

FRANCHISE DISCLOSURE DOCUMENT

MEDICAL SEARCH CONSULTANTS LLC

A Florida limited liability company
3830 Valley Centre Drive
Suite 705-453
San Diego, California 92130
858-229-5939

nadia@allmedsearch.com
www.allmedsearch.com

ALL MEDSEARCH® **ALL MED PRACTITIONERS SEARCH™**
ALL MED FINANCIAL AND SALES SEARCH™



As an ALL MEDSEARCH® franchisee you will operate a permanent placement staffing business which provides recruiting and placement services to the health care industry for executive, nursing, pharmacy and allied health professional placement; As an ALL MED PRACTITIONERS SEARCH® franchisee you will operate a permanent placement staffing business which provides recruiting and placement services to the health care industry for physician and midlevel practitioner placement; and as an ALL MED FINANCIAL AND SALES SEARCH® franchisee you will operate a permanent placement staffing business which provides recruiting and placement services to the health care industry for coding, information technology, administrative and sales professional placement.

The total investment necessary to begin operation of an ALL MEDSEARCH, or an ALL MED PRACTITIONERS SEARCH, or an ALL MED FINANCIAL AND SALES SEARCH franchise is from \$67,110 to \$83,235. This includes \$50,000 that must be paid to the franchisor or its affiliates. This is the total of all initial fees and payments for services or goods received from the franchisor and its affiliates.

We may also offer to certain qualified people the right to develop multiple franchises under Multiple Unit Development Agreement. The total investment necessary to begin operation as a Multiple Unit Developer is \$10,000 which must be paid to us for each additional franchise that you agree to develop at the time you sign the Multiple Unit Development Agreement.

This disclosure document summarizes 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 government agency has verified the information contained in the 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 Nadia Gruz, Medical

Search Consultants LLC, 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130, (858) 229-5939, nadia@allmedsearch.com.

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 to an advisor like a lawyer or 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 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, DC 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 31, 2023

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, ACCORDING TO THE MICHIGAN DEPARTMENT OF ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION (THE “DIVISION”), THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided by the Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee’s inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor’s intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This subsection does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor’s then-

current reasonable qualifications or standards.

- (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market value or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c) above.

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the Attorney General of Michigan does not constitute approval, recommendation, or endorsement by the Attorney General.

Any questions regarding this notice should be directed to:

Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913
(517) 373-7117

We do not agree with the conclusions reached by the Division that all of the above are void and unenforceable, and we reserve the right to challenge claims that may be asserted to the effect that any provisions in our agreements are void and unenforceable.

THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN

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**MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE DISCLOSURE DOCUMENT**

Item 1

THE FRANCHISOR, ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, “MSC”, “we”, “us” or “our” means Medical Search Consultants LLC, the franchisor. “You” means the person who buys the franchise. If a corporation, partnership, limited liability company or other entity buys the franchise; “you” also means each of the individual owners of the corporation, partnership, limited liability company or other entity.

The Franchisor

MSC is a Florida limited liability company formed on April 25, 2019. We are owned by our members. Our principal business address is 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130.

We conduct business under our corporate name, under the trade names and service marks “ALL MEDSEARCH®”, and “ALL MED PRACTITIONERS SEARCH®”, “ALL MED FINANCIAL AND SALES SEARCH®”, URLs, domain names, website addresses, email addresses, digital cellular addresses, wireless web addresses and the like (“e-names”) and associated logos, designs, symbols and trade dress.

We began to offer franchises on September 30, 2019. We offer to qualified individuals a choice of three distinct franchise brands targeted to specific health care professionals (“Candidates”) under the trade names and service marks ALL MEDSEARCH, ALL MED PRACTITIONERS SEARCH and ALL MED FINANCIAL AND SALES SEARCH. We currently have eight ALL MEDSEARCH® franchises and one ALL MEDSEARCH® affiliate-owned outlet.

MSC franchises businesses under the trade name and service mark ALL MEDSEARCH (“AM”) to provide recruiting services for the placement of senior (C -Level) executives, nursing, pharmacy, and allied health professionals.

MSC franchises businesses under the trade name and service mark ALL MED PRACTITIONERS SEARCH (“AMPS”) to provide recruiting services for the placement of physicians, midlevel practitioners (physician assistants) and nurse practitioners.

MSC franchises businesses under the trade name and service mark ALL MED FINANCIAL AND SALES SEARCH (“AMFSS”) to provide recruiting services for the placement of coding, information technology, administrative and sales professionals.

Agents for Service of Process

MSC's agent for service is disclosed in Exhibit E.

Parent, Predecessors and Affiliates

On January 1, 2022, Braidmar, Inc. acquired all interest in us becoming our parent. Braidmar, Inc., a California corporation, was formed on June 11, 2020. Its principal address is 3830 Valley Centre Drive, Suite 705-453, San Diego, California 921130. Braidmar, Inc. shall provide certain administrative services to us, our affiliate, All Med Search LLC and our franchisees and as of 2020 provides services similar to those offered in the Disclosure Document under the AMS trade names.

We do not have any predecessors.

Our affiliate, All Med Search LLC (AMS), a Florida limited liability company, was established on April 25, 2019. AMS' principal business address is 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130. AMS' principal business is developing Clients for MSC franchises to service, and providing all Client billing services. AMS is a wholly owned subsidiary of Braidmar, Inc.

We do not own or operate AM, AMPS or AMFSS Businesses. However, our Manager Nadia Gruzd has operated Interdesign Enterprises, Inc., a California corporation established June 28, 2000. From 2010 to 2021, one of the services of Interdesign Enterprises, Inc. provides is similar to those offered in the Disclosure Document under the All Med Search trade name. Interdesign Enterprises, Inc.'s principal business address is 3830 Valley Centre Drive Suite 705-453, San Diego California 92130.

Other than disclosed above, neither we, nor our parent, affiliate, nor any of our officers currently operate any other types of businesses; nor do we own or control any other affiliated companies.

The Franchised Business Offered

MSC is known for its efficient operating systems, relationship services and high-energy profile. All AM, AMPS and AMFSS franchised businesses ("Franchised Business") are generally uniform in operation and services provided but vary in the candidate market segment serviced.

If you purchase one brand of our franchise offerings and wish to service a different candidate market segment on an ongoing basis, you must purchase the associated franchise. For example, an AM franchisee desiring to add placement of physicians and other practitioner services must purchase an AMPS franchise in order to offer this service.

You may be allowed to service other candidate market segments through your Franchised Business on a limited basis, but you will need our written approval before being allowed to do so. Unless you have our prior written permission, you may only undertake placement of those Candidates as authorized under your Franchise Agreement. Our permission may be contingent on you sharing your placement commission fee with us, our affiliate or another franchisee who would participate in the placement. Sharing terms and protocols are further defined in our confidential Brand Standards Manual referred to as Operations Manual in this Disclosure Document.

We may also offer to certain qualified people the right to develop multiple MSC franchises under an Area Development Agreement, as defined under the NASAA Multi-Unit Commentary, (referred to throughout this document as “Multiple Unit Development Agreement” or “Development Agreement”). If you and the area in which you are interested, meet certain qualifications, you can be licensed and be obligated to the rights to develop multiple MSC franchises under a Multiple Unit Development Agreement (Exhibit I) in accordance with an agreed upon Development Schedule.

The Franchise Agreement for the first franchise developed under the Development Agreement will be in the form attached as Exhibit B to this Disclosure Document and must be signed at the same time you sign the Development Agreement. For each additional franchise developed under the Development Agreement, you must sign the then-current form of franchise agreement that we are then offering to new franchisees which may be different from the form of franchise agreement in this offering, but the franchise fee and royalty fee you pay will be the same as the first Franchise Agreement.

Market Target & Competition

The target market for providing medical recruitment and placement services for all three brands is the health care industry. Your clients are generally acute care hospitals, ambulatory surgical centers, behavioral health centers, birth centers, dialysis centers, emergency and outpatient care centers, home health care businesses, hospice facilities, imaging and radiology centers, long term acute hospitals, medical device manufacturers, mobile clinics, orthopedic and rehabilitation centers, outpatient centers, pharmacies, pharmaceutical companies, psychiatric hospitals, rehabilitation hospitals and/or clinics, skilled nursing facilities, urgent care centers, medical coding and billing centers, biotech companies, and other health care related businesses as may be further defined by MSC from time to time (“Clients”) who are seeking to hire permanent personnel.

The market for health care placement services is established and growing. Your competitors will include medical and health care professional recruiting and search firms on a local, regional and national level including other franchises. All MSC franchises are year round businesses.

Regulations

In some states staffing, career placement and professional search agencies are required to be licensed as employment agencies, registered as placement agencies and/or to secure a surety bond in order to conduct business in the state, some regardless of whether or not the agency has a physical office within state borders. Many of the laws, rules and regulations vary from state to state, including variations in licensing and bonding requirements, and the relative cost and difficulty in obtaining them. We recommend that you consult with your attorney concerning these and other laws that may affect the operations of the Franchised Business. You will also be required to comply with all local, state and federal laws and regulations which may apply to all businesses in general.

**Item 2
BUSINESS EXPERIENCE**

Managing Member/CEO – Nadia Gruzd

Ms. Gruzd has been our Manager since our formation in April 2019. Ms. Gruzd has been Manager of All Med Search LLC since its formation in April 2019. From March 2010 to 2021, Ms. Gruzd operated an All Med Search business under Interdesign Enterprises, Inc., located in San Diego California, similar to the AMS franchise offered under this disclosure document. Since June 2020, Ms. Gruzd is the sole principal and President of Braidmar Inc..

**Item 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**Item 4
BANKRUPTCY**

On February 5, 2010, one of our managing members, Nadia Gruzd, as sole shareholder of Unlimited Nurse Search Inc., filed a petition under Chapter 7 of the U.S. Bankruptcy Code (United States Bankruptcy Court for the Southern District of California, Case No. 10-01821-LA7). The matter was terminated on September 1, 2015.

Other than this¹ matters disclosed above, no bankruptcy information is required to be disclosed in this Item.

Item 5 INITIAL FEES

Area Development Fee

The Franchise Agreement for the first franchise developed under the Development Agreement must be signed at the same time you sign the Development Agreement. For each additional franchise to be developed under the Development Agreement, you must pay us a Development Fee equal to \$10,000 at the time you sign the Development Agreement. We will credit each Development Fee against the initial franchise fees for each subsequent franchise (not to exceed a credit of \$10,000 for any single franchise), except for the Initial Franchise Fee for your first Franchise Agreement, which must be prepaid in full when you sign your Development Agreement.

Single Unit Franchise

The initial franchise fee for a MSC franchise is \$50,000 (“Initial Franchise Fee”). You must pay the Initial Franchise Fee in a lump sum when you sign the Franchise Agreement. In consideration for the Initial Franchise Fee, we grant you a franchise to operate an AM or an AMPS or an AMFSS Business and provide you and certain of your personnel with initial training.

The Initial Fees are fully earned and non-refundable when paid. You pay us or affiliates no other fees or payments for services or goods before your business opens.

Item 6 OTHER FEES

NAME OF FEE¹	AMOUNT	DUE DATE	REMARKS
Royalty	10% of total Gross Sales per month on Client Accounts developed by you; 15% of total Gross Sales on Client Accounts developed by us, AMS or another franchisee. ²	AMS provides all Client billing services. On the 1 st & 15 th of each month, AMS will deduct royalty and other amounts owed from Client payments received and remit balance to you. ³	Gross Sales means all sales from, at or through operation of the franchise location. ²
Minimum Royalty	\$22,500 to \$40,500 per year ⁴	Upon billing	If this is your first franchise under the trade name, the Minimum Royalty

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
			requirement is waived for the first two years of your initial term.
Placement Fee Sharing	Up to 50% of the commission.	Same as Royalty	For Candidate placements outside your Brand and/or your territory, or with another franchisee's client. ⁵
Marketing Fund	4% of total gross sales	Same as Royalty Fee	
Special Advertising Assessment	Up to \$1,000 annually	Upon billing	Proportionately shared by all franchisees to cover any shortage of advertising funds to cover the costs of trade shows and advertising as determined by the advertising council.
Interim Recruiter Replacement Fee	A total of 75% of fees collected for this service	Same as Royalty Fee	If the Franchised Business is without a trained recruiter for 30 days or more, we have the right to advertise and place candidates within the area that should be served by that recruiter. From the fees collected we will subtract 50% of the associated advertising costs and 25% for our commission, remitting the remaining 25% of the

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
			fee to you.
Additional Training	\$500 per day, per person	Paid in advance	Initial training is free for two people. Charge is for any additional persons trained by MSC. This Fee is subject to change with or without notice.
Audits	Cost of audit plus interest on underpayment ⁶	Upon billing	Payable only if audit shows understatement is willful or if 5% or more of gross sales for any month.
Transfer, Assignment Fee	\$15,000. If you pursue but do not complete a transfer you must reimburse our costs and expenses in reviewing and documenting the proposed transfer.	Before consummation of assignment/transfer	Payable if you sell your franchise. No fee charged if you transfer franchise to a corporation or other entity you control.
Transfer Fee – Multiple Unit Development Agreement	\$2,500 for each unopened franchise; \$15,000 for each operating Franchised Business.	Upon submission of request for consent to transfer	You will not be required to pay a transfer fee if you transfer to a business entity that you form for convenience of ownership, but you will need to comply with certain conditions. This fee also applies to transfers of partial ownership interests

NAME OF FEE¹	AMOUNT	DUE DATE	REMARKS
			and transfers upon death or permanent incapacity. You must reimburse us all costs and expenses that we incur for any uncompleted transfer.
Renewal Fee	10% of the then-current Franchise Fee	Upon renewal	New Franchise Agreement, which may have different terms or conditions, must be signed by you and MSC.
Multiple Unit Extension Fee	\$3,000 per extension	As incurred	Payable if Multiple Unit Developer desires to extend the Development Period.
Internet Employment Advertising ⁷	\$244 – \$835 per month.	Payable to AMS on the 15 th of each month via Electronic Funds Transfer (EFT)	Discounted Contract Rate divided monthly among franchisees
Applicant Tracking System Software ⁸	\$145 per month per user.	Payable to AMS on the 15 th of each month via EFT.	We reserve the right to adjust this fee after the first 12 months based on increased costs from 3 rd party vendor.
Annual Conference Registration Fee	Up to \$495 per person	On demand	You must pay us a registration fee, which we expect will not be more than \$495 per person, for attending our annual conference. We require you (or your managing owner),

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
			and/or your general manager to attend each conference. You will be responsible for all travel and living expenses incurred by you and your personnel for attendance at the annual conference.
Administrative Fee ⁹	\$110 per month	Payable to AMS on the 15 th of each month via EFT.	Payable to our affiliate. We may increase the fee after the first 12 months based on market rates for similar services.
Telephone System	\$150 per phone	As arranged	Payable to required vendor.
Telephone System Monthly Service Fee	\$25 per month per phone	Payable monthly to AMS on the 15 th of the following month via EFT.	Payable to our affiliate.
Failure to Maintain Insurance	Cost of insurance and, if not obtained by you, our procurement expense.	As required and as incurred	Payable upon your failure to comply with the Franchise Agreement.
Interest ⁶	Lesser of 1.5% per month or the highest rate permitted by law.	As incurred.	Payable only if a payment is not received by due date.
Non-disclosure Fee	Forfeiture of commission and \$1,000 per instance paid into the Marketing Fund	As incurred	See note 10
Proposed Supplier Examination Costs	\$100 to \$500 to cover our actual costs to review proposed supplier	As incurred	Payable only if you wish to purchase goods or supplies from a vendor or

NAME OF FEE¹	AMOUNT	DUE DATE	REMARKS
			supplier not on our approved list.
Costs and Attorneys' Fees	Will vary under the circumstances	As incurred	Payable upon your failure to comply with the Franchise Agreement.
Non-compliance Fee	\$100	As incurred	Payable per violation by you of any term or condition of the Franchise Agreement.
Violation of Non-competition covenant	Fee equal to our then-current initial franchise fee plus 25% of competitive business gross sales until expiration of the non-compete period.	On demand	Payable only upon your failure to comply with the Franchise Agreement.
Indemnification	Will vary under the circumstances	As incurred	You will have to reimburse us if we are held liable for claims arising from your Franchised Business's operation.
Liquidated Damages ¹¹	Will vary under the circumstances	If Franchise Agreement is terminated as a result of your default	A lump sum equal to the value of the Royalty and Marketing Fees that you would have paid for the remainder of the term.
Client and Candidate Complaints ¹²	Actual cost to satisfy your Clients or Candidates plus reimbursement for our time/expenses incurred in resolving the issue	As incurred	If we step in to resolve a complaint from one of your Clients or Candidates, you must pay us for our time and any compensation (i.e.,

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
			refunds) given to Client or Candidate.
Failure to Respond to Client Placement Request	75% of your placement commission	As incurred	If You have failed to respond to a client request within 1 business day, AMS, or its designee, has the right to step in and fulfill the request.

NOTES:

(1) Except as otherwise noted, fees are imposed uniformly by and payable only to us or our affiliate or designated representative. All fees that are not deducted from your Clients' payments are payable through Electronic Funds Transfer (EFT). You must authorize your bank to accept automatic withdrawals for all fees due to us and our affiliate through EFT of the stated amount from your bank into our bank account when due. You must provide us with all documents necessary to direct your bank to honor these pre-authorized bank debits. (See Franchise Agreement, EFT Authorization). Except as stated in this Item 6, there are no provisions for any of these fees to increase during the term of your Franchise Agreement. We do not finance any fee. All fees are non-refundable.

(2) Client Accounts may be developed by you, us, our affiliate, AMS, and other franchisees. We encourage our franchisees to develop Client relationships inside and outside their Designated Territory. If you place a candidate with a Client Account which you developed you will pay us a 10% royalty on that placement. If you place a candidate with a Client Account which was developed by us, our affiliate or another franchisee you will pay us a 15% royalty on that placement. We will retain 10% (equal to 2/3 of the royalty) and share the other 5% (equal to 1/3 of the royalty) with the procuring party of the Client Account, which may be us, our affiliate or another franchisee. The term "Gross Sales" will mean and include the total of all revenue and income of the Franchised Business from the sale of services and products or any other source, whether or not sold or performed at or from the Franchised Business and whether received in cash, in services in kind, from barter and/or exchange, on credit (whether or not payment is received), or otherwise. You will deduct from your Gross Sales (but only if they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to Clients, if the taxes are separately stated when the Client is charged and if the taxes are paid to the appropriate taxing authority. You will also deduct from your Gross Sales the amount of any documented refunds, charge backs, credits and allowances which you give in good faith to Clients. All barter and/or exchange transactions to which Franchised Business furnishes services

and/or products in exchange for goods or services to be provided to Franchised Business by a vendor, supplier or Client will, for the purpose of determining Gross Sales, be valued at the full value of the goods and/or services so provided to Franchised Business. Gross Sales will also include all insurance proceeds received by you for loss of business due to a casualty to, or similar event affecting the operation of, the Franchised Business.

(3) Royalty Fees will begin from the date the Franchised Business is opened and continue through the term of the Franchise Agreement. MSC's success is dependent on maintaining Client relationships, which it does through continual Client relations activities and a uniform billing procedure. AMS provides all Client billing services for your Franchised Business. On the 1st and the 15th of each month, AMS will deduct payments due to us and them from Client payments received and remit the balance to you. You are responsible for collection activities as described in the Operations Manual.

(4) The "Minimum Sales Performance" for calculating the Minimum Royalty of 15% is based on the annual Gross Sales in your Designated Territory from the placement of Candidates, as set forth in the table below:

Territory Population	Minimum Annual Gross Sales
4,000,000 to 4,999,999	\$150,000.00
5,000,000 to 5,999,999	\$180,000.00
6,000,000 to 6,999,999	\$210,000.00
7,000,000 to 7,999,999	\$240,000.00
8,000,000 to 8,999,999	\$270,000.00

If you are granted a Franchise and this is your first Franchise under that particular brand, then the Minimum Royalty Fee and Minimum Annual Gross Sales quota is waived for the first 2 years of your Initial Term. If you or any affiliate of yours purchases a 2nd or subsequent Franchise under the same brand, then the Minimum Royalty Fee and Minimum Annual Gross Sales quota is waived only for the first 4 months of the Initial Term under that franchise agreement. However, if you or any affiliate of yours purchases a 2nd or subsequent franchise for a different brand, the Minimum Royalty Fee and Minimum Annual Gross Sales quota is waived for the first two years of that franchised business' Initial Term.

(5) Unless you have our prior written permission, you may only undertake placement of those Candidates as authorized under your Franchise Agreement. Our permission may be contingent on you sharing up to 50% of your placement commission fee with us if the placement is outside your Brand; or with our affiliate or another franchisee who would participate in the placement or has rights within the territory of the placement or client. Sharing terms and protocols are further defined in our confidential Operations Manual.

(6) Interest rate will be 1.5% per month or if the maximum interest rate permitted by your state law is less, then interest will be charged at such lesser-allowed rate. Maximum interest permitted in California is 10% annually. Interest begins from the date of such late or underpayment.

(7) AMS will purchase on behalf of franchisee and affiliate-owned units multi-user contracts with Internet Employment Recruiting and Advertising Search and Marketing Providers, such as Monster.com, CareerBuilder.com, Indeed.com, Ziprecruiter.com, etc., for use by all franchisees and affiliate-owned units so that franchisees may place candidate recruitment ads at the discounted rates (“Group Buys”). The cost of the contracts will be divided equally among all franchisees and affiliate-owned franchised businesses on a monthly basis and will vary based on the number of ads purchased by a franchisee for candidate marketing, territory size, number of territories owned by that franchisee and annual sales volume.

(8) You must subscribe to tracking and marketing software as we designate in the MSC Operations Manual, which may change over time. Currently, we require Loxo Applicant Tracking Software.

(9) You must pay our affiliate, AMS, an administrative fee to offset its costs incurred for providing to you certain support services, which include coordinating Internet Employment Recruiting and Advertising Search and Marketing, processing Client billing, reporting and collection services, sales tax processing, if required, and processing your remittance. You must inform MSC or its affiliate of all laws and taxes applicable to your Franchised Business with regard to these services and you will be solely responsible for any violations resulting from your failure to do so.

(10) If you place a Candidate in a position in another franchisee’s or a MSC affiliate’s territory without first notifying the other franchisee or MSC affiliate as required, then you must pay 100% of the collected fees for the placement to the other franchisee or MSC affiliate and you must also make a \$1,000 contribution, per instance, to the MSC Marketing Fund. However, if you and the other franchisee agree to the Candidate placement, 30% of the placement fee goes to the franchisee whose territory the Client resides and 70% goes to you for facilitating the placement. If the candidate is hired by a facility in Florida for the All Med Search division and you and the other franchisee agree to the Candidate placement, 42.5% of the placement fee goes to the franchisee whose territory the Client resides, 15% goes to the franchisee whose territory the Candidate resides and 42.5% goes to you for facilitating the placement. If the territory of either the Client or Candidate is unowned then that portion of the placement fee goes to you, all of which is further as set forth in the Fee Sharing policies in MSC’s Operations Manual.

(11) Royalty Fees and Marketing Fund Fees will be calculated based on the Franchised Business’ average monthly Gross Sales for the 12 months preceding the termination date. If you

have not operated your Franchised Business for at least 12 months preceding the termination date, Royalty Fees and Marketing Fund Fees will be calculated based on the average monthly Gross Sales of franchised businesses operating under the same trademark during our last fiscal year.

(12) You must maintain high standards of quality and service. You will cooperate with us by maintaining high standards in the operation of the franchise and you must, at all times, give prompt, courteous and efficient service to Clients and Candidates. All Franchised Business work must be performed competently and professionally. The Franchised Business must, in all of its dealings, adhere to the highest standards of honesty, fair dealing and ethical conduct. If we feel that you did not fairly handle a complaint, we may intervene and satisfy the Client or Candidate. **You must abide by our Code of Ethics and Client Relations, including adhering to Client established protocols, as provided in the Operations Manual.** You must reimburse us for all our costs associated with satisfying your Clients or Candidates.

