Divorce – Request for Hearing
10. Divorce – Final Papers Only
11. Divorce – Regular
12. Divorce – Response
13. Divorce – Amend Petition
14. Divorce – Petition to Publish
15. Divorce – MSA Only
16. Divorce – Birfurcation
17. Divorce – Change of Address
18. Guardianship (Letter Only)
19. Incorporation Dissolve
20. Incorporation
21. Independent Contractor Agreement
22. Living Trust – Revocation
23. Living Trust A or A/B
24. Living Trust – Amendment (WTP Trust)
25. Living Trust – Amendment (Non WTP Trust)
26. Living Trust – A/B/C
27. LLC
28. Name Change
29. OSC/Notice of Motion (Current Disso. Customer)

EXHIBIT "I"

LIST OF WORKBOOKS AND BOOKS CURRENTLY OFFERED BY FRANCHISOR

30. OSC/Notice of Motion (Non-Disso.)
31. OSC/Responsive Declaration
32. Partnership Dissolve
33. Partnership Agreement
34. Paternity (Complaint to Est.)
35. Power of Attorney
36. Pre or Post-Nuptial Agreement
37. Probate (Formal Probate Over $100,000)
38. Prom/Note/Deed of Trust
39. Promissory Note
40. QDRO With Joinder
41. QDRO (Joinder Only)
42. Quit Claim Deed
43. Register Money Sister-State Judgment
44. Residential Lease
45. Restraining Order
46. Small Claims
47. Stipulation and Order
48. 3/30/60 Day Notice
49. Trademark
50. Travel Permission Letter
51. Will
52. Will – Codocil

BOOKS OFFERED:

1. We the People's Guide to Bankruptcy: A Do-It-Yourself Plan for Getting Out of Debt
2. We the People's Guide to Estate Planning

EXHIBIT "J"

WE THE PEOPLE USA, INC.

FRANCHISE OFFERING CIRCULAR

FORM OF CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (this "Agreement") is entered into this ___ day of _____ 200_, by and between We The People USA, Inc. ("Discloser") and _____ ("Receiver").

1. Purpose. The purpose of this Agreement is to set forth the rights and obligations of the parties with respect to the use, handling, protection, and safeguarding of information which is disclosed by and between the parties hereto relating to the opening and operation of a We The People Center (as defined in the Uniform Franchise Offering Circular) (defined herein as a "Store").

2. Confidential Information.

a. General Definition. The information to be disclosed hereunder contains information that Discloser regards as proprietary and confidential and may include, without limitation, financial data, product plans, costs, prices, names, business or marketing plans, historical operational data, manufacturing processes, business opportunities, technical data, computer programs, machinery and equipment, systems, products, projects, price lists, research and development data, customer identities and technical and business materials (collectively, the "Confidential Information"). Confidential Information may include information in written, oral or machine readable form, and shall be deemed confidential hereunder regardless of the presence or absence of any stamp or other designation of confidentiality accompanying such information.

b. Exclusions. Confidential Information shall be deemed to exclude information that:

(1) Is in, or becomes in, the public domain without violation of this Agreement by the Receiver, or

(2) Was known to Receiver prior to disclosure thereof to Receiver by Discloser as evidenced by written records; provided Receiver gives Discloser written notice and evidence of such prior knowledge within five (5) working days after receiving otherwise Confidential Information, or

(3) Is disclosed to the Receiver by a third party under no obligation of confidentiality to Discloser and without violation of this Agreement by Receiver.

3. Term. The duties and obligations of Receiver shall remain in full force and effect for so long as and after Receiver ceases to operate a Store.

4. Disclosure; Copies. Receiver shall not, without the prior written consent of Discloser, (a) disclose such Confidential Information to any person, company or entity (including any parent, subsidiary or affiliate firm or corporation), other than Receiver's directors, officers, employees, agents and representatives who need to know the Confidential Information for the purpose contemplated hereby, or (b) copy, photograph or make other copies or drawings of the Confidential Information.

5. Use. Receiver will not sell, utilize, implement, appropriate or otherwise use the Confidential Information for any purpose whatsoever, or permit the use of the Confidential Information by others for any purpose whatsoever, without the express written permission of Discloser, except as permitted under Section 4 above.

6. Forced Disclosure. Notwithstanding any other provisions in this Agreement, Receiver may disclose Confidential Information to the extent required by any applicable law, regulation, or court or governmental order; provided that Receiver gives the Discloser reasonable advance written notice of any such disclosure or any request or demand for such disclosure.

7. Safeguards Against Unauthorized Disclosure. Receiver agrees to treat the Confidential Information with no less than the same degree of care it would reasonably exercise for the protection of its own valuable trade secrets. Receiver shall use its best efforts to ensure that all directors, officers, employees, agents and representatives to whom Confidential Information is disclosed take all reasonable precautions to safeguard and preserve the confidential status of said Confidential Information. Receiver will ensure that any such directors, officers, employees, agents and representatives are covered by similar confidential disclosure agreements to prevent the unauthorized disclosure or use of the Confidential Information.

8. Return of Information. Receiver acknowledges and agrees that all Confidential Information furnished hereunder shall be and remain the property of Discloser. Upon demand, any and all Confidential Information and copies thereof must be returned to Discloser.

9. NO WARRANTY. Discloser makes no warranty, guarantee or representation, either expressed or implied, with respect to any information disclosed hereunder. DISCLOSER SHALL NOT BE LIABLE, IN ANY MANNER, AS A RESULT OF RECEIVER'S USE OF OR RELIANCE ON SUCH INFORMATION.

10. Enforcement. Receiver acknowledges and agrees that disclosure or misappropriation of Confidential Information in violation of this Agreement may cause Discloser irreparable harm, the effect of which may be difficult to ascertain, and agrees therefore that Discloser shall be entitled to injunction and/or specific performance, without the need to post a bond or other form of security, in addition to all other remedies otherwise available to Discloser at law and/or equity. If it becomes necessary to enforce the terms of this Agreement, Receiver shall be obligated to pay any and all costs reasonably incurred by Discloser in pursuing such enforcement, including attorneys' fees and court costs.

11. Waiver. The failure of any party in any one or more instances to insist upon strict performance of any of the terms or provisions of this Agreement, or to exercise any option herein conferred, shall not be construed as a waiver or relinquishment, to any extent, of the right to assert or rely upon any such terms, provisions or options on any future occasion.

12. Severability. Any provision of this Agreement which is rendered unenforceable by a court of competent jurisdiction shall be ineffective only to the extent of such prohibition or invalidity and shall not invalidate or otherwise render ineffective any or all of the remaining provisions of this Agreement.

13. Choice of Law; Venue. This Agreement shall be governed by the laws of the State of Pennsylvania, and the parties hereto agree that the venue of any action arising in

regard to this Agreement shall be Berwyn, Pennsylvania, and the parties hereto agree to the jurisdiction and venue of the courts of said state and county to the exclusion of any other courts which otherwise may have had jurisdiction.

14. Assignment; Successors. None of the rights created under this Agreement may be assigned by Receiver without the prior written consent of Discloser. This Agreement shall be binding upon and inure to the benefit of Discloser, its successors and assigns, and Receiver and its successors and permitted assigns.

15. Entire Agreement. This Agreement constitutes the entire agreement between the parties in regard to the confidentiality of matters disclosed pursuant to this Agreement, supersedes any prior oral or written representations in regard to said matters and may not be modified, except in writing, signed by all parties hereto.

"Receiver"		"Discloser" WE THE PEOPLE USA, INC.	
By:	_____	By:	_____
Name:	_____	Name:	_____
Its:	_____	Its:	_____

EXHIBIT "K"

WE THE PEOPLE USA, INC.

FRANCHISE OFFERING CIRCULAR

FORM OF PROMISSORY NOTE

PROMISSORY NOTE

[INSERT DOLLAR AMOUNT] Berwyn,
Pennsylvania

[INSERT DATE]

FOR VALUE RECEIVED, [INSERT NAME OF FRANCHISEE OR INDIVIDUAL] promises to pay We The People USA, Inc., a Delaware corporation ("WTP"), or order, the principal sum of [INSERT DOLLAR AMOUNT], together with interest on the unpaid principal hereof from the date hereof at the rate of [INSERT PREVAILING MARKET RATE] per annum, compounded semiannually and paid when the principal is due.

Principal and any accrued but unpaid interest shall be due and payable [INSERT NUMBER OF YEARS] years from the date of this Note. Should the undersigned fail to make full payment of principal or interest for a period of ten (10) days or more after the due date thereof, the whole unpaid balance on this Note of principal and interest shall become immediately due at the option of the holder of this Note. Payments of principal and interest shall be made in lawful money of the United States of America. Payments shall be applied first to interest, then to principal.

The undersigned may at any time prepay all or any portion of the principal or interest hereunder.

