



FRANCHISE DISCLOSURE DOCUMENT

Issue Date: April 30, 2014

JOMSOM FRANCHISE COMPANY, LLC

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JOMSOM FRANCHISE COMPANY, LLC

A New Jersey limited liability company

4390 US Highway 1

Suite #203

Princeton, New Jersey 08540

(866) 435-4050

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franchise_sales@jomsomstaffing.com



As a franchisee, you will operate a Jomsom Staffing Services Business, which will offer temporary, temporary to permanent and permanent staffing services.

The total estimated investment necessary to begin the operation of a Jomsom Staffing Services Business ranges from \$69,000-\$112,500. This includes \$25,000 that must be paid to the franchisor.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchisor, Jomsom Franchise Company, LLC, Attn: Franchise Department, 4390 US Highway 1, Suite # 203, Princeton, New Jersey 08540, (866) 435-4050.

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

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

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

ISSUANCE DATE: March 19, 2014

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION IN THE COURTS OF NEW JERSEY, OR THE UNITED STATES DISTRICT COURT, DISTRICT OF NEW JERSEY. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN NEW JERSEY THAN IT MAY COST IN YOUR OWN STATE OR AREA.

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

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person or entity a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: March 19, 2014
New York: Pending

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Exhibits to Franchise Disclosure Document

Exhibit A -	List of State Administrators/Agents for Service of Process
Exhibit B -	Form of Franchise Agreement
Exhibit C -	Financial Statements
Exhibit D -	Table of Contents-Operations Manual
Exhibit E -	List of Franchisees
Exhibit F -	State Addenda
Exhibit G -	Franchise Disclosure Questionnaire

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, “we”, “us” or “our” means Jomsom Franchise Company, Inc., the franchisor. “You” means the person (or persons), corporation, partnership, limited liability company or other legal entity that is granted the franchise. If you are a legal entity, each of the following individuals must sign our Guaranty: (i) each of your shareholders and their spouses if you are a corporation; (ii) each of your partners and their spouse if you are a general partnership; or (iii) each of your members and managers and each of their spouses if you are a limited liability company. All of the provisions of our Franchise Agreement (a copy of which is attached as Exhibit B to this Disclosure Document) will apply to you and to each individual who signs the Guaranty. Each individual who signs the Guaranty must also agree to be bound by the confidentiality and non-competition covenants of the Franchise Agreement.

The Franchisor

We are a New Jersey limited liability company formed in March, 2012. We do business only under our corporate name and maintain our principal business address at 4390 US Highway 1, Suite # 203, Princeton, New Jersey 08540. Our agents for service of process, which vary by state, are identified in Exhibit A to this Disclosure Document.

We offer and sell franchises for the operation of Jomsom Staffing Services Businesses. We have never operated a Jomsom Staffing Services Business. However, our affiliate IM Practices, Inc. has operated a staffing business, similar to the one you will be operating since January, 2008.

We have offered franchises for Jomsom Staffing Services businesses since September, 2012. We have never offered franchises in any other line of business.

Parents, Predecessors and Affiliates

We have no parent company or predecessors.

Our affiliate, IM Practices, Inc., a Delaware corporation, maintains its principal place of business at 4390 US Highway 1, Suite # 203, Princeton, New Jersey 08540. IM Practices, Inc. was incorporated in January, 2008 and has operated a staffing business under the trade name IM Practices since its inception. IM Practices has not engaged in any other lines of business and has not offered franchises in any line of business.

The Franchise Offered

We grant franchises for the right to operate a Jomsom Staffing Services Business which offers

temporary, temporary to permanent, permanent staffing services and other products and services that we approve.

Jomsom Staffing Services businesses operate under our unique system relating to the establishment, development and operation of a Jomsom Staffing Services business (the “System”) and proprietary marks (“Proprietary Marks”). The Proprietary Marks include various trade names, trademarks, service marks, logos, and other indicia of origin including the service mark “Jomsom Staffing Services®” which we have designated or may in the future designate for use in connection with the System. The System includes Proprietary Marks, know-how, trade secrets; sales techniques, marketing, advertising, and procedures for the operation and management of Jomsom Staffing Services businesses. We may periodically make changes to the System.

Market and Competition

The market for temporary, temporary to permanent and permanent staffing is highly developed. You will compete with national, regional and local companies that provide similar services and some of which may have stronger name recognition in your region. A business such as a Jomsom Staffing Services Business may also be affected by other factors, such as changes in economic conditions and population density. Your business may be also be impacted by other normal business risks, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand, new technologies and competition from internet-based organizations that provide information and some related products and services.

We can give you no guarantees of success. There are many business risk factors. These include, without limitation, changing market conditions, demand, competition, quality and availability of labor, availability of financing, recession or depression (locally or nationally), wars, strikes, national emergencies, natural disasters, and liability and casualty losses. Your own efforts and skills as a business owner are necessary, but not a guaranty, for you to be successful.

We recommend that you consult with your own independent business advisors to evaluate these and other factors before deciding to invest in a Jomsom Staffing Services Business.

Industry-Specific Laws and Regulations

You must comply with all federal, state and local laws, ordinances and regulations affecting the Jomsom Staffing Services Business. In certain states, you may be required to obtain a bond before engaging in the placement of temporary employees. You will also be subject to other laws or regulations that are not specific to the industry, but which apply to businesses generally. You may also be subject to immigration laws and regulations, if you seek to place candidates who are not citizens of the United States.

You must investigate and comply with all applicable laws and regulations affecting the Jomsom Staffing Service business. We do not assume any responsibility for advising you on these regulatory or legal matters. You should consult with your attorney about laws and regulations

that may affect your Jomsom Staffing Services Business.

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer/ President: Saurabh Agarwal

Mr. Agarwal has served as our Chief Executive Officer and President since our formation in March, 2012 through the present. He has also been the managing partner of our affiliate, IM Practices, Inc., from January, 2008, through the present. From July, 2010 through January 2012, Mr. Agarwal has also served as a Management Consultant for Accenture. From September, 2004 through May, 2009, Mr. Agarwal served as a Programmer Analyst for Verinon Technology Solutions.

Chief Financial Officer: Vidhi Agarwal

Ms. Agarwal has been our Chief Financial Officer since our formation in March, 2012 through the present. She has also been the managing partner and Chief Financial Officer of our affiliate, IM Practices, Inc., from January, 2008, through the present. From January, 2011 through the present, Ms. Agarwal has been a Senior Business Technology Consultant for Dow Jones & Company. From January, 2009 through July, 2010, Ms. Agarwal was a Compliance Specialist for Nikon, Inc. From October, 2008 through January, 2009, Ms. Agarwal was a Senior IT Auditor for Banco Popular North America. From August, 2007 through June, 2008, Ms. Agarwal was an IT Auditor for Amerisource Bergen.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No information is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

The initial franchise fee for a Jomsom Staffing Services Business is \$25,000. Except as noted below, the initial franchise fee is uniform to all franchisees establishing a Jomsom Staffing Services Business and must be paid in full when you sign the Franchise Agreement. The initial franchise fee is not refundable under any circumstances.

We are a member of the International Franchise Association (“IFA”) and participate in the IFA’s VetFran Program. We offer a reduced initial franchise fee of \$20,000 to veterans of the U.S. Armed Forces who meet the requirements of the VetFran Program.

ITEM 6 OTHER FEES

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
APR Royalty Fee	5% of Gross Sales	Payable monthly, by no later than the 5 th business day of each month.	“Gross Sales” includes all revenue derived from all business conducted at or from your Jomsom Staffing Services Business within your Area of Prime Responsibility. See Note 1.
National Account Commission Fee	Originating Franchisee: 5% of Gross Sales Servicing Franchisee: 93% of Gross Sales Franchisor Servicing Fee: 2% of Gross Sales	Payable to you no later than the 5 th business day of each month	See Note 2
Brand Development Fund	Up to .5% of Gross Sales	Payable to the Fund due at the same time and in the same manner you pay the Royalty Fee	You must also spend 1.5% of your monthly Gross Sales and commissions on local advertising (the “Minimum Local Advertising Requirement”) within your Area of Primary Responsibility. See Note 3
Transfer	50% of the then current initial franchise fee	Prior to transfer	See Item 17 for a further explanation of transfer conditions.
Insurance	Cost of insurance	Annually	Paid to Insurers. See Item 7. We may obtain the insurance if you fail to. You will pay the cost of the insurance premiums and a fee to us to cover its reasonable expenses.
Audit	Our audit costs	Upon completion of inspection/audit	See Note 4

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Collection Costs, Attorneys' Fees and Interest	Interest on overdue amounts from the due date until paid at the lesser of 18% interest per year or the highest lawful interest rate, costs of collection, attorneys' fees and court costs	As incurred	See Note 5
Initial Training	Our then current tuition; you will also pay personal expenses, including transportation, lodging, meals and salaries	As incurred	We provide tuition-free initial training for up to 3 individuals (including you or an equity owner, and your manager), before your Jomsom Staffing Services Business opens. For any additional training requested beyond that, you will pay us our then current tuition, which is now set at \$300 per person, per day.
On-site Training, Supplemental Training and Regional Training Course	Our then current rates; you will also pay personal expenses, including transportation, lodging, meals and salaries for your employees	As incurred	We may charge a reasonable fee for additional on-site training (beyond the 7 days' of initial on-site opening assistance). We may charge our then current tuition for any refresher or supplemental training. Our current tuition is currently set at \$300 per person, per day, plus any travel related expenses we incur.
Indemnification	Amount of loss or damages plus costs	As incurred	See Note 6
Bank Charges and Administrative Costs	Our then-current fees	Upon invoice	We may charge fees to cover bank charges and administration costs if an electronic funds transfer attempt is unsuccessful or you close your operating account, or any check or other payment is returned not paid.

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
New Product or New Supplier Approval	Cost of review and testing	Payable to us, when incurred	We may request approval of a new product or a supplier under our published procedures. We or the independent testing facility that we designate may charge a fee for the testing. We may also charge you a fee for services in making a determination on the proposed product or supplier. See Item 8.
Renewal Fee	25% of then current initial franchise fee.	Prior to renewal	See Item 17 for a further explanation of renewal conditions.
Technology Fee	Up to \$500 per month	Monthly	The Technology Fee will include (i) all website care, including but not limited to website hosting, updates, and changes and (ii) software development and maintenance fees of any software that we require you to obtain from us.
Franchisor Service Fee	2% of the Gross Revenues	Monthly	This fee is only payable to us if you elect, at your option, for us to be responsible for billing and collecting any non-National Accounts. See Note 7.

Notes:

General: Unless otherwise stated, all fees are paid to us and are non-refundable. All fees are imposed uniformly. We reserve the right to collect all fees due to us through electronic funds.

1. In the event you are required to reimburse or otherwise return any monies to a payroll funding/ factoring company, you shall receive a royalty credit equal to 5% of the amount returned to the payroll funding/ factoring company. The credit shall be calculated on January 15th and July 15th of each calendar year and will be subject to the franchisor's receipt of sufficient documentation documenting the return of such monies.
2. National Accounts will include any clients who have offices in more than one franchisee's Area of Prime Responsibility. National Accounts will be required to execute an agreement directly with us or our affiliate. The franchisee who introduces the National Account to us, will be the Originating Franchisee. For each National Account, the franchisee who is responsible for the client placement, based on the Area of Prime Responsibility, will be the Servicing Franchisee for such particular placement. We will be responsible for billing and collecting all amounts owed by the National Account. Commissions will be based on the Gross Sales received by us during the prior month, for a placement from any National Account, less the following amounts:
 - a) 2% servicing fee, payable to us;
 - b) All legal and other out-of-pocket collection expenses we (or our affiliate) incur;
 - c) The portion of workers compensation insurance policy premiums allocated to the

- National Account;
- d) The portion of other required insurance policy premiums allocated to the National Account;
 - e) Any costs incurred by us as a result of any license, permits or bond requirements.
 - f) The APR Royalty Fee; and
 - g) The Brand Development Fee.

In the event we (or our affiliate) are required to hire any temporary employees pursuant to a National Account contract, then such payroll and related expenses will be deducted from “Gross Sales” prior to calculating the commission payments to the Originating Franchisee and Servicing Franchisee.

In the event you work in cooperation with a competing staffing company for an end client that has offices in more than one franchisee’s Area of Prime Responsibility, that account shall not be deemed a National Account (provided your agreement is with the competing staffing company and not directly with the end client). However, you will be required to work with the franchisee who services the Area of Prime Responsibility where the client is seeking a placement and the fee shall be split between you and such franchisee as mutually agreed upon.

Any agreements with competing staffing companies may not contain any non-compete, not-solicitations or any other restrictions that binds us, our affiliates or other System franchisees. You may not execute an agreement with a competing staffing company without prior written approval.

3. We reserve the right to establish a fund for national and/or regional and local advertising. You must participate in and contribute the amount that we require (up to one half percent (1/2%) of monthly Gross Sales and commissions you receive) to the Fund (the “Brand Development Fee”). After we have established the Fund, the Brand Development Fee will be credited towards your Minimum Local Advertising Requirement. You must contribute at least the amount designated for the Fund and then spend the amount specified in your lease if your lease requires you to spend more on local advertising than we require.
4. You must maintain accurate business records, reports, accounts, books, and we have the right to inspect and/or audit your business records during normal business hours. If any audit reveals that you have understated Gross Sales by 3% or more in any reporting period, or if you have failed to submit complete reports and/or remittances for any 2 reporting periods or you do not make them available when requested, you must pay the reasonable cost of the audit, including the cost of auditors and attorneys, together with amounts due for royalty and other fees as a result of the understated Gross Sales, including interest from the date when the Gross Sales should have been reported.
5. If we engage an attorney to collect any unpaid amounts (whether or not formal judicial

proceedings are initiated), you must pay all reasonable attorneys' fees, court costs and collection expenses incurred by us. If you are in breach or default of any non-monetary material obligation and we engage an attorney to enforce our rights (whether or not formal judicial proceedings are initiated), you must pay all reasonable attorneys' fees, court costs and litigation expenses. If you institute any legal action to interpret or enforce the terms of the Franchise Agreement, and your claim in the action is denied or the action is dismissed, we may recover its reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against the same.

6. You must defend, indemnify and hold us and our related parties harmless from all fines, suits, proceedings, claims, demands, obligations or actions of any kind (including costs and reasonable attorneys' fees) arising from your ownership, operation or occupation of your Jomsom Staffing Services Business, performance or breach of your obligations, breach of any representation or acts or omissions of you or your employees.

7. At your option, you can request us to be responsible for billing and collecting from a non-National Account(s), located in your Area of Prime Responsibility. If you elect this option, the non-National Account will execute an agreement directly with you, which agreement shall provide that we shall be act as third-party billing company. We shall not be responsible for:
 - a) Hiring any temporary employees;
 - b) Any payroll and related expenses.
 - c) Obtaining all required insurance, including workers compensation;
 - d) Any license, permit or bond requirements.

You will be responsible for each of the above items. On the fifth business day of each month, we will send you any monies collected from such non-National Account(s) for the prior month, less the following amounts:

- a) 2% servicing fee, payable to us;
- b) All legal and other out-of-pocket collection expenses we (or our affiliate) incur;
- c) The APR Royalty Fee; and
- d) The Brand Development Fee.
- e) A 5% referral fee (if applicable), if the non-National Account was referred by another Jomsom franchisee. We will pay the referral fee (if any) directly to the referring franchisee.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	\$25,000	Lump Sum	Payable when you sign the Franchise Agreement;	Us
Lease and security deposit (Note 2)	\$1,500- \$5,000	Lump Sum	Upon execution of lease agreement	Landlord
Utility deposits (Note 3)	\$0-1,000	Lump Sum	As agreed upon with utility companies	Utility companies
Signage(Note 4)	\$0-\$1,000	As agreed upon	As incurred	Third party vendor
Furniture and Fixtures (Note 5)	\$500-\$2,000	As agreed upon	As incurred	Third party vendors
Office equipment, Computers, Office Supplies (Note 6)	\$1,000-\$5,000	As agreed upon	As Incurred	Third party vendors
Business software (Note 7)	\$800-\$1,000	As agreed upon	As incurred	Third party vendors
Business license and permits	\$200-\$500	As required by governmental authorities	As incurred	Governmental Authorities
Professional Fees (Note 8)	\$1,000-\$5,000	As agreed upon	As Incurred	Attorney, accountant and other professionals
Business Insurance (Note 9)	\$500-\$5,000	As agreed upon	As Incurred	Insurance carrier/ broker
Training Expenses (Note 10)	\$1,000-\$2,000	As Agreed	As Incurred	Airlines, hotels, restaurants
Additional Funds (Note 11)	\$37,500-60,000	Lump Sum	As Incurred	Third Party Vendors
Total (Note 12)	\$69,000-\$112,500			

1. Your Franchise Fee will be due upon signing the Franchise Agreement. There are NO

REFUNDS UNDER ANY CONDITIONS once you have paid your Franchise Fee. We do not finance any portion of the fee.

2. You will generally operate your Jomsom Staffing Services Business from a typical office building with access to suitable conference room space. Your business premises will typically be between 500 to 1,000 square feet. Monthly rental for leased premises will vary depending upon the location of your business and then-current, local real estate rental market conditions. Estimates of rental costs may be obtained by contacting local commercial realtors. The range in the chart reflects an estimated lease deposit equal to the first and last months' rent plus a security deposit equal to one month's rent.
3. This estimate includes miscellaneous utility deposits such as telephone, electric, gas and water. These amounts will vary based upon your geographical area, credit rating and other factors.
4. You will purchase signage for the exterior of your premises, meeting our specifications.
5. This amount includes an estimate for office furniture, desks, file cabinets and other fixtures.
6. If you purchase from suppliers we recommend, the cost of mandatory equipment will be within this range. If you elect to acquire your mandatory equipment from other sources, it may cost more.
7. This amount includes an estimate for third party software. See Item 11 for further details about the computer system.
8. We recommend that you employ an attorney, accountant and other consultants.
9. You must obtain and maintain the types and amounts of insurance described in the franchise agreement. During the term of the Franchise Agreement, the insurance requirements may be changed by us, without restriction. See Item 8 for further details.
10. The low estimate represents one person attending training that does not require air fare or hotel stays and the high estimate represents two people attending training with airfare and other related travel costs.
11. This is an estimate only of the range of initial start-up expenses for 3 months. It is not an estimate of working capital you will need. These expenses include employee salaries, rent and miscellaneous costs, and the cost to purchase office supplies during the first three months your Jomsom Staffing business is in operation. The estimate does not include royalty and advertising contributions or any allowance for an owner's draw.

These figures are estimates and we cannot guarantee that you will not have additional

expenses starting your business. The amount of additional funds that you may need will depend on factors such as: how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, e.g., the local market for our service, the prevailing wage rate, competition and the sales level reached during the initial period, insurance deposits, etc. You should review these figures carefully with a business advisor before making any decision to purchase a Jomsom Staffing business.

12. In preparing these estimates, we relied upon our affiliate company's experience, in current operating expenses and estimates obtained from suppliers in the New Jersey area. These figures are estimates only, and we cannot guarantee that you will not have additional expenses starting your Jomsom Staffing business. We cannot estimate the operating results of your business.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

We and our affiliate, IM Practices, Inc., have spent considerable time, effort and money to develop the Jomsom System. Your Jomsom Staffing Services Business must conform to our high and uniform standards of quality and service. We anticipate that our standards will change over time. You are expected to adhere to these changes.

You must purchase all products containing the Proprietary Marks and other specified items exclusively in accordance with our standards and specifications that will be disclosed to you in the Operations Manual or otherwise.

You must purchase these items from suppliers that we designate. We reserve the right to designate our self or our affiliates as the only approved supplier for the items noted above. Currently, there are no approved suppliers in which any of our officers or directors own an interest.

Those items for which we have neither designated nor approved suppliers must be purchased in accordance with our standards and specifications as described in the Operations Manual or otherwise. We have the right to modify specifications, standards, suppliers and approval criteria by providing you written notice. There is no limit on our right to do so.

We estimate that the current required purchases in accordance with our standards and specifications and designated suppliers are approximately 30% to 40% of the cost to establish your Jomsom Staffing Services Business and approximately 75% to 85% of the ongoing operating expenses of your Jomsom Staffing Services Business.

Approval of New Suppliers

If you desire to purchase any product or item for which approval is required from a supplier that is not on our approved supplier list, you must request approval of the item or supplier in writing and we will evaluate the supplier and/or item for approval. Although we are not contractually bound to evaluate any supplier or item within a definite time period, we will make a good faith effort to evaluate the supplier or item and to notify you of approval or disapproval within 30 days from the date we receive your written request.

Before approving any supplier, we may take into consideration: a) consistency of products and/or name brands, b) economies of scale achieved by larger volumes, and c) certain other benefits that a particular supplier may offer, such as new product development capability. When approving a supplier, we take into consideration the System as a whole, which means that certain franchisees may pay higher prices than they could receive from another supplier that is not approved. We reserve the right to withhold approval of a supplier for any reason. We do not release our standards and specifications or criteria for supplier approval to System franchisees.

You may not purchase any item from any supplier for which approval is required until you have first received written notification of our approval. You must reimburse us for our reasonable costs of evaluating and/or testing the proposed supplier or item, regardless of whether we approve the supplier or item. We expect that the cost of testing will range from \$1,000 to \$5,000 depending on the complexity of the products or items.

We may withdraw our approval at any time if any supplier's performance does not meet our criteria, we change our specifications, standards or requirements or other reasons.