Item 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

ITEM	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	\$50,000 ¹	Lump sum	At signing of Franchise Agreement	MSC
Real Estate and Improvements	See Note 2	See Note 2	See Note 2	See Note 2
Office Furniture	\$300 to \$500	As incurred	Before opening	Various vendors
Office Equipment including computer equipment	\$1,500 to \$3,000	As incurred	Before opening	Various vendors
Certified Professional Consultant (CPC)	\$350	As incurred	Within 90 days of Opening	National Association of Professional Services

ITEM	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Certification				(NAPS)
Office Supplies	\$500 to \$750	As incurred	Before opening	Various vendors
High-Speed Internet Access Service (first 3 months)	\$250 - \$375	As incurred	As incurred	Vendor
Licenses/ Deposits	\$1,100 to \$2,100	As incurred	As incurred	State/local agencies, vendors
Loxo Applicant Tracking System Software (first 3 months)	\$435 ³	As incurred	Before opening	AMS
Telephone System/per phone	\$150	As incurred	Before opening	Required Vendor
Telephone System Monthly Service Fee (first 3 months)	\$75 ⁴	As incurred	As incurred	AMS
Professional Advisors & Miscellaneous Expenses	\$1,500 to \$2,000 ⁵	As incurred	As incurred	Professional advisors and various vendors
Insurance	\$950 to \$3,500 ⁶	As arranged	Before opening	Various vendors
Additional Funds (3 months)	\$10,000 to \$20,000 ⁷	As incurred	Before and after opening	Employees, Vendors
TOTAL:	\$67,110 to \$83,235 ⁸ (Does Not Include Real Estate Costs)			

Multiple Unit Development Agreement

ITEM	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Per Additional Territory Development Fee	\$10,000 ¹	Lump sum	At signing of Multiple Unit Development Agreement	MSC
Total	\$10,000			

NOTES:

- (1) MSC does not finance any fee. All payments to us are non-refundable. Any refund of payments made to various vendors will depend on the terms you arrange with those vendors.
- (2) We do not require or recommend an office location for your Franchised Business, however if you decide to lease an office location the initial investment could be significantly higher. If you do not locate your office as a home-based business, renting a furnished office with shared administrative services is an alternative to the higher cost of office leasing. Rent for such space varies widely between areas, and could range anywhere from \$300 to \$1,200 per month.
- (3) You must use the required applicant tracking system software at a cost of \$145 per month per user. This fee may increase.
- (4) You must pay AMS \$25 per month per phone to cover local and long distance fees.
- (5) Includes incorporation costs, accounting or other legal fees, stationery and business cards.
- (6) Estimated cost of down payment required to activate policy coverage. Costs vary widely from location to location and from state to state. Required coverage includes, without limitation, casualty, liability, errors and omission, and workers' compensation.
- (7) Estimate of the amount of additional operating capital you may need to pay for labor needed to get your Franchised Business ready to open for business, and extra labor expense you will incur while training your staff both before and after opening. Based on management's more than 33 years' of experience in the staffing and permanent placement business, the typical start up period during which labor costs can be expected to run higher than normal is 3 months.
- (8) Although we have tried to be as accurate as possible in our estimate of your initial investment, you should review these figures carefully with a skilled business advisor before you decide to purchase the franchise. We cannot guarantee that you will not have additional expenses

in starting your business. Your actual costs will depend on such factors as the location and size of your Franchised Business; how much you follow MSC's recommended methods and procedures; your overall management, sales and business skills; local economic conditions; competition; and the amount and effectiveness of your advertising and promotion.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase equipment and operating supplies under specifications in our Operations Manual from suppliers approved by MSC. We do not make our criteria for vendor/supplier approval available to you.

We reserve the right to require you to purchase all merchandise and supplies bearing the trademarks and those which we may develop in the future. All merchandise and supplies bearing trademarks will be purchased either directly from AMS or from suppliers that we designate. You will not be allowed to sell any of our trademarked merchandise on a wholesale basis without our permission, or to purchase the merchandise from anyone other than a supplier that has been approved by us in writing.

We estimate that the cost to purchase and lease all equipment, inventory and other items and services that we require you to obtain from us or our affiliates, from designated suppliers, or in accordance with our specifications ranges from 15% to 20% of the total cost to purchase and lease equipment, inventory, and other items necessary to establish your Franchised Business and 1% to 3% of the total cost to purchase and lease equipment, inventory, and other items to operate your Franchised Business.

To run your Franchised Business, you will need a Windows based laptop or desktop computer, an LCD or LED monitor and laser printer which meet our specifications. Currently we do not require you to use any specific brand of computer hardware and you may purchase the hardware and software from any source.

You must use the applicant tracking software, Microsoft Office 365, Adobe software, telephone system/services and high-speed internet access services as designated by MSC in the Operations Manual. You must purchase an end-user license agreement for the current applicant tracking software from Loxo, the designated vendor.

MSC's affiliate, AMS, is the only approved supplier of the local and long-distance telephone service, Applicant Tracking Software, Internet Employment Recruiting and Advertising Search and Marketing services, and all processing of Client billing, reporting and collection services, including your remittance. You must pay AMS a monthly Administrative Fee which is currently \$110 to offset their costs incurred for providing these support services to you. As of our fiscal year end December 31,

2022, we did not derive any revenue based on franchisees' required purchases or leases. As of our fiscal year end December 31, 2022, AMS realized \$139,200 in revenue from our franchisees' purchases from us which accounted for 6.3% of our total revenues of \$2,205,000.

Except as described above, there are currently no other items or services for which we or our affiliates are approved suppliers or the only approved suppliers.

Except as described above, none of our officers own an interest in any other approved suppliers.

Neither MSC nor anyone directly related to MSC has any financial interest in any of the other goods, services, or supplies sold to or which are required to be used by you.

Except as described above, no rebates or other payments will be paid to MSC or our affiliates on your purchases from suppliers.

Our specifications for equipment and supplies have been designed to minimize costs and to create consistency between locations. Those specifications include standards for performance, competitive cost, ease of use, quality, availability, compatibility, and the supplier's or manufacturer's service and credit history. If we designate vendors/suppliers and you wish to purchase goods or supplies from a vendor/supplier not on our approved list, you or the supplier must request MSC's approval in writing. MSC will then examine the vendor or supplier. Our examination may include a review of product specifications, inspection of the vendor/supplier's facilities, actual testing (or demo) of their product, inquiries as to general reputation and reliability, and all other factors we deem important. You or the supplier must pay the reasonable costs of our examination. We must respond to the request in writing within 30 days. Such response may indicate that we need additional time to complete our review. If we do not approve your request, we must tell you why. In the event we do not provide you with a written decision, the request will be deemed denied. If we give approval, our specifications and standards will be given to the vendor/supplier and they will be added to our approved list for you and all other franchisees.

MSC continually monitors and evaluates all approved suppliers and vendors based on our experience and that of our franchisees. We will discontinue use of any vendor or supplier that fails to consistently meet our quality control standards, conform to our specifications or meet the needs of our franchisees.

MSC restricts, designates, and has the right to approve or control all of your electronic media activities, if any, including Internet. We may require that you utilize e-commerce products or services designated by us.

There currently are no purchasing or distribution cooperatives.

AMS negotiates purchase arrangements which include discounted pricing and payment terms on behalf of franchisees with Internet Employment Recruiting and Advertising Search and Marketing Providers, such as Monster.com, CareerBuilder.com, Indeed.com, Ziprecruiter.com, etc., which provides material benefit to you based on your use of these designated sources. However, no other benefits (for example, renewal or granting additional franchises) is provided to a franchisee based on a franchisee's purchase of particular products or services or use of particular suppliers.

You must maintain the following types and minimum amounts of insurance coverage: general property casualty insurance; general public/commercial liability insurance (not less than \$1,000,000 for each occurrence, \$2,000,000 general aggregate); consultant error and omissions insurance (not less than \$250,000); and workers' compensation insurance, required by applicable law. We may periodically change the types and amounts of coverage required under the insurance policies, based on changes in circumstances, if the changes apply to all MSC franchised businesses. All policies of liability insurance must name us and/or any affiliate that we designate as an additional insured and give us at least 30 days prior written notice of termination, amendment, or cancellation. If you fail to purchase the mandatory insurance, we may obtain insurance for you, and you must reimburse us for our procurement expenses and for its cost, which might be higher than the cost of insurance you could obtain for yourself. You must deliver to MSC certificates of insurance evidencing your compliance no later than 10 days before you begin operation of your Franchised Business.

Item 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement, Multiple Unit Development Agreement 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 (FA) and MULTIPLE UNIT DEVELOPMENT AGREEMENT (MUDA)	ITEM IN DISCLOSURE DOCUMENT
a. Site selection and acquisition/lease	FA: Section 9	Items 7, 8 and 11
b. Pre-opening purchases/ leases	FA: Sections 7, 9, 14, 15, and 17	Items 7 and 8

c. Site development and other pre-opening requirements	FA: Sections 9 and 14 MUDA: Section 3	Items 7 and 11
d. Initial and ongoing training	FA: Sections 9 and 13 MUDA: Section 3	Items 6, 7 and 11
e. Opening	FA: Sections 9 and 14 MUDA: Section 4	Item 11
f. Fees	FA: Section 7 MUDA: Sections 3, 4, 7	Items 5 and 6
g. Compliance with standards and policies/ Operating Manual	FA: Sections 10, 11 and 17	Items 8 and 11
h. Trademarks and proprietary information	FA: Sections 3, 10, 18, 19, 25, 26 and 27 MUDA: Sections 1 and 9	Items 13 and 14
i. Restrictions on products/ services offered	FA: Section 10	Items 8 and 16
j. Warranty and customer service requirements	FA: Section 17	Not Applicable
k. Territorial development and sales quotas	FA: Section 17 MUDA: Section 4	Item 12
l. Ongoing product/service requirements	FA: Sections 9 and 15	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	FA: Sections 14 and 15	Item 8
n. Insurance	FA: Section 23	Item 7
o. Advertising	FA: Section 21	Items 6, 11 and 12

p. Indemnification	FA: Section 23 MUDA: Section 13	Item 13
q. Owner's participation/ management/staffing	FA: Sections 17 and 24 MUDA: Section 1	Item 15
r. Records and reports	FA: Sections 7 and 22 MUDA: Section 12	Item 6
s. Inspections and audits	FA: Sections 14 and 22	Items 6 and 8
t. Transfer	FA: Sections 28 and 29 MUDA: Paragraph 7	Items 6 and 17
u. Renewal	FA: Section 6 MUDA: Section 2	Items 6 and 17
v. Post-termination obligations	FA: Section 35 MUDA: Sections 1, 6 and 10	Item 17
w. Non-competition covenants	FA: Sections 25 and 27 MUDA: Section 10	Item 17
x. Dispute resolution	FA: Sections 34 and 38 MUDA: Sections 17 and 20	Item 17
y. Other: Guaranty of franchisee obligations	FA: Section 24 and Addendum C	Item 15
z. Other: Spousal Non- Disclosure and Non- Competition Agreement	Not Applicable	Item 15 and Exhibit D

Item 10 FINANCING

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

Item 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND
TRAINING

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

Pre-Opening Assistance

Before you open your business, we will:

- a) License to you the right to use the Marks and System as provided in your Franchise Agreement necessary to begin operating your Franchised Business (Franchise Agreement - Sections 2 and 3)
- b) Designate your territory within which you will open a single unit Franchise. (Franchise Agreement - Section 4, Addendum A, Development Agreement- Section 1.1)
- c) Provide guidance on the selection of equipment, operating supplies and signs needed to open your business and furnish you with names of approved suppliers/vendors. We do not provide delivery or installation of equipment or operating supplies. (Franchise Agreement - Sections 9, 10, 15 and 17)
- d) Loan you a copy of our Operations Manual, which contains mandatory and suggested specifications, standards, methods, and procedures. The Operations Manual will be in paper or any other medium capable of conveying the Operations Manual's contents including through Intranet access. This Operations Manual is confidential and remains our property. We may amend, modify, or supplement the Operations Manual at any time, so long as such amendments, modifications, or supplements will, in our good faith opinion, benefit us and our existing and future franchisees or will otherwise improve the System. You must comply with revised standards and procedures within 30 days after we transmit the updates. You must comply with each new or changed standard. You must ensure that the Operations Manual is kept current at all times. In the event of any disputes as to the contents of the Operations Manual, the terms of the master copy maintained by us at our home office will be controlling. (Franchise Agreement - Section 9 and Section 17). You may review the Operations Manual in our office at any time before signing your Franchise Agreement.
- e) Give you general assistance in the opening of your business. We will also make our

personnel available to help you plan pre-opening promotional programs. You will need to give us at least 30 days' notice of the planned opening date of your business if you wish us to provide you with pre-opening assistance. (Franchise Agreement - Section 9 and Section 14)

f) Train you and your key management people in the MSC System and those elements specific to your Franchised Business. (Franchise Agreement - Section 9) Anyone who attends the training program must complete the program to our satisfaction. We may extend the training program for anyone who fails to successfully complete it. There is no charge for initial training of up to two people. We provide initial training virtually online as detailed in the Training Program table below. Online training will begin no later than 10 days after you sign your Franchise Agreement and must be completed prior to opening. Training programs are scheduled and run as needed. Your initial training will be scheduled so that you complete it two to six weeks before opening your business. (Franchise Agreement - Section 13)

An outline of the initial training program is as follows:

TRAINING PROGRAM			
Subject	Hours of Classroom Training	Hours of on The Job Training	Location
<u>On-Line</u>			
Top Producer Tutor	45 hours		Online - (30 minutes a day for 90 days)
TOTAL HOURS:	45		
<u>WEEK ONE</u>			
History of MSC and AMS/AMPS/AMFSS and Our mission statement	1		Online
Introduction to Recruiting	1		Online
The MSC and AMS/AMPS/AMFSS Placement Process	1		Online
Understanding Health Care Terminology	1		Online
The Health Care Client	4		Online
Fundamentals of ATS and ATS Database Software	8		Online

Sourcing of Health Care Candidates	1		Online
Marketing AMS/AMPS/AMFSS to Health Care Candidates	2		Online
Developing a Client “Snap Shot”	1		Online
Knowing your Competition	1		Online
Resume Fundamentals	3		Online
Preparing the Candidate for the Interview	1		Online
Tracking the Health Care Candidate through the Process	1		Online
Counter–Attacking Counteroffers	1		Online
Securing Successful Reference Checks	1		Online
Closing the Offer	1		Online
Health Care Candidate Role plays	3		Online
Marketing to Health Care Clients: Strategies, Marketing, Research and Presentations	4		Online
Health Care Client Role Play	4		Online
Support Office Overview of Role and Functions They Play in Franchisees' Business	4		Online
<u>WEEK TWO</u>			
Begin running a desk and going “live” using all the skills learned in week one. Work with support staff to post ads, review website and Q&A.		35	Online
TOTAL HOURS:	44	35	

NOTES:

(1.) It is the nature of the business that all aspects of training are integrated, that is, there are no definitive starting and stopping times.

(2.) The training programs are supervised by Nadia Gruzd. Ms. Gruzd has 4 years' experience with us and our affiliate and 34 years' experience in the field of health care and medical recruiting.

You must become CPC Certified by National Association of Professional Services within 90 days of opening your Franchised Business, at your own expense. In addition, you must complete a minimum of 10 hours of continuing recruiting education each year in the form of seminars, webinars, classes and convention presentations at your own cost. (Franchise Agreement – Section 10)

Post-Opening Assistance

During the operation of your business, we will:

- a) Continue to loan you the Operations Manual, and furnish you with any and all updates and other Manuals and Training Aids that are developed in the future. Any training videos we make will be made available to you at our cost. (Franchise Agreement - Section 9)
- b) If we deem it necessary or advisable, give you individual or group guidance and assistance, by personal visit or telephone, or by newsletters, brochures, reports or bulletins, or electronically. This help may include such areas as maximizing sales and profits, marketing, employee training, Client service, client and candidate relations, vendor relations, equipment maintenance, or any operating problems you may be experiencing. (Franchise Agreement - Section 9)
- c) Allow you to participate in programs that may be developed and offered by us on a system-wide basis to our franchisees. (Franchise Agreement - Section 9)
- d) Provide you with copies of our available advertising material, if you desire, at our cost. You may also develop and use your own advertising plans and material, but before you implement any plan or use any new advertising material we must review and approve the new material. (Franchise Agreement - Section 21)
- e) Provide you with additional training programs that we may develop in the future. (Franchise Agreement – Section 13)

- f) As we deem appropriate, test new services, equipment or technologies, and if they meet our standards and specifications, we will make them available to you. (Franchise Agreement - Section 9)
- g) Refer Candidates located in your Territory to you. (Franchise Agreement - Section 9)
- h) We or our affiliate will administer for the benefit of our franchise system National/Regional/Multi-State Client Accounts which will be available to you within your Territory. (Franchise Agreement - Section 9)
- i) Provide all Client billing services for your Franchised Business through our affiliate. (Franchise Agreement - Section 9)
- j) Provide local and long distance phone service for your office through our affiliate. (Franchise Agreement - Section 7)
- k) Negotiate multi-user contracts for Internet Employment Recruiting and Advertising Search and Marketing Providers for your use. (Franchise Agreement - Section 9)
- l) Provide you with the required Applicant Tracking Software System through our affiliate, at the then current rates. (Franchise Agreement - Section 9)
- m) Maintain our Internet website and provide you with access. We will host a minimum of one page on the Internet Website with contact and other information specific to your Franchised Business, and provide you with no less than one e-mail address, which you must use as the Franchised Business' e-mail address. (Franchise Agreement - Section 9)
- n) Maintain our Social Media sites and applications such as: Twitter, Facebook, LinkedIn and other sites and applications that we may establish. We do not allow you to establish or utilize Social Media sites or applications for business purposes except those created by us for your use. Further, any representations from you, or your employees regarding your profits or earnings made on any Social Media site or application, even if made from a personal Social Media account, is deemed a breach of Confidential Information under the Franchise Agreement, and you will be responsible for all costs including legal costs for any required fines or legal actions as a result of your postings. (Franchise Agreement- Section 10)

Advertising

We provide a regional or national advertising program. We charge you an additional royalty to fund it. Your current advertising obligation is 4% of your monthly Gross Sales. We may, in our sole discretion, reduce your percentage of Gross Sales contribution if you own and operate multiple MSC franchises and are in compliance with the terms of your Franchise Agreements.

The current advertising obligation rate reduction is structured as follows: two Franchises - 3.75%, three to four Franchises - 3.5%, five or more Franchises - 3.25%. We reserve the right to change, modify or discontinue this rate reduction at any time.

The Marketing Fund is administered by our managing members, and once established, will be under the direction of an advertising council which will be comprised of representatives of MSC and franchisees. The advertising council will consist of two representatives of MSC and three franchisee representatives. Franchisees elect their representatives once a year. The advertising council serves in an advisory and operational capacity. As each franchise brand expands, we may make changes in the composition and selection of the advertising council. We have the power to form, change or dissolve the advertising council. The Fund prepares income and expense statements at least once each calendar quarter which are available to any franchisee upon written request. The Fund is not audited. Excess Funds not spent in any given fiscal year will be carried forward to the next fiscal year. Although once established the Fund is intended to remain in existence, we reserve the right to terminate the Fund only after all monies have been spent for advertising and promotion.

The advertising council will develop and place advertising for the MSC systems; decide whether to use advertising agencies and which ones; and decide which media to use, which may include electronic, print, radio, television, direct mail, or trade shows. Should the Marketing Fund not contain enough funds to adequately cover the costs for trade shows and other basic advertising needs of the MSC systems as determined by the advertising council, MSC reserves the right to make an annual special assessment upon the franchisees for each franchisee's share of the costs, not to exceed the sum of \$1,000. All franchise and company owned businesses will contribute to the Marketing Fund on the same basis, and the expenditure of Funds will be limited to advertising, promoting and marketing the services offered by the MSC systems. If you are not yet contributing to the Fund you may be excluded from receiving benefits from the activities of the Fund. No portion of the Marketing Funds collected will be used to directly sell franchises. However, the development of marketing campaigns and websites may detail available franchises within the systems, and this is not considered to constitute direct franchise marketing efforts.

We will not use any contributions to the Marketing Fund to defray our general operating expenses, except for reasonable administrative costs and overhead we incur in activities reasonably related to the administration of the Marketing Fund or the management of Marketing Fund-supported programs (including the pro-rata amount of salaries of our personnel who devote time to Marketing Fund activities and retainers and fees for outside agencies).

The council's operating rules and guidelines will be determined by a majority vote of its members. MSC spends Funds to benefit the franchise systems. This does not mean, however, that expenditures in your Territory will be equivalent or proportionate to your contribution. MSC may place additional regional or national advertising at its own expense, but is not obligated to do

so. (Franchise Agreement - Section 21) In our most recent fiscal year, 2022, we did not collect any Marketing Funds.

The Marketing Fund is not a trust, and we are not a fiduciary or trustee of the Marketing Fund or the monies in the Marketing Fund.

Currently we do not have any formal advertising cooperatives and have no plans to form such cooperatives in the immediate future. MSC does not have the power to require cooperatives to be formed, changed, dissolved or merged.

You must spend a minimum of \$250.00 per month advertising for Candidates. This amount is subject to change. (Franchise Agreement – Section 21) You may develop your own advertising plans and materials provided they are submitted to us 30 days prior to use for our review and approval. Any plans or materials submitted by you that have not been approved or disapproved, in writing, within 30 days of receipt, will be considered disapproved. You may not use any advertising plans or materials that have not been approved by us.

Irrespective of the development or implementation of any local, regional or national advertising program by us, you are strongly advised to devote at least 2% of your Gross Sales to local and regional advertising.

We reserve the right to require you to cooperate and participate in certain special promotional events or campaigns that may from time to time be sponsored by us, other franchisees, or both.

Conferences and Meetings

We may, at our option, from time to time but not more than once every year, conduct a national or regional Conference (“Conference”). The duration, curriculum and location of Conference will be determined by us in our sole and exclusive discretion. You are required to attend the Conference, pay up to \$495 per person to attend and pay all of your and your employees expenses incurred in connection with attending the Conference including transportation cost, meals, lodging and living expenses. (Franchise Agreement – Section 13)

We require you to attend up to 2 mandatory franchisee meetings as designated by us per year. The meetings will be held at a location designated by us. You are also required to participate in MSC monthly conference calls to franchisees. If you fail to attend 1 mandatory franchisee meeting annually, or miss 4 or more conference calls within a 12 month period or miss 3 consecutive conference calls, we may terminate your Franchise Agreement. Except for our Conference, we do not charge a fee for programs and meetings described in this paragraph that you must attend, but you must pay the costs and expenses for you and anyone attending with you. We may charge for optional training programs.

Internet and Technology

In order to protect our brands, we restrict, designate, and have the right to approve, or control all of your electronic media, including Internet activities, and e-mail marketing correspondence, digital content, and electronic communications if any. This includes any websites and Social Networking and Marketing activities, including Twitter, Facebook, Foursquare, LinkedIn, or any Social media outlets. This also includes any group or social buying platforms, promotions or campaigns. You must follow the most recent rules and regulations published in our Operations Manuals or other manuals we have created regarding the upkeep and communications sent out via these channels.

Any digital or electronic content published must be within brand communication standards and is subject to approval by us. All digital imagery bearing any of our Marks is subject to approval by us.

Due to the speed of electronic communication, all instructions by us which are deemed to restrict, designate or control e-commerce activities must be responded to within 24 hours.

We also reserve the right to restrict, designate and have the right to approve or control any existing or future (not yet developed) Fan Page or other advertising or social networking services of the Franchised Business, including the sending of bulk e-mail, other than in accordance with the guidelines in the Operations Manual or otherwise as we specify in writing. You may have as many telephone numbers and telephone directory listings for your Franchised Business as you choose. However, we will own all rights to the telephone, directory and Internet listings, and you must transfer them to us on the expiration, termination, repurchase or transfer of your franchise, at your expense. You must sign an authorization that grants us the right to change, transfer, or terminate your telephone listings, on your behalf upon expiration, termination, repurchase or transfer of your franchise. (See Franchise Agreement, Telephone Listing Agreement)

You may not establish a website on the Internet using any domain name containing the words “allmed”, “allmedsearch”, “medicalsearch” .com, .net, .biz, .org or any variation thereof. We maintain our Internet website and provide you with access to our website. We may require that you utilize e-commerce products or services designated by us.

You are restricted from advertising on the internet or maintaining a worldwide web page without our prior written permission, however, if permission is granted you must sign an authorization that grants us the right to change, transfer or terminate your telephone listings, your email addresses, domain names and comparable electronic identities, on your behalf upon the expiration, termination, repurchase or transfer of your franchise.

To run your Franchised Business you will need the following PC hardware and software system: Currently we do not require you to use any specific brand of computer hardware as long as it is

either a Windows based desktop computer or laptop with a minimum of an Intel 5 Pentium Processor, 500 Gig hard drive, 8 GB memory, an LCD or LED monitor and laser printer, a currently supported operating system, a subscription to Office 365, Adobe software and other required software, all of which meets the specifications contained in the Operations Manual. You must use all the required applicant tracking, marketing and other software as periodically designated by us. We estimate the cost of the computer system to range between \$1,000 and \$1,200. You may purchase the hardware and software from any source.

You must subscribe to business class high-speed Internet access as we designate in our Operations Manual. The cost varies geographically from \$100 to \$200 to set-up and \$50 to \$150 per month. Your subscription to the online computer network will permit you to connect with our corporate office, access our website, and communicate with franchisees to share information, exchange ideas and transfer data. We have the right to utilize an on-line or cloud based computer monitoring system to remotely examine your records to monitor your productivity and we have no limitations on our ability to do so. (Franchise Agreement- Section 10)

We reserve the right to require you, at your expense, without limit and in the time frame determined by us, to maintain, update or upgrade the hardware and or software you use in your Franchised Business to conform to new standards or specifications. This computerized system has been used by us prior to the date of this Disclosure Document. The computer hardware is not proprietary and does not require a maintenance, support or service contracts.

We cannot estimate the costs of maintaining, updating or upgrading your computer system or its components because it will depend on your repair history, local costs of computer maintenance services in your area and technological advances which we cannot predict at this time.

Opening Your Franchised Business

When you sign a Franchise Agreement, we will designate your Territory (see Addendum A to the Franchise Agreement). You may locate the business office of your Franchised Business anywhere in North America. If you do not operate your Franchised Business as home based, it is your responsibility to find an actual business office location. We do not specify nor approve your business office location.

The length of time between the signing your Franchise Agreement and actually opening for business should be 60 to 90 days. If you do not operate your office as a home based business, the factors that could affect this timetable are your ability to complete training and initiate marketing, and unforeseeable delays in the delivery or installation of equipment. If you fail to open your Franchised Business within 9 months of signing the Franchise Agreement, we have the right to (a) terminate the Franchise Agreement; or (b) operate or permit others to operate within your Territory.

Item 12

TERRITORY

Development Agreement

Under the Development Agreement, you will receive an exclusive Development Territory, which will be mutually agreed upon by you and us. A description of the Development Territory will be attached as an addendum to the Development Agreement.