[IF NOTE IS SECURED, INSERT DESCRIPTION OF SECURITY]

The holder of this Note shall have full recourse against the undersigned to the entire extent of the face amount of the Note plus any accrued but unpaid interest, and shall be required to proceed against the collateral securing this Note in the event of default before proceeding against the undersigned. Thus, one hundred percent (100%) of the principal is personal recourse and all interest is personal recourse.

In the event that the undersigned shall cease to be a franchisee of WTP for any reason, this Note shall at the option of WTP, be accelerated, and the whole unpaid balance on this Note of principal and accrued interest shall be immediately due and payable thirty (30) days after the undersigned ceases to be a WTP franchisee or one (1) year if termination is due to death or disability. In any event, this note is due and payable before the undersigned transfers any portion of the collateral securing this Note, if any; provided that as a proportionate amount of the principal is paid, a proportionate amount of the collateral securing this Note, if any, will be released from the pledge and then be free of any lien related to this Note.

This Note is governed by the laws of the commonwealth of Pennsylvania.

By: _____
Name:
Date:

EXHIBIT "L"

WE THE PEOPLE USA, INC.

FRANCHISE OFFERING CIRCULAR

FRANNET SALES DISCLOSURE

FRANNET
THE FRANCHISE CONNECTION

Associate Profiles

Daniel Ajzen has a strong marketing background, and is an outstanding diplomat in International Business. He was awarded the "Golden Sun" twice for the best cultural radio program in Mexico and handles FranNet in Mexico and Central America.

Keld Alstrup was born in Denmark and immigrated as a young man to Canada where he joined the Volvo Company in a management position. He was transferred by Volvo to the United States and served the company for 26 years before leaving the position of Officer and Vice President. Mr. Alstrup holds an MBA degree from Fairleigh Dickinson University. He has lived and worked in Denmark, Canada, Sweden and the U.S. and has been a speaker at local and international HR conferences. He has the FranNet office in Connecticut and New York.

Jack Armstrong has been involved in magazine publishing for 16 years, 12 of which as President and Publisher of Americana magazine. He was also involved in the start-up and launch of New Jersey Monthly magazine and MHQ, Quarterly Journal of Military History. He is currently a full-time franchise consultant in New Jersey.

Dan Aronoff is the owner of FranNet of Middle and Eastern Tennessee. He provides free consultations to individuals who are seriously seeking business ownership opportunities. Dan works to match the personal, professional and financial goals of his clients with carefully selected national franchise companies. He further coaches his clients on how to thoroughly search for and evaluate franchise opportunities so that franchising can be seen as a safe and affordable way to be a business owner. He is an avid supporter of the franchise system and understands the importance of getting that right match for his clients.

Dan has over 15 years of business experience working for both small and large companies, most notably in the human resources arena. He started his career with Exxon Corporation and held several management positions in Texas, Louisiana and Illinois. Dan next seized a great opportunity to get involved in the biotech industry by joining Kendle International, a pharmaceutical clinical trials organization. Here he grew their Chicago territory by adding clinical research talent while also helping to build the human resources infrastructure for the entire corporation. Dan's next stop was consumer-foods giant Kraft Foods. Here Dan managed employee relations and career development responsibilities for the R&D division and played an integral role in merging Nabisco into the Kraft Foods family. For the past three years Dan has worked in the family business (Goldner Associates), a promotional products and advertising specialties company, in an advisory capacity helping with strategic planning, project management and growth initiatives. Dan is now living his dream of business ownership with FranNet and is devoted to coaching others on the benefits of owning their own business.

Dan graduated with a Bachelors degree in Psychology from Indiana University and a Masters degree in Labor and Industrial Relations from the University of Illinois. He enjoys traveling, investing, attending sporting events and spending time with his wife and son in Nashville, TN.

Walter "Chip" Baranowski is a straightforward, hardworking man who believes in himself and in others. Chip's career started at Ryder Truck Rental where he spent twelve years both in customer

service and in management. He worked his way up the corporate ladder overseeing daily operations of more than 20 people and developing his franchised market by adding more than 150M in revenues over 3 years. He also spearheaded a training program for their business partners in order to provide on-going field support for his customers. After Chip earned his reputation in franchising at Ryder, he moved to National Floor and Window Coverings as the Director of Franchise Development. It was then that he established a relationship with FranNet. Chip was then attracted to Coverall of North America by an opportunity to work as their Regional Director. He was in charge of daily operations of the regional office as well as the selling of franchises and training of all franchise owners in his area. Chip has a burning desire to help others who are willing to help themselves own their own business.

Tom Barber has a diversified background with over 35 years of corporate, small business and franchise ownership. Tom's corporate background includes data processing, institutional brokerage, retail services and as Vice President of Continental Airlines. He has owned several businesses in the areas of dry cleaning, commercial laundry operations, tire retread manufacturing.

Tom's introduction to FranNet resulted in his purchase of a multi-unit franchise in Wilmington, North Carolina in 2000. The FranNet consultancy process is very impressive and it introduced Tom to numerous franchise opportunities. Realizing that franchising is the best choice for most people seeking to own their own business, Tom decided to open a FranNet office representing coastal North Carolina and South Carolina.

Tom graduated from Virginia Tech with a BS degree in management. He received his MBA from the University of Denver. He served as a Captain in the Army during the Vietnam War flying helicopters for the 9th Infantry Division.

Howard Bassuk is the founder and Chairman of the Franchise Network Group. He founded the company in 1987, and has built it to an international group of franchise professionals, currently consisting of over 50 independent offices in 5 countries. Before joining Franchise Network, Bassuk had founded and been majority stockholder in Data Research Associates, a company specializing in sales and distribution of computer products. During the 11 years he owned the company, he pushed sales from inception to more than $30,000,000 prior to selling the company in 1985. Bassuk is very active in the San Diego and franchise communities, serving on the Advisory Committee to the Small Business Development Center and the Chamber of Commerce, and doing his own radio show on business on the San Diego CBS affiliate. Additionally he conducts monthly educational seminars in conjunction with the US Small Business Administration, and other groups. Bassuk is on the Fair Standards committee of the AAFD (American Association of Franchisees and Dealers), as well as a member of the IFA's Council of Franchise Suppliers.

Anne Barr has over 23 years experience in sales and marketing, six years as a franchisee. She has assisted over 350 business owners and purchasers to achieve their goals in career change, transition and exit strategy. She holds the designation of Certified Business Intermediary from the International Business Brokers Association and Board Certified Broker from the Texas Association of Business Brokers. Anne is active in professional organizations, networking groups and volunteers for non-profit entities. As owner/operator of four successful businesses, Anne has proven people skills and enjoys helping clients find the right "fit" in business ownership. She is currently a full-time franchise consultant in Dallas and surrounding area.

Liz Beck has over 15 years of business experience in the areas of administration, operations, training and development. A graduate of Eastern Washington University, her experience includes a variety of small startup businesses, large corporations, speaking and teaching assignments, and several years focused on franchise operations and franchise development working directly with the internationally recognized franchise developer of Sylvan Learning Systems. Ms. Beck brings a wealth of practical experience to assist individuals in finding the right franchise opportunity for them. The focus of her business is dedicated to matching the right person to the right business in the State of Idaho, as well as Central and Eastern Washington.

Peter Birnbaum is a Senior Consultant with Frannet Franchise Connection. In addition, he is Vice President of Glamour Secrets of NJ which is a retail beauty fashion franchising company headquartered in Canada. Peter brings over 25 years senior executive experience with regional and international firms. His clients benefit from his broad expertise in marketing, strategic planning, business management and sales management in both consumer and business to business markets. Much of his corporate career was dedicated to understanding and responding to customer needs, developing innovative products and expanding into new markets. He was a Marketing Director at PricewaterhouseCoopers and New York Life Investment Management. Previously he held Vices President positions at The Bank of New York and United Jersey Banks. Mr. Birnbaum holds a BA in Economics from the University of Massachusetts, and MBA from Fairleigh Dickinson University. He is a member of the International Business Brokers Association (IBBA) and several other professional organizations. He earned his Certified Financial Planning Designation (CFP) but is not active in the field. Additionally he is an avid volunteer with not-for-profit organizations and served over nine years on the Town Council including a term as Council President in his former home town of Chatham, NJ.)

Phil Blackstock was born with an entrepreneurial spirit that has served as the foundation for his business career for the past 25+ years. From his earliest adventures, a bicycle repair service at age 10, customer jewelry sales in dorm lobbies while attending the University of South Carolina, to negotiating strategic alliances with major corporations and raising capital for his start up ventures, fueling the entrepreneurial enterprise has always served as his passion and motivation.

Phil's past achievements include the formation of a Strategic Consulting Alliance to assist a major soft company in restructuring and repositioning their international reseller network. Career highlights also include a start up business, Envirocare, which revolutionized environmental cleaning processes for surfaces areas where petroleum, carbon deposits and other environmentally sensitive contaminants are an issue. Following five years of success, Envirocare was acquired by a large publicly traded company.