Revenues of Franchisor and Affiliates

We and our affiliates may derive income or revenue from franchisee purchases. We and/or our affiliates have the right to receive payments from any supplier or distributor to you or to other franchisees within our franchise system and to use these monies without restriction and as we deem appropriate. As of the date of this disclosure document, we have not received any revenues from sales of products, from sales directly to franchisees, sales directly to authorized distributors or from fees or rebates received from vendors.

Advertising

All advertising and promotion of your Jomsom Staffing Services Business must conform to our specifications and standards and must be approved by us in advance. You must submit to us for our approval copies of all advertising and promotional materials including business cards, signs, displays and mailouts.

Insurance

You must obtain and keep in force at a minimum the insurance we require in the Operations Manual or otherwise. The mandatory insurance currently includes:

(a) Commercial General Liability:

Coverage	Minimum Amounts and Limits
Each Occurrence	\$1,000,000
Personal & Advertising Injury	\$1,000,000
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Damage to Rented Premises	\$300,000
Medical Expense	\$10,000

(b) Business Automobile Liability:

Coverage	Minimum Amounts and Limits
Combined Single Limit	\$1,000,000 per occurrence

This policy shall include all Owned, Hired and Non-Owned Autos.

(c) Worker's Compensation:

Coverage	Minimum Amounts and Limits
Employment Practices Liability	\$1,000,000 Minimum Limit
Worker's Compensation (or such higher coverage as required by state statute)	\$1,000,000 Each Accident for Bodily Injury
	\$1,000,000 Disease/Each Employee
	\$1,000,000 Disease/Policy Limit

The Worker's Compensation coverage must include an Alternate Employer Endorsement.

(d) Umbrella Excess Liability:

Coverage	Minimum Amounts and Limits
To Extend over Professional Liability, General Liability, Owned, Hired and Non-Owned Auto Liability, Employers Liability, and Employment Practices Liability	\$1,000,000 minimum limit

(e) Comprehensive Crime/Employee Dishonesty Insurance:

Coverage	Minimum Amounts and Limits
Each Claim	\$100,000

This policy must include Third Party coverage.

(f) Professional Liability/Errors and Omissions:

Coverage	Minimum Amounts and Limits
Each Occurrence	\$1,000,000
Aggregate	\$2,000,000

(g) Cyber Liability

Coverage	Minimum Amounts and Limits
Minimum Limit	\$500,000

This policy must include both first and third party losses.

If the lease for your premises requires you to purchase insurance with higher limits than those we require, the lease insurance requirements will control. All insurance policies must contain a separate endorsement naming us as an additional insured and must be written by an insurance carrier accepted in writing by us. No insurance policy may be subject to cancellation, termination, non-renewal or material modification, except upon at least 30 days' prior written notice from the insurance carrier to us. Upon request, you must provide us with a currently issued certificate of insurance evidencing coverage in conformity with our requirements. We may increase or otherwise modify the minimum insurance requirements upon 30 days' prior written notice to you, and you must comply with any modification.

Purchasing or Distribution Cooperatives

We may negotiate purchase arrangements with some of our suppliers (including price terms and product allocations) for the benefit of System franchisees, but we are under no obligation to do so. There are currently no purchasing or distribution cooperatives related to the Jomsom System.

Material Benefits

We do not provide material benefits to franchisees, such as renewal rights or ability to purchase additional franchises, based on your use of approved or designated 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 disclosure document.

Obligation	Section in Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	4.5	Items 6 and 11
b. Pre-opening purchases/leases	5.2	Items 7 and 8
c. Site development and other pre-opening requirements	5.1, 5.2, 5.4	Items 6, 7 and 11
d. Initial and ongoing training	4.1, 4.2	Items 6, 7 and 11
e. Opening	5.1	Item 11
f. Fees	2.2.6, 3, 4.1, 5.10, 7.3.2.7	Items 5, 6 and 7
g. Compliance with standards and policies/Operating Manual	1.1, 5.2, 5.3, 5.4, 5.8, 5.9, 5.10	Items 8 and 11
h. Trademarks and proprietary information	5.5, 5.6, 5.12, 6.4.3, 6.7, 6.8, 8.2.1(a), 9.1.3	Items 13 and 14
i. Restrictions on products/services offered	5.9	Items 8 and 16
j. Warranty and customer service requirements	4.4, 5.2, 5.3, 5.4, 5.9	Item 11
k. Territorial development and sales quotas	1.2	Item 12

	Obligation	Section in Franchise Agreement	Item in Disclosure Document
l.	Ongoing product/service purchases	5.2, 5.8, 5.9	Item 8
m.	Maintenance, appearance and remodeling requirements	5.6.5, 5.7, 6.8	Items 6 and 11
n.	Insurance	6.6	Items 6, 7 and 8
o.	Advertising	3.4, 4.1.4, 5.6.3	Items 6, 7 and 11
p.	Indemnification	6.2	Item 6
q.	Owner's participation/ management/staffing	5.3, 6.1, 6.4.4	Items 11 and 15
r.	Records and reports	3.9	Item 6
s.	Inspections/audits	3.8, 5.7	Items 6 and 11
t.	Transfer	7	Item 17
u.	Renewal	2.2	Item 17
v.	Post-termination obligations	6.4.2, 9	Item 17
w.	Non-competition covenants	6.4, 9	Item 17
x.	Dispute resolution	11	Item 17

ITEM 10 FINANCING

We do not: (i) offer any direct or indirect financing to you; (ii) guaranty any of your notes, leases or obligations; or (iii) have any practice or intent to sell, assign or discount to a third party all or part of your financing arrangements.

We do not know if you will be able to obtain financing for all or part of your investment and, if so, what the terms of such financing will be. We do not receive direct or indirect payments for placing financing.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your Jomsom Staffing Services Business, we are obligated under the Franchise Agreement to:

1. Review and approve or disapprove proposed sites for the location of your Jomsom Staffing Services Business. (Section 4.5 of the Franchise Agreement).
2. Provide initial tuition-free training for up to 3 persons (including you and your manager) (Section 4.1.1 of the Franchise Agreement). We also will provide you continuing consultation and advice as we deem advisable before your Jomsom Staffing Services Business opens for business. (Section 4.1.2 and Section 4.2 of the Franchise Agreement).
3. Provide you with a list of approved vendors. (Section 5.9 of the Franchise Agreement).
4. Loan you or otherwise provide you with access to a specifications, operations and procedures manual, and one copy of other books, binders, videos or other electronic media, intranet postings and other materials, referred to collectively as the "Operations Manual", containing mandatory and suggested standards, operating procedures and rules which we prescribe, as well as information relating to your other obligations under the Franchise Agreement. We have the right to add to and otherwise modify the Operations Manual as it deems necessary and reasonable; however, no change to the Operations Manual will materially alter your fundamental rights under the Franchise Agreement. We may provide the Operations Manual solely through our website(s) and/or intranet or other electronic means without any need to provide you with a paper copy or other physical format. (Section 4.3 of the Franchise Agreement). Attached as Exhibit D is a copy of the table of contents of our Operations Manual as of the issuance date of this Disclosure Document. The number of pages and subjects in the Operations Manual are reflected in the table of contents.

Site Selection and Opening

Franchisees typically open their Jomsom Staffing Services Businesses for business within 90 days after they sign the Franchise Agreement or pay any consideration for the franchise. The actual length of time it will take you to open your Jomsom Staffing Services Business will depend upon the scheduling of the training program. See Items 12 and 17.

Prior to opening your Jomsom Staffing Services Business, you must obtain our prior written approval for the Approved Location. You may operate your Jomsom Staffing Services Business from typical office building with access to suitable conference room space. In approving your location, we will look at such factors as the proximity to potential temporary staffing employees and permanent hire candidates, appearance, atmosphere and its location.

You may not open the Jomsom Staffing Services Business for business until we notify you that (i) the location is approved by us, (ii) the Jomsom Staffing Services Business complies with our standards and specifications, (iii) you and any required personnel have completed pre-opening training requirements, and (iv) you have given us copies of all insurance policies and evidence of coverage and premium payment. (Section 5.1 of Franchise Agreement).

If the Jomsom Staffing Services Business is not opened for business within 180 days from the date you sign the Franchise Agreement, we have the right to terminate the Franchise Agreement.

Continuing Obligations

During the operation of your Jomsom Staffing Services Business, we are obligated under the Franchise Agreement to:

1. Provide periodic assistance we deem appropriate and advisable. Subject to availability of personnel and at your request, we will make personnel available to provide additional on-site assistance at a reasonable fee. (Section 4.2 of the Franchise Agreement).
2. Provide, in addition to the assistance rendered to you prior to opening and in connection with your opening, continuing consultation and advice as it deems advisable regarding sales and marketing techniques, operating procedures, obtaining supplies and other products and services, administrative, bookkeeping, accounting and management procedures, personnel development and other business, operational and advertising matters that directly relate to the franchise operation. This assistance may be provided by telephone, facsimile, email, postings to our intranet, periodically through on-site assistance by appropriate personnel, and/or other methods. (Section 4.2 of the Franchise Agreement).
3. Administer, after we establish a brand development fund, the contributions to the fund. (Section 4.1.4 of the Franchise Agreement).
4. To the extent that any National Account has a location in your Area of Prime Responsibility, you will be required to hire all candidates to be furnished to National Account customers in your Area of Prime Responsibility (to the extent required by the contract between us and the National Account), and recruit, screen, interview, test, recommend for hire, train, place and manage these candidates on behalf of us (or our affiliate). (Section 4.4 of the Franchise Agreement).

5. We will bill National Account customers and collect all payments made by National Account customers. You may not bill or collect any monies from National Accounts, but must, at our direction, actively assist and cooperate with us in our billing and collection efforts. (Section 4.4 of the Franchise Agreement).

Advertising Programs

We have established a Brand Development Fund (the “Fund”) to be administered for the common benefit of System franchisees. Under the Franchise Agreement, we have the right to require you to spend up to one half percent (1/2%) of your monthly Gross Sales and Commissions on advertising, and we have the right to require you to contribute this amount to the Fund. (Franchise Agreement, Section 4.1.4). Any contributions to the Fund will be credited towards your Minimum Local Advertising requirements. (Franchise Agreement, Section 3.4.2.1).

Neither we nor our affiliate-owned Jomsom Staffing Services Businesses are contractually required to contribute to the Fund. We have the sole right to determine contributions and expenditures from the Fund, or any other advertising program, and sole authority to determine the selection of the advertising materials and programs. We are not required, under the Franchise Agreement, to spend any amount of fund contributions in your territory and not all System franchisees will benefit directly or on a pro rata basis from these expenditures. Advertising contributions may be used at our discretion in the development, production and distribution of national, regional and/or local advertising, and in the creation of advertising materials and public relations which, in our sole judgment, promote the products and services offered by System Jomsom Staffing Services businesses, including development and production of advertising and marketing programs and materials, purchase of media, field marketing programs and activities, promotions, new product research and development, quality control, market research, talent fees, working with public relations firms, website development and maintenance, and for administrative, travel, debt service and operating costs and overhead. Our decisions in all aspects related to the Fund will be final and binding. We may charge the Fund for the costs and overhead, if any, we incur in activities reasonably related to the creation and implementation of the fund and the advertising and marketing programs for franchisees. These costs and overhead include (i) the cost of preparing advertising campaigns and other public relations activities, (ii) the cost of employing advertising agencies, including fees to have print or broadcast advertising placed by an agency and all other advertising agency fees, and (iii) the proportionate compensation of our employees who devote time and render services in the conduct, formulation, development and production of advertising, marketing and promotion programs or who administer the Fund. (Franchise Agreement, Section 3.4.2).

Your contributions to the Fund will not be used for advertising that is principally a solicitation for the sale of additional franchises, but we reserve the right to include a message or statement in any advertisement indicating that franchises are available for purchase and related information. (Franchise Agreement, Section 3.4.2).

We may also establish special promotional programs. You are required to participate in special promotional programs and you must pay your share of the cost of developing and implementing the program, including common development, design and advertising costs. (Franchise Agreement, Sections 4.3.2, 4.3.5 and 4.3.6). See Item 6.

Advertising to be used by the Fund or by you locally may be produced in-house or through an outside agency. (Franchise Agreement, Section 3.4.2.2).

Although we anticipate that all advertising contributions will be spent in the fiscal year in which they accrue, any remaining amounts will be carried over for use during the next fiscal year. There is no requirement that the fund be audited. Upon your written request, we will provide you with un-audited fiscal year end financial statements and accountings of Fund expenditures. (Franchise Agreement, Section 3.4.2.2).

In our prior fiscal year, we did not collect or administer any advertising fund payments. As we have not previously collected advertising fund payments, we do not have a basis to estimate the allocation of the uses of advertising contributions to media placement, administrative expenses or other uses in 2012.

There is currently no advertising council in place for the System.

Local Advertising

Under the Franchise Agreement, you are required to spend 1.5% of your monthly Gross Sales and Commissions on advertising in your Area of Prime Responsibility (the Minimum Local Advertising Requirement”). (Franchise Agreement, Section 3.4). You may use your own advertising material so long as you have received prior written permission from us. If you propose to use any advertising which we have not previously approved, we have the right to condition approval of your proposed advertising upon your agreement to provide other System franchisees, whose businesses are located within the circulation area of the proposed advertising, the opportunity to contribute to and to participate in the advertising. You must provide any proposed advertising to us at least 30 days before you propose to use it. We are not contractually obligated to approve or reject any advertising submitted to us within the 30 days, but we will attempt to do so. You may not use the advertising unless we give you approval in writing. (Franchise Agreement, Section 5.6.3). You may not establish a website using or displaying any of the Proprietary Marks, and you may not advertise your Jomsom Staffing Services Business or the sale of products or services offered by you businesses on the Internet or through social media, except as we permit. We may host and give you access to a separate web page for your Jomsom Staffing Services Business on our website(s). Any website, social media platform or electronic materials you propose to use must be approved in advance by us before publication to the site. (Franchise Agreement, Section 3.4.4).

Advertising Cooperatives

If we establish an advertising cooperative within a geographically defined local or regional marketing area in which your Jomsom Staffing Services Business is located, you must participate and abide by any rules and procedures the cooperative adopts and we approve. You will contribute to your respective cooperative an amount determined by the cooperative, but not to exceed 1% of your monthly Gross Sales and Commissions. Amounts contributed to a cooperative will not be credited against monies you are otherwise required to spend on local advertising or Fund contributions. We have the right to draft your bank account for the advertising cooperative contribution and to pass those funds on to your respective cooperative. Any affiliate businesses that we operate will not be required to participate in any advertising cooperative that we establish.

The cooperative members are responsible for the administration of their respective advertising cooperative, as stated in the by-laws that we approve. The by-laws and governing agreements will be made available for review by the cooperative's franchisee members. We may require a cooperative to prepare annual or periodic financial statements for our review. Each cooperative will maintain its own funds; however, we have the right to review the cooperative's finances, if we so choose.

We reserve the right to approve all of a cooperative's marketing programs and advertising materials. On 30 days written notice to affected franchisees, we may terminate or suspend a cooperative's program or operations. We may form, change, dissolve or merge any advertising cooperative.

Computers and Point of Sale Registers

You must acquire computer hardware equipment and software that we require in connection with the operation of your Jomsom Staffing Services Business and all additions, substitutions and upgrades we specify. Your computer system must be able to send and receive email and attachments on the Internet and provide access to the World Wide Web and otherwise support our then-current information technology system.

We will have the right to access information and data collected by your computer system or otherwise related to operation of your Jomsom Staffing Services Business. You must allow us to access the information remotely. There is no contractual limitation on our right to access this information and data. (Franchise Agreement, Section 5.12).

We estimate that your cost to purchase required software will range from \$800 - \$1,000. We also estimate that you may be required to pay \$160-\$500 per month for ongoing software support and maintenance fees. This amount will be in addition to the Technology Fee (if any).

You must upgrade or update your computer equipment and software. There is no contractual limitation on the frequency or cost of required updates or upgrades. In addition to any charges imposed by computer hardware and software vendors, we may charge you a reasonable systems fee for modifications and enhancements we or our vendors or representatives make to proprietary software and for other maintenance and support services that we may furnish to you.

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Training Program

Initial Training Schedule

SUBJECT	HOURS OF CLASS-ROOM TRAINING	HOURS OF ON SITE TRAINING	LOCATION
Business Overview	1		Princeton, NJ
Relationship with the Franchisor	1		Princeton, NJ
Pre-Opening Obligations	3		Princeton, NJ
HR	5		Princeton, NJ
Business Development Procedures	6		Princeton, NJ
Office Procedures	8		Princeton, NJ
Recruiting Procedures	4.5		Princeton, NJ
Placing Candidates	4.5		Princeton, NJ
Candidate Management	3		Princeton, NJ
Marketing	4		Princeton, NJ
TOTAL HOURS	40		Princeton, NJ

The initial training program is designed to provide training in the operation and management of a Jomsom Staffing Services Business. The training program is conducted on an as-needed basis and will be held at our affiliate's location in Princeton, New Jersey, or other place as we designate. Part of the initial training will consist of on-the-job training. Training will be done by Saurabh Agarwal, who has operated a business similar to the one you will be operating since 2008. Certain portions of the training may be conducted by other Jomsom employees.

Both you and each of your initial, additional and/or replacement managers must attend, and complete the initial training program to our satisfaction before opening your Jomsom Staffing Services Business or assuming management responsibility. If initial training is otherwise required for you or any manager, you must pay us our then-current tuition for each person to attend the additional initial training program beyond the tuition free allowances. The current tuition for attending our additional initial training for these persons is \$2,500 per person. See Items 6 and 7. You are responsible for all training-related expenses including transportation to and from the training site, lodging and dining expenses. In addition, if your manager(s) will receive a salary during training, you are solely responsible for paying their salary.

We have the right to offer refresher courses from time to time to you, your manager and/or your employees. You and your manager are required to attend the additional training at your cost and at our then-current tuition if we, in our sole discretion, consider the training necessary. Our current tuition for refresher courses is \$300 per person per day. You are solely responsible for your expenses and your managers and/or employees' expenses which are incurred during training.

ITEM 12 TERRITORY

The Franchise Agreement grants you the right to operate one Jomsom Staffing Services Business at the specific location identified in the Franchise Agreement or subsequently identified and mutually acceptable to both you and us. If the lease term is shorter than the term of the Franchise Agreement and the lease cannot be renewed or extended, or you cannot continue for any other reason to occupy the premises of the Jomsom Staffing Services Business, you must relocate your Jomsom Staffing Services Business to a site mutually acceptable to you and us in order to complete the balance of the term of the Franchise Agreement. You must give us notice of your intent to relocate, must procure a site acceptable to us within 60 days after closing the prior Jomsom Staffing Services Business, and must open the new Jomsom Staffing Services Business for business within 180 days of closing the previous one. If you fail to comply with the relocation requirements, we may terminate the Franchise Agreement.

We will provide you with an exclusive Area of Prime Responsibility ("APR") subject to the following terms, conditions and limitations set forth in this Section: if you are in compliance with the Franchise Agreement, we will not own, operate, franchise or license any other Jomsom Staffing Services Business within the APR during the Term of the Franchise Agreement. You have no right to distribute any products offered in the Jomsom Staffing Services Business through any alternate channels of distribution.

We and/or our affiliates reserve all other rights with respect to your APR, which include but are not limited to: (i) the right to own, operate, franchise or license, both within and outside the APR, businesses operating under names other than the Proprietary Marks, regardless of whether or not these other concepts offer products and services which are similar to or competitive with those offered by your Jomsom Staffing Services Business; and (ii) the right to distribute products and services in alternative channels of distribution both within and outside the APR, (which alternative channels of distribution includes but is not limited to: sales of products or services at or through the internet, and any similar outlets or distribution methods). We and our affiliates are under no obligation to pay you and compensation for selling similar products or services through other channels of distribution under the same and/or different proprietary marks within the APR.

We and/or our affiliates retain the right to use and to license others to use the System for the

operation and licensing of other Jomsom Staffing Services Businesses at any locations outside of the APR.

Your APR will consist of a minimum population of 200,000. You will be required to service and assume any pre-existing obligations for any National Account, to the extent that the National Account maintains an office in your APR.

You are only permitted to place candidates with a client whose location is within your APR. If a client within your APR has one or more offices outside the APR (or other APR's that you or your affiliate have territorial rights to pursuant to a separate Jomsom Staffing franchise agreement), then such client will become a National Account and will be subject to our then current National Account procedure

If another Jomsom Franchisee refers you a client whose location is within your APR (and is not a National Account), then you will be required to pay the referring franchisee a referral fee equal to 5% of the Gross Sales for such account. If you refer a client to another Jomsom Staffing franchisee (and such client is not a National Account), the franchisee will be required to pay you a referral fee equal to 5% of the Gross Sales for such account.

We are not prohibited from establishing any company-owned, affiliate-owned or franchised outlets for a similar or competitive business within your APR under a different trademark or service mark, as described in this Disclosure Document, above.

We do not offer franchisees any option, right of first refusal or any similar right to acquire additional franchises within the Territory or contiguous territories.

ITEM 13 TRADEMARKS

The following is a list of all of the principal trademarks that we will currently license to you (the "Proprietary Marks").

Mark	Registration Number	Registration Date
JOMSOM STAFFING SERVICES	4331369	May 7, 2013

The Proprietary Marks are owned by our affiliate, IM Practices, Inc. Pursuant to a trademark license agreement, we have been granted the right to use and sub-license the Proprietary Marks. There are no agreements currently in effect that significantly limit our right to use or license the use of the Proprietary Marks in any manner material to the franchise.