As long as you are in compliance with the Development Agreement, we will not franchise or license others, nor will we directly or indirectly develop, own, lease or operate any MSC Franchised Businesses which are the same brand(s) and principal mark(s) as the MSC Franchised Business(es) you are required to purchase in the Development Territory during the term of the Development Agreement. By example if you purchased the right to acquire three ALL MEDSEARCH Franchises in a specified area or areas, we will not grant any additional ALL MEDSEARCH franchises to be opened in the designated Development Area; or if you purchased the right to acquire two ALL MED PRACTITIONERS SEARCH® Franchises in a specified area or areas, we will not grant any additional ALL MED PRACTITIONERS SEARCH® franchises to be opened in the designated Development Area; or if you purchased the right to acquire four ALL MED FINANCIAL AND SALES SEARCH® Franchises in a specified area or areas, we will not grant any additional ALL MED FINANCIAL AND SALES SEARCH® franchises to be opened in the designated Development Area.

We do reserve the right to sell products and services under the Marks or any other marks, through any other retail location or through any other channels of distribution, including through

mail order, catalog sales or over the Internet. We also reserve the right to (a) develop, lease and license the use of, at any location inside or outside of the Development Territory, trademarks other than the brand(s) specified in your Development Agreement, in connection with the operation of a system which offers products or services which are similar to or different from those offered under the System, on any terms or conditions which we deems advisable; (b) merge with, or be acquired by any other business, including a business that competes with the MSC Franchised Businesses operated by you, or to acquire and convert to the System operated by us any management placement business operated by competitors, located inside or outside of the Development Territory or otherwise operated independently as part of, or in association with, any other system or chain, whether franchised or corporately owned; and (c) implement multi-area marketing programs which may allow us or others to solicit or sell to Clients anywhere, and to issue mandatory policies to coordinate these multi-area marketing programs.

Continuation of your territorial rights under your Development Agreement does not depend on your achieving a certain sales volume, market penetration or other contingency. However, if you are in default of the Development Agreement (which may include, but is not limited to, a default

for failing to comply with the Development Schedule) or any Franchise Agreement and fail to cure the default within the applicable cure period (if any), we may terminate the Development Agreement and your territorial rights in the Development Territory, or other remedy as provided in the Development Agreement. There are no other circumstances in which we can unilaterally modify your territorial rights in the Development Territory.

Franchise Agreements

You are granted the right to conduct your Franchised Business within a designated exclusive territory entitled Franchise Owner's Designated Territory. (See Addendum A of the Franchise Agreement) The Territory will be based on population and drawn upon geographic boundaries. We grant territories ranging between a minimum population of 4,000,000 to a maximum population of 8,999,999. As long as you are in compliance with your Franchise Agreement, you retain the rights to your Territory even if the population increases.

You may locate the business office of your Franchised Business anywhere as long as you advise us in advance.

Neither we nor our affiliates will operate or grant franchises for a similar or competitive business within your Territory under the same brand and principal mark of your Franchised Business, while your Franchise Agreement is in effect, however, We and our affiliates also have the right to acquire, be acquired by, or merge with other companies which provide healthcare recruitment services and related businesses, and other related services anywhere (including inside or outside of the Designated Territory and, even if such businesses are located in the Designated Territory, provided the other businesses continue to operate under another name). We will not compensate you for any of our activities including soliciting or accepting business in your Designated Territory, even if they have an impact on your Franchised Business.

We can advertise, including using the Internet to promote the brands and administer national, regional and multi-state clients for the benefit of the franchise systems, but cannot otherwise solicit Candidates under the brand and principal mark of your Franchised Business within your Designated Territory.

Presently, there are no active plans to do so, but we also have the right to develop, use and franchise other brands, trade names and trademarks for similar, competitive and other types of businesses both within and outside your Designated Territory.

Presently, there are no active plans to do so, but we also have the right to develop and use additional outlets for the sale of any trademarked merchandise (but not other health care recruitment services) both within and outside of your Designated Territory. You will not receive compensation from our sales of trademarked merchandise through additional outlets within your Designated Territory.

Soliciting and Accepting Candidates

You will provide only the placement services within your Designated Territory for Candidates under the brand and principal mark as specified in your Franchise Agreement and described in the Confidential Operations Manual.

You may recruit Candidates across North America. You may place a Candidate who resides outside of your Designated Territory with a Client outside of your territory with our prior written permission, provided no other franchisee or MSC or MSC affiliate has rights in that outside territory or the client and you must share the fees paid by the Client for the Candidate placement as disclosed in Item 6 and described in the Confidential Operations Manual.

Except when advertising cooperatively, or through media that, in addition to your Designated Territory also includes territory of another franchisee, you cannot solicit or accept Candidates from within another franchisee's territory without their prior written permission or outside your Territory. You may not use other channels of distribution to make sales outside of your Territory.

Soliciting and Accepting Clients

You may solicit and accept Clients from within and outside of your territory. You do not have any restrictions as to where your Clients come from. You may use advertising, including the Internet, telemarketing and direct sales for prospective Clients who may be located within and outside your territory; however, if the placement of a Candidate is in a Client's facility located in another franchisee's territory or MSC or MSC affiliate has rights in that outside territory you must share the fees paid by the Client for the Candidate placement detailed above.

If you solicit a Client and secure an account with a Client, then that Client will be designated as your Client Account and you will share in the placement fee for each Candidate placement. with that Client.

Minimum Sales Performance/Minimum Royalty

The grant of your franchise is expressly conditioned upon your successful penetration of the market in the Designated Territory. You must promote actively and aggressively the services of your Franchised Business within your Designated Territory.

After you have been open for business for the first two years of your initial term, for each subsequent annual period, you must place a minimum of 15 net Candidates per year or meet the Minimum Annual Gross Sales in the table below or pay the Minimum Royalty. Net Candidates will be defined as the total placement count, less any replacement guarantee claims on placements. If you fail to achieve this minimum sales quota, you will have one twelve month probation period immediately following the default to achieve the sales minimum. If you fail to achieve the sales minimum during the probationary period, your limited exclusivity in the territory will automatically and permanently terminate and we may, at any time after that,

establish, operate or enfranchise an additional MSC business in your Territory which may allow the new franchisee to continue your prior business activity and develop new business. At our sole discretion, we may waive the minimum sales requirement if we believe you have suffered sickness, disability or other events that justify any such waiver.

The “Minimum Sales Performance” for calculating the Minimum Royalty of 15% is based on the annual Gross Sales in your Designated Territory from the placement of Candidates, as set forth in the table below:

Territory Population	Minimum Annual Gross Sales
4,000,000 to 4,999,999	\$150,000.00
5,000,000 to 5,999,999	\$180,000.00
6,000,000 to 6,999,999	\$210,000.00
7,000,000 to 7,999,999	\$240,000.00
8,000,000 to 8,999,999	\$270,000.00

If you are granted a Franchise and this is your first Franchise under that particular brand, then the Minimum Royalty Fee is waived for the first 2 years of your Initial Term. If you or any affiliate of yours purchases a 2nd or subsequent Franchise under the same brand, then the Minimum Royalty Fee is waived only for the first 4 months of the Initial Term under that franchise agreement. However, if you or any affiliate of yours purchases a 2nd or subsequent franchise for different brand, the Minimum Royalty is waived for the first two years of that franchised business' Initial Term.

After your second full calendar year, in any year that you do not achieve the foregoing Minimum Sales Performance standard for that specific period, you will be in material default of this Franchise Agreement. Failure to take adequate steps to cure the material default could result in a modification or reduction in the Territory granted under your Designated Territory or a termination of the Franchise Agreement.

In exceptional cases, we may reduce or otherwise modify the minimum sales performance standard of an existing franchisee to better suit the individual territory. However, if you are not achieving the modified minimum sales performance standard, you will be in default of the Franchise Agreement. Failure to take adequate steps to cure the default could result in a modification or reduction in the Territory granted under your Designated Territory or termination of the Franchise Agreement (Franchise Agreement, Section 17).

You do not receive an automatic option, rights of first refusal or similar rights to acquire additional franchises within your territory or contiguous territories, or acquire additional territory within your geographic area or contiguous territories; however, additional territories may be purchased with the approval of our Executive Committee.


We have no obligation to grant additional franchises to you or any other franchisee. If you operate a MSC Franchised Business and you desire to acquire and operate another MSC franchised business, we will not consider granting another franchise unless, in addition to meeting our other criteria to be a franchisee, your owner(s) establishes a separate business entity to be the franchisee and the full-time manager of the new franchised business, who cannot be the manager of another MSC franchised business, must own at least a 19% interest in that separate business entity and that interest cannot be sold in the future to anyone that has common ownership in any other MSC franchisee.



Item 13 TRADEMARKS

You will be granted the non-exclusive right and undertake the obligation, under the terms of the Franchise Agreement, to establish and operate a MSC Franchised Business under one of the following service marks and trade names: ALL MEDSEARCH or ALL MED PRACTITIONERS SEARCH or ALL MED FINANCIAL AND SALES SEARCH and to use certain service marks and other commercial symbols in operating the Franchised Business. You may also use other current or future Marks that we develop to identify the services associated with the MSC System.

By Marks, we mean trade names, trademarks, service marks, logos, designs or other commercial symbols, URLs, domain names, website addresses, email addresses, digital cellular addresses, wireless web addresses and trade dress used to identify your ALL MEDSEARCH or your ALL MED PRACTITIONERS SEARCH or your ALL MED FINANCIAL AND SALES SEARCH Franchised Business.

The following Marks have been registered or filed with the United States Patent and Trademark Office (the “USPTO”):

Mark	Registration No. (RN)	Registration Date	Principal or Supplemental Register
ALL MEDSEARCH® (Word and Design) 	5,826,936	August 6, 2019	Principal Register
ALLMED PRACTITIONERS SEARCH® (Word and Design)	6,142,960	September 1, 2020	Principal Register

Mark	Registration No. (RN)	Registration Date	Principal or Supplemental Register
			
ALLMED FINANCIAL AND SALES SEARCH® (Word and Design) 	6,142,959	September 1, 2020	Principal Register

We plan to file all required affidavits with the USPTO.

In view of our federal registrations, we have not, and do not intend to, pursue any additional state registrations, in this or any other state.

There are presently no effective material determinations by the USPTO, Trademark Trial and Appeal Board, the trademark administrator of any state or any court, of any pending infringement, opposition, or cancellation proceedings, or any pending material litigation involving our Marks. There are no agreements currently in effect which significantly limit our rights to use or license the use of our Marks in any manner material to the franchise, nor are there any superior rights or infringing uses actually known to us which would materially affect your use of the Marks.

Although we have no obligation, we will take all steps that we deem reasonably appropriate to preserve and protect the ownership and validity of our Marks. Any decision to protect your right to use these Marks or to protect you against claims of infringement will be made by us. Should we elect to protect the Marks or protect you against claims of infringement, we will have the right to control any administrative proceeding or litigation involving a trademark licensed by us to you. If litigation involving our Marks is filed or threatened against you, or you become aware of any infringement by a third party, you must tell us promptly and cooperate with us fully in pursuing, defending or settling the litigation. We will have no obligation to defend or indemnify you for your expenses or damages if the claim against you relates to your use of the Marks in violation of the Franchise Agreement.

You must sign all documents requested by us or our counsel that are necessary to protect our Marks or to maintain their validity and enforceability. We may substitute different Marks to identify the business conducted under the MSC System if we can no longer use or license the Marks, or if we decide that substitution of different Marks is good for the business.

If that happens, you must make the modifications required by us within a reasonable time after you are notified that we have decided to substitute different trademarks to identify your Franchised Business. You agree that any costs for modifying or changing the Marks will be borne by you and will be completed within a reasonable period of time after notification by MSC (for example, advertising materials). You must not directly or indirectly contest our right to our Marks, trade secrets or business techniques that are part of our business.

We are not aware of any prior superior rights or infringing uses that would materially affect your use of the Marks. However, there is always a possibility that there might be one or more businesses, similar to the business covered by the Franchise Agreement, operating in or near the area(s) where you may do business, using a name, trademark and/or trade dress similar to the Marks and with superior rights to the name and/or trademark. We strongly urge you to research this possibility, using telephone directories, local filings and other means, before you pay any money, sign any documents or make any binding commitments. If you do not research the possibility of other trademarks in this business in your Territory, you may be at risk.

Your Franchise Agreement provides that any use of our Marks that is not authorized is an infringement. You may not use our Marks as part of your corporate or other legal name, website address, e-mail address, domain name or other identification in any print, electronic or other medium, or with any prefix, suffix or other modifying word, term, symbol or design. All rights in and goodwill from the use of our Marks accrue solely to us.

Because your telephone listings will be associated with our Marks, we will own all rights to the telephone listings, and all goodwill generated from the use of the telephone listing will inure to our benefit.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any rights in, or to, any patents or registered copyrights that are material to the franchise.

In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate the Franchised Business in accordance with the standards, methods, policies, and procedures in our Operations Manual. Upon your completion of our initial training program to our satisfaction, we will loan you one copy of the Operations Manual for the term of your Franchise Agreement.

You must treat the Operations Manual, and any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained in the Operations

Manual, as confidential, and you must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise make them available to any unauthorized person. The Operations Manual is and will remain our sole property and must be kept in a secure place at the Franchised Business.

The Operations Manual includes methods, formats, specifications, standards, systems, procedures, sales and marketing techniques used, and knowledge of and experience in developing and operating the franchised businesses; marketing and advertising programs; knowledge of specifications for and suppliers of certain equipment and software; and knowledge of the operating results and financial performance of AM or AMPS or AMFSS franchised businesses other than your Franchised Business.

We may revise the contents of the Operations Manual, and you must comply with each new or changed standard. You must ensure that the Operations Manual is kept current at all times. In the event of any disputes as to the contents of the Operations Manual, the terms of the master copy maintained by us at our home office will be controlling. The Operations Manual was most recently updated in February 2021.

You must not, during or after the term of the Franchise Agreement or Development Agreement, communicate, divulge, or use for the benefit of any other person, partnership, association, or business entity any confidential information, knowledge, or know how concerning the methods of operation of the business franchised under the Franchise Agreement or the Development Agreement, including the Operations Manual, and other proprietary information which may be communicated to you or of which you may be apprised by virtue of your operation under the terms of the Franchise Agreement.

We require your general managers, recruiters and office personnel to sign our then current form of Non-Disclosure, Non-Solicitation and Non-Competition Agreement, attached to this Disclosure Document as Exhibit C.

You may compile and maintain Candidate and Client lists ("Proprietary Lists") for your Franchised Business, however, all Proprietary Lists are our property and may only be used for the normal conduct of the Franchised Business during the term of the Franchise Agreement.

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

You, if you are an individual or if you are a legal business entity, one of your principal owners (“Operating Principal”) must have at least 20% ownership interest in you, must devote a full time equivalent of at least 40 hours per work week defined as Monday through Friday, 9:00 a.m. to 5:00 p.m. and use best efforts to personally and carefully monitor the performance of and be fully responsible for any person who is actively involved in the management or operation of the Franchised Business. Your Operating Principal cannot perform this function for another MSC franchise or any other business at the same time. Any person who is actively involved in the management or operation of the Franchised Business must devote their full time effort of at least 40 hours per work week to the operation of your Franchised Business. You or your Operating Principal and any person actively involved in the management or operation of the Franchised Business must not engage in any employment or business, or perform any other activities including outside contract work, during the business hours set forth in the Operations Manual.

If you are an individual the Franchise Agreement may be assigned to a business entity that only operates the MSC Franchised Business and only if the business entity is newly organized by you and you own all of the equity and control the business entity. An assignment is made by executing an assignment agreement in a form approved by MSC in which you, individually, and the business entity agree to be bound jointly and severally by all the provisions of the Franchise Agreement and Development Agreement, if applicable, and agree to provide information and documentation concerning the formation of the business entity as we may require. Further, if a corporation, all issued and outstanding share certificates must bear a legend stating that the shares are bound by the terms of the Franchise Agreement and Development Agreement, if applicable. Even if the Franchised Business is assigned to a business entity, you must continue to participate in the day-to-day operation of the Franchise. All owners of the Franchisee must personally guaranty the Franchisee’s obligations to us (see Guaranty Agreement, Addendum C to the Franchise Agreement and Addendum C to the Development Agreement). If you are owned by a trust, or if your owners are owned by one or more trusts, the trusts and the beneficiaries of the trusts must sign the Guaranty. We do not require your spouse or domestic partner to sign the franchise agreement or personal guaranty but we do require that your spouse or domestic partner sign a Spousal Non-Disclosure and Non-Competition Agreement, attached as Exhibit D to this Disclosure Document.

If you as the Franchisee are a business entity instead of an individual we must approve anyone you hire as a general manager of your business if it is not your Operating Principal. Our approval will require that they have two years of management and recruiting experience. Your general manager is not required to have an equity interest in the Franchise but must be fully trained and devote full time effort in the daily operation of your MSC Franchised Business. You or your

Operating Principal, your general manager and anyone else actively involved in the management or operation, or who owns more than 20% of the business, must attend and successfully complete our training program.

We require you to complete a Principal Owners' Statement, attached as Addendum D to the Franchise Agreement. The Principal Owners' Statement describes all of your owners and their interests in you. Under the Owners' Statement, we require you to identify one owner/person who has full authority to enter into agreements with us on your behalf and with whom we may direct our efforts to communicate.

You must employ at least one full time recruiter for each Franchise you own and operate. If your territory has a population of more than 8,000,000 people, you must employ an additional full time recruiter for each Franchise you own and operate. Your recruiters must work exclusively for you.

MSC must approve anyone you hire as a recruiter, and that approval will not be unreasonably withheld. Any disapproval by MSC will be in writing within 30 days of your written request, and will state the reasons. MSC approval will require that the proposed recruiter have two years relevant experience. The recruiter may be trained by you and is not required to attend the MSC training program. If the Franchised Business is without a trained recruiter for 30 days or more, MSC will have the right to advertise and place candidates within the area that should be served by that recruiter. From the fees collected for these services, MSC will subtract 50% of the associated advertising costs and then remit twenty-five percent 25% of the remaining amount to you and retain the rest. If the Franchised Business is without a trained recruiter for 90 days or more, MSC will have the right to terminate your Franchise Agreement. If you own more than one MSC Franchise, you may only act as a recruiter for one Franchise. The recruiter is not required to have an equity interest in the Franchise. You must inform us of any changes in the management or operation of your Franchise.

People who must attend training will be identified in the Notice of Key Employees, attached as Addendum B to the Franchise Agreement. Anyone required to attend training cannot compete with, have an interest in or business relationship with any business competitive with any MSC concept or brand. They must also sign our then current form of Non-Disclosure, Non-Solicitation and Non-Competition Agreement, attached as Exhibit C to this Disclosure Document that requires them to maintain confidentiality of the trade secrets and to conform to the covenants not to compete, as they may be modified to comply with various state laws.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

MSC requires you to offer and sell only those services that MSC has approved and as granted by your Franchise Agreement. You must offer all services that MSC designates. You must obtain

permission from MSC to offer any goods and services that we have not approved. You may not engage in any business activities that compete with any of the services or franchises offered by MSC.

MSC has the right to add additional authorized services or to delete existing ones. There are no limits on MSC's right to do so except that we cannot make any changes that will unreasonably increase your obligations, or place an excessive economic burden on your operation.

There are no limitations on advertising and soliciting Clients outside of your Territory. You may recruit Candidates across North America under your selected brand.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

THE MULTI UNIT DEVELOPMENT AGREEMENT

Provision	Section In Development Agreement	Summary
a. Length of the franchise term	Section 2	Defined by agreed to development schedule
b. Renewal or extension of the term	Section 2	At franchisor's sole discretion if request by developer
c. Requirements for you to renew or extend	Section 2	Developer must be in compliance with the Development Agreement
d. Termination by you	None	Not Applicable
e. Termination by us without cause	None	Not Applicable
f. Termination by us with cause	Section 6	We have discretionary right to terminate the Multiple Unit Development Agreement for cause (subject to local state law).

Provision	Section In Development Agreement	Summary
g. “Cause” defined - curable defaults	None	Not Applicable
h. “Cause” defined – non-curable defaults	Sections 1, 4, 6, 7 and 10	Non-curable defaults include: failure to comply with the Development Schedule (including failure to meet Opening Dates); failure to perform any of your obligations under this Agreement or any individual Franchise Agreement.
i. Your obligations on termination/non-renewal	None	Termination of the Multiple Unit Development Agreement does not affect any of the Franchise Agreements that you have signed before termination.
j. Assignment of contract by us	Section 7	MSC may assign to anyone we believe is able to carry out terms of contract
k. “Transfer” by you-defined	Section 7	Includes transfer of contract or assets or ownership change
l. Our approval of transfer by you	Section 7	MSC must approve all transfers, but will not unreasonably withhold approval
m. Conditions for our approval of transfer	Section 7	You must not be in default at time of transfer, you must sign a release, transfer fee paid.
n. Our right of first refusal to acquire your business	Section 7	MSC has sixty days to match bona fide offer for your business
o. Our option to purchase your business	None	Not Applicable

Provision	Section In Development Agreement	Summary
p. Your death or disability	None	Not Applicable
q. Non-competition covenants during the development term	Section 10	No involvement with competing business is allowed anywhere in the United States (subject to state law).
r. Non-competition covenants after the franchise is terminated or expires	Section 10	Restriction on competing business for 2 years or within a 50 mile radius of the Development Territory or the location of any Multiple Unit Developer, company-owned or affiliate-owned Business, or franchisee-owned franchised business under the System which is in existence on the date of expiration or termination of your Agreement (subject to state law).
s. Modification of the agreement	Section 21	No modification generally without signed agreement, but we may modify the System.
t. Integration/merger clause	Section 22	Only the terms of the Development Agreement and the documents referred to are binding (subject to applicable state law). Any representation or promise made outside the Disclosure Document, Franchise Agreement and Development Agreement may not be enforceable.

Provision	Section In Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 20	The parties must first submit the dispute to non-binding mediation (except for injunctive relief). Most disputes and claims related to the Multiple Unit Development Agreement or our relationship will be settled by arbitration at the location of the American Arbitration Association office nearest to of our then-current principal place of business (currently San Diego, California)(subject to state law).
v. Choice of forum	Section 20	The place where our principal place of business is located (currently San Diego, California) (subject to state law).
w. Choice of law	Sections 17 and 20	Federal Arbitration Act and California law applies (subject to state law).

FRANCHISE AGREEMENT

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the term of the franchise	Section 5	Term is eight years
b. Renewal or extension of the term	Section 6	If you are in good standing, you can renew for two additional 5 year terms
c. Requirements for franchisee to renew or	Section 6	6 months' notice, not in default, has not received three

extend		or more default notices in prior term, sign new agreement which may contain materially different terms and conditions than your original contract, including territory and royalty, sign release, refresher training if required by MSC, renewal fee equal to 10% of then-current franchise fee
d. Termination by franchisee	Section 32	We haven't cured breach within 30 days after notice (subject to local state law).
e. Termination by franchisor "without cause"	None	Not Applicable
f. Termination by franchisor "with cause"	Section 32	Failure to cure material breach within 10 days (subject to local state law)
g. "Cause" defined-curable defaults	Section 32	10 days to cure: Having interest in a competitor, failure to make payments, failure to maintain Franchised Business according to standards, failure to submit reports, failure to follow Operations Manual, failure to get permission when needed, default in other terms and covenants not separately identified
h. "Cause" defined-defaults non-curable defaults	Sections 32	Cessation of business for 5 consecutive business days, misuse of trademark or licensed rights, repeated defaults even if cured, abandonment, deliberate

		understating of sales, bankruptcy, creditors attach or foreclose business property, conviction or “no contest” plea to a felony, false statements on franchise application, failure to maintain independent contractor status with MSC.
i. Franchisee’s obligations on termination/non-renewal	Section 35	Payment of all amounts due, complete de-identification, cease using Mark and proprietary information, return of Operations Manual, assignment of telephone numbers, e-mail address, etc. to us (See also Item “r” below)
j. Assignment of contract by franchisor	Section 28	MSC may assign to anyone we believe is able to carry out terms of contract
k. “Transfer” by franchisee - defined	Section 28	Includes transfer of contract or assets or ownership change
l. Franchisor approval of transfer by franchisee	Section 28	MSC must approve all transfers, but will not unreasonably withhold approval
m. Conditions for franchisor approval of transfer	Section 28	You must not be in default at time of transfer, you must sign a release, the transferee must meet new franchisee qualifications and complete training, new franchisee must sign new agreement, transfer fee paid.
n. Franchisor’s right of first refusal to acquire	Section 31	MSC has sixty days to match bona fide offer for your

franchisee's business		business
o. Franchisor's option to purchase franchisee's business	Section 35	If your agreement is terminated, MSC may, but is not obligated to, buy your supplies and trademarked inventory
p. Death or disability of franchisee	Section 29	May transfer franchise to spouse, heirs or relatives if they are qualified. Otherwise, your estate has six months to transfer to a qualified buyer
q. Non-competition covenants during the term of the franchise	Section 27	No involvement with competing business is allowed anywhere in the United States (subject to state law).
r. Non-competition covenants after the franchise is terminated or expires	Sections 27 and 35	Restriction on competing business for 2 years or within a 50 mile radius of the Territory and/or of any franchised business owned by any MSC franchisee, MSC or MSC affiliate. Permanent restriction on using licensed rights in a similar line of business (subject to state law).
s. Modification of the Agreement	Section 51	Only if agreed to in writing by both parties
t. Integration/merger clause	Section 51	Only the terms of the Franchise Agreement, Exhibits and all Agreements signed with it are enforceable (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in

		the franchise agreement or in any related document is intended to disclaim our representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 38	The parties must first submit the dispute to non-binding mediation (except for injunctive relief). Most disputes and claims related to the Franchise Agreement or our relationship will be settled by arbitration at the location of the American Arbitration Association office nearest to of our then-current principal place of business (currently San Diego, California)(subject to state law).
v. Choice of forum	Section 38	The place where our principal place of business is located, currently San Diego, California. (subject to state law).
w. Choice of Law	Sections 38 and 49	Federal Arbitration Act and California law applies (subject to state law).