Phil has lectured, conducted business seminars and entrepreneurial workshops in over 70 major cities throughout the United States and Canada. As a member of The Franchise Connection, Phil uses his knowledge and leverages the experience of his past success to assist others through the process of turning their entrepreneurial dreams into reality.

Phil currently resides in Atlanta, Georgia with Marti, his bride of 19 years, daughter Abbey Grace and son Christian. The Blackstock Clan services their local community through their home church, participates in any sporting activity that has a court, a field or a ball. And also enjoys the thrill of down hill skiing.

Education: Same as Bill Gates. He hasn't finished yet. Education is a process not an event.

Dave Broughton. After graduating from the University of Western Ontario in Honours Economics and earning a Chartered Accountants degree with Ernst & Young Dave Broughton joined an auto parts distribution company in London with volume of $ 10 million. Over 29 years Dave helped to build this business to over $ 250 million in large measure from developing a strong franchise program with over 200 units in Canada. Through Dave's extensive experience with many audit clients and auto parts franchises he has developed expertise in helping individuals to achieve their business goals. Dave and his wife Ruth are proud parents of four children and come from families with strong roots in the Southern Ontario community. Dave is an active member of the Financial Executive Institute , the Ontario Chamber Of Commerce, and the Canadian Professional Sales Association.He is also a fitness buff and avid golfer.

Michael Bush has over 27 years in business working with such companies as Sun Trust Banks, BellSouth, AT&T, MCI, and Expanets, Inc. His work experience includes Sales, Sales Management, Business Management, and Branch Operations for various companies in the Fortune 500. He has also developed several business seminars and workshops for his clients to enhance their management abilities. Michael is the Franchising Advisor for FranNet for the Miami Dade and Monroe Counties in Florida. He holds a B.S. in Marketing and Business Administration from the University of Maryland. He has been active in the Business and Social environment in South Florida since 1977 and has established an active network for referrals.

Cheri Carroll is currently a franchise developer with 21 years of experience in franchising, both as a franchisor and as a franchisee. She was a systems analyst before she began her franchising career with Jack In The Box in 1980 (1400 units, southwest US), eventually becoming Franchise Sales Manager. She went on to become Director of Franchising for Sydney Learning Stores (19 units, Canada), Heidi's Frogen Yozurt (120 units, California), owning her own Heidi's unit as well. Cheri handled the San Diego FranNet office from 1995-1998, then opened her own franchise consulting company as an affiliate to FranNet. She has taught franchising for five years, and she serves as a volunteer with SCORE as well.

Helen Chau established FranNet's first presence in China based in Shanghai. After a successful career working for a US multi-national company for more than 10 years, Helen Chau decided to take her career to the next level by becoming a business owner with FranNet, helping companies and investors find the right franchise business for them.

Prior to joining FranNet, Helen worked for Sun Microsystems as the Regional Manager for Asia Pacific based in Hong Kong. She traveled frequently and extensively in the region to assist Sun's expansion program in Asia. Helen is skilled in management, negotiations and focused on achieving results for her clients. For her dedication and commitment to customer service she was awarded the Customer Service Excellence Award in 1993 and Management Spot Light Award in 2002.

Helen's experience with doing business in China started 20 years ago when her family established a manufacturing business in China. Over the years she and her family built strong relationships in the Chinese business community and established a valuable network of doing business effectively in China. With her multi-lingual skills, her experience of having lived and worked in China, plus her international background, Helen is fully equipped to assist international franchises who plan to expand their business to a 1.3 billion people market in China, and Chinese investors looking for the right franchise business.

FranNet is one of the leading franchise consultancies in the USA. We have variety of choices ranging from retail, food, auto care, education and coaching, and other personal and business services. Helen can help you find the business that best fits your skills, interests and goals, with the income potential that you need.

Helen is an active member of the China Chain-store & Franchise Association, the Shanghai American Chamber of Commerce and the International Franchise Association.

Keith Clem came to FranNet with 15 years of franchise experience. Keith has been a sub-franchisor and franchisee with Maid Brigade since 1989. He not only experienced what life was like as a franchise owner, but also had the opportunity to help others reach their dreams as a sub-franchisor. He started his career out of college working in a family business as a general manager for several of their wholesale magazine and book distribution businesses. After fourteen years of working for family, Keith had an opportunity to reach his dreams of business ownership through franchising and swears never to work for anyone ever again. Keith also worked on the Maid Brigade national support team helping to train new franchisees in starting up their new businesses as well training those buying existing franchises. He also provided these new franchises with on going telephone support and helped them to get through that start up phase. For this reason he decided to join the Frannet group so that he can continue to help people reach their dreams of business ownership and success. He is an avid supporter of the franchise system and understands the importance of getting that right match for his clients. Keith graduated with a BBA from Texas Christian University and lives in Fort Worth, Texas. His wife Becky is a speech pathologist and they have two daughters. He enjoys hunting, fly-fishing, traveling, biking and is a marathon runner.

Ken Coleman has over 30 years of experience in business management and business consulting. This included 10 years of business ownership as a multi-unit franchise owner and independent businessperson. Mr. Coleman is also accomplished in developing and executing full scope business reviews, financial analysis and bank presentations. In addition, he has substantial experience building lesson plans for seminars and workshops ranging from basic training to management skill development. His experience also includes extensive work in franchise consulting, operational systems development, human resource planning and development, training and group facilitation. Mr. Coleman has authored several significant workshop presentations on Management Skills Development, Breakeven and Operation Standards and Systems.

Joe Cooney has over 30 years experience in general management, sales and marketing management and, of course, direct sales, marketing and trading (energy commodities and futures.) Joe has spent the vast majority of his career in the energy sector, both natural gas and power.

Joe has mentored many sales and marketing professionals who have gone on to become admired professionals in sales, sales management and trading. In addition several now own or have ownership positions in their own companies.

He holds a BS in Experimental Biology from the University of Michigan and a second BS in Civil Engineering from the University of Nebraska. Joe and Sharon's daughters have graduated from the University of Nebraska as well. Their oldest daughter, Colleen, holds a Masters in Education and is working on a second in Education Administration. Their younger daughter, Melissa, is working on her masters in Forensic Psychology.

Mark Cory brings over 20 years of business management experience to the FranNet Detroit office. He served as Senior Vice President for Olympia Entertainment, Inc., the management company for Joe Louis Arena, Cobo Arena, the Fox Theatre, The Second City Comedy Theatre, Hockeytown Café, Comerica Park and various restaurant and retail establishments, including several franchise concepts. His duties included oversight of finance, information services, marketing, public relations, group sales, new media/publishing, creative services, and new business development. Assisting the men and woman of Greater Detroit achieve their dreams of business ownership and an improved lifestyle, is extremely rewarding to Mark as a FranNet strategic business advisor.

Kent Craven has owned and operated several small businesses in the travel and transportation industries. He has both bought and sold businesses, and started an independent business at the age of 25 with a small venture capital investment. He holds B.S. and M.S. degrees in Engineering and an MBA, all from Cornell University.

Thom Crimans received his BS in Business Administration from Indiana University before going on to study at Northeast Louisiana and Vanderbilt Universities. Thom has over 20 years of experience in business management and consulting. He is currently General Manager of the FranNet Louisville office and President and owner of the Louisville Regional Office of LedgerPlus, an accounting and tax franchise for small business. His experience includes extensive work in franchise consulting, organization design, human resource systems, training and group facilitation.

Merri Cronk spent the last six years in distribution account/supplier management in two industries. For the last four years, she created and implemented marketing promotions, branding initiatives and licensed products based on the professional racing platform for clients including the Indy Racing League, its teams and team sponsors. She has also been a free-lance writer for publications including Broker Agent Magazine and the Indianapolis 500 Official Program. Merri is a graduate of Texas A&M University. She operates the Indianapolis FranNet office.

Scott Cronk holds a B.S. degree in chemical engineering from Lafayette College and an MBA from Butler University. He served as a division President of Tylan General, a publicly traded ISO 9001 certified global manufacturing business based in San Diego California from 1995 until the sale of the company in early 1997. Following the sale of Tylan General to Millipore Corporation, Scott served as the Vice President of Strategic Marketing for Millipore's Microelectronics group. Scott has spent the last several years involved in Indy car racing and sports marketing as Vice President and General Manager of Treadway Racing, the 1997 Indianapolis 500 championship team. Scott started his first business 1988 and recently acquired his first franchise in December 2002. He will be working with his wife Merri in the Indianapolis office.

Dale Dissmeyer has a passion for assisting clients in accomplishing their goals through a business investment.

Having a strong entrepreneurial urge, Dale became a licensee for a retail chain of accessory stores eventually owning and operating four locations for over 10 years.
Next he introduced the first Twin City location of a European specialty knitwear designer. He experienced first hand the rewards and challenges of individual business ownership.
Prior to joining FranNet Dale helped local businesses develop and implement sales and marketing programs for a variety of products and services as an independent business consultant.
Earlier in his career, after graduating from the University of Minnesota, he held multiple sales and marketing positions for large consumer product companies including General Mills and PepsiCo. He successfully participated in several new product launches and the initiation of new distribution channels on both a regional and national level, including expansion of the soft drink category in Target stores.
Dale is committed to helping others conceive, then discover, and ultimately to realize their potential by utilizing the unique systems and unparalleled client experience of the FranNet organization.