Your rights to the Proprietary Marks are derived solely from your Franchise Agreement. You may not use the Proprietary Marks with any unauthorized product or service or in any way not explicitly authorized by the Franchise Agreement or that we may otherwise approve. You may have the right to potentially use future trademarks that we may subsequently license to you. You will only use the Proprietary Marks as we authorize. In using the Proprietary Marks, you must

strictly follow our rules, standards, specifications, requirements and instructions which may be modified by us in our discretion. All goodwill associated with the Proprietary Marks remains our exclusive property. When your Franchise Agreement expires or terminates, all rights for you to use the Proprietary Marks shall cease and you shall not maintain any rights to use any Proprietary Mark.

You cannot use the Proprietary Marks (or any variation of the Proprietary Marks) as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use our registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. You may not apply for any trademark.

In the event of any infringement of, or challenge to, your use of any of the Proprietary Marks, you must immediately notify us, and we will have sole discretion to take such action as deemed appropriate. We will indemnify and hold you harmless from any suits, proceedings, demands, obligations, actions or claims, including costs and reasonable attorneys' fees, for any alleged infringement under federal or state trademark law arising solely from your use of the Proprietary Marks in accordance with the Franchise Agreement or as otherwise set forth by us in writing, if you have notified us promptly of the claim. We reserve the right, under the Franchise Agreement, to substitute different Proprietary Marks for use in identifying the System and the businesses operating under the System if the current Proprietary Marks no longer can be used, or if we, in our sole discretion, determine that substitution of different Proprietary Marks will be beneficial to the System. If we substitute any of the Proprietary Marks, you must bear the cost and expense of all substitutions at your Jomsom Staffing Services Business (for example, changing signage, business cards, etc.).

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any registered copyrights or patents which are material to the franchise, but claim common law protection for many aspects of our business including, without limitation, our Operations Manual and other manuals, advertising and promotional material, and training materials and programs.

You do not acquire any interest in our confidential information, other than the right to utilize it in the operation of your Jomsom Staffing Services Business during the term of the franchise agreement. You may never during the term, including any renewal, of the Franchise Agreement, or after the Franchise Agreement expires or is terminated, reveal any of our confidential information to another person or entity, or use our confidential information for the benefit of any other person or entity. You may not copy, record or otherwise reproduce any of our confidential information except as we may authorize. All persons affiliated with you including your officers, directors, partners, shareholders, members, managers and employees and the members of those persons' immediate families, must execute a Confidentiality and Restrictive Covenant Agreement in the form attached as Exhibit C to the Franchise Agreement.

Our confidential information includes, but is not limited to System specifications, checklists, techniques, merchandising, marketing, and pricing for any of the products or services sold or offered through the System. It also includes our methods of business practices and management, Operations Manual and other manuals, advertising and promotional material, and training materials and programs.

All new products, services and other developments, whether they be of our original design or variations of existing services or techniques or your original design or variations of existing services or techniques, will be deemed works made for hire and we will own all rights in them. If they do not qualify as works made for hire, you will assign ownership to us under the Franchise Agreement. You will not receive any payment or adjustment in connection with any new products, services or developments.

We will own all business records with respect to customers of your Jomsom Staffing Services Business, including any databases (whether in print, electronic or other form), including all names, addresses, telephone numbers, e-mail addresses, customer staffing records, and all other similar records that you create and maintain in connection with the operation of your Jomsom Staffing Services Business. At all times during and after the termination or expiration of your franchise agreement, we may access such business records and may utilize, transfer or analyze such records as we determine, in our sole discretion, to be in the best interest of the Jomsom System.

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

We require that you personally participate in the operation of your Jomsom Staffing Services Business. The Jomsom Staffing Services Business must be operated by either yourself (if an individual) or a designated manager. In the case of an entity franchisee, the Jomsom Staffing Services Business must be operated by a designated manager. Both the franchisee (in the case of an individual) and the designated manager must satisfactorily attend and complete our training program. Personal attention by you and/or the designated manager is critical to the success of your Jomsom Staffing Services Business. Your designated manager need not have any equity interest in the franchise. Either you or your designated manager must furnish full-time attention and best efforts to the management of the Jomsom Staffing Services Business and personally supervise the Jomsom Staffing Services Business.

You may not change or otherwise replace the designated manager of your Jomsom Staffing Services Business without our prior written approval. If your relationship with your designated manager terminates or materially changes, you will be required to promptly designate a new designated manager. Any replacement designated manager is subject to our prior written approval, and he or she must successfully complete our initial training program before being responsible for the day to day management of your Jomsom Staffing Services Business. You must pay the charges that we establish for training programs furnished to any individual who replaces a previously trained designated manager.

You will disclose to your designated manager only the information needed to operate the Jomsom Staffing Services Business and the designated manager will be advised that any confidential information is our trade secret.

In addition, your designated manager and all persons affiliated with you, including your officers, directors, partners, shareholders, members, managers and employees and the members of those persons' immediate families to execute a Confidentiality and Restrictive Covenant Agreement in the form attached as Exhibit C to the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to limit your business to the operation of a Jomsom Staffing Services Business. You may not conduct any other business or activity in connection without our written permission. You may only offer the products and services authorized by your Franchise Agreement.

You must maintain regular office hours we establish. You are not permitted to sell or offer any

services to customers outside your Area of Prime Responsibility without our prior written consent.

You may only offer or sell products that are approved by us and must offer for sale certain products as designated by us. We may add, delete or alter approved products that you are required or allowed to offer in our reasonable discretion. There are no limits on our right to do so. You must discontinue selling and offering any products, services or items that we, in our sole discretion, disapprove in writing at any time.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

	Provision	Section in Franchise Agreement	Summary
a.	Term of franchise	2.1	5 years
b.	Renewal or extension of the term	2.2	You have the right to renew the franchise for two additional 5-year terms.
c.	Requirements for you to renew or extend	2.2.	You may renew if you: (i) have notified us of your election to renew; (ii) are not in default of any agreement between you and us or our affiliates and have substantially complied with all agreements during their term; (iii) have satisfied all monetary obligations owed to us and/or our affiliates; (iv) have executed our then-current form of Franchise Agreement; (v) have satisfied our then-current training requirements for new franchisees; (vi) have executed a release of any and all claims against us, our affiliates, and our shareholders, officers, directors, agents, employees, attorneys and accountants arising out of or related to the Franchise Agreement or any related agreement; and (vii) paid the renewal fee. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.
d.	Termination by you	8.1	You must give us 90 days written notice to cure any default within 60 days of the event or circumstances giving rise to the breach. You must be in material compliance. If we fail to cure any material breach within the 90 day cure period, you may terminate for that reason by written notice, except if the breach is not susceptible to cure within 90 days, but we take action within 90 days to begin curing the breach and acts diligently to complete the corrective action within a reasonable time, we will be deemed to have timely cured the breach.
e.	Termination by Franchisor without cause	No provision	Not applicable
f.	Termination by Franchisor with cause	8.2	We have the right to terminate the Franchise Agreement with cause. Depending upon the reason for termination, we do not have to provide you an opportunity to cure. See this Item 17(g) and (h) for further description.

	Provision	Section in Franchise Agreement	Summary
g.	Cause defined – default which can be cured	8.2.1	We have the right to terminate the Franchise Agreement, (i) after a 7 day cure period if your failure to comply with the Franchise Agreement relates to the Proprietary Marks or Confidential Information; (ii) after a 7-day cure period or time permitted by an agency citation if shorter, if a threat or danger to public safety exists; except you must correct violation immediately if it is possible to do so; (iii) after a 15-day cure period upon your failure to pay any sums owed to us or our affiliate; or (iv) after a 30 day cure period upon your failure to pay any sums owed to a third party other than us or our affiliates or upon your failure to comply with any other provision not listed above or listed below as a non-curable default, except if the breach is not susceptible to cure within the applicable cure period, but you take action within the cure period to begin curing the breach and act diligently to complete the corrective action within a reasonable time, you will be deemed to have timely cured the breach.
h.	Cause defined – default which cannot be cured	8.2.2	We have the right to terminate the Franchise Agreement without providing you an opportunity to cure if: (i) you commit any criminal acts; (ii) you file for bankruptcy or are adjudicated a bankrupt; (iii) if insolvency proceedings are commenced against you; (iv) if you are the subject of a lien; (v) you become insolvent; (vi) we send you 2 or more written notices to cure within one 12-month period; (vii) you misrepresent yourself in any way in connection with your franchise application; (viii) you or your principals materially breach any other agreements with us or our affiliates; (ix) you commit fraud in the operation of your Jomsom Staffing Services Business; (x) you intentionally underreport or misstate any information required to be reported to us; or (xi) you voluntarily or otherwise abandon the franchise.
i.	Your obligations on termination/non-renewal	9.1	You must cease operation of the Jomsom Staffing Services Business, pay all unpaid fees, discontinue using the Proprietary Marks, return the Operations Manual and all other confidential information to, transfer your business telephone numbers to us or our designee, surrender all stationery, printed matter, signs, advertising materials and other items containing the Proprietary Marks and all items which are part of the System. You must also assign to us all active staffing contracts.
j.	Assignment of contract by Franchisor	7.6	We have the unrestricted right to sell, transfer, assign and/or encumber all or any part of our interest in the Franchise Agreement or ourselves.
k.	“Transfer” by you – definition	7.3	A sale, transfer or assignment is deemed to occur if: (i) you are a corporation, upon any assignment, sale, pledge or transfer or increase of 20% or more of your voting stock which results in a change of ownership of 20% or more of your total voting stock, or any series of assignments, sales, pledges or transfers totaling in the aggregate 20% or more of your voting stock; (ii) if you are a partnership, upon the assignment, sale, pledge or transfer of 20% or more of any partnership ownership interest or any series of assignments, sales, pledges or transfers totaling in the aggregate 20% or more of the partnership interest; or (iii) you are a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited liability company.
l.	Franchisor’s approval of transfer by franchisee	7.1	You may not sell, transfer, assign or encumber your interest in the Jomsom Staffing Services Business or your rights under the Franchise Agreement without our prior written consent.

	Provision	Section in Franchise Agreement	Summary
m.	Condition for Franchisor's approval of transfer	7.3.2	Approval to sell or transfer your franchise may be conditioned upon the following: (i) satisfaction of all monetary obligations to us, our affiliates, or suppliers; (ii) the timely cure of all existing defaults under the Franchise Agreement; (iii) execution of a general release; and (iv) providing us with a copy of the executed purchase agreement relating to the proposed transfer. The proposed transferee must have demonstrated to us that he or she meets our standards, possesses good moral character, business reputation and credit rating, has the aptitude to operate the Jomsom Staffing Services Business and has adequate financial resources to conduct the business. The transferee must have executed our then-current Franchise Agreement, you or the transferee have paid to us the transfer fee, and the transferee and its designated manager must have completed our initial training program.
n.	Franchisor's right of first refusal to acquire your business	7.3.1	If you propose to transfer or assign 20% or more of your interest in the Franchise Agreement or the Jomsom Staffing Services Business to a third party, you must first offer us the option to purchase your Jomsom Staffing Services Business upon the same terms as those offered by the third party.
o.	Franchisor's option to purchase your business	9.1.7	If the Franchise Agreement is terminated, we have the limited right to purchase usable inventory and any items containing the Proprietary Marks at the lesser of cost or its then-current value.
p.	Your death or disability	7.2	If you die or become disabled or incapacitated, your executor, heir or legal representative must obtain approval to continue as the franchisee within 180 days from the date of your death, disability or incapacity.
q.	Non-competition covenants during the term of the franchise	6.4.1	Neither you nor your partners, shareholders, members or managers, nor immediate family members may have any interest in any other business which principally provides staffing services (a "Competing Business").
r.	Non-competition covenants after the franchise is terminated or expires	6.4.2	The Franchise Agreement limits your right and the rights of your partners, shareholders, members, managers and immediate family members, for 2 years following the date of the expiration and non-renewal, transfer or termination of the Franchise Agreement: (i) to own, engage in, be employed or have any interest in any Competing Business within 50 miles of your Area of Prime Responsibility or other Jomsom Staffing Services Businesses; (ii) to solicit business from former customers of your Jomsom Staffing Services Business for any competitive business purpose or to solicit employees of us, our affiliates or other System franchisees; or (iii) to own, maintain, engage in, be employed by, or have any interest in any company which grants franchises or licenses for any business competing with us.
s.	Modification of this agreement	11.1	The Franchise Agreement may only be modified by written amendment signed by both parties.
t.	Integration/merger clauses	11.1	The Franchise Agreement is the entire agreement between the parties.
u.	Dispute resolution by arbitration or mediation	No Provision	Not applicable.
v.	Choice of forum	11.2, 11.3	All actions must be commenced in the county and state in which we are located (currently the Courts of Mercer County, New Jersey, or the United States District Court, District of New Jersey)
w.	Choice of law	11.2	New Jersey law applies.

**ITEM 18
PUBLIC FIGURES**

We do not currently use any public figure to promote our franchise.

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

The following information is based upon the performance of our affiliate, IM Practices, Inc. Since 2008, IM Practices has used the System that we are licensing you to use.

We are providing you with gross revenues information only. You may not ramp up as fast. IM Practices uses the same definition of gross revenues that you will use. These numbers are from the “gross income” line on IM Practices’s tax returns.

2011	\$852,593
2012	\$906,762
2013	\$542,875

IMPORTANT CAUTIONS AND NOTES:

1. The information in the above table is based upon the actual results of operations of a similar business owned and operated by our affiliate, IM Practices, located in New Jersey. The services offered and sold by IM Practices are similar to those you will offer. Our affiliate has not done business under the same trade names and marks that you will be using.
2. You should not assume your business will reach the levels of revenues disclosed above within any particular timeframe based upon this information. It might take you longer to ramp up.

3. We are not attempting to include any business expenses or costs of operations in the information provided. You should not make any assumptions as to business expenses or costs of operations based upon any information you receive from us.
4. We have not included any estimate of the amortization of your initial franchise fee or other initial investment.
5. Although we believe the information provided in this Item 19 is reasonably accurate, it is not exact and may contain errors. The information presented in this Item 19 has not been audited or reviewed.
6. You should not regard the data from our affiliate as being statistically valid as a predictor of your sales, expenses or profits. Although it may be useful information, we do not believe it is a reliable indicator of your probable success or lack thereof in the business. You should conduct an independent evaluation of this franchise opportunity with your own advisors, using the information contained here as just one factor. You should not accord undue weight to any one factor.

THE INFORMATION CONTAINED IN THIS ITEM 19 SHOULD NOT BE CONSIDERED TO THE ACTUAL OR PROBABLE SALES AND EXPENSES THAT YOU WILL REALIZE. YOUR RESULTS WILL LIKELY DIFFER FROM THE RESULTS CONTAINED IN THIS ITEM. WE DO NOT REPRESENT THAT YOU WILL ATTAIN COMPARABLE SALES OR EXPENSES.

We will provide you with substantiation of the information contained in this Item 19 upon written request from you and subject to your signing an agreement to maintain the confidentiality of the information.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

TABLE NO. 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2011-2013

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2011	0	0	0
	2012	0	0	0
	2013	0	0	0
Company Owned	2011	0	0	0
	2012	0	0	0
	2013	0	0	0
Total Outlets	2011	0	0	0
	2012	0	0	0
	2013	0	0	0

TABLE NO. 2

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR)
FOR YEARS 2011-2013**

STATE	YEAR	NUMBER OF TRANSFERS
ALL STATES	2011	0
	2012	0
	2013	0
TOTAL	2011	0
	2012	0
	2013	0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS FOR YEARS 2011- 2013

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF YEAR
All states	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
TOTAL	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0

TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS FOR YEAR 2011-2013

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	NON-RENEWALS	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF YEAR
All States	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
TOTAL	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0

TABLE NO. 5

**PROJECTED OPENINGS
AS OF DECEMBER 31, 2013**

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN NEXT FISCAL YEAR
Delaware	0	1	0
New Jersey	0	1	0
Pennsylvania	0	1	0
New York	0	1	0
Total	0	4	0

Attached as Exhibit E to this Disclosure Document is a list of all franchisees as of December 31, 2013 and the addresses and telephone numbers of their businesses.

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

During the last three fiscal years, we have not signed any confidentiality clauses with current or former franchisees that would restrict them from speaking openly with you about their experience with us.

There are no franchisee associations required to be listed in this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit C is our audited financial statement as of December 31, 2013 and December 31, 2012.

ITEM 22
CONTRACTS

Included in this Disclosure Document are the following contracts or agreements:

Exhibit B - Franchise Agreement

- Exhibit 1 - Individual Franchise Location and Territory
- Exhibit 2 - Personal Guaranty
- Exhibit 3 – Form of Confidentiality and Agreement
- Exhibit 4 - Form of General Release

Exhibit F – State Addenda

Exhibit G – Franchise Disclosure Questionnaire

ITEM 23
RECEIPT

Attached to the end of this Disclosure Document are duplicate copies of a receipt page. You should sign both copies of the Receipt and return one signed copy to us at Jomsom Franchise Company, LLC, Attn: Franchise Department, 4390 US Highway 1, Suite # 203, Princeton, New Jersey 08540.

**EXHIBIT A
STATE ADMINISTRATORS/
DESIGNATION OF AGENT FOR SERVICE OF PROCESS**

<p><u>CALIFORNIA</u> Department of Corporations 71 Stevenson St., Suite 2100 San Francisco, CA 94105-2980 (415) 972-8559 Agent: California Commissioner of Corporations</p>	<p><u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360 Agent: Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020</p>
<p><u>HAWAII</u> Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2744 Agent: Commissioner of Securities of the Department of Commerce and Consumer Affairs</p>	<p><u>MICHIGAN</u> Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, Michigan 48913 (517) 373-7177 Agent: Michigan Department of Commerce Corporations and Securities Bureau</p>
<p><u>ILLINOIS</u> Franchise Division Office of Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465 Agent: Illinois Attorney General</p>	<p><u>MINNESOTA</u> Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-6328 Agent: Minnesota Commissioner of Commerce</p>
<p><u>INDIANA</u> Franchise Section Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681 Agent: Indiana Secretary of State Indiana Securities Division 201 State House Indianapolis, IN 46204</p>	<p><u>NEBRASKA</u> Nebraska Department of Banking and Finance 1200 N Street P.O. Box 95006 Lincoln, Nebraska 68509-5006</p>
<p><u>NEW YORK</u> Agent for service of process: New York Secretary of State 41 State Street Albany, New York 12231 Bureau of Investor Protection and Securities New York State Department of Law 23rd Floor 120 Broadway New York, New York 10271</p>	<p><u>SOUTH DAKOTA</u> Division of Securities c/o 118 West Capitol Pierre, South Dakota 57501 (605) 773-4013 Agent: Director of South Dakota Division Securities</p>

(212) 416-8211	
<u>NORTH DAKOTA</u> North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414 Bismarck, North Dakota 58505-0510 (701) 328-4712 Agent: North Dakota Securities Commissioner	<u>TEXAS</u> Secretary of State P.O. Box 12887 Austin, Texas 78711
<u>OREGON</u> Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387 Agent: Director of Oregon Department of Insurance and Finance	<u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, Virginia 23219 (804) 371-9051 Agent: Clerk of the State Corporation Commission 1300 E Main St., 1 st . Fl. Richmond, VA 23219 Tel: (804) 371-9733
<u>RHODE ISLAND</u> Division of Securities Suite 232 233 Richmond Street Providence, Rhode Island 02903 (401) 222-3048 Agent: Director of Rhode Island Department of Business Regulation	<u>WASHINGTON</u> Director Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98507 (360) 902-8760 Agent: Securities Administrator, Director of Department of Financial Institutions
<u>WISCONSIN</u> Securities and Franchise Registration Securities Division of the Wisconsin Department of Financial Institutions P.O. Box 1768 Madison, Wisconsin 53703 (608) 266-8559 Agent: Wisconsin Commissioner of Securities	<u>NORTH CAROLINA</u> Department of the Secretary of State PO Box 29622 Raleigh, NC 27626-0622
<u>CONNECTICUT</u> State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230 Agent: Banking Commissioner	

EXHIBIT B
FRANCHISE AGREEMENT

**JOMSOM FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT**

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Exhibits

Exhibit 1	-	Individual Franchise Location and Territory
Exhibit 2	-	Form of Personal Guaranty
Exhibit 3	-	Form of Confidentiality Agreement
Exhibit 4	-	Form of General Release

JOMSOM FRANCHISE COMPANY, LLC

FRANCHISE AGREEMENT

THIS AGREEMENT is entered into and made effective this _____ day of _____, 201__, by and between Jomsom Franchise Company, LLC, a New Jersey limited liability company with its principal business address at 4390 US Highway 1, Suite #203, Princeton, New Jersey 08540 ("Franchisor") and _____, whose address is _____ ("Franchisee").

BACKGROUND

A. Franchisor and/or its predecessor or affiliate, through the expenditure of considerable money, time and effort, has developed a business system (the "Jomsom System" or the "System") for the operation of businesses which provide temporary, temporary to permanent and permanent staffing services, through a uniform system, which includes: high standards of services, products, know-how and trade secrets; uniform specifications of products and services; sales techniques, and merchandising, marketing, advertising, and management systems; quality control procedures; and procedures for operation and management of Jomsom businesses pursuant to the Operations Manual provided by Franchisor and modified from time to time and other standards and specifications Franchisor otherwise provides.

B. The System is identified by various trade names, trademarks and service marks used by Franchisor and its franchisees including, without limitation, the service mark "Jomsom™" and other identifying marks and symbols that Franchisor uses now or may later use as part of the System (the "Proprietary Marks"). The rights to all the Proprietary Marks shall be owned exclusively by Franchisor or its affiliate.

C. Franchisor is engaged in the business of granting franchises to qualified individuals and business entities to use the System to operate Jomsom franchises.

D. Franchisee has applied to Franchisor for a franchise to operate a Jomsom business using the System and Proprietary Marks and to receive the training, confidential information and other assistance Franchisor provides. Franchisor has approved Franchisee's application in reliance upon all of the representations made in the application.