Item 18 PUBLIC FIGURES

MSC does not use any public figures to promote its franchises.

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC 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 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 that you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Nadia Gruz, Medical Search Consultants LLC, 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130, Telephone (858) 229-5939, the Federal Trade Commission, the appropriate state regulatory agencies.

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Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2020 TO 2022

ALL MEDSEARCH

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlet at the Start Of the Year	Outlets at the End Of The Year	Net Change
Franchised	2020	0	7	+7
	2021	7	7	0
	2022	7	12	+5
Company Owned*	2020	1	1	0
	2021	1	1	0
	2022	1	1	0
U.S. Total Outlets	2020	1	8	+7
	2021	8	8	0
	2022	8	13	+5

ALL MED PRACTITIONERS SEARCH

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlet at the Start Of the Year	Outlets at the End Of The Year	Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
U.S. Total Outlets	2020	0	0	0
	2021	0	0	0

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlet at the Start Of the Year	Outlets at the End Of The Year	Net Change
	2022	0	0	0

ALL MED FINANCIAL AND SALES SEARCH

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlet at the Start Of the Year	Outlets at the End Of The Year	Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
U.S. Total Outlets	2020	0	0	0
	2021	0	0	0
	2022	0	0	0

* We do not operate any Company-Owned outlets. The Company-owned Outlet reflected in the above table is one unit owned and operated under the ALL MEDSEARCH brand in San Diego, California by a managing member, as described in Item 1.

Table No. 2

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2020 TO 2022**

ALL MEDSEARCH

Column 1 State/Country	Column 2 Year	Column 3 Number of Transfers
All	2020	0
	2021	0
	2022	1
TOTALS	2020	0
	2021	0
	2022	1

ALL MED PRACTITIONERS SEARCH

Column 1 State/Country	Column 2 Year	Column 3 Number of Transfers
All	2020	0
	2021	0
	2022	0
TOTALS	2020	0
	2021	0
	2022	0

ALL MED FINANCIAL AND SALES SEARCH

Column 1 State/Country	Column 2 Year	Column 3 Number of Transfers
ALL	2020	0
	2021	0
	2022	0
TOTALS	2020	0
	2021	0

Column 1 State/Country	Column 2 Year	Column 3 Number of Transfers
	2022	0

Table No. 3
**STATUS OF FRANCHISED OUTLETS
FOR YEARS 2020 TO 2022**

ALL MEDSEARCH

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired By Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at the End of the Year
AK	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
FL	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	2	0	0	0	0	4
GA	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
LA	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	1	0	1
NC	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
NM	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

TN	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
TX	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Totals	2020	0	7	0	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	6	0	0	1	0	12

ALL MED PRACTITIONERS SEARCH

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired By Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at the End of the Year
All	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Totals	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

ALL MED FINANCIAL AND SALES SEARCH

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired By Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at the End of the Year
All	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

	2022	0	0	0	0	0	0	0
Totals	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

Table No. 4

**STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2020 TO 2022**

ALL MEDSEARCH

Col 1. State	Col 2. Year	Col 3. Outlets at Start of the Year	Col 4. Outlets Opened	Col 5. Outlets Reacquired From Franchisees	Col 6. Outlets Closed	Col 7. Outlets Sold to Franchisees	Col 8. Outlets at End of the Year
CA*	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	1	0	1	1
Total	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	1	0	1	1

ALL MED PRACTITIONERS SEARCH

Col 1. State	Col 2. Year	Col 3. Outlets at Start of the Year	Col 4. Outlets Opened	Col 5. Outlets Reacquired From Franchisees	Col 6. Outlets Closed	Col 7. Outlets Sold to Franchisees	Col 8. Outlets at End of the Year
All	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Total	2020	0	0	0	0	0	0

	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

ALL MED FINANCIAL AND SALES SEARCH

Col 1. State	Col 2. Year	Col 3. Outlets at Start of the Year	Col 4. Outlets Opened	Col 5. Outlets Reacquired From Franchisees	Col 6. Outlets Closed	Col 7. Outlets Sold to Franchisees	Col 8. Outlets at End of the Year
All	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Total	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

* We do not operate any Company-Owned outlets. The Company-owned Outlet reflected in the above table is one unit owned and operated under the ALL MEDSEARCH brand in San Diego, California by a managing member, as described in Item 1.

Table No. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2022

ALL MEDSEARCH

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

ALL MED PRACTITIONERS SEARCH

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

ALL MED FINANCIAL AND SALES SEARCH

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

The names, addresses and telephone numbers of our current franchisees, as of December 31, 2022, are listed in Exhibit F to this Disclosure Document. This list includes any franchisees who signed a franchise agreement prior to our last fiscal year end but had not opened their MSC franchise as of that date.

Also listed in Exhibit F are the names, city and state, and business (or if unknown, home) telephone numbers, of every franchisee who ceased to do business under the franchise agreement or had an outlet terminated, canceled, not renewed or transferred within the last fiscal year, or who has not communicated with the franchisor within 10 weeks of the issuance date.

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

Our franchise agreements have confidentiality clauses which prevent current and former franchisees from disclosing proprietary information regarding our system. During the last three fiscal years, no current or former franchisees have signed a confidentiality clause that restrict them from discussing with you their experience as a franchisee in our franchise system.

There are no trademark-specific franchisee organizations associated with the franchise systems being offered in this Disclosure Document.

Item 21
FINANCIAL STATEMENTS

Our Audited Financial Statement for the period ending December 31, 2022, December 31, 2021 and December 31, 2020 are attached as Exhibit B. Our fiscal year ends December 31st.

Item 22
CONTRACTS

A copy of the current Franchise Agreement (attached as Exhibit B), Non-Disclosure, Non-Solicitation and Non-Competition Agreement (attached as Exhibit C), Spousal Non-Disclosure and Non-Competition Agreement (Attached as Exhibit D), Multiple Unit Development Agreement (attached as Exhibit I), General Release and Indemnity Agreement (attached as Exhibit H) and various other amendments which may be used during the franchising process are attached to this Disclosure Document.

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

Item 23
RECEIPT

The last two pages of this Disclosure Document, attached as Exhibit J, are detachable documents acknowledging receipt of this Disclosure Document. Please sign and date both receipts and return one to us.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

MEDICAL SEARCH CONSULTANTS LLC

FINANCIAL STATEMENTS



CDM Financials, LLC

Certified Public Accountants, Business Advisors

Independent Auditor's Report

Medical Search Consultants, LLC
Fort Myers, Florida

Opinion

We have audited the financial statements of Medical Search Consultants, LLC, which comprise the balance sheets as of December 31, 2022, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Medical Search Consultants, LLC as of December 31, 2022, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Medical Search Consultants, LLC's ability to continue as a going concern for one year from the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

CDM Financials, LLC | P.O. Box 1028 | Fairburn, GA 30213 | email: info@cdmfinancials.com | www.cdmfinancials.com

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

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Medical Search Consultants, LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Medical Search Consultants, LLC's ability to continue as a going concern for a reasonable period of time.

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

CDM Financials, LLC

CDM Financials, LLC
Fairburn, GA
February 20, 2023

CDM Financials, LLC | P.O. Box 1028 | Fairburn, GA 30213 | email: info@cdmfinancials.com | www.cdmfinancials.com

MEDICAL SEARCH CONSULTANTS, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2022

ASSETS

CURRENT ASSETS	
Cash	\$ 23,480
Notes Receivable	<u>87,329</u>
TOTAL ASSETS	<u>\$ 110,809</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES	
Current Liabilities	
Interest Payable	\$ 2,452
Note Payable - Current Portion	<u>3,013</u>
TOTAL CURRENT LIABILITIES	<u>5,465</u>
Longterm Liabilities	
Note Payable, net of current portion	<u>87,387</u>
TOTAL LIABILITIES	<u>\$ 92,852</u>
EQUITY	
Member's Capital	(24,851)
Retained Earnings	42,808
TOTAL MEMBER'S EQUITY	<u>17,957</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 110,809</u>

MEDICAL SEARCH CONSULTANTS, LLC
INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2022

	Amount	% To Revenue
SALES		
Franchise Sales	125,000	100.00%
TOTAL SALES	<u>125,000</u>	<u>100%</u>
GENERAL AND ADMINISTRATIVE EXPENSES:		
Advertising	14,183	11%
Management Fees	27,506	22%
Travel	9,880	8%
Contractors	5,905	5%
Office Expense	4,940	4%
Professional Fees	21,829	17%
Franchise Rebate	7,000	6%
Interest Expense	2,452	2%
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>93,695</u>	<u>74.96%</u>
NET INCOME	<u>31,305</u>	<u>25.04%</u>
CHANGES TO MEMBER'S EQUITY:		
Beginning Equity	39,024	
Member Contributions	4,000	
Member Distributions	<u>(56,372)</u>	
Ending Equity	<u>17,957</u>	

MEDICAL SEARCH CONSULTANTS, LLC
STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2022

OPERATING ACTIVITIES	
Net Income	31,305
Changes in Accounts Receivable	(56,001)
Changes in Current Liabilities	2,452
Net Cash Used for Operating Activities	<u>(22,244)</u>
INVESTING ACTIVITIES	
	<u>-</u>
Net Cash Used for Investing Activities	<u>-</u>
FINANCING ACTIVITIES	
Shareholder Contributions	4,000
Shareholder Distributions	(56,372)
Proceeds from Note Payable	90,400
Net Cash Provided by Financing Activities	<u>38,028</u>
Net Change in Cash	15,784
Cash at Beginning of Period	7,696
Cash at End of Period	<u>23,480</u>

MEDICAL SEARCH CONSULTANTS, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2022

Note 1 – Summary of Significant Accounting Policies

Nature of Operations

The Company's operations consist mainly of management services for medical recruiting franchises. The Company was established as a Limited Liability Company in the state of Florida during April 2019.

As of December 31, 2022, the location, number of stores sold, and number of open stores are as follows:

<u>Location</u>	<u>Franchises Sold</u>	<u>Franchises Open</u>
Florida	4	4
North Carolina	2	2
Georgia	1	1
Tennessee	1	1
Louisiana	1	1
Arkansas	1	1
Texas	2	2
Total	<u>12</u>	<u>12</u>

Revenue

The Company derives revenue from the sale of franchises and a royalty fee. A franchise fee will be approximately \$50,000 per territory. An ongoing royalty fee will be 15% of gross revenue generated by the franchise.

Basis of Accounting

The financial statements for Medical Search Consultants, LLC were prepared using the accrual basis of accounting. Under this method income is recorded when earned and expenses are recorded when incurred.

Reporting Period

For tax and reporting purposes, Medical Search Consultants, LLC operates on a calendar year consisting of a full twelve months beginning with January 1 and ending December 31.

MEDICAL SEARCH CONSULTANTS, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

Provision for Income Tax

The Company has elected to be taxed as a Limited Liability Company. Under this provision, all income is passed through to its owners who are liable for paying income tax on the related income. Thus, no income tax provisions have been made at the company level.

Note 2 – Revenue Recognition

The Company adopted ASU 2014-09 Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, "ASU 606") which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. In adopting ASC 606 the full retrospective method was used to determine revenue under the current standard. Completion of the implementation analysis resulted in no adjustment to the beginning retained earnings balance.

Initial franchise fees are used to secure the franchisees designated territory and cover the necessary training and orientation. Franchise sales are only recognized when the Company satisfies all its performance obligations to its franchisees. Accordingly, for the year ending December 31, 2021 and for the periods prior to adoption of ASC 606, the company had no unearned income to report.

Note 3 – Notes Receivable

Notes receivable represent amounts due from related parties. The notes accrue 0% interest and all amounts are expected to be collected.

Note 4 – Note Payable

Note payable includes the following amount due to an unrelated party:

	<u>2022</u>
Long-term note payable from unrelated party.	
Interest accrues at 3.75%	\$87,387

MEDICAL SEARCH CONSULTANTS, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2022

Note 5 – Advertising Expense

The Company will receive monthly advertising fees from the franchisees. Advertising fees will range between \$350 - \$1,200 per franchisee and territory. In return for these fees the franchisor provides national advertising services for the individual franchisees.

Note 6 – Subsequent Events

The Company has evaluated subsequent events through the date which the financial statements were available to be issued.



CDM Financials, LLC

Certified Public Accountants, Business Advisors

Independent Auditor's Report

Medical Search Consultants, LLC
Fort Myers, Florida

Opinion

We have audited the financial statements of Medical Search Consultants, LLC, which comprise the balance sheets as of December 31, 2021, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Medical Search Consultants, LLC as of December 31, 2021, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Medical Search Consultants, LLC's ability to continue as a going concern for one year from the date that the financial statements are issued.

Auditor's Responsibilities/or the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

CDM Financials, LLC | P.O. Box 1028 | Fairburn, GA 30213 | email: info@cdmfinancials.com | www.cdmfinancials.com

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

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Medical Search Consultants, LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Medical Search Consultants, LLC's ability to continue as a going concern for a reasonable period of time.

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

CDM Financials, LLC

CDM Financials, LLC
Fairburn, GA
May 19, 2022

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MEDICAL SEARCH CONSULTANTS, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2021

ASSETS

CURRENT ASSETS	
Cash	\$ 7,696
Accounts Receivable	<u>31,328</u>
TOTAL ASSETS	\$ 39,024

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>
EQUITY	
Member's Capital	27,521
Retained Earnings	11,503
TOTAL MEMBER'S EQUITY	<u>39,024</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 39,024</u>

MEDICAL SEARCH CONSULTANTS, LLC
INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2021

	Amount	% To Revenue
SALES		
Franchise Sales	87,108	100.00%
TOTAL SALES	<u>87,108</u>	<u>100%</u>
GENERAL AND ADMINISTRATIVE EXPENSES:		
Advertising	34,277	39%
Management Fees	10,893	13%
Insurance	5,990	7%
Contractors	5,000	6%
Office Expense	759	1%
Professional Fees	18,686	21%
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>75,605</u>	<u>86.79%</u>
NET INCOME	<u>11,503</u>	<u>13.21%</u>
CHANGES TO MEMBER'S EQUITY:		
Beginning Equity	-	
Member Contributions	<u>27,521</u>	
Ending Equity	<u>39,024</u>	

MEDICAL SEARCH CONSULTANTS, LLC
STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2021

OPERATING ACTIVITIES	
Net Income	11,503
Changes in Accounts Receivable	<u>(31,328)</u>
Net Cash Used for Operating Activities	<u>(19,825)</u>
INVESTING ACTIVITIES	
	<u>-</u>
Net Cash Used for Investing Activities	<u>-</u>
FINANCING ACTIVITIES	
Shareholder Contributions	<u>27,521</u>
Net Cash Provided by Financing Activities	<u>27,521</u>
Net Change in Cash	7,696
Cash at Beginning of Period	-
Cash at End of Period	<u>7,696</u>

MEDICAL SEARCH CONSULTANTS, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2021

Note 1 – Summary of Significant Accounting Policies

Nature of Operations

The Company's operations consist mainly of management services for medical recruiting franchises. The Company was established as a Limited Liability Company in the state of Florida during April 2019.

Revenue

The Company derives revenue from the sale of franchises and a royalty fee. A franchise fee will be approximately \$50,000 per territory. An ongoing royalty fee will be 15% of gross revenue generated by the franchise.

Basis of Accounting

The financial statements for Medical Search Consultants, LLC were prepared using the accrual basis of accounting. Under this method income is recorded when earned and expenses are recorded when incurred.

Reporting Period

For tax and reporting purposes, Medical Search Consultants, LLC operates on a calendar year consisting of a full twelve months beginning with January 1 and ending December 31.

Provision for Income Tax

The Company has elected to be taxed as a Limited Liability Company. Under this provision, all income is passed through to its owners who are liable for paying income tax on the related income. Thus, no income tax provisions have been made at the company level.

Note 2 – Revenue Recognition

The Company adopted ASU 2014-09 Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, "ASU 606") which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. In adopting ASC 606 the full retrospective method was used to determine revenue under the current standard. Completion of the implementation analysis resulted in no adjustment to the beginning retained earnings balance.

Initial franchise fees are used to secure the franchisees designated territory and cover the necessary training and orientation. Franchise sales are only recognized when the Company satisfies all its performance obligations to its franchisees. Accordingly, for the year ending December 31, 2021 and for the periods prior to adoption of ASC 606, the company had no unearned income to report.

MEDICAL SEARCH CONSULTANTS, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2021

Note 3 – Advertising Expense

The Company will receive monthly advertising fees from the franchisees. Advertising fees will range between \$350 - \$1,200 per franchisee and territory. In return for these fees the franchisor provides national advertising services for the individual franchisees.

NOTE 4 – Subsequent Events

The Company has evaluated subsequent events through the date which the financial statements were available to be issued.



CDM Financials, LLC

Certified Public Accountants, Business Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Medical Search Consultants, LLC
Fort Myers, Florida

I have audited the accompanying financial statements of Medical Search Consultants, LLC, which comprise the balance sheet as of December 31, 2020 and the related statement of income, retained earnings and cash flows for the year then ended, and the related notes to 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.

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Medical Search Consultants, LLC as December 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Charlene D. Moultrie

Charlene D. Moultrie, CPA
Fairburn, GA
April 14, 2021

P.O. Box 1025 Fairburn, GA 30213 | Phone: 404.694.2864 | Email: info@odmfinancials.com

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The accompanying notes are an integral part of these financial statements.

MEDICAL SEARCH CONSULTANTS, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2020

ASSETS

CURRENT ASSETS	
Cash	\$ 51,114
OTHER ASSETS	
Intangible Assets, net	<u>18,853</u>
TOTAL ASSETS	\$ 69,967

LIABILITIES AND SHAREHOLDER'S EQUITY

LIABILITIES	
Due to Medical Search Consultants	<u>\$ 5,000</u>
TOTAL LIABILITIES	<u>5,000</u>
EQUITY	
Shareholder's Capital	(102,260)
Retained Earnings	167,227
TOTAL SHAREHOLDER'S EQUITY	<u>64,967</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	<u>\$ 69,967</u>

MEDICAL SEARCH CONSULTANTS, LLC
INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2020

	Amount	% To Revenue
SALES		
Franchise Sales	237,500	99.95%
Other Income	110	0.05%
TOTAL SALES	<u>237,610</u>	<u>100%</u>
GENERAL AND ADMINISTRATIVE EXPENSES:		
Advertising	5,950	3%
Amortization Expense	1,371	1%
Insurance	7,807	3%
Salaries	17,956	8%
Website Expense	8,345	4%
Office Expense	6,803	3%
Professional Fees	22,151	9%
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>70,383</u>	<u>29.62%</u>
NET INCOME	<u>167,227</u>	<u>70.38%</u>
RETAINED EARNINGS:		
Beginning	<u>-</u>	
Ending	<u>167,227</u>	

MEDICAL SEARCH CONSULTANTS, LLC
STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2020

OPERATING ACTIVITIES	
Net Income	167,227
Net Cash Provided by Operating Activities	<u>167,227</u>
INVESTING ACTIVITIES	
Intangible Asset	(18,853)
Net Cash Used for Investing Activities	<u>(18,853)</u>
FINANCING ACTIVITIES	
Shareholder Distributions	(139,820)
Shareholder Contributions	37,560
Proceeds from Notes Payable	5,000
Net Cash Used for Financing Activities	<u>(97,260)</u>
Net Change in Cash	51,114
Cash at Beginning of Period	-
Cash at End of Period	<u>51,114</u>

MEDICAL SEARCH CONSULTANTS, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2020

Note 1 – Summary of Significant Accounting Policies

Nature of Operations

The Company's operations consist mainly of management services for medical recruiting franchises. The Company was established as a Limited Liability Company in the state of Florida during April 2019.

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Basis of Accounting

The financial statements for Medical Search Consultants, LLC were prepared using the accrual basis of accounting. Under this method income is recorded when earned and expenses are recorded when incurred.

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For tax and reporting purposes, Medical Search Consultants, LLC operates on a calendar year consisting of a full twelve months beginning with January 1 and ending December 31.

Provision for Income Tax

The Company has elected to be taxed as a Limited Liability Company. Under this provision, all income is passed through to its owners who are liable for paying income tax on the related income. Thus, no income tax provisions have been made at the company level.

Note 2 – Revenue Recognition

The Company adopted ASU 2014-09 Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, "ASU 606") which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. Accordingly, the Company will recognize Franchise Fee Income when the Company satisfies all its performance obligations to the customer.

MEDICAL SEARCH CONSULTANTS, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2020

Note 3 – Advertising Expense

The Company will receive monthly advertising fees from the franchisees. Advertising fees will range between \$350 - \$1,200 per franchisee and territory. In return for these fees the franchisor provides national advertising services for the individual franchisees.

NOTE 4 – Subsequent Events

The Company has evaluated subsequent events through the date which the financial statements were available to be issued.

EXHIBIT B TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

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SIGNATURES

LIST OF ADDENDA

- A Franchisee's Designated Territory**
- B Notice of Key Employees**
- C Guaranty Agreement**
- D Principal Owner's Statement**
- E Acknowledgement Clause**
- F Electronic Funds Transfer Agreement**
- G Franchise Compliance Questionnaire**

OTHER FORMS

Telephone Listing Agreement

MEDICAL SEARCH CONSULTANTS LLC FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “Agreement”) is made at San Diego, California, this _____ day of _____, 20____, by and between Medical Search Consultants LLC, (hereinafter referred to as “We,” “Us,” “Our,” “MSC,” or “Franchisor”), a Florida limited liability company with its principal place of business at 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130, and _____, with a primary residence or principal address at _____, (hereinafter referred to as “You,” “Your,” or “Franchisee”) and, if Franchisee is a partnership, corporation, trust, or limited liability company, including each of its partners, shareholders, trustees, or members.

RECITALS

1. We and Our affiliates and/or predecessors have developed systems for establishing, operating and marketing permanent placement staffing businesses which provide recruiting and placement services to the health care industry (hereinafter referred to as “Health Care Industry”) including acute care hospitals, ambulatory surgical centers, behavioral health centers, biotech companies, birth centers, dialysis centers, emergency and outpatient care centers, home health care businesses, hospice facilities, imaging and radiology centers, long term acute hospitals, medical coding and billing centers, medical device manufacturers, mobile clinics, orthopedic and rehabilitation centers, outpatient centers, pharmacies, pharmaceutical companies, psychiatric hospitals, rehabilitation hospitals and/or clinics, skilled nursing facilities, urgent care centers or as may be further defined by Us from time to time (hereinafter referenced to as “Clients”);
2. We have developed a system to provide recruiting for the placement of senior (C -Level) executives, nursing, pharmacy and allied health professionals to the Health Care Industry under the trade name and service mark ALL MEDSEARCH® and We are currently marketing and selling franchises under that name and marks;
3. We have developed a system to provide recruiting for the placement of physicians, midlevel practitioners (physician assistants) and nurse practitioners to the Health Care Industry under the trade name and service mark ALL MED PRACTITIONERS SEARCH® and We are currently marketing and selling franchises under that name and marks;
4. We have developed a system to provide recruiting for the placement of coding, information technology, administrative and sales professionals to the Health Care Industry under the trade name and service mark ALL MED FINANCIAL AND SALES SEARCH® and We are currently marketing and selling franchises under that name and marks;

5. Through the expenditure of time, effort and money, We have acquired unique experience, special skills, techniques and knowledge, marks, concepts, and proprietary information and have created and developed unique business systems for providing recruiting and placement services for the Health Care Industry (“Franchisor’s System” or “System”), which System includes standards, specifications, methods, procedures, techniques, know-how, management directives, identification schemes, and proprietary marks and information in connection with the operation of the ALL MEDSEARCH, ALL MED PRACTITIONERS SEARCH and ALL MED FINANCIAL AND SALES SEARCH businesses (“System Standards”), which System Standards may be further developed by Us;
6. Our System is used in connection with the brands names ALL MEDSEARCH, ALL MED PRACTITIONERS SEARCH and ALL MED FINANCIAL AND SALES SEARCH, and their design trademarks, other trademarks, service marks, trade names and trade symbols, trade dress, signs, slogans, logos, designs, emblems, URLs, domain names, website addresses, email addresses, digital cellular addresses, wireless web addresses and the like (“e-marks”) and copyrights (hereinafter referred to collectively as “Marks”), as We have adopted and designated, or may subsequent to the date of this Franchise Agreement acquire and/or develop and designate for use by You in connection with Our System (“Licensed Rights”);
7. We are the owner of the Licensed Rights, together with all the goodwill connected to and/or with such rights;
8. All of the enumerated Licensed Rights are recognized by the public as distinctive and valuable, and You recognize the potential benefits to be derived from being associated with and licensed by Us and from utilizing Our Licensed Rights as We make available to Our franchisees through and under franchise agreements;
9. By establishing and maintaining uniformity and high standards of quality and service, We have developed an excellent reputation and significant goodwill with the public with respect to the products and services available through ALL MEDSEARCH, ALL MED PRACTITIONERS SEARCH and ALL MED FINANCIAL AND SALES SEARCH businesses, which will continue to be a major benefit to Us and those associated with Us;
10. You desire to use Our System, Marks and goodwill to establish and operate either an ALL MEDSEARCH, ALL MED PRACTITIONERS SEARCH or ALL MED FINANCIAL AND SALES SEARCH franchised business as specified below (Insert your signature and date next to the provision that applies):

an ALL MEDSEARCH Franchise _____
Signature and Date

an ALL MED PRACTITIONERS SEARCH Franchise _____
Signature and Date

an ALL MED FINANCIAL and SALES SEARCH Franchise _____
Signature and Date

in the Territory described herein, and upon the terms and conditions set forth in, this Franchise Agreement (“Franchise” or “Franchised Business”);

11. Based on the Franchised Business chosen above, reference hereinafter to “MEDICAL SEARCH” shall refer to ALL MEDSEARCH, or ALL MED PRACTITIONERS SEARCH or ALL MED FINANCIAL AND SALES SEARCH and reference hereinafter to “Client” shall refer to the clients of Your Franchised Business and “Candidate” shall refer to the candidates of Your Franchised Business;
12. The terms and conditions of this Agreement are reasonably necessary to maintain Our uniform standards of quality and service and to protect the goodwill of Our Licensed Rights;
13. You acknowledge and agree that, in the administration of this Agreement and in taking actions with respect to Our relationship with You, We must take into account the needs of the System, and the effect upon the System as a whole, and the need to protect the Marks for the benefit of the System; and,
14. The Territory described in Addendum A to this Agreement is being made available by Us as a Territory for a MEDICAL SEARCH franchised business.