Peggy Dissmeyer Those who know Peggy know her for her enthusiasm and commitment to what she believes in, and that she takes pride in not only doing her best, but working with and for the best. She is passionately committed to FranNet's approach of getting to know their clients well to determine first if franchise ownership is right for them and then help guide them through a structured process for finding the business that best fits their personality, experience, and goals.
During a 20 year finance career with Pillsbury and Philip Morris, Peggy was fortunate to have gained wide experience in business operations and development through a variety of business units and divisions. In addition, she spent 3 years in a CPA firm working with small businesses after graduation from the University of Wisconsin and becoming a CPA herself. While grateful for her experiences and successes, she left the corporate world to gain greater control over her life and future, and to be in a position to help others interested in doing the same.

Bob Downer (to be provided)

Gordon Dupries has been in franchising since 1985. Before joining FranNet in San Francisco he was a successful multiple unit franchise owner and elected to represent his fellow franchisees on the franchisor's Strategic Marketing and Planning Council. He has bought and sold existing businesses and developed startups. Mr. DuPries teaches franchising at San Francisco State University and is a member of the Society of Certified Business Opportunity Appraisers.

Rick Eggleton represents the largest west coast market for Franchise Network, including Los Angeles, Orange, Riverside, and San Bernadino Counties. He was President/CEO of Edelstein Associates Advertising, Managing Director of Ark Systems, Inc. and Theta Technologies, Inc., Vice President, CEO, and Owner of Secure Services, Inc., President of Eggleton Development Group, Inc., and COO, Co-Founder, and owner of Great Western Pacific Corporation.

Jim Finan is the owner of FranNet of Indiana. Jim is an active member of the local Chambers of Commerce, Rainmakers and Venture Club. He is also a resource for the Business Professional Exchange Chapters. Prior to FranNet, Jim served at Ball State University in the capacity of development director in support of the College of Architecture and Planning. Before joining Ball State, Jim was Vice-President of Operations for Reliant Services, a joint venture between Indiana Energy and Cinergy,

where he led the operational implementation of services provided to utility customers in the tri-state area of Indiana, Kentucky and Ohio. Jim held various managerial and director-level responsibilities with Indiana Energy, Inc. (now Vectren Corporation) and was instrumental in the creation and "start-up" of Reliant Services. Jim is a Ball State, College of Business graduate having received a BS in Management (1981) and a MBA 1989). When Jim left his role with Reliant Serivces in 2001 it was his desire to pursue a philanthropic career where he could apply his seasoned business skills towards a more intrinsic good...that of raising funds to support student and institutional needs in higher education. However, this experience, although enriching, did not fulfill his desire to own his own business. In pursuit of his dream, Jim's journey has now led him to FranNet where he is applying his business experiences and coaching interests to assist individuals who wish to consider owning their own business. Jim welcomes your interest in franchise opportunities and looks forward to helping you in your business ownership journey.

Cliff Fostoff is a perfect example of someone who has successfully made the transition from Corporate America to the independence of Business Ownership. In 1999, Cliff and his wife Ilene purchased Stratis Business Center a new full service Executive Suite Franchise located in Boynton Beach, Florida after meeting with FranNet consultants. His overwhelming success with Stratis has given Cliff the time and the opportunity to assist and coach other people with fulfilling their dreams. Previously, Cliff was Vice-President of Operations for Coehmann's Inc., an off price clothing chain out of New York. He worked in Southern Florida for many of his 20 years with the company. Cliff is also a licensed Real Estate Agent and considers himself an expert when it comes to demographics and understanding the future growth of Southern Florida. Cliff has a BS degree in marketing from the State University of New York at Plattsburg.

Rob Gettemy conducts dozens of franchise seminars a year on franchising in conjunction with outplacement firms, small business development centers, local chambers of commerce as well as colleges and universities. As a FranNet advisor, Rob spends considerable time understanding his clients' interests, goals, and skills and matches those to a business that is right for them. He knows that business ownership is a life changing decision, and he coaches his clients on the FranNet Four Step Research Process to ensure they get the information they need to make a safe decision.
Prior to becoming a business owner himself, Rob spent ten years as a senior sales and operations executive in the software and telecommunications industries. Rob also has significant experience in mergers and acquisitions as well as business integration. As part of Mattel Interactive, he was responsible for integrating customer service and direct sales operations from nearly forty companies. Rob holds his MBA from Drake University and his BA in Economics from the University of Northern Iowa.

Chris Goepper Focusing solely on his business career with FRANNET, Chris Goepper is clearly dedicated to helping his clients identify their business and life goals so each can pursue and achieve the best suited career path.
Representing over 100 Franchisors, Chris will walk you through a process of structured discovery that will 1) provide you with an education of the Franchise world, 2) help you identify franchises that could meet your career and life needs, 3) facilitate the franchise research process from discovery to purchase

Client satisfaction is the primary goal. Working diligently, the average timeframe is 3 months to discover if franchise ownership is appropriate for you and to determine the best franchise for your unique situation. Chris' expertise is to methodically and efficiently help you meet this goal.
Currently Chris is an active speaker at Chamber of Commerce events, outplacement offices and small business development centers. He is professionally active in the Northern Kentucky and Dayton Chambers of Commerce, Northern Kentucky Business Network International, and the Association for Corporate Growth. He has experience in the health services, industrial, and retail markets working in the areas of sales, management, marketing and new business development. His passion is building something from the ground up and helping others to do the same.
Chris holds a bachelors degree from Central Michigan University and a Master's degree from Southern Illinois University. His avocation is referring basketball at the high school and college levels, he enjoys refinishing antiques, running and playing with his four kids.

Barney Greenbaum has been involved in all facets of business development as an entrepreneur for close to 30 years. He has been the CEO of several businesses, many revolving around the food industry. His background is extremely varied and his work has been distinguished in many publications. He has been designated one the outstanding small business operators of Central Ohio by the Small Business Administration. Barney will be running the FranNet of Central Ohio office.

Darry Griffis spent several years as a professional outplacement and career consultant with Lee Hecht Harrison. As Vice President / Director of Professional Development, he utilized engaging and insightful communications techniques to assist groups and individuals in assessing skills, traits, preferences and professional objectives as decisions were made about next career steps. His partnership and involvement with FranNet in that process has been a positive ingredient in helping clients evaluate franchising as one of the premiere career alternatives. Prior to his work at LHH, Darry completed a career with the AT&T Corporation with significant experience in Marketing, Sales, Operations and Human Resources both domestically and internationally. He was posted in Singapore and opened AT&T representative offices in Malaysia and The Philippines. Darry holds a Masters degree in Organizational Leadership that examined the effects of corporate change on the individual and organization. He recognizes the growing interest in independence and entrepreneurship expressed by those impacted by large corporate changes. His success helping others successfully navigate through difficult career transitions has been very rewarding to Darry and he views his work as a FranNet advisor in the Tampa North area as a natural extension of the career counseling process.

Mike Hall is President and Owner of Instant Sign Solutions in Charlotte, North Carolina, as well as running the FranNet office in that city. He was Division Manager of Contract Office Group, and President of Foundation Contract Furnishings. Prior to that, he was Vice President of Marketing and Sales for Anderson Desk, Inc., and worked in Marketing Management for the DuPont Company.

Jim Hansbrough represents FranNet in the Kansas City metropolitan area in both Missouri and Kansas, along with the rest of the State of Kansas.
His experience includes 20+ years as Vice President - Controller in capital goods manufacturing with National Crane Corporation, a part of The Manitowoc Crane Group. He started his career in Finance with Grove Worldwide.

Jim since decided to follow his dream into small business. His experience in researching and validating numerous franchise opportunities confirmed in his mind the benefit of the FranNet process. He joined the FranNet organization in order to assist others in their quest to follow their own dreams.
Jim works closely with clients to understand who they are; not just their work experience and skills, but also their personal goals, values, and interests. He then coaches them through the FranNet research process that matches the clients with Franchise opportunities and prepares them to make an informed decision about their future in small business.
As a Franchise Consultant, Jim also conducts seminars throughout the region in conjunction with outplacement agencies, the SBA, Small Business Development Centers, and Chambers of Commerce.
Jim obtained his MBA and BS in Accounting at Shippensburg University in Pennsylvania. He has been active with the Institute of Management Accountants, the Project Management Institute, and the Big Brothers-Big Sisters Organization.

Dennis Hansen has a busiess background with Eastman Kodak; Sales, Finance, Sales Management, General Management , departing as Vice-President and General Manager, High Volume Copier Group. Danka; President, Latin American Division. American Management Services; Small Business Senior Consultant. UPS Stores; current owner of 2 retail franchises in Atlanta, GA.
Educational Backgroung: University of Minnesota, US Army Corps of Engineers Officer Candidate School.