E. By executing this Agreement, Franchisee acknowledges the importance of Franchisor's quality and service standards and agrees to operate Franchisee's business in accordance with those standards and as described in the System. Franchisee also acknowledges that adhering to the terms of this Agreement and implementing the System as Franchisor directs are essential to the operation of Franchisee's business, to the System and to all Franchisor's franchisees.

In consideration of the mutual promises and commitments contained in this Agreement, together with other valuable consideration, the receipt and sufficiency of which is acknowledged, Franchisor and Franchisee agree as follows:

1. GRANT OF FRANCHISE

1.1 **Grant and Acceptance.** Franchisor grants to Franchisee, and Franchisee accepts, all subject to the terms of this Agreement, a franchise to establish and operate one Jomsom business using the Jomsom System and the Proprietary Marks pursuant to this Agreement (the “Franchised Business”). Franchisee shall use the Proprietary Marks, participate in the promotional, advertising and marketing programs that are made available to Franchisee, and have access to certain proprietary trade secrets, marketing and business expertise of Franchisor, as they may be modified from time to time, in connection with the Franchised Business.

1.2 **Territory.** Franchisee shall establish and operate the Franchised Business within the Area of Responsibility identified in Exhibit A to this Agreement (the “APR”). Provided Franchisee complies with the terms of this Agreement, Franchisor shall not own, operate, franchise or license any other Jomsom business within the APR. Franchisor and/or Franchisor’s affiliates, however, retain all other rights, including without limitation, the unrestricted rights (i) to own, operate, franchise or license, both within and outside the Territory, businesses of any type, operating under names other than the Proprietary Marks, regardless of whether or not these other concepts offer products and services which are similar to or compete with those offered by the Franchised Business, and (ii) to use and to license others to use, the System for the operation and licensing of other Jomsom businesses at any location outside of the Territory.

2. TERM AND RENEWAL

2.1 **Term.** This Agreement grants rights to Franchisee for a period of 5 years and is effective when signed by Franchisor.

2.2 **Renewal.** Franchisee shall have the right to renew this Agreement for two additional period of 5 years if the following conditions have been met:

2.2.1 Franchisee has given Franchisor written notice of its election to renew the franchise not less than 6 months nor more than 12 months prior to the expiration of the current term;

2.2.2 Franchisee is not in default of any provision of this Agreement or any other related agreement between Franchisee and Franchisor or its affiliates, either at the time Franchisee gives notice of its intent to renew or at any time after, through the last day of the then current term, and Franchisee has substantially complied with all these agreements during their respective terms;

2.2.3 Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor and/or its affiliates or otherwise pursuant to the Franchise Agreement;

2.2.4 Franchisee has executed, at the time of such renewal, Franchisor's then-current form of franchise agreement, the terms of which may vary materially from the terms of this Agreement and may include, without limitation, higher royalty and advertising fees. The renewal franchise agreement, when executed, shall supersede this Agreement in all respects;

2.2.5 Franchisee has executed a release of any and all claims against Franchisor and its affiliates, and their equity owners, officers, directors, agents, employees, attorneys and accountants arising out of or related to this Agreement or any related agreement. The release shall contain language and be of the form chosen by Franchisor, except the release shall not release any liability specifically provided for by any applicable state statute regulating franchising. Our current form of release is attached to this Agreement as Exhibit “4”.

2.2.6 Franchisee has paid Franchisor a renewal fee equal to 25% of Franchisor's then current initial franchise fee.

3 FEES AND COSTS

3.1 **Initial Franchise Fee.** Franchisee shall pay Franchisor in cash or by certified check, at the time of execution of this Agreement, an initial franchise fee of \$25,000. The initial franchise fee is deemed fully earned by Franchisor upon execution of this Agreement and is nonrefundable under any circumstances.

3.2 **Royalty Fee.**

3.2.1 **Royalty.** Franchisee shall pay to Franchisor a royalty fee equal to 5% of all Gross Sales of the Franchised Business. The royalty fee is payable on the fifth business day of each month. "Gross Sales" means all revenues derived from all business conducted at or from the Franchised Business. In the event Franchisee is required to reimburse or otherwise return any monies to a payroll funding/ factoring company, Franchisee shall receive a royalty credit equal to 5% of the amount returned to the payroll funding/ factoring company. The credit shall be calculated on January 15th and July 15th of each calendar year and will be subject to Franchisor's receipt of sufficient documentation documenting the return of such monies.

3.2.2 **Payment; Reporting.** Franchisee must provide monthly summaries showing results of the Franchised Business's operations no later than the 5th day following the close of the prior month, or other day Franchisor specifies, in the manner Franchisor specifies. Franchisor may charge Franchisee a late fee for each week a monthly summary is delayed.

3.3 **National Account Commission Fee.**

3.3.1 **Commission Fee.** National Accounts Commission Fee shall be payable by Franchisor to Franchisee as follows:

Originating Franchisee: 5% of the National Account Gross Sales;

Servicing Franchisee: 93% of the National Account Gross Sales.

Franchisor shall pay the Commission Fee to the Originating Franchisee and Servicing Franchisee on the fifth business day of each month. Franchisor shall deduct the applicable APR Royalty Fee and Brand Development Fund Fee prior to paying the Commission Fee. "National Accounts" will include any clients who have offices in more than one franchisee's Area of Prime Responsibility. The franchisee who introduces the National Account to the System will be the "Originating Franchisee". The franchisee who is responsible for the placement of candidates (based on the Area of Prime Responsibility) will be the "Servicing Franchisee" for such particular placement.

"National Account Gross Sales" means the revenues received by Franchisor (or its affiliate) during the prior calendar month for a placement from any National Account, less the following amounts:

- a) All legal and other out-of-pocket collection expenses Franchisor (or its affiliate) incurs;
- b) The portion of Workers Compensation insurance policy premiums allocated to the National Account;

- c) The portion of all other insurance policy premiums allocated to the National Account;
- d) All payroll and related expenses (in the event Franchisor, or its affiliate, is required to hire any candidates pursuant to a National Account contract; and
- e) Any costs uncured by Franchisor (or its affiliate) as a result of any license, permit(s) or bond requirements.

3.3.2 Franchisor Servicing Fee (National Accounts). National Accounts will be required to execute a contract directly with Franchisor or its affiliate. Franchisor (or its affiliate), will be responsible for the billing and collecting of all amounts owed by the National Account. Franchisor shall receive a monthly Servicing Fee equal to 2% of the National Account Gross Sales.

3.3.3 Franchisor Servicing Fee (Non-National Accounts). At Franchisee's option, Franchisee can request Franchisor to be responsible for billing and collecting from a non-National Account(s), located in the Area of Prime Responsibility. If Franchisee elects this option, the non-National Account will execute an agreement directly with Franchisee, which agreement shall provide that Franchisor shall be act as a third-party billing company. Franchisor shall not be responsible for:

- a) Hiring any temporary employees;
- b) Any payroll and related expenses.
- c) Obtaining all required insurance, including workers compensation; and
- d) Any license, permit or bond requirements.

Franchisee will be responsible for each of the above items. On the fifth business day of each month, Franchisor will send Franchisee any monies collected from such non-National Account(s) for the prior month, less the following amounts:

- a) 2% servicing fee, payable to Franchisor;
- b) All legal and other out-of-pocket collection expenses Franchisor (or its affiliate) incurs;
- c) The APR Royalty Fee; and
- d) The Brand Development Fee.
- e) A 5% referral fee (if applicable), if the non-National Account was referred by another Jomsom franchisee. Franchisor will pay the referral fee (if any) directly to the referring franchisee.

3.3.4 Accounts with Competing Staffing Companies. In the event Franchisee works in cooperation with a competing staffing company for an end client that has offices in more than one franchisee's Area of Prime Responsibility, that account shall not be deemed a National Account (provided Franchisee's agreement is with the competing staffing company and not directly with the end client). However, Franchisee will be required to work with the franchisee who services the Area of Prime Responsibility where the client is seeking a placement and the fee shall be split between Franchisee and such other franchisee as mutually agreed upon. Any agreements with competing staffing companies may not contain any non-compete, not-solicitations or any other restrictions that binds Franchisor, its affiliates or other System franchisees. Franchisee may not execute an agreement with a competing staffing company without Franchisor's prior written approval.

3.4 Advertising. Franchisee agrees to actively promote the Franchised Business and to abide by all of Franchisor's advertising requirements. Franchisee is required to spend 1.5% of its monthly Gross Sales

and commissions on local advertising within the Area of Prime Responsibility (the “Minimum Local Advertising Requirement”). Franchisee shall comply with each of its advertising obligations provided in this Agreement notwithstanding the payment by other Jomsom System franchisees of greater or lesser advertising obligations or default of these obligations by any other franchisees.

3.4.1 **Generally.** With regard to advertising generally for the Franchised Business, Franchisee shall use only such signs, emblems, lettering, logos and display and advertising materials as Franchisor approves in writing from time to time. All advertising, marketing and promotion by Franchisee of any type shall be conducted in a dignified manner, shall coordinate and be consistent with Franchisor’s marketing plans and strategies and shall conform to the standards and requirements Franchisor prescribes.

3.4.2 **Brand Development Fund.**

3.4.2.1 Franchisor shall have the right to establish administer and control the System’s Advertising Fund (the “Fund”). If established, Franchisee agrees to contribute to the Fund as determined by the Franchisor (which in no event will exceed more than .5% of Franchisee’s monthly Gross Sales) at the same time and in the same manner Franchisee makes payment of royalties or as otherwise directed by Franchisor. All contributions to the Fund will be credited towards Franchisee’s Minimum Local Advertising Requirement. Franchisor may maintain contributions to the Fund in a separate bank account or hold them in Franchisor’s general account and account for them separately, or Franchisor may establish separate entities to administer the Fund and the Fund contributions. Although once established, Franchisor would intend the Fund to be of perpetual duration, Franchisor maintains the right to terminate the Fund or to create new Fund accounts or merge accounts. Franchisor shall not terminate the Fund until all money in the Fund has been expended for advertising and/or marketing purposes or returned to contributors on the basis of their respective contributions. The money contributed to the Fund shall not be considered to be trust funds. Franchisor and any designee shall not have to maintain the money in the Fund in interest bearing accounts or obtain any level of interest on the money. In the event Franchisor operates any company owned locations, such locations will not be obligated to contribute to the Fund.

3.4.2.2 Advertising contributions may be used at Franchisor's discretion in the development, production and distribution of national, regional and/or local advertising, and in the creation of advertising materials and public relations which, in Franchisor's sole judgment, promote the products and services offered by Jomsom System franchisees, including development and production of advertising and marketing programs and materials, purchase of media, field marketing programs and activities, promotion, new product research and development, quality control, market research, talent fees, utilizing networking media sites, such as Facebook, Twitter, LinkedIn, and on-line blogs and forums; developing, maintaining, and updating a World Wide Web or Internet site for the System; direct mail advertising; deploying social networking promotional initiatives through online media channels; marketing surveys; employing advertising and/or public relations agencies to provide assistance; purchasing promotional items; conducting and administering promotions and "mystery shopper" program(s); and providing promotional and other marketing materials and services to the businesses operating under the System, and for administrative, travel, debt service and operating costs and overhead. Franchisor's decisions in all aspects related to the Fund shall be final and binding. Franchisor may charge the Fund for the costs and overhead, if any, Franchisor incurs in activities reasonably related to the creation and implementation of the Fund and the advertising and marketing programs for franchisees. These costs and overhead include the proportionate compensation of Franchisor's employees who devote time and render services in the conduct, formulation, development and production of advertising, marketing and promotion programs or who administer the Fund. At Franchisee's request, Franchisor shall provide fiscal year end unaudited financial statements and an accounting of the applicable Fund expenditures when available. Franchisee may have to purchase advertising materials produced by the Fund or by Franchisor and Franchisor may make a profit on the sale.

3.4.2.3 The advertising and promotion Franchisor conducts is intended to maximize general public recognition and patronage of the Jomsom System businesses generally in the manner that Franchisor determines to be most effective. Franchisor is not obligated to insure that the expenditures from the Fund are proportionate or equivalent to Franchisee's contributions or that the Franchised Business or any Facilities shall benefit directly or pro rata or in any amount from the placement of advertising.

3.4.3 **Special Promotional Programs.** From time to time, Franchisor may, in its sole discretion, establish special promotional campaigns applicable to the Jomsom System as a whole or to specific advertising market areas. If Franchisee participates in any special promotional programs, Franchisee shall be required to pay for the development, purchase, lease, installation and/or erection of all materials necessary to such promotional campaigns, including but not limited to counter cards, posters, banners, signs, photography or give-away items.

3.4.4 **Website Requirements.** Franchisee shall not develop, own or operate any website using the Proprietary Marks or otherwise referring to the Franchised Business or the products or services sold under the Jomsom System (the "Website") without Franchisor's prior written approval. All content of the Website is deemed to be advertising and must comply with the requirements Franchisor establishes for websites in the Operations Manual or otherwise. If Franchisor requires, Franchisee shall establish the Website as part of the website(s) Franchisor or the Fund or Franchisor's designee establishes. In such event, Franchisee shall establish electronic links to Franchisor's website(s) or any other website Franchisor designates.

3.5 **Software Fee.** In the event Franchisor develops proprietary software for the System, Franchisee shall be required to enter into Franchisor's form of software license agreement. Franchisor reserves the right to charge Franchisee license support fees in connection with any proprietary software developed for the System.

3.6 Collection Costs, Attorneys' Fees, Interest. Any late payment or underpayment of the royalty fee, Fund contributions and any other charges or fees due Franchisor or its affiliates from Franchisee, shall bear interest from the due date until paid at the lesser of 18% interest per year or the highest lawful interest rate which may be charged for commercial transactions in the state in which the Franchised Business is located. If Franchisor engages an attorney to collect any unpaid amounts under this Agreement or any related agreement (whether or not formal judicial proceedings are initiated), Franchisee shall pay all reasonable attorneys' fees, court costs and collection expenses incurred by Franchisor. If Franchisee is in breach or default of any non-monetary material obligation under this Agreement or any related agreement, and Franchisor engages an attorney to enforce its rights (whether or not formal judicial proceedings are initiated), Franchisee shall pay all reasonable attorneys' fees, court costs and litigation expenses incurred by Franchisor. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and the claim of Franchisee in such action resolved in favor of Franchisor or the action is dismissed, Franchisor shall be entitled to recover its reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending the action, and may have the amount awarded as part of the judgment in the proceeding.

3.7 Audit. Franchisee shall maintain accurate business records, reports, correspondence, accounts, books and data relating to Franchisee's operation of the Franchised Business. At any time during normal business hours, Franchisor or its designee may enter the premises where these materials are maintained and inspect and/or audit Franchisee's business records and make copies to determine if Franchisee is accurately maintaining same. Alternatively, Franchisee shall deliver these materials to Franchisor or its designee if Franchisor requests. If any audit reveals that Franchisee has understated its revenues by 3% or more during any applicable reporting period, or if Franchisee has failed to submit complete reports and/or remittances to Franchisor for any 2 reporting periods, or Franchisee does not make these materials available, Franchisee shall pay the reasonable cost of the audit and/or inspection, including the cost of auditors and attorneys, incurred by Franchisor, together with amounts due for royalty and other fees as a result of such understated revenues, including interest from the date when the revenues should have been reported.

3.8 Financial Records and Reports. Franchisee shall maintain for at least 5 fiscal years from their production, or any longer period required by law, complete financial and accounting records for the operation of the Franchised Business in accordance with generally accepted accounting principles and shall provide Franchisor with: (i) sales information in the form specified by Franchisor for sales and services rendered during the preceding month, indicating all monies received or accrued, sales or other services performed during the relevant period, and such other additional information as may be required by any such report forms furnished by Franchisor which Franchisor deems necessary to properly evaluate the progress of Franchisee, which Franchisor may access on a regular basis; (ii) unaudited annual financial reports and operating statements in the form specified by Franchisor, prepared by a certified public accountant or state licensed public accountant, within 60 days after the close of each fiscal year of Franchisee; (iii) state and local sales tax returns or reports within 15 days after their timely completion; (iv) federal, state and local income tax returns for each year in which the Franchised Business is operated within 60 days after their timely completion; and (v) such other reports as Franchisor may from time to time require, in the form and at the time prescribed by Franchisor. To assist Franchisee in recording and keeping accurate and detailed financial records for reports and tax returns, Franchisor, at its discretion, may specify the form in which the business records are to be maintained, provide a uniform set of business records to be used by Franchisee, and specify the type of equipment and software to be used in connection with the recording of revenues. Franchisor may obtain revenues and other information from Franchisee by modem or other similar means, from a remote location, without the need for consent, at the times and in the manner as Franchisor specifies, in Franchisor's sole discretion.

3.9 Taxes on Payments to Franchisor. In the event any taxing authority, wherever located, shall

impose any tax, levy or assessment on any payment made by Franchisee to Franchisor, Franchisee shall, in addition to all payments due to Franchisor, pay such tax, levy or assessment.

4. FRANCHISOR SERVICES

4.1 Training.

4.1.1 Initial Training. Franchisor shall provide, either itself or through its designee, an initial training program to be held at Franchisor's corporate training facility in Princeton, New Jersey or another place, at the times and places Franchisor shall designate. Franchisor shall schedule an initial training program, at Franchisor's convenience, between the time Franchisee signs this Agreement and the time Franchisee is scheduled to open the Franchised Business. Franchisee, or if Franchisee is a business entity, designated equity owners of Franchisee owning a minimum of the equity interests in Franchisee specified by Franchisor, and Franchisee's designated manager, shall attend and complete the initial training program to Franchisor's satisfaction prior to the opening of the Franchised Business. Franchisee shall be responsible for the personal expenses, including transportation to and from the training site and lodging, meals, and salaries during training, for individuals attending training. Franchisor shall provide tuition-free training initially for 3 persons including Franchisee (or its equity owners) and its designated manager before the Franchised Business opens for business. If initial training is otherwise required for Franchisee or any equity owner, manager or other employee, Franchisee shall pay Franchisor's then-current tuition for each person to attend the additional initial training program. Each of Franchisee's additional and/or replacement managers shall attend and complete to Franchisor's satisfaction Franchisor's initial training program prior to assuming management responsibility.

4.1.2 Refresher Courses; Supplemental Training. Franchisor reserves the right to offer refresher courses and supplemental training programs, which may be optional or mandatory, from time to time, to Franchisee, its equity owners if Franchisee is a business entity, its manager and/or its employees. Franchisee shall be responsible for the personal expenses, including transportation to and from the training site and lodging, meals, and salaries during training, for individuals attending any refresher or supplemental training. Franchisee shall pay Franchisor's then-current tuition for any individual attending refresher courses or supplemental training.

4.1.3 Conferences. Franchisor may, but is not obligated to, hold annual conferences to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures. Franchisor reserves the right to charge a fee for such conference. Franchisee must pay all its travel and living expenses related to Franchisee's attendance at the conference. These conferences are held at a location chosen by Franchisor. Attendance is mandatory for at least one of Franchisee's previous trainees.

4.1.4 Administration of Brand Development Fund. Franchisor shall administer the advertising contributions to the Fund paid by Franchisor under this Agreement.

4.2 Continuing Consultation and Advice. In addition to the assistance rendered Franchisee prior to opening, Franchisor shall provide Franchisee continuing consultation and advice as Franchisor deems advisable during the term of this Agreement regarding the provision of services, marketing, sales techniques, personnel development and other business, operational and advertising matters that directly relate to the franchise operation. Such assistance may be provided by telephone, facsimile, email, postings to Franchisor's intranet, periodically through on-site assistance by appropriate personnel of Franchisor, and/or other methods.

4.3 **Operations Manual; Proprietary Software.** Franchisor shall loan or otherwise provide Franchisee access to one copy of a specifications, operations and procedures manual, and one copy of other books, binders, videos or other electronic media, intranet postings and other materials, and appropriate revisions as may be made from time to time, referred to collectively as the "Operations Manual". Franchisee shall operate the Franchised Business in strict compliance with the Operations Manual. From time to time Franchisor may, through changes in the Operations Manual or by other notice to Franchisee, change any standard or specification or any of the Proprietary Marks applicable to the operation of the Franchised Business or change all or any part of the System, and Franchisee shall take all actions, at Franchisee's expense, to implement these changes. Franchisor may vary the standards and specifications to take into account unique features of specific locations or types of locations, special requirements and other factors Franchisor considers relevant in its sole discretion. The Operations Manual shall be confidential and at all times remain the property of Franchisor. Franchisee shall not make any disclosure, duplication or other unauthorized use of any portion of the Operations Manual. The provisions of the Operations Manual constitute provisions of this Agreement as if fully set forth in this Agreement. Franchisee shall insure that its copy of the Operations Manual is current and up-to-date. If there is a dispute relating to the contents of the Operations Manual, the master copy maintained by Franchisor at its principal office shall be controlling. Franchisor may elect to provide the Operations Manual solely through Franchisor's website(s) and/or intranets or other electronic means without any need to provide Franchisee with a paper copy or other physical format.

4.4 **National Accounts.** Franchisor (or its affiliate) will be responsible for billing and collecting amounts owed by National Accounts.

4.5 **Approved Location.** Franchisor will review and approve or disapprove proposed office locations within the Area of Prime Responsibility for the Franchised Business.