In consideration of the respective representations, warranties, covenants and agreements contained in this Agreement, the parties agree as follows:

1. RECITALS

The Recitals are incorporated herein by reference.

2. GRANT OF FRANCHISE

On the terms and conditions of this Agreement, We hereby grant to You the right to establish and operate a MEDICAL SEARCH franchise as selected above and to use the Licensed Rights associated with the Franchised Business and developed by Us. The Franchise is granted for the area set out in the attached Addendum A to this Agreement, entitled Franchisee's Designated Territory.

The Franchised Business described in this Section will service an area more particularly described in Section 4 of this Agreement.

3. GRANT OF LICENSED RIGHTS

(a) Subject to the terms and conditions of this Agreement, We grant to You the right to use Our Licensed Rights in the establishment and operation of the Franchised Business. You acknowledge Our sole and exclusive right to use the Marks in connection with the products and services to which they are or may be applied by Us, and represent, warrant and agree that, neither during the Term of this Agreement nor after its expiration or other termination, shall You directly or indirectly contest, or aid in contesting, the validity or ownership of the Licensed Rights, or take any action whatsoever in derogation of the rights claimed by Us in this Agreement.

(b) Nothing contained in this Agreement shall be construed to vest in You any right, title or interest in or to the Licensed Rights, the goodwill now or hereafter associated with such rights, other than the rights and license expressly granted to You in this Agreement. Any and all goodwill associated with or identified by the Licensed Rights shall inure directly and exclusively to Our benefit and is Our property.

(c) No advertising or other use of the Marks by You shall contain any statement or material which, in Our sole judgment, We consider to be in bad taste or inconsistent with MSC's public image, or tends to bring disparagement, ridicule or scorn upon Us or Our affiliates or predecessors or successors or the Marks, or diminish Our associated goodwill. You shall not make any use of the Marks or any advertising material that We have disapproved for any of the reasons set forth in this Section.

(d) You shall adopt and use the Licensed Rights only in the manner provided to You by Us in the Operations Manual (including any brand standards) or as otherwise expressly approved by Us.

4. TERRITORY

(a) You shall have the right to operate a MEDICAL SEARCH Franchised Business, and to use Our Licensed Rights in Your Designated Territory identified in Addendum A of this Agreement. We will not grant to others (nor reserve unto ourselves except as specified in this Agreement) the right to operate another Franchised Business under the Mark You selected in Recital 10 of this Agreement within Your Designated Territory, except as otherwise set forth within this Agreement.

(b) We reserve the right to use and franchise within Your Designated Territory any other trade names and trademarks that We might develop and not designate as Licensed Rights in the future, for use with same or similar or different franchise systems. You are granted no automatic rights to acquire additional franchises within Your Designated Territory, or within any contiguous territories.

(c) Notwithstanding the provisions of the above Subsection 4(a), We specifically reserve the right to develop, grant, license or use additional distribution methods for the sale of Our trademarked services, including wholesalers and retailers, but not for another Health Care Industry recruiting business under the specific Mark You selected within Your Designated Territory.

(d) As long as You are in compliance with all terms and conditions of this Agreement, We may not otherwise alter Your Designated Territory, as it is defined in this Agreement, and as it is more specifically identified in Addendum A to this Agreement.

(e) Notwithstanding the provisions of the above Subsection 4(a), We, or through Our designee, retain the exclusive right to approach and solicit Clients and potential clients within Your Designated Territory, regardless of whether You currently provide services to them, in order to develop regional or national accounts. For the purposes of this Agreement, a regional or national account is a client or group of clients that operates under common ownership or control, under the same trademarks or service marks through independent franchisees, independent licensees, or some other association, that We have arranged, or may in the future arrange, to be a MEDICAL SEARCH Client.

(f) We reserve the right to:

(i) Define certain national accounts in writing or in Our Operations Manual, which shall be reserved to Us (or our Affiliates) (the “**Reserved Accounts**”;

(ii) Define the price and certain terms and conditions applicable to Reserved Accounts in writing or in Our Operations Manual;

(iii) Allocate any business related to Reserved Accounts among the MSC System Franchised Businesses as We in Our reasonable business judgment determine; and,

(iv) Require that You participate in and abide by the contract terms and conditions and prices for Your Franchised Business providing services and products to Reserved Accounts in Your Designated Territory.

5. TERM

The term of this Agreement shall commence on the date first set forth above and shall continue for a term expiring upon the date eight (8) years following (“Term”), unless earlier terminated pursuant to the terms of Section 32 of this Agreement.

6. RENEWAL

You may renew the franchise to own and operate the Franchised Business and the right to use the Licensed Rights for two (2) additional successive five (5) year terms; provided that, prior to the expiration of the applicable initial or renewal term:

- (a) You provide Us written notice of Your election to exercise the renewal option not less than six (6) months, nor more than twelve (12) months, prior to the end of the then-current term;
- (b) When such notice is given, and thereafter up to and including the date of renewal, You are not in default of any provision of this Agreement, or any other agreement between You and Us or any of Our subsidiaries or affiliates, including any other franchise agreement, and have substantially complied with the terms and conditions of all such agreements during the term of this Agreement;
- (c) You have not received three (3) or more notices of default from Us during the then-current term of this Agreement;
- (d) All monetary obligations owed by You to Us and any of Our subsidiaries and affiliates have been satisfied and paid when due throughout the initial and all prior renewal terms of this Agreement;
- (e) You execute Our then-current standard form of franchise agreement (with appropriate modifications to reflect that such agreement relates to the grant of a renewal franchise) being executed by franchisees for new MEDICAL SEARCH franchised businesses, which agreement shall supersede in all respects this Agreement and which may contain terms and conditions substantially different from those set forth in this Agreement, including, without limitation, a different royalty fee, different advertising expenditure requirements, and a smaller Designated Territory;
- (f) You, except to the extent prohibited by applicable law, execute a general release, in a form prescribed by Us, of any and all claims You may have against Us and Our subsidiaries and affiliates, and their respective officers, directors, shareholders, members, managers, agents and employees;
- (g) You, or a representative approved by Us or any other person who has an interest in You (if You are a group of individuals or a corporation, partnership, limited liability company, unincorporated association or similar entity) attend and satisfactorily complete such retraining or refresher training programs as We in Our sole discretion may require;
- (h) You perform such replacements and upgrading as We may require to cause the Franchised Business' equipment, technologies, and computer system to conform to the specifications being used for new MEDICAL SEARCH franchised businesses on the renewal date; and,
- (i) You pay to Us a Renewal Fee equal to ten percent (10%) of the Initial Franchise Fee then being paid by new franchisees.

If You continue to operate after the end of the Term or any Renewal Term without exercising an option to renew and signing Our then-current franchise agreement, You shall be deemed to be operating on a month-to-month basis under the terms and conditions of Our then-current form of franchise agreement with You. In such circumstances, and notwithstanding the foregoing, We may, on ten (10) days written notice, terminate Your Franchise Agreement.

7. FRANCHISEE'S PAYMENTS

(a) You shall pay to Us an Initial Franchise Fee of Fifty Thousand Dollars (\$50,000.00). Such Initial Franchise Fee shall be due and payable in full upon the execution of this Agreement. You understand and acknowledge that the Initial Franchise Fee is non-refundable and is fully earned by Us at the time the parties execute this Agreement.

(b) You shall pay to Us a bi-monthly royalty fee ("Royalty Fee") in an amount equal to ten Percent (10%) of the Gross Sales (as defined in Section 7(k) below) of the Franchised Business on Client accounts (hereinafter referred to as "Client Accounts") developed by You. For Client Accounts developed by Us, AMS or another franchisee, You shall pay to Us a Royalty Fee of fifteen percent (15%) of the Gross Sales. We will retain ten percent (10%), equal to two-thirds (2/3) of the Royalty Fee, and distribute the other five percent (5%), equal to one-third (1/3) of the Royalty Fee, to the procurer of the Client Account, which may be Us, AMS or another franchisee. Royalty Fees shall be payable from the Effective Date of this Agreement. We shall collect Royalty Fees by deducting these fees from Client payments received by AMS and remitting the balance to You on the first (1st) and the fifteenth (15th) of each month.

(c) You must pay to Us a yearly Minimum Royalty Fee of fifteen percent (15%) on Your Minimum Sales Performance as defined in Section 17(n) by paying any shortfall within thirty (30) days of receipt of invoice which shall be provided by Us within ninety (90) days of each calendar year end. There is no carryover between calendar years, and the Minimum Royalty Fee obligation is reset on January 1st of each calendar year. In the event You are paid directly for services rendered, such payments must be promptly remitted to Us for processing, as more particularly detailed in Our Confidential Brand Standards Manual referred to herein as Operations Manual ("Operations Manual").

(d) Unless You have Our prior written permission, You may only undertake placement of those Candidates as authorized under this Agreement and as more particularly specified in the Operations Manual.

(e) You shall also pay to Us a bi-monthly fee in an amount equal to four percent (4%) of the Gross Sales of Your Franchised Business in order to develop and maintain a regional or national advertising program ("Marketing Fund Fee"). We shall collect Marketing Fund Fees by deducting these fees from Client payments received by AMS and remitting the balance to You on the first (1st) and the fifteenth (15th) of each month. We may, in Our sole discretion, reduce the percentage of Gross Sales contribution if You own and operate multiple MSC franchises and You are in

compliance with the terms of each Franchise Agreement. We reserve the right to change, modify or discontinue the rate reduction at any time.

(f) You shall also pay to AMS or other designee a monthly fee in an amount equal to One Hundred Forty Five Dollars (\$145.00) per user for use of the required Applicant Tracking System Software. Such Fee shall be due and payable on the fifteenth (15th) of each month via Electronic Funds Transfer or check. We reserve the right to adjust this Fee after the first (1st) twelve (12) months based on increased costs from third (3rd) party vendor.

(g) You shall also pay to AMS a monthly fee in an amount equal to Twenty Five Dollars (\$25.00) per phone for each phone You utilize for the required telephone system for local and long distance service. Such Fee shall be due and payable on the fifteenth (15th) of each month.

(h) In addition to any other remedies We may have, if You are more than five (5) days late in paying any fees due under this Agreement, interest shall be payable on such fees from the date such payment was due at the rate of eighteen percent (18%) per year or the maximum contract rate of interest permitted by governing law, whichever is less. In addition, You shall pay any and all of Our expenses in collecting overdue payments from You, including attorneys' fees and the fees of any collection agencies hired by Us. The foregoing shall be in addition to any other remedy We may possess, as permitted by law. You acknowledge that this Subsection shall not constitute agreement by Us to accept such payments after they are due, or a commitment by Us to extend credit to, or otherwise finance Your operation of the Franchised Business. Any acceptance of an amount which is less than the full amount due shall not be considered a waiver of Our right to (or Your obligation for) the full amount then due, or which may become due in the future.

(i) In addition to Our other rights and remedies, We may charge You a Non-Compliance Fee of One Hundred Dollars (\$100.00) per violation ("Non-Compliance Fee") by You of any term or condition of this Agreement, payable upon receipt of such notice. This Fee may be changed or eliminated by Us. This Fee is intended to reimburse Us for our expenses and to compensate Us for Our inconvenience and does not constitute interest.

(j) As used in this Agreement, the term "Gross Sales" shall mean and include the total of all revenue and income which You are entitled to receive from the provision of services and products to Clients of the Franchised Business or any other source, whether or not sold or performed at or from the Franchised Business and whether received in cash, in services in kind, from barter and/or exchange, on credit (whether or not payment is received), or otherwise. Gross Sales shall not include (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to Clients, if such taxes are separately stated when the Client is charged and as long as such taxes are promptly paid to the appropriate taxing authority. You may also deduct from the Franchised Business' Gross Sales the amount of any documented refunds, charge-backs, credits and allowances paid in good faith to Clients. All barter and/or exchange transactions pursuant to which the Franchised Business furnishes services and/or products in exchange for goods or services to be provided to You or the Franchised Business by a

vendor, supplier or Client shall, for the purpose of determining Gross Sales, be valued at the full value of the goods and/or services so provided to You or the Franchised Business. Gross Sales shall also include all insurance proceeds received by You for loss of business due to a casualty to or similar event affecting the operation of the Franchised Business.

(k) You are required to submit a monthly report, signed by You, in a form to be prescribed by Us. Such report shall reflect the Gross Sales during the preceding month, along with any additional information that We may deem reasonably necessary. This report shall be mailed or electronically transmitted to Us so that it is received by Us no later than the fifth (5th) day of the next succeeding month. Pursuant to Section 22 of this Agreement, You are also required to provide Us with annual reports of Gross Sales from each Franchised Business' operation within thirty (30) days of the end of Your fiscal or other operating year. We reserve the right to require other additional reports, as are or may be more particularly set forth in Our Operations Manual.

(l) In consideration for the administrative services Our affiliate, AMS, provides to You, including coordinating Internet Employment Advertising, processing Client billing, reporting and collection services, sales tax processing, if required, and processing Your remittances, You shall pay to AMS the sum of One Hundred and Ten Dollars (\$110.00) per month, as an administrative fee ("Administrative Fee"). Such Fee shall be due and payable on the fifteenth (15th) of each month via Electronic Funds Transfer or check. Your obligation to pay the Administrative Fee commences on the date this Agreement is signed. We may increase the Administrative Fee twelve (12) months following the date You commence operations, and thereafter annually, to an amount equal to the market rate for similar services as determined by Us.

(m) When You place a health care recruitment Candidate who physically resides in Your Designated Territory, in a position located within Your Territory or within a territory which no other MEDICAL SEARCH franchisee or We or AMS has rights in, with a Client that no other franchisee or We or AMS has rights to, You shall receive all collected fees less the fees due to Us and our affiliate under this Agreement.

(n) With respect to any and all other placement scenarios, You acknowledge and agree that the commission fee sharing ("Fee Sharing") policies set forth in Our Operations Manual, as amended or modified from time to time, shall govern in order to protect You, other franchisees, Us and AMS with regard to Clients and/or Candidates that are not located within Your Territory, or in the market segment serviced by Your Franchised Business and for Client Accounts that have been procured by Us, AMS or other franchisees. In some scenarios, You will pay a portion of Your fee to Us, another franchisee or AMS, while in other scenarios, You will receive a portion of Our or another franchisee's or AMS's fee.

(o) Every franchisee who receives a portion of the collected fees for the placement of a Candidate in any of the scenarios governed by the Fee Sharing policies set forth in the Operations Manual, but the Candidate does not complete the guaranty period, is responsible for returning their portion of such fees to Us or AMS or the franchisee(s) that provides a replacement Candidate,

and/or their share of any other remedy that may become owed to a Client.

(p) If any scenario occurs that is not covered under this Agreement or in Our Operations Manual and the franchisees involved and/or AMS cannot reach agreement on their rights and/or sharing requirements, We shall have final authority to determine such rights and sharing requirements.

(q) We reserve the right to modify and/or change the percentages to be shared as set forth in the Fee Sharing policies in Our Operations Manual so long as a majority of Our then-existing franchisees agree to such proposed modification(s) and/or change(s).

(r) You must reimburse Us for any taxes that We must pay to any government taxing authority on account of either Your operation of the Franchised Business or payments that You make to Us.

(s) Notwithstanding any designation by You, We shall have the sole discretion to apply any payments by You to any past due amount You owe Us for Royalty Fees, Marketing Fund Fees, Administrative Fees, purchases from Us and/or any of Our subsidiaries or affiliates, interest or any other indebtedness.

(t) You shall not withhold payment of any Royalty Fees, Marketing Fund Fees, Administrative Fees, or any other amounts of money owed to Us or Our subsidiaries or affiliates for any reason on grounds of alleged nonperformance by Us of any obligation under this Agreement, and any Royalty Fees, Marketing Fund Fees, Administrative Fees or any other amounts of money owed to Us or Our subsidiaries or affiliates that are withheld shall be deemed by Us to be unpaid.

(u) You authorize Us and Our affiliates to initiate debit entries and credit correction entries to Your checking, savings or other accounts for the payment of Royalty Fees, Marketing Fund Fees, Administrative Fees and any other amounts due from You under this Agreement or otherwise. You must complete and sign the Electronic Funds Transfer Agreement attached to this Agreement as Addendum F. You shall comply with Our procedures and instructions in connection with the direct debit process, and shall sign all documents or take any action that may be required to effect this authorization. We may require You to pay the Royalty Fees, Marketing Fund Fees, Administrative Fees and other amounts due under this Agreement or otherwise by means other than automatic debit whenever We deem it appropriate and You agree to comply with Our payment instructions.

(v) You shall not be allowed to set off amounts owed to Us or Our affiliates for Royalty Fees, Marketing Fund Fees, Administrative Fees or other amounts due against any monies owed to You, which right of set off is hereby expressly waived by You.

(w) You shall, during the Term of this Agreement and thereafter, promptly pay all sums owing to Us and Our affiliates.

8. BUSINESS RELATIONSHIP

(a) We and You agree and acknowledge that each of us is an independent business entity or person; that Our only relationship is as franchisor and franchisee as specified in this Agreement; that this Agreement does not create a fiduciary relationship between the parties. Neither of us is the employer, employee, agent, partner, fiduciary or co-venturer of or with the other, each being independent of the other. Neither party is liable or responsible for the other's debts or obligations and neither party shall be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business. We and You agree that neither of us will hold ourselves out to be the agent, employer, partner or co-venturer of the other, and that neither of us has the authority to create or assume in the other's name or on their behalf, any obligation, express or implied, or to act or purport to act as agent or representative for any purpose whatsoever and cannot bind or incur liability on behalf of the other.

(b) All employees or agents hired or engaged by or working for You will be only Your employees or agents and will not for any purpose be considered Our employees or agents or the owner of the Marks, nor subject to Our control, and in particular, We will have no authority to exercise control over the hiring or termination of employees, independent contractors, or others who work for You, their compensation, working hours or conditions, or the day-to-day activities of those people, except to the extent necessary to protect the Marks. It is understood that You will have sole responsibility for Your employees and all acts of Your employees, and all employment-related decisions involving wages, benefits, hours of work, scheduling, hiring, firing, discipline, supervision, record keeping, withholding income tax, social security contributions, Medicare contributions, unemployment fund contributions and all other terms and conditions of employment. You must disclose to each of Your employees in writing, in a form approved by Us in advance, that We are not a "joint employer" of Your employees. You acknowledge that We do not control Your personnel policies, including establishing wage and hour requirements, hiring, firing, setting wages, disciplining, supervising and record keeping of Your employees. You will file Your own tax, regulatory and payroll reports with respect to Your employees or agents and operations, saving and indemnifying Us of and from any liability of any nature whatsoever by virtue of it.

9. SERVICES TO BE PERFORMED BY FRANCHISOR

We agree to make available to You the following:

(a) General specifications and names of approved vendors for such equipment, technology, furnishings and operating supplies as are typically identified with MEDICAL SEARCH franchised businesses and which You are required to purchase and use in the operation of Your Franchised Business;

(b) Initial training in Our System, including instruction with respect to MSC's System

Standards, methods, procedures and techniques, for each person identified in this Agreement, at such time and places as We may in Our discretion designate for Our training program. As of the date of this Agreement, a portion of the training program is provided online and the in-person training is conducted at Our training facility in San Diego, California;

(c) Provided at least thirty (30) days advance notice is given by You, such assistance as We deem necessary and appropriate in assisting You with the opening of Your Franchised Business, including assistance by Our personnel in the planning and developing of pre-opening and promotional programs;

(d) The use of Our Operations Manual and any other manuals and training aids, as periodically revised, which shall be loaned to You and which remain Our property. You acknowledge and agree that Our Operations Manual and other System communications will be in the English language only and may only be available on the Internet or other online or computer communications. The Operations Manual may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; letters, videos; CD's; DVD's and/or other electronic media; online postings; e-mail and /or electronic communications; or any other medium capable of conveying the Operations Manual's contents. The Operations Manual contains mandatory System Standards and suggested specifications, policies, methods, standards, operating procedures and requirements prescribed from time to time by Us and information relative to other obligations of a MEDICAL SEARCH franchisee, and to the operation of the Franchised Business. Any required standards exist to protect Our interests in Our System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to You. The Operations Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative, provided You meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect Our interests in the System and Marks, We reserve the right to determine if You are meeting a required standard and whether an alternative to any recommendations or guidelines is suitable. The Operations Manual will remain confidential and the property of Us, constitutes a Trade Secret owned by Us, and may not be loaned to any person, or duplicated or copied in whole or in part in any manner. We have the right to amend, modify, or supplement the Operations Manual at any time, so long as such amendments, modifications, or supplements will, in Our good faith opinion, benefit Us and Our existing and future franchisees or will otherwise improve the System. You must comply with revised standards and procedures within thirty (30) days after We transmit the updates. You shall always follow the directives of the Operations Manual, as it may be modified by Us from time to time. You acknowledge that such compliance by You is necessary to protect the integrity and reputation of Our System. Any training materials and aids made by Us will be made available to You for a fee equal to Our cost;

(e) Access to our then current Applicant Tracking Software System;

(f) Such Multi-user contracts with Internet Employment Recruiting and Advertising Search

and Marketing Providers for Your use that have been negotiated through Us or Our affiliate;

(g) Such periodic continuing individual or group advice, consultation and assistance, rendered by personal visit, telephone, electronic transmission, newsletter, brochures, reports or bulletins as We may deem necessary or appropriate. Such advice, consultation and assistance may include such topics as marketing and advertising, management, maximizing sales and profits, client and candidate services, employee training, vendor relations, operating problems and such other reasonable subjects as may be of interest to You, or in which You may be experiencing problems;

(h) New products, services, equipment or technologies, as they are located or developed in the marketplace, which may be tested and evaluated by Us, and, if they meet Our System Standards, are made available to all MSC franchisees, either through an approved supplier or by Us directly;

(i) The Internet Website or Websites, maintained by Us, for the purpose of enhancing the goodwill and public image of Our franchise system, and to attract prospective clients and candidates for the benefit of MSC franchisees. We will host a minimum of one (1) page on the Internet Website with contact and other information specific to Your Franchised Business, and provide You with no less than one (1) e-mail address, which You must use as the Franchised Business' e-mail address. We reserve the right to update or make changes or additions to the Internet Website without limitation. Unless otherwise indicated, the Website shall be accessible to third parties via the Internet twenty-four (24) hours a day, seven (7) days a week, except for scheduled maintenance, updates, changes, required repairs, and except for any loss or interruption of the Internet Website due to causes beyond Our control or which are not reasonably foreseeable by Us, including, but not limited to, interruption or failure of telecommunication or digital transmission links and Internet slow-downs or failures. We shall have no liability for unauthorized access to, or alteration, theft, or destruction of, the Website or Your data files, programs, or information, if any, through accident, fraudulent means or devices. We shall have no liability with respect to Our obligations under this Agreement or otherwise for consequential, exemplary, special, incidental, or punitive damages even if We have been advised of the possibility of such damages;

(j) We may, at Our option, establish and maintain, either a series of "private" pages on Our Website or an intranet through either of which We, Our franchisees, and their respective authorized employees may communicate with each other, and through which We may disseminate the Manual, updates to it and other Confidential Information. We will have sole discretion and control over all aspects of the intranet/extranet, including the content and functionality of it. We will have no obligation to maintain the intranet indefinitely, and may dismantle it at any time without liability to You;

(k) If We establish an intranet, You will have the privilege to use the intranet, subject to Your strict compliance with the System Standards, protocols and restrictions (collectively, "Franchisor Protocols") that We may establish from time to time. The Franchisor Protocols may relate to, among other things, (i) the use of abusive, slanderous or otherwise offensive language in electronic

communications, (ii) communications between or among franchisees that endorse or encourage breach of any franchisee's franchise or license agreement, (iii) confidential treatment of materials that We transmit via the intranet, (iv) password protocols and other security precautions, (v) grounds and procedures for Us suspending or revoking a franchisee's access to the intranet, and (vi) a privacy policy governing Our access to and use of electronic communications that franchisees post to the intranet. You acknowledge that, as administrator of the intranet, We can technically access and view any communication that any person posts on the intranet. You further acknowledge that the intranet facility and all communications that are posted to it will become Our property, free of any claims of privacy or privilege that You or any other person or entity may assert;

(l) After We have completed Our pre-opening obligations to You under this Agreement, We may ask that You sign and deliver to Us a confirmation (the "Confirmation of Performance"), in a form We reasonably request, verifying that We have performed those obligations. If We ask You to provide Us with such a certificate, then You agree to sign and deliver the Confirmation of Performance to Us within three (3) business days after Our request. However, if You do not reasonably believe that We have performed all of Our pre-opening obligations, You must, within that same three (3) day period, give Us written notice specifically describing the obligations that We have not performed. Not later than three (3) business days after We complete all the obligations that You specified in that notice, You must sign and deliver the Confirmation of Performance to Us. The term "pre-opening obligations" means the obligations We have to You under this Agreement that must be performed before the date when Your Franchised Business starts its operations;

(m) You are permitted to establish Your Franchised Business as a home based business. In the event that You elect to lease or purchase office space to operate Your Franchised Business, any and all costs associated permit and filing fees, outside consulting, legal fees, and any and all other costs shall be Your responsibility. It is the express intent of the parties hereto to limit Our responsibilities under this Section to general guidance and assistance;

(n) We shall refer Candidates located in Your Designated Territory to You;

(o) We shall offer to You national, regional and multi-state Client accounts located in Your Designated Territory, which We administer for the benefit of Our System;

(p) We shall provide all Client billing services for Your Franchised Business through Our affiliate. On the first (1st) and the fifteenth (15th) of each month, AMS will deduct Our Royalty Fee and any other fees then due and owing to Us or AMS from Your Client payments received and remit the balance to You; and,

(q) It is Your sole responsibility to know and be aware of whether or not the state of the United States of America in which Your Designated Territory is located (the "Applicable State") imposes sales taxes (or other similar taxes, charges or fees) (all collectively referred to as the "Sales

Tax(es)”) on all, or a portion of, the Gross Sales of Your Franchised Business, subject to the specific laws, regulations or other legal requirements of the Applicable State. If Your Applicable State imposes Sales Tax(es) on You, We agree that We shall assist You in the calculations and collection of such Sales Taxes, with remittance of such collected Sales Taxes made by You to the appropriate taxation or revenue authority, department, or agency of the Applicable State (the “Applicable State’s Revenue Authority”), subject to and as more particularly provided by the following provisions, terms and conditions:

- (i) You shall register for a Sales Tax permit, license, or other applicable authorization (the “Permit”) with the Applicable State’s Revenue Authority by no later than the date specified in writing by Us to You.
- (ii) You shall provide to Us, no later than five (5) business days after receipt of such Permit from the Applicable State’s Revenue Authority, a copy of such Permit.
- (iii) We shall engage a third-party Sales Tax calculation provider (the “Sales Tax Calculation Provider”) for purposes of calculating the Sales Tax due from Your Clients and will include the applicable Sales Tax due in the billings generated by Us or Our affiliate for Your Franchised Business pursuant to Section 9(p) of this Agreement. You expressly understand and agree that You must complete and provide all information required for such Client billings in a true, complete and correct manner in order for the Sales Tax Calculation Provider to perform the correct calculations for Sales Taxes due.
- (iv) Upon receipt by Us of Your Client’s payment with respect to the Client billing(s) under Section 9(p) of this Agreement, We shall remit to You the portion of the amount paid attributable to the applicable Sales Tax due. You shall, in turn, remit to the Applicable State’s Revenue Authority the full amount of the Sales Tax due with respect to the Client billing(s) by the deadlines established by the Applicable State’s Revenue Authority, and You shall also file such Sales Tax reports, returns, or other documents (the “Sales Tax Returns”) with respect to such Sales Taxes due with the Applicable State’s Revenue Authority, also by the deadlines established by the Applicable State’s Revenue Authority.
- (v) In the event that We or You determine, with or without the assistance of the Sales Tax Calculation Provider, that any amounts of Sales Tax due with respect to Your Franchised Business have not been collected or paid, then We shall transmit the appropriate invoice for the collection of such Sales Tax due to the applicable Client or other appropriate party. Upon Our receipt of such Sales Taxes, We shall then remit such amount(s) to You so that You may, in turn, remit such amounts to the Applicable State’s Revenue Authority, and also file such Sales Tax Returns in prompt and timely fashion.