Eric Hayman has been with FranNet since its inception. He has over 30 years of business experience in general management and marketing. In addition to being VP Marketing for a $300 million NYSE company and GM of a $30 million company, Mr. Hayman owned his own manufacturing operation. During most of his career he has been involved with small businesses and has an extensive background in their operational needs. In addition, he has worked with the SBA and other organizations catering to companies with under 100 employees. Mr. Hayman did his graduate and undergraduate work at Temple University in Philadelphia and was a participant in Columbia University's Advanced Marketing Management Program.

Randy Hove's background includes 25 years of franchise industry experience. His variety of assignments with two international franchises helped to develop valuable insight to successful franchising. Randy enjoyed providing operational and marketing support to new franchise owners as well as seasoned multi unit owners. Franchise responsibilities also included managing franchisor development across the United States. Randy earned a Bachelor of Science degree in Business Administration from the University of Minnesota. He's also serves on local boards including Rotary Club, numberous church committees and the Chamber of Commerce. Randy also enjoys golf and other outdoor activities.

Randy James worked as a Territory Manager for a Fortune 500 company for 9 years before starting his own business introducing a revolutionary cleaning product and concept where he oversaw all aspects of manufacturing & marketing, R & D, production, purchasing, customer service, sales and advertising, and accounting. While doing that he developed a program titled "Results Oriented Cleaning" and presented seminars across the US, Canada and Mexico. In the process of building his business he acquired several franchise customers as national accounts and became familiar with the advantages and challenges of franchising. After building his business to just under 1.8 million in sales he sold it to a former competitor and worked with them for 3 years to merge the two product lines. Randy has

instructed workshops on sales, networking, communications and quality management. Randy will helping prospective franchisees in the the State of Utah.

John Jones .FranNet Alabama is led by John W. Jones, who has over 30 years experience in the franchising field. The services of FranNet are provided at no cost or obligation to individuals interested in owning a franchised business. Our mission is assisting those individuals to match up their own professional, personal and financial strengths with the appropriate franchise opportunities. John is joined by his daughter Jennifer Tran-Reno, who herself has held numerous sales & management positions. Jennifer was also a multi-unit franchise owner when she lived in Texas. John was the Chairman and CEO of Franchise Concepts, Inc., a Houston based leading franchise company with hundreds of units. He also has been a franchisee himself, as a partner in Quality Restaurant Concepts, Inc., a multi-state operator of Applebee's and Up the Creek. John began his business career with Procter & Gamble. A graduate of the University of Alabama, John has participated in many additional educational, management and leadership programs. He has been a member of the International Franchise Association, The International Council of Shopping Centers, The Southwest CEO Council, The Franchise CEO Council and numerous other organizations. John lives in Birmingham, AL, is married and has two children and three grandchildren.

Kathleen Keefe franchise consultant with FranNet for the Coastal Carolinas, advises clients on how to search for and evaluate franchise opportunities. She represents over 80 franchise companies in all industries. Kathleen conducts franchise seminars in the coastal areas of North and South Carolina.
Kathleen is a multi unit franchise owner herself and was introduced to FranNet during her search for a franchise opportunity. Realizing that franchising is the best choice for most people seeking to own their own business, Kathleen decided to join FranNet to help aspiring entrepreneurs turn their dreams into reality.
Prior to joining FranNet, Kathleen spent over 25 years in the airline industry as Senior Director where she had responsibility for over thirty airport operations in the United States and Mexico.
Kathleen is an active member of the Wilmington, Brunswick County, and Carolina Beach Chambers. She also serves on the Cape Fear Community College Foundation Board.

Phil Kuban has been involved in the franchising industry for twenty years both as a franchisor and a franchisee. He founded FranMax in 1987, a brokerage and consulting company developing franchises in the southest such as Mail Boxes Etc., Moto Photo, and Sylvan Learning Centers. Currently Phil assists franchise owners value and sell their existing businesses and serves as the FranNet consultant for Georgia.

Leslie Kuban has been involved with franchising her entire working life. Upon college graduation, she already possessed extensive experience in franchising having operated family owned franchises including Moto Photo and Signworld. Leslie became a business owner herself at age 23 as the operating partner of a Mail Boxes Etc. franchise in Atlanta, GA. As a result of her success in her Mail Boxes Etc. business, Leslie also became a part of the local support network in Atlanta, assisting other MBE franchise owners in successfully operating their businesses. In 1999 she joined FranNet as the associate for Georgia and now devotes herself to assisting other aspiring entrepreneurs achieve the same personal and financial success in franchise ownership that she enjoys.

Mark Laughlin is a consultant for Franchise Network covering the states of Wyoming and Montana. After graduating from the University of North Dakota with a B.S.B.A, Mark worked in retail management with Walgreen's and Osco Drug for ten years. He was at the time the youngest operating manager in the Walgreen's system at 23. Mark specialized as the fix up man for Osco Drug, was market manager on the north side of Chicago and ran the highest volume freestanding store in the chain. In 1986 Mark went to work for sales liquidator G.A. Wright out of Denver. In 1987 Mark opened up the first of three start up franchise companies, Pip Printing in Libertyville, Illinois which he sold in 1995. The Libertyville location was the second highest volume store in the Midwest in the Pip system. In 1996, Mark opened up his second franchise business Molly Maid in Grayslake, Illinois and became one of the top performers within the system; selling the business at the tale end of 1999. In 2000, Mark purchased the licensing rights to Inches-A-Weigh (women's exercise and nutrition center) in Lake County, Illinois. Mark assisted with new licensee classroom training and conducted corporate training at his location. He sold that business late in 2002. In 2003 Mark relocated to Cheyenne, Wyoming and is now excited to work with people pursing their dream of owning their own business.

Tom Lawrence. After 8 years of progressive responsibility, from teaching to managing juvenile institutions in the Youth Service Division of Virginia's Department of Corrections, Tom Lawrence began his entrepreneurial career in 1975 with the purchase of Valpak of Virginia. Initially specializing in direct sales, in 1981, he became President and the sole owner of that business. In the period between 1981 and 1991, Tom built the business from sales of approximately $800,000 per year to sales in excess of $3,000,000 per year. Valpak of Virginia was repeatedly ranked in the top 5% of the over 200 Valpak franchises. In 1991, Tom sold the Valpak of Virginia franchise and was hired by Cox Enterprises, the corporate parent of Valpak Direct Marketing Systems, Inc. His new role involved the design and implementation of Valpak's first Field Support program and involvement in the recruiting of potential franchisees. In 1994, he was promoted to Vice President of Franchise Operations. In this position, he retained responsibility for field support, had increased involvement in franchisee recruiting and was given management responsibility for Valpak's five franchisor-owned operations. In 2003, Tom retired from Valpak in order to move to Richmond, Virginia and establish FranNet. This move allows Tom the opportunity (again) to not only own his own business but also help others who may have the same desire. Tom graduated from Hampden-Sydney College with a degree in History and later earned a Master's degree in Education from Virginia Commonwealth University. His interests include family (wife, three children, ages 31, 29 and 2), snow skiing, boating, golf and reading.

Adreinne Leigh has developed a unique blend of practical and educational experience which forms the core of her consulting and mentoring business. Her experience includes over 20 years of working with small businesses in start-ups, turn-arounds, and fast growing companies. As the Managing Director of a consulting firm, she developed a licensing program and built a strong international network of licensed consultants. She has an extensive background in operations management, sales and marketing. She has also worked with hundreds of individuals experiencing career transitions, conducting Life Planning workshops and coaching them in meeting their personal and professional goals. Ms. Leigh has an M.B.A. from the Anderson Graduate School of Management at UCLA and a Masters in Spiritual Psychology from the University of Santa Monica. She is a member of the Greater Houston Partnership and the International Franchise Association.

Joel Libava has over 20 years of experience in Service and Sales Management. His Service background includes several management positions at some of Cleveland's finest restaurants. His sales management experience includes work at several large automobile franchises including Mentor Mitsubishi one of Mitsubishi's top ten franchisees in the country. Joel's educational background includes Cleveland State University and the Ohio School of Broadcasting, where he excelled. He went on to do production and on-air work throughout the country. Joel is the Vice President of FranNet's Northern Ohio office, who with his father Jerry helps people with their dreams of business ownership.