5. FRANCHISE SYSTEM STANDARDS

5.1 **Opening for Business.** Franchisee shall not open the Franchised Business for business until Franchisee has complied with Franchisor's requirements for opening and has granted permission to open, unless Franchisor otherwise provides in writing. Franchisee may not open the Jomsom Staffing Services Business for business until Franchisor provides Franchisee with written notice that (i) the location is approved by Franchisor, (ii) the Jomsom Staffing Services Business complies with our standards and specifications, (iii) Franchisee and any required personnel have completed pre-opening training requirements, and (iv) Franchisee has provided Franchisor with copies of all insurance policies and evidence of coverage and premium payment. If the Jomsom Staffing Services Business is not opened for business within 180 days from the date of this Franchise Agreement, Franchisor has the right to terminate the Franchise Agreement.

5.2 **Compliance with Standards.** Franchisee acknowledges that its obligations under this Agreement and the requirements of Franchisor's Operations Manual are reasonable, necessary and desirable for the operation of the Franchised Business and the Jomsom System. Franchisee shall adhere to Franchisor's standards and specifications as set forth in this Agreement and the Operations Manual, including, but not limited to, standards, specifications of product and service quality and uniformity and equipment and software compatibility among individual Jomsom System franchises, and any revisions or amendments. Franchisee shall purchase and use only products and services, including equipment, fixtures, software, signs, branded products or services, inventory, supplies, and logo-imprinted products, which Franchisor approves, including purchasing from approved suppliers or a designated sole supplier for any items. Franchisor and its affiliates may be an approved supplier or designated sole supplier for any purchases of products or services. Franchisee may purchase or obtain these products and services through Franchisor or a supplier approved by Franchisor. If Franchisor has not designated an approved supplier for a particular product or service, Franchisee shall

purchase these products or services only from suppliers that meet Franchisor's standards and specifications. Franchisee may request approval of a supplier, which may, at Franchisor's option, include inspection of the proposed supplier's facilities and testing of product samples. Franchisor or the independent testing facility Franchisor designates may charge a fee for the testing. Franchisee or the proposed supplier shall pay the test fees. Franchisor may also charge a fee for Franchisor's services in making a determination on the proposed supplier, including the costs of inspection of the supplier's facilities, evaluation of the test results, and a background check of the supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any approved supplier, and to revoke approval if the supplier fails to continue to meet any of Franchisor's criteria. Franchisor may receive fees and other payments from suppliers and others in connection with Franchisee's purchases and may use the fees for Franchisor's own purposes. Franchisor shall provide Franchisee a standard price list for items which it sells to franchisees, including a description of each item and applicable price or lease terms, prepayment discounts (if any) and shipping charges.

5.3 **Operations.**

5.3.1 Franchisee shall operate the Franchised Business for at least those hours and days specified by Franchisor in the Operations Manual.

5.3.2 Franchisee shall not place any candidates with clients located outside of Franchisee's Area of Prime Responsibility without the prior written consent of Franchisee.

5.3.3 Franchisee shall at all times maintain and employ working capital as Franchisor may reasonably deem necessary to enable Franchisee to properly and fully carry out and perform all of its duties, obligations and responsibilities under this Agreement and to operate the business in a businesslike, proper and efficient manner.

5.3.4 Franchisee shall operate the Franchised Business in conformity with the highest ethical standards and sound business practices and in a manner which shall enhance the Jomsom Proprietary Marks and the Jomsom System. Franchisee shall be solely responsible for all employment decisions and functions, including hiring, firing, discipline, supervision, setting terms of employment and compensation and implementing a training program for employees of the Franchised Business in accordance with training standards and procedures Franchisor specifies in order for Franchisee to conduct the business of the Franchised Business at all times in compliance with Franchisor's requirements. Franchisee shall never represent or imply to prospective employees and employees that they shall be or are employed by Franchisor.

5.3.5 Franchisee or, if Franchisee operates the Franchised Business principally through a manager, Franchisee's manager who has completed the initial training course, shall furnish its personal full-time attention and best efforts to the management and operation of the Franchised Business. Franchisee or its manager, as applicable, shall not engage in or be connected with any other business or activity that interferes with the business under this Agreement.

5.4 **Applicable Laws.** Franchisee shall investigate, keep informed of and comply with all applicable federal, state and local laws, ordinances and regulations regarding the operation of the Franchised Business, including employment, licensing, zoning, and bond requirements. If these legal requirements impose a greater standard or duty than Franchisor requires in the Operations Manual or elsewhere, Franchisee must comply with the greater standard or duty and notify Franchisor in writing promptly after Franchisee becomes aware of the discrepancy.

5.5 **Trade Secrets and Confidential Information.** The System is unique and the Operations

Manual, Franchisor's trade secrets, proprietary computer software and copyrighted materials, methods and other techniques and know-how are the sole, exclusive and confidential property of Franchisor, and are provided or revealed to Franchisee in confidence ("Confidential Information"). Franchisee shall use the Confidential Information only for the purposes and in the manner authorized in writing by Franchisor, and its use shall inure to the benefit of Franchisor. Franchisor's trade secrets consist of, without limitation, proprietary computer software, sales techniques, advertising formats, accounting systems, operations systems, policies, procedures, systems, compilations of information, records, specifications, manuals, data and other confidential information which have been developed by Franchisor or its affiliates for use in the operation of Jomsom System franchises. Franchisee shall inform all employees before communicating or divulging any Confidential Information to them of their obligation of confidence. In addition, subject to applicable law, Franchisee shall obtain a written agreement in the form attached as Exhibit "3", from Franchisee's employees and any other person having access to the Operations Manual or to whom Franchisee wishes to disclose any Confidential Information that they shall maintain the confidentiality of the Confidential Information and they shall recognize Franchisor as a third-party beneficiary with the independent right to enforce the covenants either directly in Franchisor's own name as beneficiary or acting as agent. Franchisee hereby appoints Franchisor as its agent with respect to the enforcement of these covenants. Franchisee shall retain all written Confidentiality Agreements with Franchisee's business records for the time period specified in the Operations Manual. Franchisee shall enforce all covenants and shall give Franchisor notice of any breach or suspected breach of which Franchisee has knowledge.

Franchisee shall not contest, directly or indirectly, Franchisor's ownership of or right, title or interest in Franchisor's trade secrets, proprietary computer software, copyrighted materials, methods or procedures or contest Franchisor's right to register, use or license others to use any of such trade secrets, proprietary computer software, copyrighted materials, methods and procedures. Franchisee, including its officers, directors, equity owners, and employees, and any of their immediate family, heirs, successors and assigns, is prohibited from using and/or disclosing any Confidential Information in any manner other than as permitted by Franchisor in writing. Any development used by or in connection with the Jomsom System is part of the System and Franchisor's Confidential Information, whether the development is developed by Franchisor, its affiliates, Franchisee, or any other present, former or future Jomsom System franchisee.

5.6 **Proprietary Marks.**

5.6.1 **Ownership.** Nothing in this Agreement assigns or grants to Franchisee any right, title or interest in or to the Proprietary Marks, it being understood that all rights relating to the Proprietary Marks are reserved by Franchisor and the owner of the Proprietary Marks who has licensed the Proprietary Marks to Franchisor (“Licensor”), except for Franchisee's license to use the Proprietary Marks only as specifically and expressly provided in this Agreement. Franchisee's use of the Proprietary Marks shall inure to the benefit of Franchisor and its affiliates and Licensor, and Franchisee shall not at any time acquire any rights in the Proprietary Marks. Franchisee shall not challenge the title or rights of Franchisor or its affiliates or Licensor in and to the Proprietary Marks, or do any act to jeopardize or diminish the value of the Proprietary Marks. All goodwill associated with the Proprietary Marks and Franchisor's, its affiliates' and Licensor's copyrighted material, including any goodwill that might be deemed to have arisen through Franchisee's activities, inures directly and exclusively to the benefit of Franchisor, its affiliates and Licensor. Franchisee shall execute from time to time any and all other or further necessary papers, documents, and assurances to effectuate the intent of this Section and shall fully cooperate with Franchisor, its affiliates and Licensor or any other franchisee of Franchisor in securing all necessary and required consents of any state agency or legal authority to the use of any of the Proprietary Marks. Franchisor reserves the right to substitute different Proprietary Marks for use in identifying the System and the businesses operating under its System if the current Proprietary Marks no longer can be used, or if Franchisor, in its sole discretion, determines that substitution of different Proprietary Marks shall be beneficial to the System. Franchisee shall bear the cost and expense of all substitutions.

5.6.2 **Protection.** Franchisee shall promptly notify Franchisor of any infringement of, or challenge to, the Proprietary Marks, and Franchisor or Licensor, shall in its discretion take the action it deems appropriate. Franchisor shall indemnify and hold Franchisee harmless from any suits, proceedings, demands, obligations, actions or claims, including costs and reasonable attorneys' fees, for any alleged infringement under federal or state trademark law arising solely from Franchisee's use of the Proprietary Marks in accordance with this Agreement or as otherwise set forth by Franchisor in writing if Franchisee has promptly notified Franchisor of such claim and cooperated in the defense of any claim. If Franchisor or Licensor undertakes the defense or prosecution of any litigation pertaining to any of the Proprietary Marks, Franchisee agrees to execute any and all documents and do such acts and things as may, in the opinion of counsel for Franchisor or Licensor, be necessary to carry out such defense or prosecution.

5.6.3 **Advertising.** With regard to advertising generally for the Franchised Business, Franchisee shall use only such signs, emblems, lettering, logos and display and advertising materials as Franchisor approves in writing from time to time. All advertising, marketing and promotion by Franchisee of any type shall be conducted in a dignified manner, shall coordinate and be consistent with Franchisor's marketing plans and strategies and shall conform to the standards and requirements Franchisor prescribes. Franchisee shall submit to Franchisor or its designee, at least 30 days prior to their use, samples of all sales promotional materials and advertising desired to be used by Franchisee including, without limitation, newspaper, radio and television advertising, specialty and novelty items, signs, boxes, bags and other packaging which have not been previously approved by Franchisor or which were approved by Franchisor more than 12 months before the proposed use. Franchisor has the right to condition its approval of any proposed advertising upon Franchisee's agreement to provide other System franchisees, whose franchised businesses are located within the circulation area of the proposed advertising, the opportunity to contribute to and to participate in such advertising. Franchisee shall not use any advertising or promotional materials which Franchisor has not approved in writing and Franchisee shall promptly discontinue use of any advertising or promotional materials previously approved, upon notice from Franchisor.

5.6.4 **Franchisee's Name.** Franchisee agrees not to use the Proprietary Marks or any part

of a Proprietary Mark in its corporate name. The corporate and all fictitious names under which Franchisee proposes to do business must be approved in writing by Franchisor before use. Franchisee shall use its corporate name either alone or followed by the initials "D/B/A" and the business name of Jomsom. Franchisee shall register at the office of the county in which the Franchised Business is located or such other public office as provided for by the laws of the state in which the Franchised Business is located as doing business under such assumed business name.

5.6.5 Independent Status. All stationery, business cards and contractual agreements into which Franchisee enters shall contain Franchisee's corporate or fictitious name and a conspicuously displayed notice that Franchisee operates the Franchised Business as an independently owned and operated franchise of Franchisor.

5.6.6 Authorized and Unauthorized Use. At Franchisor's direction, Franchisee shall use the Proprietary Marks in conjunction with the symbol "SM," "TM" or "®", as applicable, in order to indicate the registered or unregistered status of the Proprietary Marks. Franchisee shall not use any of the Proprietary Marks in connection with the offer or sale of any unauthorized products or services or in any other manner not explicitly authorized in writing by Franchisor.

5.6.7 Franchisor's Use of Marks. Franchisor, its affiliates and Licensor may use and register the Proprietary Marks as they deem advisable in their discretion including without limitation, developing and establishing other systems using the same or similar Proprietary Marks alone or in conjunction with other marks and granting licenses and/or franchises in connection with the same or similar Proprietary Marks without providing any rights to Franchisee.

5.6.8 Electronic Mail and Domain Names. Franchisee shall not use the Proprietary Marks, or any abbreviation, variation or other name associated with the Jomsom System or JOMSOM as part of any e-mail address, domain name, and/or other identification in any electronic medium.

5.7 Inspection. During normal business hours and without prior notice, Franchisor or its representatives or agents shall have the right to inspect Franchisee's records, interview Franchisee's candidates and clients and observe the manner in which Franchisee operates the Franchised Business.

5.8 Changes to the System. Franchisor may, from time to time, change the standards and specifications applicable to operation of the Franchise, including standards and specifications for services, computer software, inventory, products, supplies, signs, fixtures, furnishings and equipment, by written notice to Franchisee or through changes in the Operations Manual. Franchisor also may from time to time eliminate and introduce services or merchandise or change the services. Franchisee shall cease offering services and merchandise discontinued by Franchisor immediately, and immediately revise any changed services. Franchisee shall commence offering and selling any new services and merchandise within 15 days of notification from Franchisor. Franchisee may incur an increased cost to comply with such changes, and Franchisee shall accept and implement such changes at its own expense as if they were part of the Jomsom System when this Agreement was executed, including discontinuing or modifying the use of or substituting any of the Proprietary Marks or computer software; provided, however, that any such change shall not materially alter Franchisee's fundamental rights under this Agreement.

5.9 Authorized Services, Products, Supplies and Equipment.

5.9.1 Franchisee shall offer and sell all services, merchandise and related products and services that Franchisor prescribes and only those services, merchandise and related products and services that

Franchisor prescribes. Franchisee shall comply with all rules and regulations prescribed by federal, state and local agencies. Franchisee shall have the right to suggest new services or other developments to Franchisor for use in Franchisee's and other franchisees' Franchised Businesses. Franchisee shall have no right to offer new services to the Franchised Business customers or use any new developments until Franchisor has had the opportunity to test the new services or developments and provide Franchisee written approval for their use and standards and specifications with respect to their use. All new services and developments, whether they be of Franchisee's original design or variations of existing services or techniques, shall be deemed works made for hire and Franchisor shall own all rights in them. If these services and developments do not qualify as works made for hire, by signing this Agreement Franchisee assigns to Franchisor ownership of any and all rights in these services and developments and the goodwill associated with them. Franchisee shall receive no payment or adjustment from Franchisor in connection with any new services or developments.

5.9.2 Franchisee shall use in the operation of the Franchised Business and in the performance of services only the methods, procedures, services, supplies, equipment and computer software as are specified by Franchisor in the Operations Manual or otherwise in writing. Franchisee acknowledges and agrees that these may be changed periodically by Franchisor and that Franchisee is obligated to conform to the requirements as so changed.

5.9.3 Franchisor shall have the exclusive right in its sole discretion to vary from the authorized services or merchandise in establishing the services and merchandise to be offered by the Franchised Business. Complete and detailed uniformity under many varying conditions may not always be possible or practical and Franchisor reserves the right and privilege, at its sole discretion, to vary not only the services and merchandise but other standards for any Jomsom System franchisee based upon the customs or circumstances of a particular site or location, density of population, business potential, population of trade area, existing business practices, or any condition which Franchisor deems to be of importance to the operation of that franchisee's business.

5.9.4 Franchisee shall obtain and at all times use the items of equipment, software, fixtures and supplies as Franchisor specifies, and only these items of equipment, software, décor, fixtures and supplies. Prior to opening the Franchised Business, Franchisee shall obtain the equipment, software, décor, fixtures and supplies as Franchisor specifies. As an item of equipment, software, fixtures and supplies may become obsolete or inoperable, Franchisee shall replace the item with the types and kinds of equipment, software, décor, fixtures and supplies then being used by new Jomsom System franchises at the time of replacement. If Franchisor determines that additional or substitute equipment, software, décor, fixtures and supplies are needed because of a change in services or merchandise offered or method of providing services, Franchisee shall install the new equipment, software, décor, fixtures and supplies within a reasonable time.

5.9.5 Franchisee acknowledges that Franchisor reserves the right to develop proprietary software and/or a backroom computer system for use in connection with the Jomsom System. Franchisee shall acquire computer hardware equipment, computer software, telecommunications infrastructure products and credit card processing equipment and support services as Franchisor reasonably requires in connection with the operation of the Franchised Business and all additions, substitutions and upgrades Franchisor shall specify. Franchisee's computer system must be able to send and receive email and attachments on the Internet and provide access to the World Wide Web and otherwise support Franchisor's then-current information technology system.

5.9.6 All services must be provided and all merchandise offered in accordance with the standards and specifications contained in the Operations Manual or otherwise.

5.10 **Referral Program.** If a Jomsom franchisee refers Franchisee a client whose location is within the Area of Prime Responsibility, Franchisee will be required to pay the referring franchisee a referral fee equal to 5% of the Gross Sales for such client. If Franchisee refers a client to another System franchisee (and such client is not a National Account), the System franchisee will be required to pay Franchisee a referral fee equal to 5% of the Gross Sales for such client.

5.11 **Pending Actions.** Franchisee shall notify Franchisor, in writing, within 5 days of the commencement of any action, suit or proceeding and of the issuance of any order, suit or proceeding of any court, agency or other governmental instrumentality which may adversely affect the operation or financial condition of Franchisee or the Franchised Business.

5.12 **Proprietary Computer Software.**

5.12.1 During the Term of this Agreement, Franchisee is authorized to access and use any proprietary computer software Franchisor designates for Franchisee's use in the Operations Manual or otherwise, solely at the Franchised Business, and in accordance with the Operations Manual. Franchisee shall not sublicense or distribute the proprietary computer software, whether for profit or otherwise, or authorize any other individual or entity to use the proprietary computer software without Franchisor's express written consent. Franchisee shall not use the proprietary computer software or allow it to be used, directly or indirectly, to: (a) engage in unlawful conduct, (b) infringe any proprietary rights, whether protected by copyright, trademark, trade secret, or otherwise, (c) defame, threaten, or otherwise violate the rights of others, (d) publish any inappropriate, profane, obscene, indecent, or unlawful material or information, (e) engage in commercial conduct other than with regard to the Franchised Business, (f) attempt to decipher, decompile, disassemble or reverse engineer any of the proprietary computer software, or (g) violate any guidelines relating to the use of the proprietary computer software. The preceding is a non-exhaustive listing of prohibited uses of the proprietary computer software. Franchisee shall sign a license agreement for the proprietary computer software if Franchisor requests.

5.12.2 FRANCHISEE'S USE OF ANY PROPRIETARY COMPUTER SOFTWARE PROVIDED BY FRANCHISOR OR FRANCHISOR'S DESIGNATED SUPPLIERS, INCLUDING ANY INSTALLATION SERVICES, IS AT FRANCHISEE'S OWN RISK. FRANCHISOR MAKES NO REPRESENTATIONS ABOUT THE SUITABILITY, RELIABILITY, USABILITY, AVAILABILITY, TIMELINESS, AND ACCURACY OF THE PROPRIETARY COMPUTER SOFTWARE FOR ANY PURPOSE. FRANCHISOR DOES NOT WARRANT THAT ACCESS TO OR USE OF THE PROPRIETARY COMPUTER SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE, THAT USERS WILL BE ABLE TO ACCESS THE PROPRIETARY COMPUTER SOFTWARE AT ANY TIME, OR THAT THE PROPRIETARY COMPUTER SOFTWARE OR RELATED EQUIPMENT WILL MEET ANY PARTICULAR CRITERIA OF PERFORMANCE OR QUALITY. FRANCHISOR DISCLAIMS ALL WARRANTIES AND CONDITIONS WITH REGARD TO THE PROPRIETARY COMPUTER SOFTWARE AND ALL RELATED EQUIPMENT, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OF ACCURACY OR COMPLETENESS OF RESPONSES, OF RESULTS, OF WORKMANLIKE EFFORT, OF LACK OF VIRUSES, AND OF NEGLIGENCE AND THE PROVISION OF OR FAILURE TO PROVIDE SUPPORT SERVICES, TITLE, AND NON-INFRINGEMENT.

6. ACKNOWLEDGMENTS OF FRANCHISEE

6.1 **Independent Contractor Status.** Franchisee is an independent contractor, responsible for

full control over the management and daily operation of the Franchised Business, and neither Franchisor nor Franchisee is the agent, principal, partner, employee, employer or joint venturer of the other. Franchisee shall not act or represent itself, directly or by implication, as an agent, partner, employee or joint venturer of Franchisor, nor shall Franchisee incur any obligation on behalf of or in the name of Franchisor.

6.2 Indemnification. Franchisee shall defend, indemnify and hold Franchisor and its affiliates, and their respective officers, directors, managers, equity owners, independent contractors and employees (the “Indemnified Parties”) harmless from all fines, suits, proceedings, claims, demands, liabilities, injuries, damages, expenses, obligations or actions of any kind (including costs and reasonable attorneys' fees) arising in whole or in part from Franchisee's ownership, operation or occupation of the Franchised Business, performance or breach of its obligations under this Agreement, breach of any warranty or representation in this Agreement or from the acts or omissions of Franchisee, its employees or agents, including its advertising, of the Franchised Business, except as otherwise provided in this Agreement. Franchisor and any Indemnified Party shall promptly give Franchisee written notice of any claim for indemnification under this Section 6.2. Any failure to give the notice shall not relieve Franchisee of any liability under this Agreement except to the extent the failure or delay causes actual material prejudice. Franchisor shall have the right to control all litigation, and defend and/or settle any claim against Franchisor or other Indemnified Parties affecting Franchisor’s interests, in any manner Franchisor deems appropriate. Franchisor may also retain its own counsel to represent Franchisor or other Indemnified Parties and Franchisee shall advance or reimburse Franchisor’s costs. Franchisor’s exercise of this control over the litigation shall not affect its rights to indemnification under this Section 6.2. Franchisee may not consent to the entry of judgment with respect to, or otherwise settle, an indemnified claim without the prior written consent of the applicable Indemnified Parties. Franchisor and the other Indemnified Parties do not have to seek recovery from third parties or otherwise attempt to mitigate losses to maintain a claim to indemnification under this Section 6.2. The provisions of this Section 6.2 shall survive the termination or expiration of this Agreement.