(vi) In the event that We are required to pre-pay any Sales Taxes prior to collecting such Sales Taxes from Your Client(s), We shall be entitled to reimbursement from You. You authorize Us to deduct such pre-paid Sales Taxes from payments from Your Clients that We would otherwise have paid to You (“distributions”). If the amount of distributions ordinarily payable to You is insufficient to reimburse Us promptly (as determined in Our sole discretion), then You shall immediately deliver payment for the full or any remaining amount of Sales Taxes due (as determined in Our sole discretion). Nothing in this Subsection shall be deemed or construed as limiting Our other rights or remedies under this Agreement.

(vii) You shall provide copies of all Sales Tax Returns filed by You to Us as provided for in the Operations Manual.

(viii) Upon thirty (30) days’ notice, We shall have the right to charge You for Our costs and expenses for the services of the Sales Tax Calculations Provider.

(ix) You specifically agree that any Sales Taxes due and payable with respect to Your Franchised Business, as well as any penalties, interest, or other charges assessed by the Applicable State’s Revenue Authority (the “Sales Tax Liabilities”), shall be Your sole and exclusive responsibility and liability. In the event that We are required to pay any such Sales Tax Liabilities, then We shall be entitled to reimbursement by You by means of deducting such Sales Tax Liabilities (as determined in Our sole discretion) from our distributions payable to You. If the amount of distributions ordinarily payable to You is insufficient to reimburse Us promptly (as determined in Our sole discretion), then You shall immediately deliver payment for the full or any remaining amount of Sales Tax Liabilities due (as determined in Our sole discretion). Nothing in this Subsection shall be deemed or construed as limiting Our other rights or remedies under this Agreement.

(x) You agree to indemnify and hold Us harmless from any and all claims and obligations arising from any assistance We provide to You under this Subsection or arising from Your failure to pay any Sales Taxes owed by You no matter the reason(s).

10. LIMITATIONS ON RIGHTS EXTENDED TO FRANCHISEE

You acknowledge and agree that:

(a) You shall use the Licensed Rights strictly in accordance with the terms of this Agreement. Any unauthorized use of the Licensed Rights is and shall be deemed an infringement of Our rights and a material breach of this Agreement.

(b) Except as expressly provided by this Agreement, You shall not acquire any right, title or interest to the Licensed Rights. Any and all goodwill associated with the Licensed Rights shall accrue exclusively to Our benefit. Upon the expiration or termination of this Agreement and any renewals, no monetary amount shall be attributable to goodwill associated with Your use of the Licensed Rights.

(c) Except as provided for in Section 4 of this Agreement above, the Franchised Business and Licensed Rights granted under this Agreement are non-exclusive, and We retain the right, in Our sole discretion:

(i) To continue to operate MEDICAL SEARCH businesses and to use the Licensed Rights in any territory outside of Your Designated Territory, and to license others to do so;

(ii) To develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignias or copyrights not specifically designated by Us as Licensed Rights, for use with similar or different franchise systems in any territory, on such terms and conditions as We may deem advisable, and without granting You any rights; and

(iii) To purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following such activity we may operate, franchise or license those other businesses and/or facilities under any names or marks other than (while this Agreement is in effect) the Marks, regardless of the location of these businesses and/or facilities, which may be within the Designated Territory or immediately proximate to the Designated Territory.

(d) You alone are responsible for operating the Franchised Business in full compliance with all System Standards, as modified from time to time. System Standards mean mandatory specifications, standards, operating procedures, and rules that We periodically prescribe for the development and operation of MEDICAL SEARCH franchised businesses. All references in this Agreement to System Standards will include any modifications, deletions and/or additions to the System Standards which are authorized by this Agreement or the Operations Manual. Except as otherwise provided in this Agreement, System Standards may regulate any aspect of the operation and maintenance of MEDICAL SEARCH franchised businesses, provided that all System Standards will apply uniformly to all similarly situated MEDICAL SEARCH franchised businesses.

(e) You shall offer for sale all types of services and/or products that We from time to time authorize. You shall not offer for sale, without Our prior written approval, any other services and/or products, or use any leased premises for any purpose other than the operation of the Franchised Business in full compliance with this Agreement.

(f) In order to allow Us to establish and enforce standards of quality and uniformity for the

distribution and sale of Our services and/or products, if developed, and in order to preserve incentive for other individuals and entities to become MEDICAL SEARCH franchisees in the future, You shall not sell MEDICAL SEARCH services and/or products other than on a direct basis to the general public, and not for subcontract or resale by the purchasers thereof, without Our prior written consent and without executing a separate agreement with Us for the right to conduct such sales, if We request the execution of such an agreement.

(g) We have the right to determine, approve and supervise the quality of services and products sold by You from the Franchised Business, and to take all action We deem necessary to maintain the quality and standards of the services and products, the Franchised Business and Our System. You are required to purchase certain services, equipment and operating supplies, as are more particularly set forth in the Operations Manual, from suppliers whose services, products and materials are approved, and not thereafter disapproved, by Us. If You desire to purchase any services or products from suppliers that We have not previously approved, You or the supplier must submit a written request for such approval to Us. As a condition of Our approval, which shall not be unreasonably withheld, We may require that Our representatives be allowed to inspect the supplier's facilities and/or that a sample of its product be made available to Us or Our designee for testing. In such event, You or the supplier may be charged a fee of One Hundred Dollars (\$100.00) to Five Hundred Dollars (\$500.00) to cover the actual costs for such inspection and/or testing. Within thirty (30) days of delivery of the test results, if testing is conducted or the written request if testing is not conducted, We will issue a decision in writing. Such decision may be a determination that additional time is needed to complete the review. Any denial will state the reasons.

(h) You (or if You are a business entity, then an operating principal) shall devote a full time equivalent of at least forty (40) hours per work week defined as Monday through Friday, 9:00 a.m. to 5:00 p.m. working as the manager or as a recruiter of the Franchised Business and use best efforts to personally and carefully monitor the performance of and be fully responsible for any person who is actively involved in the management or operation of the Franchised Business and You or Your operating principal cannot be the person performing this function for another MSC franchise and the Franchised Business at the same time. Any person who is actively involved in the management or operation of the Franchised Business must devote their full time effort of at least forty (40) hours per work week to the operation of Your Franchised Business. You, Your operating principal and any other person actively involved in the management or operation of the Franchised Business must not hold any other jobs or perform outside contract work during the business hours set forth in the Operations Manual.

(i) You have the sole responsibility for the performance of all obligations arising out of the operation of the Franchised Business pursuant to this Agreement. You shall secure and maintain in force, at Your expense, all required licenses, permits and certificates relating to the full and proper operation of the Franchised Business and shall operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including without limitation, zoning, access, signage, all government regulations relating to occupational hazards and health, fire, safety,

consumer protection, equal opportunity, trade regulation, workers' compensation, unemployment insurance, licenses to do business, sales tax permits, withholding and payment when due of any and all taxes levied or assessed by reason of the operation of the Franchised Business, and fictitious name filings and registrations, privacy laws and data protection or security laws as well as Payment Card Industry Data Security Standard (PCI DSS) compliance.

(j) During the Term of this Agreement, and any renewals or extensions hereof, You shall hold Yourself out to the public only as an independent contractor operating the Franchised Business pursuant to a franchise agreement with Us. You agree to take such affirmative actions as may be necessary to do so, including without limitation exhibiting a public notice of that fact, the content and display of which We shall have the right to specify from time to time.

(k) It is the express intention of Subsections 10(i) and 10(j) to establish that You are an independent contractor, and as such are solely responsible for the day-to-day affairs, management, operations and financial control of the Franchised Business and for Your employees and Your treatment of them.

(l) We shall have the right to utilize an on-line or cloud based computer monitoring system, and to use the system to remotely examine Your records pertaining to the operation of the Franchised Business. You must subscribe to business class high-speed Internet access through cable or other method designated in the Operations Manual.

(m) You shall not establish a website on the Internet using any domain name containing the words "allmed", "allmedsearch", "medicalsearch".com, .net, .biz, .us, .org or any variation. We retain the sole right to control all Internet activity and create websites using any of the foregoing or other domain names. We may require You to utilize e-commerce products or services designated by Us, which We may change from time to time. You acknowledge that We are the owner of all right, title and interest in and to such domain names as We shall designate and all uniform resource locators (URLs), future addresses and sub-addresses (including the Franchisee Page sub-addresses), software, content prepared for or used on Our website, and all intellectual property rights in or to any of them. The MSC website or websites, if we establish multiple sites, will be hosted by Us or a designated web hosting partner. We maintain the MSC Internet website(s) and provide You with access to Our website(s). We retain the right to control Your use of linking and framing between Your web pages and all other websites. Any digital or electronic content You publish must comply with Our brand communication standards and is subject to Our approval. All digital imagery bearing the Marks are subject to Our approval. Due to the speed of electronic communication, You must respond to all instructions by Us which are deemed to restrict, designate or control e-commerce activities within twenty-four (24) hours. We also reserve the right to restrict, designate and to approve or control any existing or future (not yet developed) Fan Page or other advertising or social networking services of the Franchised Business, including the sending of bulk e-mail or facsimiles, except as are in accordance with the guidelines in the Operations Manual or otherwise as We may specify in writing. MSC restricts, designates, and has the right to approve or control all of Your e-commerce activities, including advertising, marketing, e-mail marketing

correspondence, digital content, and electronic communications if any. This includes any websites and Social Networking and Marketing activities, including but not limited to Twitter, Facebook, Foursquare, LinkedIn or any social media outlets. MSC may require You to utilize e-commerce products or services designated by MSC, which MSC may change from time to time. You must follow the most current rules and regulations published in the Operations Manuals or other manuals as they pertain to these channels. Any digital or electronic content published must be within brand communication standards and is subject to approval by MSC. MSC has the right to terminate Your participation in e-Commerce in MSC's sole discretion if MSC deems necessary to protect the MSC brand and Marks.

(n) You must abide by Our Code of Ethics and Client Relations as set forth in the Operations Manual.

(o) You must attend up to two (2) mandatory franchise meetings as designated by Us per year. The meetings shall be held at a location designated by Us. There will be no charge imposed by Us to attend the meetings but You will have to pay for Your own travel, food and lodging.

(p) You must participate in all of Our conference calls to franchisees.

(q) You must complete a minimum of ten (10) hours of continuing recruiting education each year as set forth in the Operations Manual in the form of seminars, webinars, classes and convention presentations at Your own cost. Attendance must be documented and submitted to Us at the end of each calendar year.

(r) You shall not speak or otherwise communicate negatively about or disparage another franchisee to a Client, potential Client or a Candidate.

(s) You shall not provide any information in any form to anyone other than Us, Our affiliates or other MSC franchisees regarding placements made by You or others, the number of placements made and/or any financial information relating to Clients, placements, Candidates, jobs, etc.

(t) You shall not, in any manner, interfere with, disturb, disrupt, or jeopardize Our System or Business or any business of Our other franchisees or Clients.

(u) You must complete Certified Personnel Consultant certification by the National Association of Professional Services within ninety (90) days of opening the Franchised Business at Your own cost. Certification must be documented and submitted to Us upon receipt.

(v) If You fail to open the Franchised Business within nine (9) months of signing the Franchise Agreement, We have the right to (a) terminate the Franchise Agreement; or (b) operate or permit others to operate within Your Designated Territory.

(w) You are responsible for knowing and informing Us or Our affiliate of all laws, rules,

regulations, taxes, and obligations applicable to Your operations and Franchised Business that are needed for Us or Our affiliate to be in compliance with them in providing administrative services to You pursuant to Section 7(m). We and Our affiliate will have no responsibility or obligations for any violations of any laws, rules, regulations, taxes or obligations of which We or Our affiliate were not aware in providing administrative services to You and You shall have sole responsibility for any such violations and shall indemnify Us and/or Our affiliate for any payments required to be paid by Us or Our affiliate with regard to such violations.

(x) You must utilize the Applicant Tracking System required by Us as set forth in Our Operations Manual.

11. VARIATIONS IN STANDARDS

Because complete uniformity under varying conditions may be impossible or impractical, We reserve the right to vary the standards of eligibility, including financial terms and conditions, for any franchisee, including You, based upon the peculiarities of a particular territory, including density of population, business potential, population of trade area, existing business practices, or any other conditions which We determine to have, or potentially have, a significant effect on the successful operation of such franchisee's business. Variations from standard specifications and practices granted to other franchisees shall not under any circumstances be cause to require Us to grant to You a like or similar variation hereunder, either now or in the future.

12. KEY EMPLOYEES

A "Key Employee" as used in this Agreement is anyone who is an owner, partner, member, and/or employee who acts in a management, supervisory or sales capacity for or on behalf of the Franchised Business. You shall identify all of Your Key Employees in Addendum B of this Agreement. Each individual listed in Addendum B as a Key Employee no matter when so listed, at Our option, shall attend Our Initial Training Program, and shall thereafter be jointly and severally responsible for operating the Franchised Business in accordance with the standards of Our System and this Agreement. You represent and warrant that each of the individuals designated in Addendum B will at all times abide by the System Standards of Our System, this Agreement, and the Licensed Rights; that You will at all times assume personal responsibility for their continued compliance with those System Standards; and that You will promptly notify Us if any of them shall at any time during the Term of this Agreement divest themselves of ownership, partnership, membership, or employment, as the case may be, with You. You shall amend Addendum B and submit the amended Addendum to Us whenever there is any change in Your list of Key Employees. We reserve the right to require certain individuals to be included in Your list of Key Employees.

We possess certain proprietary Confidential Information consisting of the Marks, the Intellectual Property, our System Standards, and other methods, techniques, formats, specifications, procedures, information, systems, methods of business management, sales and promotion

techniques and knowledge of and experience in the operation and franchising of permanent placement staffing businesses which provide recruiting and placement services for the health care industry (the “Confidential Information”). Every Key Employee must sign a non-disclosure, non-solicitation and non-competition agreement in a form approved by Us or as We otherwise provide. You must provide a copy of each Key Employee’s signed non-disclosure, non-solicitation and non-competition agreement to Us prior to such Key Employee beginning Our Initial Training Program and prior to Your disclosing Our Confidential Information to such Key Employee.

13. FRANCHISOR TRAINING PROGRAM

(a) The following persons shall satisfy all of the conditions established by Us for admission to, and graduation from, Our Initial Training Program provided on-line and in San Diego, California or at such other location or method, such as virtual training as We designate, and shall attend and satisfactorily complete any additional training programs that may be established by Us in the future:

(i) You, if Franchisee is an individual;

(ii) At Our option, each person who, at any time during the Term of this Agreement, is actively involved in the management or operation of Your Franchised Business (including, but not limited to, the chief operating officer or managing member of Franchisee);

(iii) At Our option, Key Employees as defined in Section 12 and each person who, at any time during the Term of this Agreement, is actively involved in the management or the operation of the Franchised Business (“Management Persons”); and,

(iv) At Our option, each person who owns or directly controls more than twenty percent (20%) interest in You, if You are owned by a group of individuals or a corporation, limited liability company, partnership, unincorporated association or similar entity.

Any person or persons so designated to attend the training program will be identified in Addendum B to this Agreement, and become subject to the terms and conditions of this Agreement, if appropriate. Each such person shall complete Our Initial Training Program to Our satisfaction. Upon the failure of any such person to do so, We reserve the right to extend the training program. Satisfactory completion of all mandatory training sessions is required. Failure to do so shall result in a material breach of this Agreement. The Initial Training Program is provided virtually online to commence no later than ten (10) days after signing this Agreement and will generally be scheduled so that it is completed two (2) to six (6) weeks prior to the scheduled opening of the Franchised Business.

(b) You acknowledge that successful completion of the Initial Training Program will require that, among other things, each attendee be able to demonstrate that he/she can read, write, and converse in English.

(c) No fee shall be charged by Us for participation by the first two (2) persons specified in Subsection 13(a) in the Initial Training Program conducted at our designated training facility, but You shall be responsible for the travel, hotel, meals and all such other costs and expenses of each person who attends the program.

(d) We may, in Our sole discretion, in the event that more than two (2) persons attend the in-person Initial Training Program for any single Franchised Business of Yours, require that You pay Us a Training Fee for such additional persons. The amount of such Fee shall be Five Hundred Dollars (\$500.00) per person, per day, which shall be paid prior to the commencement of training. This Training Fee is subject to change with or without notice by Us.

(e) We also maintain an ongoing in-service (such as on-site) training program. If requested by You, and if personnel are available and We deem it appropriate, a member of Our staff will provide on-the-job training at the Franchised Business location. We reserve the right to charge a per diem fee for such training in the amount equal to the then-current hourly rate of the person(s) providing the training, which shall be paid prior to the commencement of training, plus expenses.

(f) We may from time to time offer additional training programs, workshops, seminars and the like, to franchisees and may require that franchisees, or their employees, as appropriate, attend such programs. In the event We require the attendance of You or Your employees, said program will be provided at no cost to You, except that You will be responsible for the travel, hotel and all such other costs and expenses of each person who attends the program. For any training program at which Your attendance is optional, We may require the payment of a training fee in an amount set by Us which will be pro-rated uniformly among all franchisees, or their representatives, in attendance.

(g) We require everyone participating in any of Our training programs to execute a non-disclosure, non-solicitation and non-competition agreement, which agreement is intended to protect Our proprietary interest in the Licensed Rights.

(h) We may, at our option, from time to time but not more than once every year conduct a national or regional Conference (“Conference”). You shall pay Us a registration fee which We expect shall not exceed Four Hundred and Ninety Five Dollars (\$495.00). The duration, curriculum and location of Conference will be determined by us in our sole and exclusive discretion. You are required to attend the Conference, and to pay all of Your expenses incurred in connection with attending the Conference including transportation cost, meals, lodging and living expenses.

14. NOTICES AND APPROVAL OF OPENING

(a) You shall give Us at least thirty (30) days prior written notice of the opening of the

Franchised Business. If such notice is not given, We shall be relieved of Our obligations under this Agreement to provide assistance in connection with the opening of the Franchised Business and the planning and development of pre-opening promotions and programs.

(b) In order to maintain quality and uniformity and to ensure that the Franchised Business satisfies all of Our standards, We retain the right to perform a final inspection of the Franchised Business prior to opening. If We reasonably determine that the Franchised Business does not conform with Our standards of appearance, or You failed to apply for and obtain all licenses required for the operation of the Franchised Business from the appropriate governmental agencies, then We shall have the right to delay opening of the Franchised Business until such time as any deficiencies are corrected and brought into compliance with such standards or requirements. If any such deficiencies are detected, We will provide You with written notice stating the nature of the deficiency, and the corrective actions that You must take. Any evaluation or inspection We conduct is not intended to exercise, and does not constitute, control over Your day-to-day operation of the Franchised Business or to assume any responsibility for Your obligations under this Agreement.

15. EQUIPMENT, COMPUTERS, SIGNS AND FURNISHINGS

(a) You shall only install and use such equipment, furnishings, computer hardware and software, signage and other personal property at the Franchised Business location as are required under this Agreement, and which strictly conform to Our uniform System Standards. We reserve the right to require You, at Your own expense, to purchase additional equipment, technology, signage, and computer software as We reasonably deem necessary for Your Franchised Business.

(b) In the event You install any equipment, technology, furnishings, computer hardware and software, signage or any other personal property that is not in conformity with Our System Standards, We may, in addition to any other remedies under this Agreement, demand that You close the Franchised Business and take the steps necessary to bring Your equipment, computers, signs and other personal property into conformity with Our System Standards. You shall not reopen the Franchised Business without Our prior written approval.

16. RELOCATION

You shall have the right to relocate the Franchised Business to another location, provided that any such relocation does not infringe on the territorial or licensed rights of any other franchisee, Franchisor-owned or affiliate-owned businesses and We provide prior written approval. In the event You so decide to relocate the Franchised Business, the cost of any such relocation will be borne by You.

17. OPERATION OF THE FRANCHISED BUSINESS

You covenant and agree that:

(a) You shall operate the Franchised Business in accordance with Our Operations Manual, a numbered copy of which You acknowledge having received on loan from Us, for the Term of this Agreement, and shall not make or allow unauthorized disclosures of the contents of the Operations Manual to any outside parties. You understand and acknowledge that We may revise the content of the Operations Manual from time to time, and You expressly agree to comply with each changed requirement within such reasonable time as We may require. Any new or different requirements imposed will not unreasonably increase Your obligations or place an excessive economic burden on Your operations, or otherwise alter Your fundamental status, rights or obligations under this Agreement. You shall at all times ensure that Your copy of the Operations Manual, and any other manuals loaned to You are kept current and up-to-date and, in the event of any dispute as to their contents, the terms of the master copies maintained by Us at Our principal place of business shall be controlling. The entire contents of the Operations Manual are and will remain confidential and Our property.

(b) In order to protect the Licensed Rights and associated goodwill, You shall:

(i) Operate under the name ALL MEDSEARCH or ALL MED PRACTITIONERS SEARCH or ALL MED FINANCIAL AND SALES SEARCH in accordance with the Franchised Business System You selected in Paragraph 10 of the Recitals and advertise only under the Licensed Rights designated by Us, and use such rights without prefix or suffix, except where such use may conflict with a prior registration or use, in which event You shall operate and advertise only under such other names as We have previously approved in writing;

(ii) Feature and use the Licensed Rights solely in the manner We prescribe; and,

(iii) Observe such reasonable requirements with respect to the Marks and fictitious name registrations and copyright notices as We may direct in writing.

(c) You shall cause sales of all products, goods and services to be properly recorded at the time of the sale.

(d) You shall maintain the Franchised Business in conformity with Our System Standards and shall make such additions, alterations, upgrades, repairs and replacements thereto (but no others without Our prior written consent) as may be required by Us to keep the Franchised Business and all equipment in the highest degree of repair and condition.

(e) You shall comply with all laws, ordinances and regulations affecting the operation of the Franchised Business. Without limiting the generality of the foregoing, You specifically agree to comply with applicable laws, ordinances and regulations so as to be rated in the highest available classification by the appropriate governmental authorities and to furnish to Us, within three (3) days of Your receipt thereof, copies of all inspection reports, warnings, certificates and ratings

issued by any governmental agency which reflect Your failure to meet and maintain such agency's standard or which evidence Your noncompliance, or less than full compliance, with any applicable law, ordinance or regulation.

(f) You shall notify Us in writing within three (3) days of receipt of notice of the commencement of, or the threat of, any action, suit or proceeding against You, or of the issuance of or the threat of any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which arises out of, concerns, or may affect the operation or financial condition of the Franchised Business, Franchisor, or the goodwill associated with the Licensed Rights including, without limitation, any criminal action or proceedings brought by You against Your employees, Clients, Candidates, or other persons. You agree that You will not commence any action, suit or proceeding that affects Us, or the goodwill associated with the Licensed Rights, without Our prior written approval.