Lilian Lim (to be provided)

Soo Kong Lim is the President, Asia Pacific of FranNet, based in San Jose, California. Fluent in English, Japanese, Chinese and Malay, Soo Kong is skilled in handling global clients with products and services targeted at diverse cultures in Asia Pacific. After to relocating to San Jose in 2001, she was an International Consultant and her assignments included extensive travel to Asia Pacific helping clients to improve operating performance, profitability, managed growth and start new projects. Prior to relocating to the Bay Area in California, Soo Kong was the CEO of EURO RSCG in Malaysia. EuroRSCG is a global marketing communications company with its headquarters in New York. As the CEO of EuroRSCG Malaysia, she rebuilt the international agency during an economic downturn (when the overall country's advertising revenue dropped by 30%) into a credible player after a tenure of three and half years. In addition to growing revenue from global clients like Intel, Sara Lee, Dell, and Volvo, she also led a targeted new biz blitz, mentored and tutored employees. Being an astute business entrepreneur, she was quick to seize an opportunity to make a strategic acquisition of a marketing services agency to complement the advertising services, reposition EuroRSCG as an integrated marking communications agency thus creating new avenues for growth and expansion. Her position as a senior executive in the Asia Pacific regional offices included frequent travel to China, Japan, Korea, Singapore, and Thailand. At McCann Erickson another global marketing communications company, where she worked for 11 years before being headhunted in 1997 to manage EuroRSCG, Soo Kong demonstrated her ability to build long-term business relationships. She played a key role in the strategic development of their marketing communications plans in Asia Pacific, traveling extensively in the region to evangelize the expansion of these brands. In recognition of her outstanding performance she was awarded the prestigious Harrison K. McCann Leadership Award for Professional Excellence and appointed a member of the company's Executive Board. Awarded a 5-year scholarship by the Ministry of Education, Japan, she graduated with a M.A. in International Relations from Sophia University and a B.A. in Japanese Language from the Tokyo University of Foreign Studies in Tokyo. With her hands on business experience both in the US and Asia Pacific, her broad network of business contacts with key players in the various business communities, her working experience in multi-culture environments and multi-language capabilities, Soo Kong is now ready to drive FranNet and position it as the premier source for all aspects of franchising advice to investors and entrepreneurs interested in acquiring US franchisors in Asia Pacific.

John McGavin over the past 25 years has worked in business to business relationships with small business owners and franchisees in the automotive aftermarket. He has extensive experience in establishing scratch territories and building them into successful sales territories. John progressed through management at the Regional, Provincial, and National levels, attaining the Canadian Vice President's position for an international MRO Distribution Company. John's search for a business that

would meet his entrepreneurial skills and background led him quickly to Frannet, where his interest in helping others to meet their financial and lifestyle goals could be realized. John is a graduate of the University of Ottawa, with a degree in Social Science. He has also taken business management and marketing courses at Lambton College in Sarnia, Ontario, and Algonquin College in Ottawa. Throughout his career, John has also received extensive training in sales and sales management courses.

Jack McGinnis was most recently president of a national Oil and Gas information business. He was responsible for major consolidation in that market segment. He has also been involved in a number of business startups. Jack is now using his extensive experience to guide others in their search for business opportunities that fit them. Jack has a degree in Business from Oklahoma State University.

Ian McMillan has had a long involvement in the business and investment community within South Africa. He has held senior positions at some of the most highly respected financial institutions within the country. As a result, his knowledge and understanding of the economic and business environment in the country is a significant asset for prospective Frannet clients.

After finishing school in South Africa, Ian emigrated to Scotland with his family and continued his education at Heriot-Watt University in Edinburgh. After qualifying with a degree in Business Organisation and Economics, Ian joined a stockbroking company there where he spent the next seven years as an investment analyst. In 1989, Ian returned to South Africa to continue his investment career. During this time, his responsibilities included investment research and portfolio management.

All in all, Ian's 19 years investment experience, both in South Africa and internationally, has equipped him well to not only advise clients but also to assess potential business opportunities for the group.

In 2000, Ian decided to follow his passion for the wilderness and set up a company called Invent Africa – which offers specialist safaris throughout Southern and East Africa for both local and international corporate and private clients.

Despite his continuing interest in both the financial and tourism industries, his involvement with FranNet allows him not only the ability to own his own business but to help others achieve the same desire.

Neil McMillan brings a dynamic and unique mix of international marketing, management and franchise experience to his position as president of FranNet USA of Los Angeles. Before joining FranNet, Neil was Director of International Brand Marketing at Allied Domecq QSR where he led the international strategic marketing efforts for Baskin-Robbins. A strong innovator, he launched new products, revitalized neglected classics and reestablished the Brand's 2200 stores as the global ice cream destinations of choice. In his previous role as Director of International Field Marketing for ADQSR, Neil managed the marketing and development of more than 1500 Dunkin' Donuts and Baskin-Robbins stores in Asia, Australia, the Middle East and Africa. Launching new strategic initiatives despite the devastating Asian economic crisis, Neil boosted sales by more than 20% in several markets. Earlier, Neil had a distinguished career with Allied Domecq International Liqueurs, developing such key brands as Kahlua, Tia Maria and Hiram Walker Liqueurs in the Pacific Rim and Canada. While overseeing global/local brand strategies and marketing program development, Neil spearheaded the introduction of multiple products and generated sales increases that presaged his later successes. Prior to this, he prospered in brand and marketing management positions for Allied Distillers Limited. During his career with Allied Domecq, Neil was instrumental in setting two Guinness records for the world's largest ice

cream cake and ice cream scoop pyramid. Furthermore, his work was recognized with numerous awards, including the coveted Allied Domecq Gold Marketing Award for Excellence

Jim Mills has been in the franchise industry for over 20 years. In 1985 Jim joined Domino's Pizza, the "World's Largest Pizza Delivery Company", in Operations in Baltimore, Maryland and later became a franchise owner in the 7,700+ unit international chain. As a result of his success, he was asked to return to Domino's to fill the position of National Director of Store Development. In that position he was able to help many new franchise ownersstart their dreams of business ownership.
In 2001 Jim left Domino's and joined Service Brands International the parent company of Molly Maid, Mr. Handyman, 1-800 Dryclean, and Certified Restoration Drycleaning Network. _Working for Mr. Handyman, he was responsible for helping the company to become one the fastest growing franchises in the industry while also being named as the #1 handyman franchise in 2004 by Entrepreneur magazine.was also a partner in the Mr. Handyman franchise in Columbus, Ohio.
Jim is no stranger to successful franchising and business ownership. He feels strongly that working within a franchise system is the key to his achievements. As an ssociate with FRANNET in the Colorado Springs and Ft. Collins, Colorado markets, he is devoted to helping aspiring entrepreneurs find the same personal and financial success that he has found. Jim graduated from Eastern Michigan University with a BA in Business majoring in Operations Research and Information Systems. When he is not helping people their dreams he enjoys golf, skiing, biking, and other outdoor activities.

Charlie Mizejewski is a consultant with Franchise Network of N.J. offering free consultation for those considering small business ownership. He also conducts seminars on franchising and business ownership. . A Certified Public Accountant, Mizejewski has over 20 years of experience as a financial executive at a Fortune 500 company. He is a member of the International Business Brokers Association.

Gerald P. Moriarty's twenty-six year business career includes twenty-three years as an officer of Midas International Corporation, franchisor of the 2500 Midas Muffler and Brake Shops in the USA, Canada, South America, Europe and Taiwan. Jerry served as Regional Vice President, National Field Sales Manager, Vice President, Marketing Administration, and Vice President, Quality. He also served two years as Vice President, Quality, with Sears Mortgage Corporation, the sixth largest mortgage banker in the USA. Jerry represents FranNet in the Chicago Metro and Wisconsin areas, the largest markets in the Midwest. He has a M.Ed. degree from Loyola University, Chicago.

Pat Moriarty has been an account manager for Novell, Inc. since April, 1999. Mr. Moriarty became president of PGM Enterprises Inc. in March, 1997 and remains so to the present. PGM Enterprises, Inc. owned Langenwalter Carpet Dyeing Franchise of Illinois from March 1997 until March 1999. From March, 1995 until March 1999, Mr. Moriarty was a Deployment Coordinator for Nabisco, Inc.

Harriet Moser business experience spans both franchised and independent businesses over more than 20 years as a business owner. Ms. Moser's career as a business owner began in 1980 by acquiring an independent janitorial supply company. She quadrupled sales within a five-year period. Following that successful venture Ms. Moser turned to commercial real estate as an owner/broker selling over $8.0 million of investment grade commercial real estate over the next three years. Her first franchised business venture was with Management Recruiters International/Sales Consultants where her firm

consistently ranked in the top 20% of producers in that system of over 600 franchises. She left the recruiting business, one frigid New England winter, to pursue her passion of sailing. Harriet was 1st Mate/Chef on a charter sailing yacht in the Caribbean for three years before joining the Florida headquarters of the top company in the yacht charter industry. Under her leadership as Group Sales Manager, group sales nearly doubled in one year. Ms. Moser's next ownership venture was upon relocating to Phoenix, Arizona as a franchisee of Nationwide Floor & Window Covering. Beginning in her very first year, and continuing every year hence, her franchise ranked in the top 20% of performers in that franchise system. Now as an Associate Consultant with Franchise Resource Company, a member of the FranNet Group, Ms. Moser's prospective business owner clients benefit from her years of successful business ownership and hard-earned practical business experience.