6.3 Payment of Debts. Franchisee understands and agrees that it alone, and not Franchisor, is responsible for selecting, retaining and paying its employees; the payment of all invoices for the purchase of inventory and goods and services for use in the franchise business; and determining whether, and on what terms, to obtain any financing or credit which Franchisee deems advisable or necessary for the conduct of the franchise business.

6.4 Noncompetition.

6.4.1 During the Term of This Agreement. During the term of this Agreement, neither Franchisee, its equity owners nor any member of the immediate family of Franchisee or equity owner shall, directly or indirectly, for itself or through, on behalf of, or in conjunction with any other person, partnership or corporation own, maintain, engage in, be employed by, or have any interest in any other business which offers or receives revenues from temporary, temporary to permanent and permanent staffing services (a “Competing Business”).

During the term of this Agreement, neither Franchisee, its equity owners nor any member of the immediate family of Franchisee or its equity owners shall, directly or indirectly, for itself or through, on behalf of, or in conjunction with any other person, partnership or corporation solicit business from customers of Franchisee's former Franchised Business for any competitive business purpose nor solicit any employee of Franchisor or any other Jomsom System franchisee to discontinue his or her employment.

During the term of this Agreement, regardless of the cause, neither Franchisee, its equity owners nor any member of the immediate family of Franchisee or its equity owners shall, directly or indirectly, for itself or

through, on behalf of, or in conjunction with any other person, partnership or corporation own, maintain, engage in, be employed by, or have any interest in any company which grants franchises or licenses for any business competing in whole or in part with Franchisor.

6.4.2 After the Term of This Agreement. For a period of 2 years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its equity owners nor any member of the immediate family of Franchisee or its equity owners shall, directly or indirectly, for itself or through, on behalf of, or in conjunction with any other person, partnership or corporation own, maintain, engage in, be employed by, or have any interest in any other Competing Business within the Territory or a radius of 50 miles from the Territory or any other Jomsom company owned or franchised business in operation or of any territory which is being considered or for which discussions are under way for a Jomsom franchise, as of the date of expiration and nonrenewal, transfer or termination of this Agreement; provided, however, Franchisee may continue to operate any other Jomsom franchises for which Franchisee and Franchisor have a current franchise agreement.

For a period of 2 years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its equity owners nor any member of the immediate family of Franchisee or its equity owners shall, directly or indirectly, for itself or through, on behalf of, or in conjunction with any other person, partnership or corporation solicit business from customers of Franchisee's former Franchised Business for any competitive business purpose nor solicit any employee of Franchisor or any other Jomsom System franchisee to discontinue his or her employment.

For a period of 2 years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its equity owners nor any member of the immediate family of Franchisee or its equity owners shall, directly or indirectly, for itself or through, on behalf of, or in conjunction with any other person, partnership or corporation own, maintain, engage in, be employed by, or have any interest in any company which grants franchises or licenses for any business competing in whole or in part with Franchisor.

6.4.3 Intent and Enforcement. It is the intent of the parties that the provisions of this Section 6.4 shall, to the fullest extent permissible under applicable law, be judicially enforced; accordingly, any reduction in scope or modification of any part of the noncompetition provisions contained in this Agreement shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 6.4 by Franchisee, any of its equity owners or any member of the immediate family of Franchisee or any of its equity owners, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. In the event of the actual or threatened breach of this Section 6.4, Franchisor's harm shall be irreparable and Franchisor shall have no adequate remedy at law to prevent the harm. Franchisee acknowledges and agrees on its own behalf and on behalf of the persons who are liable under Section 6.4.2 that each has previously worked or been gainfully employed in other fields and that the provisions of Section 6.4.2 in no way prevent any of these persons from earning a living. Franchisee further acknowledges and agrees that the provisions of Section 6.4.2 shall be tolled during any default of this Agreement.

6.4.4 Employees. Franchisee shall require its officers, directors, equity owners, employees (to the extent the employee has received Franchisor's initial training) and members of the immediate family of Franchisee, its officers, directors and equity owners to execute a confidentiality agreement containing provisions similar to those set forth in this Agreement. Our current form of confidentiality agreement is attached to this Agreement as Exhibit "3".

6.4.5 Publicly-Owned Entity. This Section 6.4 shall not apply to any ownership by

Franchisee or any other person subject to Section 6.4 of a beneficial interest of less than 5% in the outstanding securities or partnership interests in any publicly-held entity.

6.5 **Telephone.** Franchisee shall obtain at its own expense a new telephone number and listing, to be listed under the Jomsom name and not under Franchisee's corporate, partnership, or individual name, to be used exclusively in connection with Franchisee's operation of the Franchised Business. Upon the expiration and nonrenewal, transfer or termination of this Agreement for any reason, Franchisee shall terminate its use of such telephone number and listing and assign same to Franchisor or its designee. The Franchised Business shall be serviced by a suitable telephone system approved by Franchisor. Franchisee shall answer the telephone in the manner set forth by Franchisor in the Operations Manual.

6.6 **Insurance.** At all times during the term of this Agreement and at its own expense, Franchisee shall obtain and keep in force at a minimum the insurance required by Franchisor in the Operations Manual or otherwise. All insurance policies shall contain a separate endorsement naming Franchisor, its officers, directors, managers, equity owners, independent contractors and employees as additional insureds, and shall expressly provide that any interest of an additional insured shall not be affected by Franchisee's breach of any policy provisions or any negligence on the part of an additional insured. All policies shall also include a waiver of subrogation in favor of the additional insureds. All policies shall be written by an insurance carrier accepted in writing by Franchisor. Franchisor's acceptance of an insurance carrier does not constitute Franchisor's representation or guarantee that the insurance carrier shall remain a going concern or capable of meeting claim demands during the term of the insurance policy. No insurance policy shall be subject to cancellation, termination, nonrenewal or material modification, except upon at least 30 days' prior written notice from the insurance carrier to Franchisor. Upon Franchisor's request, Franchisee shall provide Franchisor with a currently issued certificate of insurance evidencing coverage in conformity with the provisions of this Section. If Franchisee fails to comply with at least the minimum insurance requirements set forth by Franchisor, Franchisor may either terminate this Agreement, or obtain the insurance and keep the insurance in force and effect and Franchisee shall pay Franchisor, on demand, the cost of the premium cost and the administrative costs to Franchisor in connection with obtaining the insurance. Franchisor may increase or otherwise modify the minimum insurance requirements upon 30 days' prior written notice to Franchisee, and Franchisee shall comply with any such modification. Franchisee's obligation to obtain the required policies in the amounts specified is not limited in any way by any insurance Franchisor maintains. Franchisee's obligation to maintain the insurance does not relieve Franchisee of any liability under the indemnity provisions of Section 6.2.

6.7 **Distribution.** Franchisor or its affiliates may distribute products identified by the Proprietary Marks or other marks owned or licensed by Franchisor or its affiliates through any distribution method which periodically may be established or licensed by Franchisor or its affiliates and may franchise or license others to do so, except as otherwise set forth in this Agreement.

6.8 **Image.** The Jomsom System has been developed to deliver products and services which establish the Franchised Business as a service provider of distinction. Therefore, Franchisor requires Franchisee to offer products and services and conduct the Franchised Business in such a manner which shall serve to emulate and enhance the image intended by Franchisor for the Jomsom System. Each aspect of the Jomsom System is important not only to Franchisee but also Franchisor, its affiliates, licensor and other franchisees of Franchisor in order to maintain the highest operating standards, achieve system wide uniformity and increase the demand for the products sold and services rendered by Jomsom System franchisees, Franchisor and its affiliates. Franchisee shall comply with the standards, specifications and requirements set forth by Franchisor in order to uniformly convey the distinctive image of a Franchised Business.

7. SALE OR TRANSFER

7.1 **Consent to Transfer.** Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber its interest in the Franchised Business without the prior written consent of Franchisor. Any unauthorized transfer by Franchisee shall constitute a material breach of the Agreement and shall be voidable by Franchisor.

7.2 **Death or Disability.** In the event of the death, disability or incapacity of any individual Franchisee or officer or director or member of an incorporated Franchisee or limited liability company or partner of a partnership Franchisee, should the decedent's or disabled or incapacitated person's executor, heir or legal representative, or the business entity, as the case may be, wish to continue as Franchisee under this Agreement, such person shall apply for Franchisor's consent, execute the then-current franchise agreement, and complete the training program to Franchisor's satisfaction, as applicable, as in any other case of a proposed transfer of Franchisee's interest in this Agreement. Such assignment by operation of law shall not be deemed in violation of this Agreement, provided the heirs or legatees or business entity meet the conditions imposed by this Agreement and are acceptable to Franchisor.

If Franchisee is a business entity, this Agreement shall continue in effect upon the death of the largest equity owner, provided that the active management of the business entity shall remain stable and reasonably satisfactory to Franchisor in its sole discretion.

Franchisee's executor, heir or legal representative shall have 180 days from the date of death, disability or incapacity to execute Franchisor's then-current franchise agreement or transfer the franchise rights and business upon the terms and conditions set forth in this Agreement (except that the term shall be the balance of Franchisee's term). At the conclusion of the balance of the term, the new franchisee may exercise any or all of the then applicable renewal rights.

Franchisor reserves the right to operate or oversee the operation of the Franchised Business if Franchisor believes, in Franchisor's sole judgment, that the Franchised Business is not being operated in a manner consistent with Franchisor's System or specifications.

7.3 **Ownership Changes.** A sale, transfer or assignment requiring the prior written consent of Franchisor shall be deemed to occur: (i) if Franchisee is a corporation or limited liability company, upon any assignment, sale, pledge or transfer of 20% or more of the voting stock or membership interests of Franchisee, any increase in the number of outstanding shares of voting stock or membership interests of Franchisee which results in a change of ownership of 20% or more of its total voting stock or membership interests, or any series of assignments, sales, pledges or transfers totaling in the aggregate 20% or more of the voting stock or membership interests of Franchisee; or (ii) if Franchisee is a partnership, upon the assignment, sale, pledge or transfer of 20% or more of any partnership ownership interest or any series of assignments, sales, pledges or transfers totaling in the aggregate 20% or more of the partnership ownership interest. Franchisee shall notify Franchisor of any change in stock ownership, membership interests or partnership ownership interests in Franchisee while this Agreement is in effect which shall result in a sale, transfer or assignment within the meaning of this Section. A transfer to an existing partner, shareholder or member, or a transfer as a result of the death, disability or incapacity of a partner, shareholder or member in accordance with Section 7.2, or a transfer to an inter vivos trust where the transferring Franchisee, partner, shareholder or member is the only grantor beneficiary other than a spouse, shall not be a violation of this Agreement or a ground for termination; any such ownership change shall not be subject to Franchisor's right of first refusal under Section 7.3.1.

7.3.1 Right of First Refusal. If Franchisee or its equity owners propose to transfer or assign 20% or more of Franchisee's interest in this Agreement or in the business conducted under this Agreement or in Franchisee if Franchisee is a business entity, to any third party (other than a business entity as set forth in Section 7.4 and except as otherwise set forth in Section 7.3) in connection with a bona fide offer from such third party, Franchisee or its equity owners shall first offer to sell to Franchisor, Franchisee's or its equity owners' offered interest. Franchisee or its equity owner shall obtain from the third party offeror an earnest money deposit (of at least 15% of the offering price) and deliver to Franchisor a statement in writing, signed by the offer or and by Franchisee, of the terms of the offer. In the event of Franchisee's insolvency or the filing of any petition by or against Franchisee under any provisions of any bankruptcy or insolvency law, an amount and terms of purchase shall be established by an appraiser chosen by the bankruptcy court or by the chief judge of the federal district court of Franchisee's district and Franchisee or Franchisee's legal representative shall deliver to Franchisor a statement in writing incorporating the appraiser's report. Franchisor shall then have 45 days from its receipt of either statement to accept the offer by delivering written notice of acceptance by Franchisor or its nominee to Franchisee or its equity owner. The acceptance shall be on the same terms as stated in the statement delivered to Franchisor; provided, however, Franchisor or its nominee shall have the right to substitute equivalent cash for any noncash consideration included in the offer. If the parties cannot agree within a reasonable time on the equivalent cash for any noncash consideration, Franchisor shall designate an independent appraiser and the appraiser's determination shall be binding. If Franchisor or its nominee elects not to accept the offer within the 45 day period, Franchisee or its equity owner shall be free for 90 days after such period to complete the transfer described in the statement delivered to Franchisor, but only with the prior written consent of Franchisor and subject to the conditions for approval set forth in Section 7.3.2. Franchisee and its equity owners shall effect no other sale or transfer of this Agreement or Franchisee's interest in this Agreement or the business conducted under this Agreement or the interest in Franchisee, without first offering or reoffering the same to Franchisor in accordance with this Section 7. If in Franchisor's opinion there is a material change in the terms of the offer, the offer shall be deemed a new proposal and Franchisee or its equity owner shall be required to grant Franchisor or its nominee a right of first refusal with respect to such offer.

7.3.2 Conditions for Approval. Franchisor may condition its approval of any proposed sale or transfer of the franchise business or of Franchisee's interest in this Agreement or of the interest in Franchisee upon satisfaction of the following requirements:

7.3.2.1 All of Franchisee's accrued monetary obligations to Franchisor, its affiliates and any supplier for the Franchised Business have been satisfied;

7.3.2.2 All existing defaults under the Franchise Agreement have been cured within the period permitted for cure;

7.3.2.3 Franchisee and its equity owners if Franchisee is a business entity, has executed a general release under seal, in a form satisfactory to Franchisor of any and all claims against Franchisor and its affiliates and their officers, directors, equity owners, agents, employees, attorneys and accountants in their corporate and individual capacities; provided, however, the release shall not release any liability specifically provided for by any applicable state statute regulating franchising. Our current form or release is attached to this Agreement as Exhibit "4";

7.3.2.4 Franchisee has provided Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of and agreement to discharge all of Franchisee's obligations under this Agreement;

7.3.2.5 The transferee has demonstrated to Franchisor's satisfaction that transferee or its designated manager meets Franchisor's managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations of this Agreement; however, transferee shall not be in the same business as Franchisor either as licensor, franchisor, independent operator or licensee of any other business, chain or network which is similar in nature or in competition with Franchisor or Jomsom System franchisees, except that the transferee may be an existing franchisee of Franchisor;

7.3.2.6 The transferee has executed Franchisor's then-current Franchise Agreement for the remainder of the term of the current franchise agreement;

7.3.2.7 Franchisee or transferee has paid Franchisor a transfer fee equal to 50% of Franchisor's then current initial franchise fee;

7.3.2.8 The transferee and its manager shall complete Franchisor's training program to Franchisor's satisfaction at the transferee's own expense within the time frame set forth by Franchisor; and

7.3.2.9 Franchisee acknowledges and agrees that the post-termination provisions of this Agreement including, without limitation, the noncompetition provisions, shall survive the transfer of the Franchise.

7.4 Transfer to a Corporation or Limited Liability Company. If Franchisee is one or more individuals or a partnership, Franchisee may assign its rights under this Agreement to a corporation or limited liability company for convenience of ownership, provided:

7.4.1 The corporation or limited liability corporation is newly organized and its activities are confined to operating the franchise business;

7.4.2 Franchisee is, and at all times remains, the owner of at least 51% of the outstanding shares of the corporation or owns a controlling interest in the limited liability company;

7.4.3 The corporation or limited liability company agrees in writing to assume all of Franchisee's obligations under this Agreement;

7.4.4 All stockholders of the corporation, or members and managers of the limited liability company, personally guarantee prompt payment and performance by the corporation or limited liability company, as applicable, of all its obligations to Franchisor under the Agreement and execute a noncompetition agreement in the form reasonably acceptable to Franchisor.

7.4.5 Each stock certificate of the corporate franchisee shall have conspicuously endorsed upon its face a statement, in a form satisfactory to Franchisor, that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement; the operating agreement of any limited liability company and any membership certificates shall contain a similar limitation; and

7.4.6 Franchisee shall promptly provide Franchisor a copy of, as applicable: (i) the transferee corporation's Articles of Incorporation, Bylaws, resolutions including, without limitation, the resolutions of the Board of Directors authorizing entry into this Agreement; or (ii) the limited liability

company's certificate of organization; and all other governing documents.

Franchisee is not required to pay Franchisor a transfer fee with respect to a transfer in accordance with this Section 7.4. However, Franchisee shall pay Franchisor's expenses in connection with a transfer under this Section 7.4 if Franchisee has not completed the transfer, including complying with this Section 7, as applicable, within 60 days following the execution of this Agreement but in no event later than the opening of the Franchised Business.

7.5 Secured Interests and Securities.

7.5.1 Franchisee shall not grant, and shall not permit a transfer in the nature of a grant of, a security interest in this Agreement.

7.5.2 If Franchisee is a corporation, it shall maintain stop transfer instructions against the transfer on its records of any securities with voting rights subject to the restrictions of this Section 7 and shall issue no such securities upon the face of which the following printed legend does not legibly and conspicuously appear:

The transfer of this stock is subject to the terms and conditions of a Franchise Agreement between Franchisor and the corporation dated _____, 20____. Reference is made to the Franchise Agreement and to the Articles of Incorporation and Bylaws of this corporation.

7.6 **Transfer by Franchisor.** Franchisor may sell, transfer, assign and/or encumber all or any part of its interest in itself or the Franchise Agreement.

8. BREACH AND TERMINATION

8.1 **Termination by Franchisee.** Franchisee may terminate this Agreement for cause if Franchisor is in breach of any material provision of this Agreement, by giving Franchisor written notice within 60 days of the event or circumstances giving rise to the breach. Franchisee must be in material compliance with this Agreement. The notice shall state specifically the nature of the breach and allow Franchisor 90 days after receipt of the notice to correct the breach. Franchisee's failure to give timely written notice of any breach shall be deemed to be a waiver of Franchisee's right to complain of that breach. If Franchisor fails to cure any material breach within the 90 day cure period, Franchisee may terminate this Agreement for that reason by providing written notice to Franchisor, except if the breach is not susceptible to cure within 90 days, but Franchisor takes action within 90 days to begin curing the breach and acts diligently to complete the corrective action within a reasonable time, Franchisor shall be deemed to have timely cured the breach. Franchisee's termination will be effective only if Franchisee signs all documentation that Franchisor requires, including a release. Notice shall be either hand delivered or sent U.S. Mail, postage prepaid, certified mail, return receipt requested or sent by prepaid overnight courier.

8.2 **Termination by Franchisor.** Franchisor may terminate this Agreement under the following circumstances:

8.2.1 **With Cause and With Opportunity to Cure.** If Franchisee is in breach of any material provision of this Agreement not listed in Section 8.2.2, by giving Franchisee written notice of the event or circumstances giving rise to the breach. The notice will state specifically the nature of the breach and

allow Franchisee the following amount of time to correct the breach after receipt of notice:

- (a) 7 days if the failure relates to the use of the Proprietary Marks or the Confidential Information;
- (b) 15 days if the failure relates to Franchisee's failure to make any payment of money to Franchisor; and
- (c) 30 days if the failure relates to any other breach not listed in this Section 8.2.1 or in Section 8.2.2.

If Franchisee fails to cure any material breach within the applicable cure period, Franchisor may terminate this Agreement for that reason by providing written notice to Franchisee, except if the breach is not susceptible to cure within the time permitted, but Franchisee takes action within the time permitted to begin curing the breach and acts diligently to complete the corrective action within a reasonable time, Franchisee shall be deemed to have timely cured the breach. For purposes of this Agreement, Franchisee's alleged breach of this Agreement shall be deemed cured if both Franchisor and Franchisee agree in writing that the alleged breach has been corrected. Notice shall be either hand delivered or sent U.S. Mail, postage prepaid, certified mail, return receipt requested or sent by prepaid overnight courier.

If Franchisee receives more than one default notice within a twelve month period, then Franchisee shall be required to meet with Franchisor at its corporate headquarters, or in Franchisor's sole discretion, via telephone conference. Such meeting shall occur within thirty days of Franchisee's receipt of written notice of the second (or any subsequent) default notice. If Franchisee fails to meet with Franchisor within such thirty day period, Franchisor may terminate this Agreement (even if such defaults have been cured), by providing written notice to Franchisee.

8.2.2 With Cause and Without Opportunity to Cure. Franchisor may terminate this Agreement upon written notice without giving Franchisee opportunity to cure for any of the following breaches or defaults:

- (a) **Criminal Acts.** If Franchisee is convicted of or pleads guilty or no contest to a felony or takes part in any criminal misconduct related to the operation of the Franchised Business.
- (b) **Voluntary Bankruptcy.** If Franchisee makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated a bankrupt or insolvent, files or acquiesces in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consents to or acquiesces in the appointment of a trustee or receiver for Franchisee or the franchise business.
- (c) **Involuntary Bankruptcy.** If proceedings are commenced to have Franchisee adjudicated as bankrupt or to seek a reorganization of Franchisee under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within 60 days, or a trustee or receiver is appointed for Franchisee or the franchise business without Franchisee's consent, and the appointment is not vacated within 60 days.
- (d) **Liens.** If a levy or writ of attachment or execution or any other lien is placed against Franchisee, any partner of Franchisee if Franchisee is a partnership, or any guarantor of Franchisee under Section 15 or any of their assets which is not released or bonded against within 60 days.

(e) **Insolvency.** If Franchisee, any partner of Franchisee, or the majority equity owner of Franchisee is insolvent.

(f) **Repeated Breaches.** If Franchisor sends Franchisee 3 or more written notices to cure pursuant to Section 8.2.1 in any 12 month period.

(g) **Misrepresentation.** If Franchisee makes any misrepresentation or omission in connection with Franchisee's franchise application.