(g) You shall open and operate the Franchised Business and shall maintain the business hours prescribed by Us in the Operations Manual.

(h) You shall pay on a timely basis for all supplies, materials and expenses You incur in the operation of the Franchised Business. You acknowledge that You are solely responsible for all operating, selling, general and administrative expenses of the Franchised Business, and that any failure by You to make prompt payment to Your suppliers, vendors, contractors or employees may cause irreparable harm to the reputation and credit of MSC and other franchisees.

(i) In order to preserve the validity and integrity of the Licensed Rights, and to assure that You are properly employing such rights in the operation of the Franchised Business, We or Our agents shall have the right to observe the manner in which You are offering Your products and services and conducting Your operations. We or Our agents shall have the right to confer with Your employees, Clients and Candidates, and to inspect equipment and related merchandise, trademarked product lines, other merchandise, equipment, supplies or inventory for evaluation purposes in order to make certain that the equipment and related merchandise, trademarked product lines, and other equipment, supplies, inventory, services and operations are satisfactory and meet the quality control provisions and performance standards as established by Us from time to time.

(j) You shall use Your best efforts in operating the Franchised Business and in recommending, promoting and encouraging patronage of all MSC System businesses. You must have a fully trained manager operate the Franchised Business at all times when You are not personally managing and operating the Franchised Business. You shall work diligently, energetically and with best efforts to maintain the highest degree of success of the Franchised Business. You agree that You will at all times faithfully, honestly and diligently perform Your obligations hereunder and that You will not engage in any employment, business or other activities that will conflict with Your obligations hereunder.

(k) You must employ at least one (1) full time recruiter, which may be You (or if You are a

business entity, then one of Your principal owners). If Your Designated Territory has a population of more than eight million (8,000,000) people, You must employ an additional full time recruiter. Your recruiters shall work exclusively for You. We must approve anyone You hire as a recruiter, and such approval will not be unreasonably withheld. Any disapproval so rendered by Us will be in writing, and will state the reasons therefore. Our approval will require that the proposed recruiter have two (2) years relevant experience in management and recruiting. The recruiter may be trained by You and is not required to attend Our Initial Training program. If the Franchised Business is without the required number of trained recruiter(s) for thirty (30) days or more, We shall have the right to advertise and place Candidates within the area that should be served by that recruiter. From the fees collected for such services, We will subtract fifty percent (50%) of the associated advertising costs and then remit twenty-five percent (25%) of the remaining amount, less fees due to Us under Section 7, to You and retain the rest. If the Franchised Business is without the required number of trained recruiter(s) for ninety (90) days We have the right to terminate Your Franchise Agreement.

(l) You must submit information as to the identity and contact information for all new Clients obtained by You along with a copy of that Client's contract to Us within forty-eight (48) hours of You obtaining the Client. You cannot place a Candidate with a Client unless and until You have complied with this requirement.

(m) You must respond to Client requests for Candidates and/or information within one (1) business day of receiving the request and take all other steps that may be required to ensure positive Client relations and assist Us in Our Client satisfaction efforts. You acknowledge and agree that Your failure to promptly respond to Clients and to make a good faith effort to meet their needs will cause irreparable harm to the reputation and credit of MSC and other franchisees. If You have failed to appropriately respond to a Client request in accordance with a Client's established protocol as required above, in addition to an Event of Default of this Agreement, Our affiliate, AMS, or its designee, has the right to step in and fulfill the request and receive seventy-five percent (75%) of Your fee.

(n) The grant of this Franchise is expressly conditioned upon Your successful penetration of the market in Your Designated Territory. You must promote actively and aggressively the products and services of the Franchised Business within Your Designated Territory. You must complete placements of fifteen (15) Candidates annually or generate annual Gross Sales in Your Designated Territory of a minimum amount as set forth in the Table below (herein after referred to as the "Minimum Sales Performance").

Territory Population	Minimum Annual Gross Sales
4,000,000 to 4,999,999	\$150,000.00
5,000,000 to 5,999,999	\$180,000.00

6,000,000 to 6,999,999	\$210,000.00
7,000,000 to 7,999,999	\$240,000.00
8,000,000 to 8,999,999	\$270,000.00

If this is Your first Franchise with Us of a specified brand, then the Minimum Royalty payment and Minimum Sales Performance requirement are waived for the first two (2) years of Your Initial Term. By example, if You have elected an ALL MED PRACTITIONERS SEARCH Franchise in Paragraph 10 of the Recitals to this Agreement and this is Your first ALL MED PRACTITIONERS SEARCH Franchise with Us, then the Minimum Sales Performance and the Minimum Royalty payment are waived for the first two (2) years of Your Initial Term. If You or any affiliate of Yours has a prior affiliation with Us for the franchise brand selected above, then the Minimum Royalty Fee and the Minimum Sales Performance requirement are waived only for the first (1st) four (4) months of Your Initial Term under this Agreement. In any year that You do not achieve the foregoing Minimum Sales Performance standard for that specific period, or place a minimum of fifteen (15) Candidates, You shall be in material default of this Franchise Agreement. Failure to take adequate steps to cure the material default could result in a modification or reduction in the territory granted under Your Designated Territory or a termination of the Franchise Agreement pursuant to Section 32(b)(xiii).

(o) You shall promptly respond to any and all Client and Candidate inquiries or complaints and achieve satisfaction for reasonable complaints through refund of fees or other accommodation to Client's or Candidate's satisfaction as may be appropriate, as well as taking such other steps as may be required by Us to ensure positive Client and Candidate relations and to maintain the goodwill of Our System. If We reasonably determine that You have not fairly handled a complaint, We may intervene in order to resolve the matter to the Client or Candidate's satisfaction. You must reimburse Us for all costs We incur in satisfying Your Client or Candidate.

(p) You acknowledge and agree that exchanging information with Us by electronic transmission ("e-mail") is efficient and desirable for day-to-day communications and that We and You may utilize e-mail for such communications. You authorize the transmission of e-mail by Us and Our employees, vendors, and affiliates ("Official Senders") to You during the Term and any renewal thereof. You further agree that: (a) Official Senders are authorized to send e-mails to those of Your employees as You may occasionally authorize for the purpose of communicating with Us; (b) You will cause Your officers, directors, and employees to give their consent to Official Senders' transmission of e-mails to them; (c) You will require such persons not to opt out or otherwise ask to no longer receive e-mails from Official Senders during the time that such person works for or is affiliated with You; and (d) You will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the Term and any renewal thereof. The consent given in this Subsection will not apply to the provision of notices by either party under this Agreement pursuant to Section 37 unless the parties otherwise agree in a written document signed by both parties.

18. PROPRIETARY INFORMATION

(a) You acknowledge that Your entire knowledge of the operation of the Franchised Business, including without limitation the contents of the Operations Manual, list of vendors, and the specifications, equipment, standards, and operating procedures of the Franchised Business, is derived from information disclosed to You by Us, and that such Operations Manual and such other information is confidential and Our trade secret. You shall maintain the absolute confidentiality of the Operations Manual and all such other proprietary information You receive from Us, both during and after the Term of the Franchise Agreement. You shall disclose Confidential Information only to those employees or contractors who need such Confidential Information to perform their job functions, and only to the extent necessary for them to do so. Prior to disclosing any Confidential Information, You shall require all such employees or contractors to sign confidentiality and non-compete agreements in a form prescribed by Us and shall forward a copy of same to Us. You agree that You shall not use the Operations Manual and such other information in any other business or in any manner not specifically authorized or approved in writing by Us.

(b) You agree to promptly disclose to Us all Innovations, whether or not protectable intellectual property, and whether created by or for You or Your Owners or employees. All Innovations will be deemed Our sole and exclusive property and works made-for-hire for Us. We have the right to incorporate Innovations into the System and may use them and may authorize You and others to use them in the operation of their franchised businesses. Innovations will then also constitute Confidential Information. We will disclose to You Innovations that are made a part of the System in this manner. To the extent any Innovation does not qualify as a work made-for-hire for Us, by this paragraph You assign ownership of that Innovation, and all intellectual property and other rights to the Innovation, to Us and agree to sign and deliver such instruments and documents, provide such assistance and perform such other acts as We periodically designate in order for Us or Our designee to obtain exclusive rights in such Innovations. We will have no obligation to make any lump sum or other payments to You or any other person with respect to any such Innovations. You will not use, nor will You allow any other person to use, any such Innovations, whether in connection with the Franchised Business or otherwise, without obtaining Our prior written approval. You also agree that if You shall develop any new trademarks, service marks, trade names and trade symbols, trade dress, signs, slogans, associated logos, designs, e-marks, copyrights, emblems, concepts, processes or improvements in the operation or promotion of the Franchised Business, We will immediately become sole owner and licensor.

(c) Any and all Client and Candidate lists and their contents relating to the Franchised Business ("Proprietary Lists"), which includes current, former and prospective Client and Customer information, and their contents relating to the Franchised Business, whether compiled or developed by You or any other person, are owned by, and are the proprietary property of, Us, constitute confidential information and are Our proprietary property (whether supplied by Us or not) and You shall not use the Proprietary Lists for any purpose whatsoever other than in the normal conduct of the Franchised Business during the Term of this Agreement or after termination or expiration of this Agreement and for no other purpose and you must require any of your

employees, agents and independent contractors who have access to Client or Customer lists to sign a confidentiality agreement. To the extent that You may have or claim any right, title or interest in or to such Proprietary Lists and contents, You agree to, and do hereby, assign to Us all of Your right, title and interest therein. You will, upon demand, promptly deliver to Us a complete list of current and former Candidates and Clients, including name, telephone number, complete mailing address, frequency of service, last date serviced, price of service and other information concerning such Clients and Candidates as requested by Us. You expressly acknowledge that Your ability to operate, develop and expand the Franchised Business is based largely on the goodwill of the Marks and know-how embodied in Our System. Accordingly, You agree that We are the sole owner of all Proprietary Lists and relationships and all other goodwill arising from Your operation of the Franchised Business. Any attempt by You to offer any services or products similar to those provided by the Franchised Business to any Candidates and Clients or prospective candidates or prospective clients of the Franchised Business following any expiration or termination of this Agreement shall be a violation of Our rights in such Proprietary Lists and relationships and goodwill. You agree that in the event of any such action or threatened action by You, We shall be entitled to a preliminary or permanent injunction or other equitable relief to restrain such actions, and to recover Our damages equal to the amount of profits received by You from any such action in violation of Our rights.

(d) You, Your Principal Owners, Guarantors and each of Your employees agree that We and Our Affiliates have the right and permission to use and publish the photographs/film/videotapes/electronic representations and/or sound recordings made in connection with Our training, marketing, and other materials utilized or developed in connection with Our System and We and Our affiliates are authorized to reproduce, copyright, exhibit, broadcast, and distribute the photographs/film/videotapes/electronic representations and/or sound recordings at Our discretion without limitation and compensation.

19. MARKS

(a) You acknowledge and agree that We are the owner of the Licensed Rights which include all Marks licensed to You under this Agreement and that Your right to use the Licensed Rights is derived solely from this Agreement and is limited to the conduct of the business by You pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Us from time to time during the Term of this Agreement. Any unauthorized use of the Marks by You constitutes a material breach of this Agreement and an infringement of Our rights in and to the Marks. You acknowledge and agree that all usage of the Marks by You and any goodwill established by Your use of the Marks shall inure to Our exclusive benefit and that this Agreement does not confer any goodwill or other interests in or to the Marks upon You. You shall not, at any time during the Term of this Agreement, or after its termination or expiration, contest the validity or ownership of any of the Marks or assist another person in contesting the validity or ownership of any of the Marks. All provisions of this Agreement applicable to the Marks apply to any additional trademarks, service marks, trade names, trade dress, trade symbols, signs, slogans, associated logos, designs, emblems, e-marks, copyrights, and commercial

symbols authorized for use by and licensed to You by Us after the date of this Agreement.

(b) You shall not use any of the Marks as part of any corporate or trade name, or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form, nor may You use any of the Marks in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Us. You agree to give such notices of trademark and service mark registrations as We specify and to obtain such fictitious or assumed name registrations as may be required under applicable law or as requested by Us. You shall not use or seek to register any of the Marks in any manner that has not been specified or approved by Us in advance.

(c) You shall immediately notify Us in writing of any apparent infringement of or challenge to Your use of the Marks, of which You become aware, and of any claim by any person of any right in the Marks or any similar trade names, trademarks, or service marks, trade dress, trade symbols, signs, slogans, associated logos, designs, emblems, e-marks, copyrights and commercial symbols of which You become aware. You shall not directly or indirectly communicate with any person other than Us and Our counsel in connection with any such infringement, challenge, or claim. We shall have sole discretion to take such action as We deem appropriate and shall have the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding, or other judicial or administrative proceeding arising out of such infringement, challenge or claim or otherwise relating to the Marks. You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Our counsel, be necessary or advisable to protect and maintain Our interests in any such litigation, U.S. Patent and Trademark Office proceeding, or other judicial or administrative proceeding, or to otherwise protect and maintain Our interest in the Marks.

(d) If it becomes advisable at any time in Our sole discretion for Us and/or You to modify or discontinue use of the Marks, and/or use one or more additional or substitute trade names, trademarks, service marks, trade dress, trade symbols, signs, slogans, associated logos, designs, emblems, e-marks, copyrights or other commercial symbols, You agree to comply with Our directions within a reasonable time after notice to You. We shall have no liability or obligation whatsoever with respect to Your modification or discontinuance of the Marks. You agree that You are responsible and will bear the tangible costs for modifying or changing the Marks including, but not limited to, changing signs and advertising materials. You agree that such modification or change of Marks will be completed by You within a reasonable period of time after notification by Us.

20. MODIFICATION OF THE SYSTEM

You recognize and agree that from time to time We may change or modify Our System and Our business in any manner that is not expressly and specifically prohibited by this Agreement including, but not limited to, the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new computer programs and systems, new types or brands of products or services, new equipment requirements or new techniques and that You will accept, use and display

for the purpose of this Agreement any such changes in Our System, as if they were part of this Agreement at the time of execution. Whenever We have expressly reserved in this Agreement or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant You a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, We may make such decision or exercise Our right and/or discretion on the basis of Our judgment of what is in Our best interests, including without limitation Our judgment of what is in the best interests of Our franchise network, at the time Our decision is made or Our right or discretion is exercised. Any new or different requirements imposed will not unreasonably increase Your obligations or place an excessive economic burden on Your operations, or otherwise alter Your status or rights under this Agreement. You will make such expenditures as such changes or modifications in Our System as We may reasonably require. You shall not change, modify or alter in any way any material aspect of Our System, without Our prior written consent.

21. ADVERTISING AND PROMOTIONS

(a) You must spend a minimum of Two Hundred and Fifty Dollars (\$250.00) per month in advertising for Candidates. This amount is subject to change.

(b) As of the date of this Agreement, We charge a Marketing Fund Fee as set forth in Section 7(f) in order to develop and maintain a local, regional or national advertising program.

(c) There is one Marketing Fund administered by Our officers, under the direction of an advertising council which will be made up of one (1) representative of Ours and two (2) representatives of Our franchisees. Franchisees have the right to elect their representatives once a year. The advertising council is responsible for (1) developing and placing advertising for the benefit of the entire System and ALL MEDSEARCH, ALL MED PRACTITIONERS SEARCH and ALL MED FINANCIAL AND SALES SEARCH businesses; (2) deciding which media to use and under what terms; (3) preparing and making available to all franchisees a quarterly statement of income and expenses upon written request; (4) at such time as is practical, causing an annual audit of the Fund to be performed and making the results available to all franchisees; (5) securing the services of advertising agencies or other marketing professionals; and (6) limiting expenditures from the Fund, to the extent possible, to those areas in which franchisees are contributing to the Fund. Funds not spent in any given fiscal year will be carried forward to the next year. We reserve the right to place additional regional or national advertising at Our own expense. All company- and affiliate-owned franchised businesses will contribute to the Fund on the same basis as all other franchised businesses. Should the Marketing Fund not contain enough funds to adequately cover the costs for trade shows and other basic advertising needs as determined by the advertising council, We reserve the right to make an annual special assessment upon You for Your share of such costs, not to exceed the sum of One Thousand Dollars (\$1,000.00).

(d) We shall maintain separate bookkeeping accounts for the Marketing Fund and may, but will not be required to cause Marketing Fund contributions to be deposited into one or more

separate bank accounts. The Marketing Fund is not a trust, and We are not a fiduciary or trustee of the Marketing Fund or the monies in the Marketing Fund. However, We may, in Our discretion, separately incorporate the Marketing Fund or create a Marketing Fund trust, over which We may be the trustee, into which Marketing Fund contributions may be deposited.

(e) Irrespective of the development or implementation of any local, regional or national advertising program by Us, You are strongly advised to devote at least two percent (2%) of Your Gross Sales to local and regional advertising. In addition, You may do Your own advertising, or hire an advertising agency, but in either event, You must comply with the System Standards, the Operations Manual and any other brand standards which We may provide to You, and in the event such advertising does not comply with the System Standards, Operations Manual or any other standards provided by Us, You must obtain Our prior written approval of all advertising and promotional plans and materials that You desire to use at least thirty (30) days before the implementation of such plans, unless such plans and materials have been previously approved by Us. You shall submit such plans and materials to Us by personal delivery or through the mail, "Return Receipt Requested" or sent by overnight delivery paid for by You. You shall not use such plans or materials until they have been approved by Us in writing and shall promptly discontinue use of any advertising or promotional plans and materials upon Our request. Any plans or materials submitted by You to Us that have not been approved or disapproved, in writing, within thirty (30) days of receipt thereof by Us, shall be deemed disapproved.

(f) We may develop and provide creative materials for local and regional advertising and make such advertising materials available to Our franchisees for publication or distribution in Your market areas at Our cost.

(g) Except when advertising cooperatively with other franchisees or with Us, You are prohibited from advertising for Candidates in a Designated Territory of another MSC franchisee or MSC or MSC affiliate. Unless granted specific written permission to the contrary, Your local Candidate advertising activity is limited to direct mail, print and broadcast media, speaking engagements, trade shows, networking events and all other types of activity designed to encourage and solicit business only within Your Designated Territory. You have no restrictions on advertising or soliciting Clients from within and outside of Your Designated Territory. If Your Designated Territory lies within an Area of Dominant Influence (ADI) of media sources located outside of Your Designated Territory, and if other franchisee- or Franchisor- or affiliate-owned units lie within the same ADI, then We reserve the right to require You and other franchisees to cooperate and participate in advertising through such media sources on a cooperative basis.

(h) Our affiliate shall purchase a multi-user contract with an Internet Employment Recruiting and Advertising Search and Marketing Provider for use by all MSC franchisees and affiliate-owned businesses ("Group Buy"). The cost of the contract will be divided equally among all franchisees and affiliate-owned businesses on a monthly basis. You must pay Your apportioned share of the cost of the Group Buy for the term of the Group Buy.

(i) We reserve the right to require You to cooperate and participate in certain special promotional events or campaigns that may from time to time be sponsored by Us, Our affiliate, or other franchisees.

(j) Immediately upon notification, You shall discontinue any advertising that would, in Our sole opinion, be detrimental to Our System, Marks, Us, Our affiliates or other franchisees. You agree that upon termination, transfer, or expiration of this Agreement, You shall immediately remove all advertising that You control and notify all advertising sources that Your advertising must be removed and/or canceled immediately. For advertising that cannot be immediately canceled, You are responsible for any and all costs related to such advertising until such time as it can be canceled or it expires.

22. FINANCIAL INFORMATION, AUDITS

(a) You shall keep and maintain during the Term of this Agreement and any renewal periods, and shall preserve for a minimum of seven (7) years thereafter, full, complete and accurate books of account in accordance with generally accepted accounting standards and practices, which books shall accurately reflect the Gross Sales of the Franchised Business; and any and all deductions expressly permitted by this Agreement; marketing activities; payroll; and accounts payable.

(b) You shall, at Your expense, deliver to Us within thirty (30) days of the end of each of Your fiscal years, a complete financial statement for such fiscal year in such form as We may require, including, without limitation, both an income statement and balance sheet, which may be unaudited, together with reports of Gross Sales from that year's operations and all amounts expended on advertising as well as such other information as We require. Each financial statement shall be signed by You or by Your Treasurer, Managing Member or Chief Financial Officer, who shall attest that the statement is true and correct and prepared in accordance with Our requirements.

(c) You shall permit Our authorized personnel to inspect, examine, compile, review and/or audit all of Your business records relating to Your Franchised Business, including but not limited to financial documents and tax returns, at any time during normal business hours without any prior notice. This right shall continue for one (1) year after You have filed Your final federal tax return for the Franchised Business.

(d) You shall also permit accountants designated by Us to audit Your books of accounts. In the event that We find that You have understated the amount due to Us and that any such understatement has been made deliberately, such understatement shall constitute an Event of Default and be considered a Material Breach of this Agreement as defined in Section 32(d)(iv) of this Agreement. Should any audit reveal an understatement of five percent (5%) or more of the amount otherwise due to Us, or if the understatement is determined to be deliberate, You will bear the costs and expenses of Our audit and inspection, and the deficiency shall be immediately due and payable with interest from the date the payments should have been made. This charge will accrue and attach regardless of whether We exercise or have exercised Our right to terminate this

Agreement.

(e) Any inspection or audit of business records or books of accounts is solely for determining Your compliance with Your contractual obligations and does not constitute control over your day-to-day operation of the Franchised Business.

23. INDEMNIFICATION; INSURANCE

(a) You understand and agree that nothing in this Agreement authorizes You to make any contract, agreement, warranty or representation on Our behalf, or to incur any debt or other obligation in Our name. You further understand and agree that We shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action or by reason of any act or omission of Yours in Your conduct of the Franchised Business or otherwise, or for any claim or judgment against Us arising from Your operation of the Franchised Business. You shall indemnify, defend and hold Us harmless and hold harmless Our officers, directors, shareholders, members, managers and employees, and agents from and against any and all claims, costs, obligations, and causes of action, arising directly or indirectly from any act or omission of Yours or any of Your shareholders, directors, members, managers, officers, employees, representatives or agents, as a result of, or in connection with, Your operation of the Franchised Business, the actions of any of Your shareholders, directors, members, managers, officers, employees, representatives or agents, or any action arising from an allegation of a violation of labor or employment law; or by reason of any act occurring on, at or from the premises of the Franchised Business or by reason of an omission relating to the operation of the Franchised Business, as well as the costs, including reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses We incur in defending against such claims or actions. As between Us and You, You are solely responsible for the safety and well-being of Your employees and the Clients and Candidates of the Franchised Business. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement or any renewal term.

(b) You agree to maintain insurance as follows:

(i) With respect to all insurable properties, You shall maintain or cause to be maintained, all-risk property insurance against loss or damage to business and personal property of the Franchised Business in amounts not less than the replacement cost of such property;

(ii) You shall maintain or cause to be maintained commercial general liability insurance, including premise liability, products/completed-operations and contractual liability, covering claims for bodily injury or property damage caused as a result of the operation of the Franchised Business and pursuant to this Agreement in amounts not less than One Million Dollars (\$1,000,000.00) for each occurrence and Two Million Dollars (\$2,000,000.00) general aggregate. Coverage must be written on an occurrence basis only,

not claims-made;

(iii) You shall maintain or cause to be maintained error and omissions insurance which covers all of the services provided by You as a result of services rendered by You and Your employees and/or independent contractors or any claims arising out of Your Franchised Business pursuant to this Agreement or the operation of the Franchised Business in amounts not less than Two Hundred Fifty Thousand Dollars (\$250,000.00); and,

(iv) You shall maintain or cause to be maintained workers' compensation insurance, in such amounts as may now or hereafter be required by any applicable law, and shall withhold from the pay of any of Your employees and pay any and all amounts required to be so paid for unemployment compensation, disability, Social Security, and other such federal, state and/or local taxes imposed upon You as an employer.

(c) All policies of liability insurance shall insure and name Us and Our affiliates as additional insureds/loss payees and shall protect Us and Our affiliates against any liability that may accrue by reason of Your ownership, maintenance or operation of the Franchised Business.

(d) We reserve the right to increase the minimum limits listed above as well as to change or add new types of required coverage as set forth in greater detail in the Operations Manual.

(e) Your obligation to obtain and maintain or cause to be maintained the foregoing policy or policies of insurance shall not be limited in any way by reason of any insurance that may be maintained by Us, nor shall Your performance of this obligation relieve You of liability under the indemnity provision set forth in this Agreement. You shall deliver to Us certificates of insurance evidencing Your compliance no later than ten (10) days before You begin operation of the Franchised Business. Such proof of insurance shall include a statement by the insurer that the policy or policies will not be cancelled or materially altered without giving at least thirty (30) days prior written notice to Us. You must submit to Us, at least annually, and otherwise upon request by Us, a copy of the certificate of renewal or other evidence of the renewal, existence or extension of such insurance policies.

(f) Should You, for any reason, fail to procure or maintain the insurance required by this Agreement, You shall be considered in Material Breach of this Agreement. In such event, We shall then have the right and authority (but not the obligation) to procure such insurance and to charge the cost of such insurance to You, which charges, together with a reasonable fee for Our expenses in taking such action, shall be payable by You immediately upon notice from Us.

24. BUSINESS ORGANIZATION AND PERSONAL GUARANTY(S)

(a) If You are an individual or individuals, then You acknowledge and agree that the grant of

license in Section 3 is made by Us in reliance on Your personal attributes and in consideration of the trust and confidence which We place in You, and on Your representation that You will actively and substantially participate personally in the beneficial ownership and management of the MEDICAL SEARCH Franchised Business.