Dick Munson has over 30 years of practical business experience with the Goodyear Tire and Rubber Company, the last 7 years developing franchises for the eastern third of the United States. Dick was responsible for all aspects of field operations pertaining to franchising and business counseling. Prior to 1989 he was a district manager and supervised retail stores in Minnesota and Ohio. Dick represents FranNet in the Cincinnati and Northern Kentucky territory.

Mike Murray has a unique combination of executive management and franchise ownership experience. He was Executive Vice-President for one of the country's largest privately held manufacturing companies and served on their Board of Directors. Subsequently, he started The Murray Organization (TMO), a company that has successfully operated several franchises. His background makes him ideally suited to help individuals find the franchise business that most closely fit their needs. He is also a licensed real estate professional and is very knowledgeable about business conditions in Central Florida. Mike provides a no cost consultation to those who are looking into business ownership. He will match their interest, goals, skills, and financial requirements with a carefully selected national franchise company.

Blair Nicol launched his business career in 1987 as an Area Franchisee for Mail Boxes, Etc. (MBE). He and his family built the San Diego area to over 60 MBE franchises. In 1996, the Area Franchise was then sold back to MBE Global Headquarters, after becoming one of the largest and most successful Area Franchises in Mail Boxes Etc.'s history. Both franchises are ranked in the top 1% in annual sales. With his unparralleled experience in not only franchisings, but also Mail Boxes Etc., Mail Boxes Etc. Global Headquarters in 1997 asked Blair to join the global headquarters staff and become the National Sales Manager for Non-Traditional Development and Special Projects. He is now Franchise Network's associate for San Diego and Imperial counties.

Page Nicol joins Frannet with over 16 years of franchise sales, support and corporate experience, along with a vast knowledge of small business development. In 1986 Page began his career as a Commercial Real Estate agent. Shortly thereafter, he joined his family as the San Diego Area Franchisee for Mail Boxes Etc. In the ten years of owning the area franchise, Page helped develop the San Diego area into one of the largest MBE territories consisting of 65 individually owned units. Two of these units are still owned and managed by Page and his. Both stores are currently ranked in the top 1% of the 3,400 US MBE locations. Upon selling the MBE area franchise in 1996, Page joined Your Office USA Intl. as Director of Sales. Your Office USA was latter sold whereupon Page became a FranNet Associate between 1998 and 2000, operating in Southern California. Since that time Page joined his family to

develop a small commercial sign business which was sold in 2002. After selling the sign business Page re-established his franchise and small business consulting company, Business Performance Group, and re-joined FranNnet to assist his brother in developing San Diego area.

Gary Prenevost is an experienced franchise professional and entrepreneur who is driven by helping other people achieve success. He started his business career in 1980 in the banking industry. He left the bank in 1987 to start his entrepreneurial career in his family's business in Toronto. In 1991 he left the family business to enter the franchise industry. He joined The Canadian Training and Development Group, Inc., (CTDG) which is one of Canada's largest training companies. Gary's initial role was selling business opportunity but he quickly found that working for someone else wasn't enough. While continuing to sell the business opportunity for CTDG, he purchased his own CTDG Distributorship, where he specialized in helping entrepreneurs grow their businesses through implementing management and sales development strategies. In 1997 Gary and his wife took over the entire CTDG organization. After several years of working for a national "business format" system, Gary realized that it was time to once again work for himself and help others achieve and exceed their life goals through living the Entrepreneurial Dream. He is now Franchise Network's (FranNet) associate for Southern Ontario, Canada.

Marshall Reddy holds a degree in Marketing from the School of Business at the University of North Florida. Marshall's background encompasses over 18 years in sales/marketing and management. As an entrepreneur he has owned a number of successful businesses. In 1993 he opened his FranNet office in Jacksonville. Marshall is also associated with the IFA, CFS, and the AAFD.

Greg Roquet has over 25 years of small business ownership, management, sales, and marketing experience. He began his career as owner of two award winning Big O Tire franchises in the San Francisco bay area. Greg is currently a partner in two successful Big O franchises in Napa and Sacramento California. Big O Tires is the largest and #1 rated franchise in the retail tire industry. After 12 years of retail operation, Greg then joined the franchisor putting his entrepreneurial skills to work helping others in both Operational and Franchise Development positions within the company. He has served as Vice President of the Western Region, Vice President of the Southwest Region and Vice President of Franchise Development for the company. Greg also served as on Officer of Big O Tires Inc. and a Director of the Dealer's Mutual Benefit Corporation for over 10 years. During his tenure as Vice President of Franchise Development Big O was opening stores at the rate of over one store per week, including 30 new stores in California alone. He is strongly committed to helping others realize the benefits and grasp the opportunity of not only owning their own business, but more specifically owning a franchise that is right for them. Greg is a member of the International Franchise Association and is a participant in the Certified Franchise Executive Program.

Steven A. Rosen, Esq., managing partner of Franchise Consultants of America, is an attorney who has been involved in franchising for over 20 years. He served as General Counsel of an international automotive franchise and has represented numerous other existing and potential franchises. In addition, he was VP and General Counsel for Safeguard Business Systems, a NYSE company. Later, he became President and COO of a $100 million division of Safeguard. Before becoming involved with FCA, Mr. Rosen was CEO of a direct marketer of computer products. He is a graduate of both the University of

Pennsylvania and Villanova Law School, and earned an MBA in finance and international business from Temple University.

Terry Rost has 30 years experience in a high technology Fortune 500 company, 18 as a senior financial executive, and 3 years as president of a highly successful land development company. His educational background includes a BA in Economics from Willamette University, an Oregon Executive MBA from the University of Oregon; 2 years with Mahler & Associates Executive Management Program, plus course work at the Harvard Graduate School of Business. Terry's FranNet headquarters is in Portland, Oregon.

Steve Rychard is in a position to offer his clients a unique perspective of the franchise purchase process having been on every side of a franchise organization with 20 years of franchise experience. Steve and his wife Cindy, opened the first Maid Brigade franchise in the Northwest in 1986. While maintaining his position as Branch Manager for a large computer organization the Rychard franchise was *National Franchisee of the Year* in 1988. Steve left the computer industry to purchase the area development rights for Maid Brigade, selling, supporting, and training other franchisees. In the first year he was Maid Brigade's *National Subfranchisor of the Year.* Upon selling their franchise in 1990, Steve went on to become *Chairman of the National Ad Fund,* and *National Marketing Director* for Maid Brigade, pioneering their online presence and website scheduling. Steve is most proud of the fact that 4 of his Northwest Franchisees that he trained and supported won *National Franchisee of the Year* honors, as well as his last two, were *National Rookies of the Year* winners. Having been essentially a franchisee, subfranchisor, and franchisor provides Rychard the unique experience to offer, potential franchisees valuable insight throughout the entire decision process of owning their own business. Helping someone understand what type of business they desire and would excel at, while coaching them through the entire process is his priority. His goal is to make FranNet the premier source for franchising advice for individuals and would-be entrepreneurs in Western Washington. Steve was born and raised in Bellevue, and graduated with a BBA from Pacific Lutheran University in Tacoma, in 1979. He was captain of his college soccer team and continues to coach his elementary son, and has two high school daughters at Gig Harbor High School. He also is an active member of the Fox Island Yacht Club.

Vic Scimo has spent 25 years in the food, advertising,a nd marketing industry. He worked for the Marriott Corporation for over 12 years and in 1987 was co-founder of a multi-million dollar, Ivy Award Winner, Bon Appetit Management Company. Since 1994, Vic has been involved in various executive sales/marketing positions and has owned several small businesses within California. Vic has the FranNet office for Riverside and San Bernardino Counties in Southern California. He is a graduate of the University of Arizona in Tucson and earned a Bachelor of Science degree in Sales/Marketing.

Saleem Shaikh has been a business broker since Dec. 1998, He has worked as seller as well as buyers broker. Saleem is very active in the community and he has worked on many educational projects for the community. Before venturing in the business brokerage he owned Hi-Tech Printing & Publishing in Downers Grove, Illinois from 1986 to 1997. Prior to owning his business Saleem worked for Allis Chalmers, General Motors and International Harvester(Navistar) In industrial and Systems Engineering positions. He has a Masters in Industrial Engineering from Illinois Institute of technology.

Rick Shampaine has been active in franchise development since 1984 in such diverse industries as travel, home services, food, and consumer products. He has a J.D. degree, is a member of the Missouri Bar Association, and the Big Brothers of America. Rick operates the Central Florida FranNet office.

Lloyd Shears, President of FranNet Canada and a graduate of Dalhousie University, began his career in franchising in 1980 with the purchase of a Second Cup franchise. Over the following ten years, he opened owned and operated Eight Second Cup stores. In 1990, he acquired the master franchise for Proshred Security for British Columbia, and in 1991 acquired the rights to California, Arizona, and Nevada. In 1992, he opened his FranNet consulting office in Vancouver and heads the Canadian expansion. Conversant with franchise regulations in Canada and the United States, he is a regular speaker at Career Counseling Centers, business groups and organizations, and public seminars on franchising. He consults internationally, particularly to franchisors interested in entering the Canadian market. Retained by a number of franchisors for his expertise, he has Directorships in several companies, and is the owner of a number of franchises.