(h) **Breach of Other Agreements.** If Franchisee or any partner, director, officer, shareholder or member of Franchisee materially breaches any other agreement with Franchisor or any of its affiliates, or any lease for the premises of the Franchised Business, and does not cure the breach within any permitted period for cure;

(i) **Fraud.** If Franchisee commits fraud in the operation of the Franchised Business.

(j) **Intentional Underreporting or Misstatement.** If Franchisee intentionally underreports or misstates any information required to be reported to Franchisor under this Agreement, including but not limited to Gross Revenues required to be reported under this Agreement, or failure, in whole or in part, to provide Franchisor with information required to be reported.

(k) **Insurance.** If Franchisee fails to maintain any insurance required by this Agreement.

Notice shall be either hand delivered or sent U.S. Mail, postage prepaid, certified mail, return receipt requested or sent by prepaid overnight courier.

8.3 **Nonwaiver.** Franchisor's delay in exercising or failure to exercise any right or remedy under this Agreement or Franchisor's acceptance of any late or partial payment due under this Agreement or any other agreement between Franchisor and Franchisee or Franchisor's consent to a transfer of any interest in Franchisee shall not constitute a waiver of any of Franchisor's rights or remedies against Franchisee.

9. RIGHTS AND DUTIES UPON TERMINATION OR EXPIRATION

9.1 **Franchisee's Obligations.** Upon termination of this Agreement by either Franchisor or Franchisee, regardless of the cause, and upon expiration and nonrenewal or transfer of this Agreement, Franchisee shall:

9.1.1 Cease immediately all operations under this Agreement;

9.1.2 Pay immediately to Franchisor all unpaid fees and pay Franchisor, its affiliates and any supplier for the Franchised Business all other monies owed them;

9.1.3 Discontinue immediately the use of the Proprietary Marks and the proprietary computer software;

9.1.4 Immediately return the Operations Manual to Franchisor and all other manuals and Confidential Information loaned to Franchisee by Franchisor and immediately cease to use the Confidential Information;

9.1.5 Immediately cease using all telephone numbers and listings used in connection with the operation of the franchise business and direct the telephone company to transfer all such numbers and listings to Franchisor or its designee or, if Franchisor so directs, to disconnect the numbers;

9.1.6 Promptly surrender all stationery, printed matter, signs, advertising materials and other items containing the Proprietary Marks as directed by Franchisor and all items which are a part of the trade dress of the Jomsom System;

9.1.7 Sell to Franchisor or its designee, at Franchisor's option, all inventory in useable form bearing the Proprietary Marks at the original purchase price thereof or at its then-current value if less than the original purchase price, in Franchisor's judgment, within 15 days following the date of termination or expiration;

9.1.8 Assign to Franchisor or its designee, at Franchisor's option, all client contracts related to the Franchised Business.

9.1.9 Cease to hold itself out as a franchisee of Franchisor;

9.1.10 Take action necessary to amend or cancel any assumed name, business name or equivalent registration which contains any trade name or other Proprietary Mark licensed by Franchisor and furnish Franchisor evidence satisfactory to Franchisor of compliance with this obligation within 30 calendar days after the termination, expiration or transfer of this Agreement;

9.1.11 Permit Franchisor to make final inspection of Franchisee's financial records, books, and other accounting records within 6 months of the effective date of termination, expiration, or transfer; and

9.1.12 Comply with the post-termination covenants set forth in Section 6.4.2, all of which shall survive the transfer, termination or expiration of this Agreement.

9.2 **Power of Attorney.** Franchisor is hereby irrevocably appointed as Franchisee's attorney-in-fact to execute in Franchisee's name and on Franchisee's behalf all documents necessary to discontinue Franchisee's use of the Proprietary Marks and the Confidential Information.

10. NOTICES

All notices, requests and reports to be given under this Agreement are to be in writing, and delivered by either hand, overnight courier, telegram or certified or registered mail (except that regular monthly and other reports from Franchisee may be sent by regular mail), prepaid, to the following addresses (which may be changed by written notice):

Franchisee: The address of the Franchised Business

Franchisor: The address of its then current principal place of business.

Notices sent by regular mail shall be deemed delivered on the third business day following mailing.

11. INTERPRETATION

11.1 **Amendments.** THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND CAN NOT BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. NOTHING IN THIS AGREEMENT IS INTENDED TO DISCLAIM ANY INFORMATION CONTAINED IN THE FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT.

11.2 **Choice of Law and Selection of Venue.** This Agreement shall be governed by the laws of the State of New Jersey. Except as set forth in Section 11.3, any action at law or equity instituted against either party to this Agreement shall be commenced in the state and county courts of Franchisor's principal place of business, currently the courts of Mercer County, New Jersey or the United States District Court, District of New Jersey. Franchisee acknowledges that this Agreement has been entered into in the State of New Jersey, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's headquarters in New Jersey including but not limited to assistance, support and the development of the Jomsom System. In recognition of these services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of New Jersey as set forth above.

11.3 **Injunctive Relief.** Nothing in this Agreement shall prevent Franchisor from obtaining injunctive relief against actual or threatened conduct that shall cause it loss or damages, in any appropriate forum under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

11.4 **Construction of Language.** The language of this Agreement shall be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one (1) party or person is referred to as Franchisee, their obligations and liabilities shall be joint and several. Headings are for reference purposes and do not control interpretation. Reference to Franchisee's "immediate family" means the spouse, parent, children and siblings of Franchisee and the parents, children and siblings of Franchisee's spouse. The BACKGROUND Section at the beginning of this Agreement contains contractual terms that are not mere recitals.

11.5 **Successors.** References to Franchisor or Franchisee include their successors, assigns or transferees, subject to the limitations of this Agreement.

11.6 **Severability.** If any provision of this Agreement is deemed invalid or inoperative for any reason, that provision shall be deemed modified to the extent necessary to make it valid and operative or, if it cannot be so modified, it shall then be severed, and the remainder of that provision shall continue in full force and effect as if this Agreement had been signed with the invalid portion so modified or eliminated; provided, however, that if any part of this Agreement relating to payments to Franchisor or any of its affiliates or protection of the Proprietary Marks, or the Confidential Information, including the Operations Manual and Franchisor's other trade secrets, is declared invalid or unenforceable, then Franchisor at its option may terminate this Agreement immediately upon written notice to Franchisee.

11.7 **No Right to Offset.** Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any amount Franchisor or any of its affiliates may owe or allegedly owe Franchisee under this Agreement or any related agreements.

11.8 **Force Majeure.** Neither Franchisor, its affiliates nor Franchisee shall be liable for loss or damage or deemed to be in breach of this Agreement or any related agreement if its failure to perform its obligations is not the fault nor within the reasonable control of the person due to perform but results from, without limitation, fire, flood, natural disasters, acts of God, governmental acts or orders, or civil disorders. The parties agree that lack of funds or economic hardship shall not constitute a Force Majeure event. Any delay resulting from any such cause shall extend the time of performance for the period of such delay or for such other reasonable period of time as the parties agree in writing or shall excuse performance, in whole or in part, as Franchisor deems reasonable.

11.9 **Rights Cumulative.** No right or remedy under this Agreement shall be deemed to be exclusive of any other right or remedy under this Agreement or of any right or remedy otherwise provided by law or and equity. Each right and remedy will be cumulative.

11.10 **Parties.** The sole entity against which Franchisee may seek damages or any remedy under law or equity for any claim is Franchisor or its successors or assigns. The equity owners, directors, officers, employees, agents and representatives of Franchisor and of its affiliates shall not be named as a party in any litigation, arbitration or other proceedings commenced by Franchisee if the claim arises out of or relates to this Agreement.

11.11 **LIMITATION OF LIABILITY. TO THE EXTENT PERMITTED BY LAW, IN NO EVENT SHALL FRANCHISOR BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, PUNITIVE OR ANY OTHER DAMAGES THAT ARE NOT DIRECT DAMAGES, REGARDLESS OF THE NATURE OF THE CLAIM FOR DAMAGES.**

11.12 **JURY TRIAL WAIVER. FRANCHISOR AND FRANCHISEE, RESPECTIVELY, WAIVE ANY RIGHT EITHER MIGHT HAVE TO TRIAL BY JURY ON ANY AND ALL CLAIMS ASSERTED AGAINST THE OTHER. FRANCHISOR AND FRANCHISEE, RESPECTIVELY, EACH ACKNOWLEDGE THAT THEY HAVE HAD A FULL OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL CONCERNING THIS WAIVER, AND THAT THIS WAIVER IS INFORMED, VOLUNTARY, INTENTIONAL AND NOT THE RESULT OF UNEQUAL BARGAINING POWER.**

11.13 **FRANCHISOR AND FRANCHISEE AGREE THAT LITIGATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE, BASIS AND THAT FRANCHISOR AND FRANCHISEE SHALL BE THE ONLY PARTIES IN ANY JUDICIAL PROCEEDING DESCRIBED IN SECTION 11.2 OR SECTION 11.3, AND THAT NO SUCH PROCEEDINGS MAY BE CONSOLIDATED WITH ANY OTHER LITIGATION OR ARBITRATION PROCEEDING, NOR SHALL ANY OTHER PERSON BE JOINED AS A PARTY TO SUCH PROCEEDING.**

11.14 **FRANCHISOR APPROVAL AND DISCRETION. TO THE EXTENT THAT FRANCHISOR'S CONSENT OR APPROVAL IS REQUIRED OR ANY DECISION IS SUBJECT TO THE DISCRETION OF THE FRANCHISOR, AND WHENEVER FRANCHISOR EXERCISES A RIGHT, PRESCRIBES AN ACT OR THING, OR OTHERWISE MAKES A CHOICE OR USES DISCRETION, THE PARTIES AGREE THAT FRANCHISOR HAS THE WHOLLY UNRESTRICTED RIGHT TO MAKE DECISIONS AND/OR TAKE (OR REFRAIN FROM TAKING) ACTIONS, EXCEPT THAT FRANCHISOR WILL NOT ACT ARBITRARILY OR UNREASONABLY. HOWEVER, FRANCHISOR WILL NOT BE REQUIRED TO CONSIDER FRANCHISEE'S INDIVIDUAL INTERESTS OR THE INTERESTS OF ANY OTHER**

PARTICULAR FRANCHISEE(S), EVEN IF A PARTICULAR DECISION/ACTION MAY HAVE NEGATIVE CONSEQUENCES FOR FRANCHISEE, A PARTICULAR FRANCHISEE OR GROUP OF FRANCHISEES.

FRANCHISEE ACKNOWLEDGES AND AGREES THAT THE ULTIMATE DECISION-MAKING RESPONSIBILITY WITH RESPECT TO THE SYSTEM (AMONG OTHER THINGS) MUST BE, AS A PRACTICAL BUSINESS MATTER, VESTED SOLELY IN FRANCHISOR, SINCE FRANCHISEE, FRANCHISOR AND ALL OTHER FRANCHISEES HAVE A COLLECTIVE INTEREST IN WORKING WITHIN A FRANCHISE SYSTEM WITH THE UNRESTRICTED FLEXIBILITY TO QUICKLY ADJUST TO CHANGING BUSINESS CONDITIONS, INCLUDING COMPETITIVE CHALLENGES, NEW REGULATORY DEVELOPMENTS AND EMERGING BUSINESS OPPORTUNITIES. FRANCHISEE UNDERSTANDS AND AGREES THAT FRANCHISOR HAVING SUCH RIGHTS ARE CRITICAL TO ITS ROLE AS FRANCHISOR AND TO OBTAIN THE PARTIES GOALS FOR CONTINUING IMPROVEMENT OF THE SYSTEM.

12. REPRESENTATIONS

12.1 No Authority. NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE FRANCHISOR EXCEPT AN AUTHORIZED OFFICER OF FRANCHISOR BY A WRITTEN DOCUMENT. FRANCHISEE ACKNOWLEDGES THAT NO REPRESENTATIONS, PROMISES, INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE BY OR ON BEHALF OF FRANCHISOR WHICH HAVE LED FRANCHISEE TO ENTER INTO THIS AGREEMENT.

12.2 Receipt. THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF THIS AGREEMENT, WITH ALL BLANKS COMPLETED AND WITH ANY AMENDMENTS AND EXHIBITS, AT LEAST 7 CALENDAR DAYS PRIOR TO EXECUTION OF THIS AGREEMENT. IN ADDITION, THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 CALENDAR DAYS PRIOR TO THE EXECUTION OF THIS AGREEMENT OR FRANCHISEE'S PAYMENT OF ANY MONIES TO FRANCHISOR, REFUNDABLE OR OTHERWISE.

12.3 FRANCHISEE UNDERSTANDS THAT WHETHER IT, HE OR SHE SUCCEEDS AS A FRANCHISEE IS DEPENDENT UPON FRANCHISEE'S EFFORTS, BUSINESS JUDGMENTS, THE PERFORMANCE OF FRANCHISEE'S EMPLOYEES, MARKET CONDITIONS AND VARIABLE FACTORS BEYOND THE CONTROL OR INFLUENCE OF FRANCHISOR. FRANCHISEE FURTHER UNDERSTANDS THAT SOME FRANCHISEES ARE MORE, OR LESS, SUCCESSFUL THAN OTHER FRANCHISEES AND THAT FRANCHISOR HAS MADE NO REPRESENTATION THAT FRANCHISEE SHALL DO AS WELL AS ANY OTHER FRANCHISEE.

FRANCHISEE SPECIFICALLY ACKNOWLEDGES THAT IT, HE OR SHE HAS NOT RECEIVED OR RELIED ON (NOR HAS FRANCHISOR OR ANYONE ELSE PROVIDED) ANY STATEMENTS, PROMISES OR REPRESENTATIONS THAT FRANCHISEE WILL SUCCEED IN THE FRANCHISE BUSINESS; ACHIEVE ANY PARTICULAR SALES, INCOME OR OTHER LEVELS OF PERFORMANCE; EARN ANY PARTICULAR AMOUNT, INCLUDING ANY AMOUNT IN EXCESS OF YOUR INITIAL FRANCHISE FEE OR OTHER PAYMENTS TO FRANCHISOR; OR RECEIVE ANY RIGHTS, GOODS, OR SERVICE NOT EXPRESSLY SET FORTH IN THIS AGREEMENT. ANY STATEMENTS REGARDING ACTUAL, POTENTIAL OR PROBABLE REVENUES OR PROFITS OF ANY FRANCHISE BUSINESS NOT CONTAINED IN

THE FRANCHISE DISCLOSURE DOCUMENT IS UNAUTHORIZED, UNWARRANTED AND UNRELIABLE, FRANCHISOR WILL NOT BE RESPONSIBLE FOR IT AND IT SHOULD BE REPORTED TO FRANCHISOR IMMEDIATELY.

FRANCHISEE ACKNOWLEDGES AND UNDERSTAND THAT FRANCHISOR IS RELYING ON FRANCHISEE TO BRING FORWARD IN WRITING AT THIS TIME ANY MATTERS INCONSISTENT WITH THE REPRESENTATIONS CONTAINED IN THIS ARTICLE 12.3. FRANCHISEE AGREES THAT IF ANY OF THE STATEMENTS OR MATTERS SET FORTH IN THIS ARTICLE 12.3 ARE NOT TRUE, CORRECT AND COMPLETE THAT FRANCHISEE WILL MAKE A WRITTEN STATEMENT REGARDING SUCH NEXT TO FRANCHISEE'S SIGNATURE BELOW SO THAT FRANCHISOR CAN ADDRESS AND RESOLVE ANY SUCH ISSUE(S) AT THIS TIME.

12.4 Opportunity for Review by Franchisee's Advisors. FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS RECOMMENDED, AND THAT FRANCHISEE HAS HAD THE OPPORTUNITY TO OBTAIN, REVIEW OF THIS AGREEMENT AND FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT BY FRANCHISEE'S LAWYER, ACCOUNTANT OR OTHER BUSINESS ADVISOR PRIOR TO ITS EXECUTION.

12.5 Execution Of Agreement. EACH OF THE UNDERSIGNED PARTIES WARRANTS THAT IT HAS THE FULL AUTHORITY TO SIGN AND EXECUTE THIS AGREEMENT. IF FRANCHISEE IS A PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY, THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF THE BUSINESS ENTITY WARRANTS TO FRANCHISOR, BOTH INDIVIDUALLY AND IN HIS CAPACITY AS PARTNER, OFFICER, MEMBER OR MANAGER, THAT ALL OF THE EQUITY OWNERS OF FRANCHISEE, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT, INCLUDING ANY RESTRICTIONS WHICH THIS AGREEMENT PLACES UPON RIGHTS TO TRANSFER THEIR INTEREST IN THE BUSINESS ENTITY.

12.6 Anti-Terrorism Law Compliance. Neither Franchisee, any equity owner of Franchisee, nor any of its officers, directors, managers, members or employees, is, or at any time shall be named, either directly or by an alias or nickname, on the list of Specially Designated Nationals or Blocked Persons, which includes the names of suspected terrorists, as designated by the United States Department of the Treasury's Office of Foreign Assets Control, currently available at <http://www.ustreas.gov/offices/eotffc/ofac/sdn/index.html>. Franchisee acknowledges that Franchisor intends to comply, and Franchisee must comply, with all prohibitions against corrupt business practices, money laundering and support of terrorist activities, including those contained in the United States Patriot Act (currently available at <http://www.epic.org/privacy/terrorism/hr3162.html>), Executive Order 13224 (currently available at <http://www.ustreas.gov/terrorism.html>), and related United States Treasury regulations and any similar law ("*Anti-Terrorism Law*"). Franchisee shall immediately notify Franchisor of any misrepresentation or breach of this Section 12.6. Franchisor may terminate this Agreement without any opportunity for Franchisee to cure under Section 8.2.2 upon any misrepresentation or breach by Franchisee of this Section 12.6.

13. PERSONAL GUARANTEES

If Franchisee is a corporation, general partnership or limited liability company, or subsequent to execution of this Agreement, Franchisee assigns this Agreement to a corporation, general partnership or limited liability company, all shareholders, all general partners or all members and managers respectively, hereby personally and unconditionally guarantee without notice, demand or presentment the payment of all of

Franchisee's monetary and non-monetary obligations under this Agreement as if each were an original party to this Agreement in his or her individual capacity. In addition, all personal guarantors further agree to be bound by the restrictions upon Franchisee's activities upon transfer, termination or expiration and nonrenewal of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All personal guarantors shall execute a continuing personal guarantee in the form attached as Exhibit 2.

The next page is the signature page.

FRANCHISEE ACKNOWLEDGES TO FRANCHISOR THAT FRANCHISEE HAS READ THIS FRANCHISE AGREEMENT AND UNDERSTANDS ITS TERMS AND FRANCHISEE WOULD NOT SIGN THIS FRANCHISE AGREEMENT IF FRANCHISEE DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

FRANCHISEE:

(Individual, Partnership, Corporation or LLC Name)

By: _____

Title: _____

FRANCHISOR:

JOMSOM FRANCHISE COMPANY, LLC

Witness _____

By: _____

Title: _____

EXHIBIT 1

INDIVIDUAL FRANCHISE LOCATION

The Approved Location for the Franchised Business is as follows:

TERRITORY

Franchisee's Area of Prime Responsibility is as follows:

Witness

FRANCHISEE:

(Individual, Partnership, Corporation or LLC Name)

By: _____

Title: _____

FRANCHISOR:

JOMSOM FRANCHISE COMPANY, LLC

By: _____

Title: _____

EXHIBIT 2

PERSONAL GUARANTEE

NOTE: IF FRANCHISEE IS A CORPORATION, EACH OF ITS SHAREHOLDERS WITH A TWENTY PERCENT (20%) OR GREATER OWNERSHIP INTEREST IN FRANCHISEE MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A PARTNERSHIP, EACH OF ITS GENERAL PARTNERS MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A LIMITED LIABILITY CORPORATION, ALL OF ITS MEMBERS AND MANAGERS MUST EXECUTE THE FOLLOWING UNDERTAKING.

The undersigned persons hereby represent to Jomsom Franchise Company, LLC (the “Franchisor”), that they are all of the shareholders of Franchisee with a twenty percent (20%) or greater interest in Franchisee, or all of the general partners of Franchisee, or all of the members and managers of Franchisee, as the case may be. In consideration of the grant by Franchisor to Franchisee as provided under the Franchise Agreement between _____ (“Franchisee”) and Franchisor, dated _____ 20__ (the “Franchise Agreement”), each of the undersigned agrees, in consideration of benefits received and to be received by each of them, jointly and severally, and for themselves, their heirs, legal representatives and assigns that they, and each of them, shall be firmly bound by all of the terms, provisions and conditions of the foregoing Franchise Agreement, that they and each of them do unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the Franchise Agreement, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the Franchise Agreement and that they and each of them shall not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first notifying Franchisor, of said proposed transfer and obtaining the prior written consent of Franchisor and without first paying or causing to be paid to Franchisor, the transfer fee provided for in the Franchise Agreement, and without otherwise complying with the transfer provisions of the Franchise Agreement. The undersigned further agree to be bound by the in-term and post-termination covenants of the Franchise Agreement including, without limitation, those relating to confidentiality and noncompetition.

EACH GUARANTOR ACKNOWLEDGES TO FRANCHISOR THAT GUARANTOR HAS READ THIS PERSONAL GUARANTEE AND UNDERSTANDS ITS TERMS AND GUARANTOR WOULD NOT SIGN THIS PERSONAL GUARANTEE IF GUARANTOR DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

Dated: _____

Print Name:

Print Name:

Print Name:

EXHIBIT 3

FORM OF CONFIDENTIALITY AGREEMENT

In consideration of my being a _____ of _____ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. The Franchisee has acquired the right from Jomsom Franchise Company, LLC (the "Franchisor") to establish and operate a Jomsom business and the right to use in the operation of the Jomsom business, the Franchisor's trade names, trademarks and service marks (the "Proprietary Marks") and the Franchisor's unique and distinctive format and system relating to the establishment and operation of a Jomsom business (the "System"), as they may be changed, improved and further developed from time to time in the Franchisor's sole discretion.