Mike Steely Mike Steely is the owner of FranNet of South Central U.S. Mike has been involved in the business community of Arkansas and the surrounding states for almost 20 years. Most recently he served as a business development director for a Fortune 500 company in the Little Rock area and was responsible for marketing, new client development and business start-ups. Mike has also served as the president of Steely Business Brokers, a regional business brokerage company. Mike and his family are the owners of two franchised businesses in the state within the education and business services sectors and he has in-depth personal experiences in the acquisition and operations of small businesses and franchises. In addition to his strong franchising, business development and marketing backgrounds Mike is also a Certified Public Account. Mike is very active in chambers of commerce and other civic organizations in Arkansas and offers franchise and business ownership training services through the Small Business Development Centers (SBDC) and other Small Business Administration partners across the state. Born in Fort Smith and residing in Little Rock, he brings a wealth of knowledge regarding businesses and communities in the South Central United States to FranNet.

Ken Stein operated numerous drug stores and home health care companies on Long Island for 18 years. In 1995, Mr. Stein sold his business to Revco Drug Stores, then the second largest drug chain in the U.S. At the time of the sale, one of his stores was ranked third in sales volume out of Revco's entire chain of 2,500 stores. Mr. Stein was able to achieve this significant success with his business by emphasizing superior service in a highly competitive marketplace and, as a result, was able to expand the size of the store twice. Mr. Stein applies his varied skills in the owning, operation, marketing and sale of small to mid-size businesses to facilitate successful transactions for his clients. In addition, he has achieved the designation of Certified Business Intermediary (CBI), which is granted to professionals who complete the stringent requirements of the International Business Brokers Association (IBBA). Only approximately 350 business intermediaries in the U.S. currently carry that coveted title. Even more notably, Mr. Stein is one of only 47 CBI's to complete the rigorous requirements to attain the advanced designation of Master Merger & Acquisition Intermediary (MMAI). This prestigious achievement is bestowed by The M&A Source®, the world's largest international organization of experienced merger and acquisition intermediaries representing the middle market. The title signifies that Mr. Stein has

proven his professional excellence through verified transaction experience, education, achievement of Business Intermediary certification, and peer review.

Stacy Swift has over 17 years of small business ownership, management, sales and marketing experience. She began her career in franchising as the owner of 2 Fantastic Sams hair salons, and she currently owns and operates The Franchise Centre in Denver. At The Franchise Centre, Stacy was closely mentored by Denver-based franchise attorney Perry Nissler, specializing in all phases of franchise development and consulting, until his retirement in November of 2000. Stacy's main focus is operating the Rocky Mountain office for Franchise Network (FranNet) covering Colorado, Wyoming and Montana. In addition, Stacy is the owner of a handyman referral service franchise in Douglas County, Colorado. She is an active member of the Denver Metro Chamber of Commerce and the South Metro Chamber of Commerce, as well as a long time volunteer and Board Member with Denver Kids, Inc.

Tom Thompson has over 30 years of practical business experience. After working with 3M Company in marketing, he became Mid-Atlantic Director for Leasco Computer Company. He later founded North American Capital Corp., a computer leasing company. During the 1980s, Mr. Thompson was President of Maryland Building Services and is presently responsible for the Mid-Atlantic area for Franchise Network.

Jennifer Tran-Reno. Along with her father, John W. Jones, Jennifer Tran-Reno operates FranNet, Alabama, LLC. Jennifer has been a franchisee herself, so she is uniquely qualified to assist individuals who are considering starting a franchise business. She has a varied business background, but has had particular focus on sales and sales management. Jennifer was a co-owner and operator of two Deck the Walls franchises in Houston. She has held sales or management positions with Helzburg Jewelers, Parisian Dept. Stores and Bath & Body Works. Jennifer attended the University of Alabama, and has participated in numerous sales, management and leadership programs. She is married and the mother of a four year old son, John Ryan.

John Tubridy is uniquely qualified as a FranNet business advisor having spent over 25 years in business as a general manager with primary experience in business development, sales and marketing, and project management. He assists individuals to find the franchise opportunity that is right for them. John's previous position as Vice President of Business Development for Lee Hecht Harrison, an International Career Services Company has given him a keen insight into the career decision making process that is involved with making the leap into the world of entrepreneurship. John owns and operates Franchise Network of Pittsburgh and is well connected in the business community through several of the Pittsburgh Area Chamber of Commerce's and Pittsburgh Champions and is active as a Board Member on a few local Pittsburgh organizations. John hopes to create opportunities for all those individuals in the Western Pennsylvania and Northern West Virginia who have dreams of owning their own business.

Bob Windelspecht President of FranNet of Alabama,with over 30 years of executive managment experience, provides franchise consultation services at no charge to individuals. Most recently, Bob served as Executive Vice President, Chief Accounting Officer and Controller, for AmSouth Bancorporation, a $40 billion regional bank holding company headquartered in Birmingham, Alabama. Prior to joining AmSouth, Bob held senior management positions with KeyCorp, an $85 billion bank holding company located in Cleveland, Ohio. Transitioning to the banking industry from public accounting, Bob spent 12 years with Ernst & Young in Albany, New York, where he became Senior Manager. A graduate of Siena College in Loudonville, New York with a BBA in Accounting, Bob currently serves as a member of Siena's Advisory Board of Trustees. He is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants.

Pat Windelspecht With a combination of corporate senior management and entrepreneurial business experience, Pat Windelspecht brings over 20 years of career and business development expertise to individuals seeking franchise business opportunities.

After serving as the human resource professional responsible for an eight-state region of a major national retailer, Pat started an outplacement firm serving clients throughout the Northeast. Windelspecht Associates' clients represented diverse industries on an international, national and regional basis. As an active member of the Association of Outplacement Firms (AOCF), Pat joined other firm owners in founding the International Association of Career Management Professionals (IACMP), now the Association of Career Professionals (ACP).

With a BS and MS from the College of Saint Rose, Pat has written articles and made presentations to business, academic, and community groups on diverse career and business startup topics. Additionally, Pat has served on Chamber of Commerce and University level Small Business Councils charged with assisting new businesses and identifying best business practices.

Robert Yancy served for 10 years as President and CEO of ZEBRA Corp., a manufacturer of industrial paints and coatings; he was a partner in Park Space, an airport shuttle parking facility in Atlanta; and he has owned and managed residential rental properties.

Dr. Yancy graduated from high school at the age of 16, and at the age of 20, he completed the B.A. degree from Morehouse College with a major in Business Administration and a minor in Economics. He earned the M.B.A. degree from Atlanta University, and he earned his Ph.D. from the Northwestern University, J.L. Kellogg School of Management with a major in Strategic Management and minor in Organizational Behavior. He has done research on small business management..

Included among his publications are a series of articles for *Atlanta Journal and Constitution*, entitled "*Managing Success*," and a book entitled **Federal Government Policy and Black Business Enterprise.** He is currently researching and developing cases for a textbook on entrepreneurship.

He has been recognized for his contributions to the business and education professions and his biographical sketch appears in a number of reference publications including; *"Who's Who in Finance and Industry in America," "Outstanding Young Man in America," "Who's Who in the South and Southwest," the "International Directory of Distinguished Leadership," "Black Georgian of the Year in Business," "Pioneer Businessman of the Year'," and "Living Legends in Black."*

Dr. Yancy holds membership in the Leadership Cobb Alumni Association, Leadership Atlanta Alumni Association, Society of International Business Fellows, 100 Black Men of Atlanta, and The Academy of Management.

Joan Young has been a speaker at the National American Women in Business annual meeting, teaches franchising at Santa Clara University and West Valley College, has been featured on Peter Jennings Nightly News, and has owned two franchises. She was Director of Franchise Sales for TV Scene, Area Vice President of Snelling and Snelling, and Vice President of Franchise Sales for Oasis Laundries. Joan operates the San Jose, California, FranNet office.

EXHIBIT "M"

WE THE PEOPLE USA, INC.

FRANCHISE OFFERING CIRCULAR

ACKNOWLEDGMENT OF RECEIPT

RAY QUINNEY & NEBEKER

May 11, 2010

Via Federal Express

BMC Group, Inc
Attn: We The People Claims Processing
18570 Lake Drive East
Chanhassen, MN 55317

Re: ***Proof of Claim; Case number 10-10503***

Dear Sirs:

Enclosed please find a *Proof of Claim* to be filed in the Chapter 11 case of We The People USA, Inc., Case No. 10-10503.

I have also enclosed copy of the *Proof of Claim,* without attachments, that I ask be conformed with the receipt/filed stamp and returned to me in the self-addressed stamped envelope provided. Thank you for your assistance.

Very truly yours,

Carrie A. Hurst
Paralegal

/ch
Enclosures

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*Leave of Absence