2. The Franchisor possesses certain proprietary and confidential information relating to the operation of the System, which includes certain trade secrets, and copyrighted materials, methods and other techniques and know-how (the "Confidential Information").

3. Any and all information, knowledge, know-how, and techniques which the Franchisor specifically designates as confidential shall be Confidential Information for purposes of this Agreement.

4. As _____ of the Franchisee, the Franchisor and Franchisee shall disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the operations manual (the "Operations Manual") and other general assistance during the term of this Agreement.

5. I shall not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Jomsom business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Franchisor as confidential. Unless the Franchisor otherwise agrees in writing, I shall disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and shall continue not to disclose any such information even after I cease to be in that position and shall not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. The Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement shall cause the Franchisor and the Franchisee irreparable harm; therefore, the Franchisee and/or the Franchisor may apply for the issuance of an injunction preventing me from violating this Agreement, and I shall pay the Franchisee and the Franchisor all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Franchisor, any claim I have against the Franchisee or the Franchisor is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

8. This Agreement shall be construed under the laws of the State of Jersey. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature: _____

Name: _____

Title: _____

ACKNOWLEDGED BY FRANCHISEE

By: _____

Name: _____

Title: _____

EXHIBIT 4

FORM OF GENERAL RELEASE (Subject to Change)

FOR AND IN CONSIDERATION of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties, the parties agree and covenant to fully and mutually release the other as follows:

1. The undersigned _____ (the "Franchisee") and its shareholders, officers, and directors does hereby release and forever discharge Jomsom Franchise Company, LLC (the "Franchisor"), its, successors, agents, assigns, officers, directors, shareholders, employees, representatives, and any and all other persons, firms and corporations whatsoever, from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, breach of contract, defamation, and any claims whatsoever. This Full and Final General Release (the "Release") shall apply to all agreements or contracts heretofore existing or entered into by and between Franchisee and Franchisor.

2. The consideration expressly mentioned herein is the only consideration paid or to be paid by said parties hereby released. The parties acknowledge that no other party, or agent, or attorney of any other party, has made any promise, or representation or warranty to induce this Release, not herein expressly set forth, and no such promises, representations or warranties are relied upon as a consideration for this Release, or otherwise, but any and all of the parties' respective claims, of whatever nature are hereby fully and forever released, compromised and settled. Full and complete compromise, settlement, and accord and satisfaction are hereby acknowledged, and it is expressly agreed by the undersigned parties never to sue any of the other parties hereby released on any alleged promise, representation or warranty for this Release not herein expressly set forth.

3. This Agreement contains the entire agreement and understanding between the parties as to the matters specified herein and supersedes and replaces all agreements on this subject matter, whether written or oral. The terms contained herein may not be modified or amended except in writing signed by the parties. The terms of this Release are contractual and not a mere recital.

4. The undersigned further state that they have carefully read the foregoing instrument; that they know the contents thereof; that they understand and agree to each and every term and condition contained herein; that they signed the same as their own free act and deed; and that they have not assigned any rights released hereunder to any person or organization, private or governmental.

5. The terms of this Release arose from discussions between the parties. Accordingly, no claimed ambiguity in this Release shall be construed against any party claimed to have drafted or proposed the language in question.

6. This Release shall be governed by and construed pursuant to the laws of the State of New Jersey.

7. This Release may be executed in two copies, each of which shall be deemed an original.

8. All releases given by the Franchisee is 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. The Parties represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this document as the Releasing Parties, in the Releasing Parties independent judgment, believe necessary or appropriate.

WITNESS OUR SIGNATURES, this the _____ day of _____, 2012.

By: _____

FRANCHISEE (Printed Name) _____

EXHIBIT C
FINANCIAL STATEMENTS

JOMSOM FRANCHISE COMPANY, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012



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INDEPENDENT AUDITORS' REPORT

To the Members and Management of
Jomsom Franchise Company, LLC
Princeton, New Jersey

We have audited the accompanying financial statements of Jomsom Franchise Company, LLC (a New Jersey Limited Liability Company), which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of operations, changes in members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jomsom Franchise Company, LLC as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


Certified Public Accountants

Merchantville, New Jersey
March 19, 2014

JOMSOM FRANCHISE COMPANY, LLC
BALANCE SHEETS
DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 10,960	\$ 10,985
Prepaid expenses	<u>-</u>	<u>86</u>
TOTAL CURRENT ASSETS	<u>\$ 10,960</u>	<u>\$ 11,071</u>
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	\$ 180	\$ -
Deferred franchise fees	<u>12,000</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>12,180</u>	<u>-</u>
MEMBERS' EQUITY (DEFICIT)	<u>(1,220)</u>	<u>11,071</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY (DEFICIT)	<u>\$ 10,960</u>	<u>\$ 11,071</u>

See accompanying notes.

JOMSOM FRANCHISE COMPANY, LLC
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
REVENUES		
Franchise fees	\$ <u>6,000</u>	\$ <u>-</u>
OPERATING EXPENSES		
Advertising	6,597	-
Automobile	-	219
Bank service fees	25	-
Dues and subscriptions	1,700	2,500
Meals and entertainment	285	149
Office supplies	560	-
Professional and consulting fees	36,494	27,832
Taxes and licenses	-	25
Travel	-	912
Website maintenance and support	<u>2,409</u>	<u>186</u>
	<u>48,070</u>	<u>31,823</u>
NET LOSS	<u>\$ (42,070)</u>	<u>\$ (31,823)</u>

See accompanying notes.

JOMSOM FRANCHISE COMPANY, LLC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY (DEFICIT)
YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
MEMBERS' EQUITY (DEFICIT)		
Members' equity beginning	\$ 11,071	\$ -
Member contributions	47,779	42,894
Member distributions	(18,000)	-
Net loss	<u>(42,070)</u>	<u>(31,823)</u>
TOTAL MEMBERS' EQUITY (DEFICIT)	<u>\$ (1,220)</u>	<u>\$ 11,071</u>

See accompanying notes.

JOMSOM FRANCHISE COMPANY, LLC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (42,070)	\$ (31,823)
Adjustments to reconcile net loss to net cash used by operating activities		
(Increase) decrease in assets		
Prepaid expenses	86	(86)
Increase (decrease) in liabilities		
Accounts payable	180	-
Deferred franchise fees	12,000	-
NET CASH USED BY OPERATING ACTIVITIES	<u>(29,804)</u>	<u>(31,909)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from member contributions	47,779	42,894
Distributions paid	<u>(18,000)</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>29,779</u>	<u>42,894</u>
NET INCREASE (DECREASE) IN CASH	(25)	10,985
CASH, BEGINNING	<u>10,985</u>	<u>-</u>
CASH, ENDING	<u>\$ 10,960</u>	<u>\$ 10,985</u>

See accompanying notes.

JOMSOM FRANCHISE COMPANY, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Jomsom Franchise Company, LLC (the Company) was formed on March 12, 2012 to offer and sell franchises for the operation of Jomsom Staffing Services Businesses, which offers temporary, temporary to permanent, permanent staffing services, and other products and services. Operations began September 2012. The Jomsom System includes proprietary marks, know-how, trade secrets, sales techniques, marketing, advertising, and procedures for the operation and management of Jomsom Staffing Services businesses.

The Company does not own or operate any Jomsom Staffing Services and one franchise was sold as of December 31, 2013.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk – Cash

The Company maintains cash balances at one financial institution, which did not exceed the threshold for insurance provided by the Federal Deposit Insurance Corporation (FDIC). The Company believes it is not exposed to any significant credit risk on its cash.

Revenue Recognition

The Company recognizes its franchise fee revenue in accordance with FASB ASC 952-605-25, whereby franchise fee revenue shall be recognized when all material services or conditions relating to the sale have been substantially performed or satisfied by the franchisor. Franchise fees are payable upon execution of the Franchise Agreement as stated in the Franchise Disclosure Document. The initial franchise fee of \$25,000 is non-refundable under any circumstances.

The Company charges a regular monthly service fee (royalty) of 5% of the gross sales of the franchisee, less any amounts to be collected as sales tax, and is payable monthly. The Company also requires a franchisee to pay a renewal fee of 25% of the then current franchise fee when franchisees sign successor Franchise Agreements as stated in the Franchise Disclosure Document.

Accounts Receivable

Accounts receivable are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the period in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts. There is no valuation allowance recorded as of and for the years ended December 31, 2013 and 2012.

JOMSOM FRANCHISE COMPANY, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Franchise Fees

Deferred franchise fees represent franchise fees collected but not yet earned in accordance with the revenue recognition policy.

Property and Equipment and Depreciation

Property and equipment will be stated at cost. Depreciation will be provided by using the straight-line method over the estimated useful lives of the assets.

Income Taxes

No provision has been made for federal income taxes since the Company elected to file as a Partnership for tax filing purposes with distributable partnership interests, whereby the income is taxed directly to the members. The same tax status is maintained for state income tax purposes. Operations began during 2012, therefore 2012 is the only tax period open for examination.

Limited Liability Company

Since the Company is a limited liability company, no member, manager, agent or employee of the Company shall be personally liable for the debts, obligations, or liabilities of the Company, whether arising in contract, tort, or otherwise, or for the acts or omissions of any other member, director, manager, agent or employee of the Company, unless the individual has signed a specific personal guarantee. The duration of the Company is perpetual.

As a limited liability company, each member's liability is limited to amounts reflected in their respective member equity accounts.

Brand Development Fund

The Company collects funds from franchisees and manages the franchise advertising and marketing program to promote the Jomsom Service brand. The fee is based on .5% of the gross sales less any amount paid towards sales tax, payable monthly.

Advertising Costs

Advertising costs are charged to operations in the year incurred. Advertising costs for the years ended December 31, 2013 and 2012 were \$6,597 and \$-0-, respectively.

JOMSOM FRANCHISE COMPANY, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 2 MEMBERSHIP INTERESTS

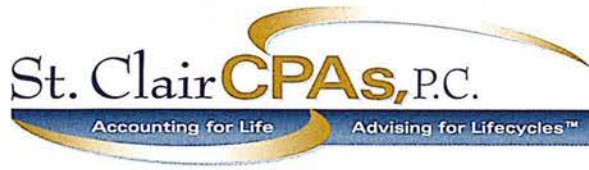
Net profits, net losses, and other income, gain, loss, deductions, and credits of the Company shall be allocated among the members in proportion to each member's unit percentage. Distributions for the years ended December 31, 2013 and 2012 were \$18,000 and \$0-, respectively.

NOTE 3 COMMITMENTS

The Company has entered into an agreement with a franchise broker. This agreement has a two year term and expires during 2015. All payments made for these services are charged to expense in the year the costs are incurred.

NOTE 4 SUBSEQUENT EVENTS

The Company has evaluated events or transactions that have occurred after December 31, 2013 (the financial statement date) through March 19, 2014, the date that the financial statements were available to be issued. During this period, the Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.



CONSENT OF ACCOUNTANT

St. Clair CPAs, P.C. hereby consent to the use in the Franchise Disclosure Document issued by Jomsom Franchise Company, LLC (the Franchisor) on March 19, 2014, as it may be amended, of our report dated March 19, 2014 relating to the financial statements of the Franchisor as of December 31, 2013 and 2012.

St. Clair CPAs, P.C.
Certified Public Accountants

Merchantville, New Jersey
March 19, 2014

An independent member of **BKR**
INTERNATIONAL

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**EXHIBIT E
LIST OF FRANCHISEES**

None

EXHIBIT F STATE ADDENDA

GENERAL ADDENDUM

The state law addendum, above, if applicable, is a part of the Franchise Agreement and supercedes any inconsistent term(s) of the Franchise Agreement.

The following states have statutes that may supercede the Franchise Agreement:

ARKANSAS [Stat. § 70-807], CALIFORNIA [Bus. & Prof. Code § 20000-20043], CONNECTICUT [Gen. Stat. § 42-133e et seq.], DELAWARE [Code, Tit. 6, Chap. 25, § 2551 et seq.], HAWAII [Rev. Stat. § 482E-1], ILLINOIS [ILCS 705/1-44], INDIANA [Stat. § 23-2-2.7], IOWA [Code § 523H.1 – 523H.17], MICHIGAN [Stat. § 19.854(27)], MINNESOTA [Stat. § 80C.14], MISSISSIPPI [Code § 75-24-51], MISSOURI [Stat. § 407.400], NEBRASKA [Rev. Stat. § 87-401], NEW JERSEY [Stat. § 56:10-1], SOUTH DAKOTA [Codified Laws § 37-5A-51], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code § 19.100.180], WISCONSIN [Stat. § 135.03].

In addition, state court decisions in the above states and other states may supercede the Franchise Agreement.

The areas in which state law may supercede or limit the provisions of the Franchise Agreement could (but do not necessarily) include: termination and renewal of your franchise; the enforcement of non-compete clauses that may restrict your business activity after the termination of the Franchise Agreement; liquidated damage clauses; or clauses that designate the venue or jurisdiction of any disputes under the Franchise Agreement.

At the federal level, a provision in the Franchise Agreement that terminates the franchise upon your bankruptcy may not be enforceable under 11 U.S.C.A. § 101 et seq.

NEW YORK

Registration of this franchise with the State does not mean that the State recommends it or has verified the information in this disclosure document. If you learn that anything in this disclosure document is untrue, contact the Federal Trade Commission and the State Administrator for this State listed in Exhibit A.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. 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 PROSPECTUS.

THIS DISCLOSURE DOCUMENT IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THIS DISCLOSURE DOCUMENT AND ALL CONTRACTS AND AGREEMENTS SHOULD BE READ CAREFULLY IN THEIR ENTIRETY FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ALTHOUGH THESE FRANCHISES HAVE BEEN ACCEPTED FOR FILING SUCH FILING UNDER GENERAL BUSINESS LAW, ARTICLE 33 OF THE STATE OF NEW YORK DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE NEW YORK STATE DEPARTMENT OF LAW THAT THE INFORMATION PROVIDED HEREIN IS TRUE. THE DEPARTMENT'S REVIEW DID NOT INCLUDE A DETAILED EXAMINATION OF THE MATERIALS SUBMITTED. A FALSE, INCOMPLETE, INACCURATE OR MISLEADING STATEMENT MAY CONSTITUTE A VIOLATION OF BOTH FEDERAL AND STATE LAW, AND SHOULD BE REPORTED TO BOTH FEDERAL TRADE COMMISSION, WASHINGTON, DC 20580 AND THE NEW YORK STATE DEPARTMENT OF SECURITIES, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, NEW YORK, NY 10271.

GENERAL BUSINESS LAW, ARTICLE 33 OF THE STATE OF NEW YORK MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE A COPY OF THE OFFERING PROSPECTUS, TOGETHER WITH A COPY OF THE FRANCHISE AGREEMENT AT THE EARLIER OF (A) THE FIRST PERSONAL MEETING BETWEEN THE FRANCHISE OR ITS AGENT AND THE PROSPECTIVE FRANCHISEE, (B) AT LEAST TEN (10) BUSINESS DAYS PRIOR TO THE EXECUTION OF A BINDING FRANCHISE OR OTHER AGREEMENT OR (C) AT LEAST TEN (10) BUSINESS DAYS PRIOR TO THE RECEIPT OF ANY CONSIDERATION IN CONNECTION WITH THE SALE OR PROPOSED SALE OF A FRANCHISE.

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: SECRETARY OF STATE, 41 STATE STREET, ALBANY, NY 12231.

THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME, SINCE MARCH, 2012. THEREFORE, THERE IS ONLY A BRIEF OPERATING

HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.

Except as stated in Item 3 of this prospectus, neither the franchisor, its predecessor or predecessors nor any person or sales agent identified in Item 2 of this prospectus:

- (i) has pending any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) alleging a felony, violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations;
- (ii) has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of a misdemeanor or pleaded *nolo contendere* to a misdemeanor charge or been held liable in a civil action by final judgement or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations;
- (iii) is subject to any injunctive or restrictive order or decree relating to franchises or under any Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency.

Except as otherwise set forth in Item 4, neither the franchisor or any predecessor, officer or general partner of the franchisor has during the 15-year period immediately preceding the date of the offering prospectus been adjudged bankrupt or reorganized due to insolvency or was a principal officer of any company or a general partner in any partnership that was adjudged bankrupt or reorganized due to insolvency during or within 1 year after the period that such officer or general partner of the franchisor held such position in such company or partnership, nor has any such bankruptcy or reorganization proceeding been commenced.

The Summary column of Item 17d is amended to read: “You may terminate upon any grounds permitted by law.”

The Summary column of Item 17j is amended to read: “We may assign only to financially responsible assignee that we reasonably believe capable of performing our obligations under the franchise agreement and which expressly assumes these obligations in writing.”

The Summary column of Item 17s is amended to add the following: “Revisions to the Manual will not unreasonably affect your obligations, including your economic obligations, under the Franchise Agreement.”

The Summary column of Item 17w is amended to add the following: The foregoing choice of law should not be considered a waiver of any right conferred upon you by the General Business Law of the State of New York, Article 33.”

Franchisee: _____ Date: _____

Franchisor: _____ Date: _____

EXHIBIT G

DISCLOSURE QUESTIONNAIRE

As **YOU** know, **YOU** and **JOMSOM FRANCHISE COMPANY, LLC**, a New Jersey limited liability company (“**Jomsom**”) are entering into a Franchise Agreement for the operation of a Jomsom Staffing Services business. The purpose of this Disclosure Questionnaire is to determine whether any statements or promises were made to **YOU** that **Jomsom** has not authorized or that may be untrue, inaccurate or misleading, and to be certain that **YOU** understand the limitations on claims that may be made by **YOU** by reason of the offer and sale of the franchise and operation of **YOUR** business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations*

1. Did **YOU** receive a copy of **Jomsom’s** Franchise Disclosure Document (and all exhibits and attachments at least 14 calendar days prior to signing the Franchise Agreement? Check one: Yes No. If no, please comment:

2. Have **YOU** studied and reviewed carefully **Jomsom’s** Franchise Disclosure Document and Franchise Agreement? Check one: Yes No. If no, please comment:

3. Did **YOU** receive a copy of the Franchise Agreement at least seven calendar days prior to the date on which the Franchise Agreement was executed? Check one: Yes. No If no, please comment:

4. Did **YOU** understand all the information contained in both the Franchise Disclosure Document and Franchise Agreement? Check one Yes No. If no, please comment:

5. Was any oral, written or visual claim or representation made to **YOU** which contradicted the disclosures in the Franchise Disclosure Document? Check one: No Yes. If yes, please state in detail the oral, written or visual claim or representation:

-
6. Did any employee or other person speaking on behalf of **Jomsom** make any oral, written or visual claim, statement, promise or representation to **YOU** that stated, suggested, predicted, or projected sales, revenues, expenses, earnings, income or profit levels at any other Jomsom business, or the likelihood of success of your business? Check one: No Yes. If yes, please state in detail the oral, written or visual claim or representation:
-

7. Do you understand that the Franchise Agreement contains the entire agreement between **YOU** and **Jomsom** concerning **YOUR** Jomsom Staffing Services business, meaning that any prior oral or written statements not set out in the Franchise Agreement or Franchise Disclosure Document will not be binding? Check one: Yes No. If no, please comment:
-

8. Do you understand that the success or failure of **YOUR** Jomsom Staffing Services business will depend in large part upon **YOUR** skills and experience, **YOUR** business acumen, **YOUR** location, the local market for products and services, interest rates, the economy, inflation, the number of employees **YOU** hire and their compensation, competition and other economic and business factors? Further, do **YOU** understand that the economic and business factors that exist at the time you open **YOUR** business may change? Check one Yes No. If no, please comment:
-

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO JOMSOM AND THAT JOMSOM WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH,

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____

Print Name: _____

Date: _____

**RECEIPT
(FRANCHISOR'S COPY)**

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

If Jomsom Franchise Company, LLC ("Franchisor") offers you a franchise, Franchisor must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment to us or an affiliate in connection with the proposed franchise sale.

Rhode Island requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, New York and Oregon require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Franchisor does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate State agency Identified in Exhibit A.

The Franchisor is Jomsom Franchise Company, LLC, 4390 US Highway 1, Suite # 203, Princeton, New Jersey 08540, (866) 435-4050.

Issuance Date: March 19, 2014

The name, principal business address and telephone number of each franchise seller offering the franchise is Saurabh Agarwal having a principal business of 4390 US Highway 1, Suite # 203, Princeton, New Jersey 08540, a telephone number of (866) 435-4050.

Franchisor authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I have received a Franchise Disclosure Document dated March 19, 2014, that included the following Exhibits:

- Exhibit A - List of State Administrators/ Agents for Service of Process
- Exhibit B- Form of Franchise Agreement
- Exhibit C - Financial Statements
- Exhibit D - Table of Contents – Operations Manual
- Exhibit E - List of Franchisees
- Exhibit F - State Addenda
- Exhibit G - Franchisee Disclosure Questionnaire

Dated: _____

Prospective Franchisee

(Print Name)

**RECEIPT
(YOUR COPY)**

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

If Jomsom Franchise Company, LLC ("Franchisor") offers you a franchise, Franchisor must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment to us or an affiliate in connection with the proposed franchise sale.

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- Exhibit G - Franchisee Disclosure Questionnaire

Dated: _____

Prospective Franchisee

(Print Name)