(b) In the event You are a business entity (including but not limited to a corporation, a limited liability corporation, a partnership, a limited liability partnership, a trust), in addition to being newly formed, You must complete and sign the Principal Owner's Statement attached to this Agreement as Addendum D and each individual with an ownership interest in You must also sign Addendum D. Further, You represent, warrant and covenant that:

- (i) You are newly formed and duly organized and validly exist under the laws of the state in which You were formed;
- (ii) You are duly qualified and are authorized to do business in each jurisdiction in which Your business activities or the nature of the properties owned by You require such qualification;
- (iii) The execution of and transactions contemplated by this Agreement are within Your powers;
- (iv) The ownership interests in You are accurately and fully listed in Addendum D;
- (v) Each and every person with an ownership interest in You shall sign the Guaranty Agreement attached to this Agreement as Addendum C and You shall provide the original signed Guaranty Agreement to Us;
- (vi) The stated purpose of the business entity shall consist only of the development, ownership, operation and maintenance of the MEDICAL SEARCH Franchised Business;
- (vii) You shall not issue any additional stock, membership, or interests in You and no individual with ownership interest in You shall transfer, assign or pledge any ownership interest in You without Our prior written consent, which shall not be unreasonably withheld, and a legend setting forth such restriction on transfers shall be contained in the business entity's organizational and governing documents and other appropriate documents such as certificates and stocks. In giving Our consent, We shall have the right (but not the obligation) to impose one or more reasonable conditions;
- (viii) In the event the ownership interests in You changes, You must provide an updated Addendum D to Us within five (5) business days of the change and the new recipient(s) of an ownership interest in You must sign the Guaranty Agreement attached to this Agreement as Addendum C;

(ix) Prior to Our signing of this Agreement, You shall deliver to Us photocopies of the organizational and governing documents and other documents such as certificates and stocks reflecting compliance with the provisions of this Subsection 24(b); and,

(x) Your operation of Your Franchised Business is within the use for which You are authorized in the jurisdiction in which the Franchised Business shall be conducted.

(c) If You are a business entity, You must appoint an individual owner as Your Operating Principal who must have authority over all business decisions related to Your Franchised Business and must have the power to bind You in all dealings with Us. Your Operating Principal must have at least a twenty percent (20%) ownership interest in your business entity. You must provide Us with written notice of Your Operating Principal at least thirty (30) days prior to opening and may not change Your Operating Principal without Our prior written approval.

25. COVENANTS OF NON-SOLICITATION, NON-DISCLOSURE AND NON-COMPETITION

(a) You, and persons controlling, controlled by or under common control with You, specifically acknowledge that, pursuant to this Agreement, You will receive valuable specialized training, trade secrets, and Confidential Information, including, without limitation, information regarding the management, operations, marketing, advertising, and related information, materials, methods and techniques of Ours and Our System which are beyond the present skills and experience of You and Your managers and employees, and that the value of this information arises not only from the time, effort and money that went into its compilation but also from its usage by all franchisees. You acknowledge that such specialized training, trade secrets, and Confidential Information provide a competitive advantage and will be valuable to You in the operation of the Franchised Business, and that gaining access to such specialized training, trade secrets, and Confidential Information is therefore a primary reason why You are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and exclusive rights described above, You and persons controlling, controlled by or under common control with You agree and covenant that during the Term of this Agreement and for a continuous uninterrupted period commencing upon the effective date of expiration or termination of this Agreement or the date that You begin to comply with this Section, whichever is later, and for two (2) years thereafter, except as otherwise approved in writing by Us, You shall not, either directly or indirectly, for You, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or other business entity:

(i) solicit, divert or attempt to solicit or attempt to divert any business or Client or Candidate of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act deemed by Us to be injurious or prejudicial to the goodwill associated with Our Licensed Rights and Our System; or

(ii) own, manage, maintain, operate, engage in, advise, consult with, invest in, be employed by or perform services as a director, officer, manager, representative, agent, or otherwise, or have any direct or indirect interest in any business that (a) specializes, in whole or in part, in offering to the public substantially similar products and/or services to those products and/or services offered by Your Franchised Business prior to the termination or expiration of this Agreement (a “Competitive Business”) or (b) grants franchises or licenses to others to operate a Competitive Business within a fifty (50) mile radius of the Designated Territory of Your former Franchised Business and/or of any franchised business owned by any MSC franchisee, MSC or MSC affiliate.

(b) At any time, during the Term of this Agreement or thereafter, You shall not, either directly or indirectly, for You, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or other business entity, use, in connection with the operation of any business other than the Franchised Business, any of the Licensed Rights, or any other names, marks, systems, insignias, or symbols provided or approved by Us to You pursuant to this Agreement, or cause or permit any such business to look like, copy or imitate a MEDICAL SEARCH or other MSC Franchised Business or to be operated in a manner tending to have such effect.

(c) You expressly acknowledge that You possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, You acknowledge that enforcement of the covenants made in this Section will not deprive You of Your personal goodwill or ability to earn a living.

(d) It is the express intention of the parties to this Agreement to comply with all laws applicable to the covenants contained in this Agreement. If any of the covenants contained in this Section are found to exceed in duration, geography or scope those permitted by applicable law, the parties expressly agree that such restrictive covenant may be reformed or modified by the final judgment of a court of competent jurisdiction or other lawful constituted authority to reflect a lawful and enforceable restriction, whether in duration, geography or scope, and that the covenants contained in this Section shall automatically be deemed to be amended and modified so as to comply with the judgment or order of such court or authority to the maximum extent permitted. If any one or more of the provisions contained in this Section shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if it never contained such invalid, illegal or unenforceable provisions.

(e) You understand and acknowledge that We shall have the right, in Our sole discretion, to reduce or limit the duration, geography or scope of any covenant set forth in this Section of this Agreement, or any portion thereof, without Your consent, effective immediately upon notice to You; and You agree that You shall comply from that point forward with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 51 hereof.

(f) You expressly agree that the existence of any claims You may have against Us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Us of the covenants in this Section. You further agree that We shall be entitled to set off from any amount owed by Us to You any loss or damage to Us resulting from Your breach of this Agreement.

(g) You understand and agree that under Our franchise System, franchisees use national contacts beyond a franchisee's assigned designated territory and that the restrictions contained in this Section and Section 26 are reasonable and necessary to protect the legitimate business interests of Us and Our franchise System and shall not cause undue hardship to You.

(h) Nothing contained in this Agreement shall prevent You from owning less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly traded corporation listed on a recognized national stock exchange or NASDAQ.

(i) You acknowledge and agree that any failure by You to comply with the requirements of this Section shall constitute a material Event of Default under this Agreement; that such failure will cause Us irreparable injury and that money damages will not adequately compensate Us; and that We are entitled to enforce this Section by temporary restraining order and/or temporary, preliminary and/or permanent injunction, and/or specific performance, without the necessity of posting bond. This relief will be in addition to any other relief We may have under federal and/or state law. You agree to pay all court costs and reasonable attorneys' fees incurred by Us in enforcing Our rights under this Section.

(j) In addition to any other remedies or damages allowed under this Agreement and/or by law, if You breach any of the covenants set forth in Subsections 25(a) and (b), You shall pay Us a fee equal to Our then-current Initial Franchise Fee for each Competitive Business identified plus Twenty-Five percent (25%) of such Competitive Business' Gross Sales until expiration of the non-competition period set forth in this Section.

(k) During the Term of this Agreement, any of Our officers or area supervisors shall have the right to inspect any business interest in which You or a Key Employee has an interest, at reasonable times and during normal business hours, to the extent reasonably necessary to determine whether the conditions of this Section are being satisfied. If, by reason of such inspections or otherwise, We have reason to believe that You are in default of this Section, and You are so notified by Us, You shall have the burden of establishing that You are not in default. You shall respond to any default notice under this Section within five (5) days. With regard to any such default, We shall have the right to pursue any and all rights of remedy and enforcement available to Us, either at law or in equity, and You shall immediately take all steps to cure said default in a manner satisfactory to Us.

The provisions of this Section shall survive any termination or expiration of this Agreement or any renewals.

26. CONFIDENTIALITY

(a) You, and persons controlling, controlled by or under common control with You, shall hold in confidence Our System and shall not disclose any part of Our System to any individual or entity. It is understood and agreed that Our System would, if used by other individuals or entities, confer on them a substantial competitive advantage, which advantage is presently enjoyed by Us. Accordingly, You agree that You shall not at any time, without Our prior written consent, disclose (except to such employees or agents as must reasonably have access to such information in order to establish or operate the Franchised Business and who have signed confidentiality agreements, in a form approved by Us) or use or permit the use of Our System, or any part, except as may be required by applicable law or as authorized by this Agreement.

You acknowledge and agree that any form of confidentiality agreement is a form of agreement only and that it may or may not be enforceable in a particular jurisdiction. You agree that You are solely responsible for obtaining Your own professional advice with respect to the adequacy of the terms and provisions of any confidentiality agreement You require Your employees, agents and independent contractors to sign.

(b) You, and persons controlling, controlled by or under common control with You, shall at all times use Your best efforts to keep confidential the Operations Manual, any other manuals or materials designated for use with Our System and such other information as We may designate for confidential use with Our System, as well as all other trade secrets, if any, and Confidential Information, knowledge and business know-how concerning the establishment, construction or operation of the Franchised Business that may be imparted to, or acquired by, You in connection with this Agreement. You acknowledge that the unauthorized use or disclosure of such Confidential Information (and trade secrets, if any) will cause incalculable and irreparable injury to Us. Any and all information, knowledge and know-how, not generally known in the Health Care recruiting services industry about Our products, equipment, services, standards, specifications, systems, procedures and techniques, and such other information or materials as We may designate as confidential, shall be deemed confidential and proprietary for purposes of this Agreement, except information that You can demonstrate came to Your attention prior to disclosure thereof by Us or that is or has become a part of the public domain through publication or authorized communication by others. The Operations Manual, any other manuals or materials designated for use with Our System, and all Confidential Information (and trade secrets, if any) shall at all times be deemed to be, and shall remain, Our sole property, and You shall acquire no rights, title or interest therein by virtue of Your authorization pursuant to this Agreement to possess and use them.

YOU ACKNOWLEDGE AND AGREE THAT OUR CONFIDENTIAL INFORMATION INCLUDES, BUT IS NOT LIMITED TO: THE TERMS AND CONDITIONS OF THIS AGREEMENT; THE CONTENTS OF THE OPERATIONS MANUALS, TRADE SECRETS WHICH INCLUDES CLIENT AND CANDIDATE LISTS, AND ANY COMPONENT OF OUR SYSTEM THAT DOES NOT

CONSTITUTE A TRADE SECRET BUT THAT OTHERWISE MEETS THE DEFINITION OF “CONFIDENTIAL INFORMATION.”

The provisions of this Section shall survive any termination or expiration of this Agreement or any renewals thereof.

27. NON-DISCLOSURE AND NON-COMPETITION AGREEMENTS

You shall cause any person who is actively involved as a Key Employee, as defined in Section 12 of this Agreement, in the Franchised Business, at the time such person enters Your employment and in Your presence, to enter into a non-disclosure, non-solicitation and non-competition agreement, in a form approved by Us or as We otherwise provide. You acknowledge and agree that any form of non-disclosure, non-solicitation and non-competition agreement is a form of agreement only and that it may or may not be enforceable in a particular jurisdiction. You agree that You are solely responsible for obtaining Your own professional advice with respect to the adequacy of the terms and provisions of any non-compete agreement You require Your employees, agents and independent contractors to sign.

You shall use Your best efforts to prevent any such persons from; (i) using, in connection with the operation of any competing business wherever located, any of the Licensed Rights; or (ii) from operating any competing business that looks like, copies or imitates any MSC franchised business or operates in a manner tending to have such effect. If You have reason to believe that any such person has violated the provisions of the non-disclosure, non-solicitation and non-competition agreement, You shall immediately notify Us and shall cooperate with Us to protect Us against infringement or other unlawful use of the Licensed Rights, including, but not limited to, the prosecution of any lawsuits if, in the judgment of Our counsel, such action is necessary and advisable.

The provisions of this Section shall survive any termination or expiration of this Agreement or any renewals thereof.

28. ASSIGNMENT; CONDITIONS AND LIMITATIONS

If You are not an individual, the terms of this Section and of Section 31 hereof, shall also be deemed to apply to any management agreement, sale, resale, pledge, assignment, transfer or encumbrance of voting stock of, or other ownership interest in You which would, alone or together with other related, previous, simultaneous or proposed transfers, result in a change of ownership or management “control” of You.

As used in this Agreement, the term “transfer” includes Your (or an Owner’s) voluntary, involuntary, direct or indirect, assignment, sale, gift, or other disposition of any interest in (1) this Agreement, (2) the Franchisee entity, (3) the Franchised Business governed by this Agreement, or (4) all or a substantial portion of the assets of the Franchised Business. It also includes an

assignment of day-to-day operational responsibilities for the Franchised Business pursuant to an operating agreement or otherwise. A transfer of the Franchised Business' ownership, possession, or control, or all or a substantial portion of Your assets, may be made only with a transfer of this Agreement which complies with the terms of this Agreement.

(a) You shall not, directly or indirectly, sell, assign, transfer, or encumber this Agreement, the Franchise, the Licensed Rights, or any other interest hereunder, nor shall You suffer or permit any such assignment, transfer or encumbrance to occur, by operation of law or otherwise, without obtaining Our prior written consent and complying with the terms of Section 31.

(b) In the event You or Your successor is not an individual, You agree and acknowledge as follows:

(i) The Articles of Incorporation (or other corporate charter pursuant to which You were formed) and the Bylaws or Operating Agreement (or regulations or other instrument for the governance of the entity), or the Partnership Agreement, or other instruments pursuant to which You were created, reflects that the issuance and transfer of voting stock or other ownership interest therein ("securities") is restricted by the terms of this Agreement. You shall furnish Us at the time of execution of this Agreement or of assignment to the corporation, limited liability company, partnership or other entity, an agreement executed by all stockholders, partners, members and other owners of any equity interest in You, stating that none of such entities will sell, assign or transfer voluntarily or by operation of law any securities of Franchisee to any other entity, other than existing stockholders or partners to the extent permitted hereunder, without Our prior written consent. All securities issued by You will bear a legend in substantially the following form, which shall be printed legibly and conspicuously thereon:

"TRANSFER OF THESE SECURITIES IS SUBJECT TO CERTAIN
RESTRICTIONS CONTAINED IN A FRANCHISE AGREEMENT BETWEEN
MEDICAL SEARCH CONSULTANTS LLC AND
_____, DATED _____, 20__."

A stop transfer order shall be in effect against the transfer of any securities on Your records except transfers permitted by this Agreement.

(c) You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect Our franchise System; Our trade secrets and operating procedures; Our general high reputation and image; the Licensed Rights; as well as You and other MSC franchisees. Any assignment or transfer permitted by this Agreement shall not be effective until We receive a completely executed copy of all transfer documents and consent to such transfer in writing. Under no circumstances will You have a right to transfer under this Agreement before the Franchised Business has commenced operations.

(d) Your performance is of vital importance to the market position and Our overall image, and there are many subjective factors that comprise the process by which We select a suitable franchisee. Our consent to a transfer or assignment by You of the Franchise and Franchised Business shall, in addition to the other restrictions and requirements herein noted, remain a subjective determination and shall consider, but not be limited to, whether:

(i) All obligations of Yours under this Agreement and all other franchise documents, and the relationship created under those agreements are being assumed by the transferee;

(ii) All ascertained debts of Yours to Us and Our affiliates have been paid;

(iii) You, at the time of the request to transfer and as of the date of transfer, are not in default under this Agreement or any other franchise agreement;

(iv) Except for other MSC franchisees, the proposed transferee does not operate or participate in an entity that operates a franchise, license, or other business offering products and/or services similar to those offered by the Franchised Business;

(v) The proposed transferee meets all of Our requirements for new franchisees, including, but not limited to, good reputation and character, experience, business acumen, operational ability, financial strength and stability, willingness and ability to devote full time and best efforts to the operation of the Franchised Business and other business considerations as We may reasonably apply in evaluating new franchisees. We must be provided all information about the proposed transferee and the proposed transaction (including a copy of the purchase agreement and all related documents) as We may reasonably require;

(vi) The proposed transfer is at a price and upon such terms and conditions as We, in Our sole and exclusive judgment, deem reasonable; or We shall have the right to approve the material terms and conditions of the transfer, including, without limitation, the right to confirm that the price and terms of payment are not so burdensome as to affect adversely the transferee's operation of the Franchised Business.

(vii) The proposed transferee executes or, in appropriate circumstances, causes all necessary parties to execute Our then-current standard form of franchise agreement (provided that such execution will not serve to extend the then remaining Term of the franchise) and such other then-current ancillary agreements being required by Us of new franchisees on the date of transfer;

(viii) You, except to the extent prohibited by applicable law, have executed a general release of any and all claims against Us and Our subsidiaries and affiliates, and Our respective officers, directors, agents and employees;

(ix) You or proposed transferee have paid to Us a non-refundable Transfer Fee of Fifteen Thousand Dollars (\$15,000.00) to cover Our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee;

(x) If You are providing financing to the proposed transferee for any part of the purchase price, You have agreed that all of the proposed transferee's obligations under promissory notes, agreements or security interests reserved in the Franchised Business are subordinate to the proposed transferee's obligation to pay fees and other amounts due to Us and Our affiliates and otherwise to comply with the franchise agreement; and,

(xi) You will abide by all post-termination covenants including, without limitation, the covenant not to compete set forth in Section 25 and confidentiality set forth in Section 26.

(e) If You pursue but do not complete a transfer which has caused Us to incur costs and expenses in reviewing and documenting the proposed transfer, You must reimburse Us for these costs and expenses.

(f) This Agreement shall inure to Our benefit, and Our successors and assigns, and We shall have the right to transfer or assign without Your consent all or any part of Our interest in this Agreement to any person or legal entity who in Our good faith judgment has the willingness and capacity to assume Our obligations.

29. DEATH, DISABILITY OR PERMANENT INCAPACITY OF FRANCHISEE

In the event of Your death or permanent disability or that of any person with a controlling interest in You, the executor, administrator, or personal representative of that person shall transfer his or her interest to a third party approved by Us within six (6) months after such death or permanent disability. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same restrictions and conditions as any *inter vivos* transfer. However, in the case of a transfer by devise or inheritance, if the heirs or beneficiaries of any deceased person are unable to fully satisfy the conditions contained in this Agreement, the personal representative of the deceased Franchisee shall have a reasonable time, in Our sole discretion, to dispose of the deceased's interest in the Franchise, which disposition will be subject to all the terms and conditions for transfer contained in this Agreement. If the deceased's interest is not transferred within a reasonable time, as determined by Us in Our sole discretion, We may terminate this Agreement. The term "permanent disability" shall mean a mental, physical or emotional disability, incapacity, impairment, or condition that is reasonably expected to prevent or actually does prevent You (or an Owner controlling You) from supervising the management and operation of the Franchised Business for a period of one hundred and twenty (120) days from the onset of such disability, incapacity, impairment or condition. In any event, the Franchised Business must at all times be managed by a designated manager who has complied with all of Our training requirements, regardless of any death or permanent disability covered by this Section.

30. OPERATION OF FRANCHISED BUSINESS IN THE EVENT OF ABSENCE, INCAPACITY OR DEATH

In order to prevent any interruption of the business of the Franchised Business which would cause harm to such business and thereby depreciate its value, You authorize Us, in the event that You are absent or incapacitated or die, and are not, therefore, in Our sole judgment, able to operate the Franchised Business, to operate said business for so long as We deem necessary and practical, and without waiver of any other rights or remedies We may have under this Agreement; provided, however, that in the event that We commence to operate the Franchised Business, We shall not be obligated to operate the Franchised Business for a period of more than one hundred and twenty (120) days. All monies from the operation of the Franchised Business during the period of Our operation shall be maintained in a separate account. The expenses of the Franchised Business, including reasonable compensation and expenses for Our representatives, shall be charged to such account. If, as provided in this Section, We temporarily operate the Franchised Business, You agree to indemnify and hold Us harmless, and hold harmless any representative of Ours who may operate the Franchised Business, from any and all claims arising from the acts and omissions of Us and Our representative arising from such operation.

31. FRANCHISOR RIGHT OF FIRST REFUSAL

If You receive from a third (3rd) party, and desire to accept, a bona fide written offer to purchase Your business, franchise and interests in the Franchised Business (or seek to effect a sale of the Franchised Business), We shall have a right of first refusal, exercisable by written notice to You furnished within sixty (60) days after written notice and receipt of a copy of such offer and the other information set forth in this Section, to purchase such business, franchise and interests on the same financial terms and conditions as offered to or by such third (3rd) party; provided further that We may substitute cash for any other form of payment proposed in such offer. In order that We may have information sufficient to enable Us to determine whether to exercise Our right of first refusal, You shall deliver to Us, to the extent requested by Us, certified financial statements as of the end of Your most recent fiscal year, any financial statements prepared by or for You since the end of such fiscal year and such other information about the business and operations of Franchisee as You have provided or will make available to such third (3rd) party. If We do not exercise Our right under this Section, You may, within ninety (90) days from the expiration of the option period, sell, assign and transfer Your business, franchise and interests hereunder but only upon the same terms and conditions proposed to Us and provided We have consented to such transfer as required by Section 28 hereof.

If You fail to make such sale, assignment or transfer within this ninety (90) day period, or if there is any material change in the terms of the offer, it shall trigger a new right of first refusal period. Failure by Us to exercise the option afforded by this Section shall not constitute a waiver of any other provisions of this Agreement, including all of the requirements of Section 28 hereof, with respect to the proposed transfer.

If You are not an individual, this right of first refusal shall apply to any management agreement, sale, resale, pledge, assignment, transfer or encumbrance of the voting stock of, or other ownership interest in You which would, alone or together with other related, previous, simultaneous or proposed transfers, result in a change of “control” of Franchisee.

32. TERMINATION

(a) If You are in compliance with this Agreement and We materially breach this Agreement and fail to cure such breach within thirty (30) days after written notice thereof is delivered to Us, then You may terminate this Agreement and the Franchised Business effective thirty (30) days after delivery to Us of notice of termination. Notwithstanding the foregoing, if the breach is capable of being cured but is of a nature which cannot reasonably be cured within such thirty (30) day period, and We have commenced and are continuing to make good faith efforts to cure the breach, We shall be given an additional reasonable period of time to cure the breach, and this Agreement shall not terminate. Any termination of this Agreement and the Franchised Business by You, without complying with the foregoing requirements, or for any reason other than a material breach of this Agreement by Us and Our failure to cure such material breach within the time allowed shall be deemed a termination by You without cause.

(b) You acknowledge that the strict performance of all the terms of this Agreement is necessary not only for Our protection, but also for the protection of You and Our other franchisees. As a result, You acknowledge and agree that the occurrence of any of the following events, each or any of which shall be considered a Material Breach default of this Agreement, constitutes reasonable grounds for termination of this Franchise Agreement by Us; provided, however that You shall be given the opportunity, within ten (10) days after receipt of written notice of such Material Breach, to cure the default by promptly providing proof of cure to Us. Notwithstanding the foregoing, if the breach is curable but is of a nature which cannot reasonably be cured within such ten (10) day period and You have commenced and are continuing to make good faith efforts to cure the breach, You shall be given an additional reasonable period of time to cure the default, and this Agreement shall not terminate. If any such default is not cured within the time as specified by Us, this Agreement shall terminate effective immediately without further notice to You. You shall be in default under this Agreement for failure to comply with any of the requirements imposed by the Agreement, or for failure to carry out the terms of this Agreement in good faith. Such defaults include, but are not limited to:

- (i) A failure by You to remit any payments when due under this Agreement;
- (ii) A failure by You to establish, equip, maintain, or update the Franchised Business in accordance with Our plans and specifications;
- (iii) A failure by You to submit to Us financial reports or other information required under this Agreement, or a failure to allow reasonable access to Your records within the time periods required by this Agreement;

- (iv) A failure by You to operate the Franchised Business in accordance with Our Operations Manual or other manuals, or a failure by You to use products, methods, equipment or suppliers which conform to Our specifications and standards, or Your failure to maintain Our standards of quality service in the operation of the Franchised Business;
 - (v) A failure by You to obtain Our prior written approval or consent as expressly required by this Agreement;
 - (vi) A failure by You to accurately or completely record all sales made in, upon or from the Franchised Business at the time of sale;
 - (vii) A breach by You of any other covenant, term, or provision of this Agreement;
 - (viii) A failure by You to open the Franchised Business within nine (9) months of the execution of this Agreement;
 - (ix) A failure by You to comply with any of Your agreements with any third parties as related to the Franchised Business;
 - (x) A failure by You to consistently pay the debts of the Franchised Business as they become due;
 - (xi) A failure by You to have the required number of full-time recruiters in Your employ for a period of ninety (90) days;
 - (xii) A failure by You to perform the required services for Your Clients in a satisfactory manner causing harm to the reputation, goodwill and/or business of the Franchised Business, Us, and/or Our affiliates; or,
 - (xiii) A failure by You to comply with the Minimum Sales Performance as provided for in Subsection 17(n) during the Term of this Agreement.
- (c) In the event You are delivered three (3) or more notices of Material Breach from Us within a twenty four (24) month period pertaining to any one (1) or more of the foregoing events of default whether or not cured after notice, during the initial Term or any renewal terms of this Agreement, We shall have the right to terminate this Agreement. The effective date of any such termination notice under this Subsection shall be upon the expiration of Your receipt of ten (10) days written notice to that effect, or such longer period as may be required by law.
- (d) Notwithstanding the foregoing, We shall deem You to be in material breach and, at Our option, may terminate this Agreement and all rights granted under it, without affording You any opportunity to cure the breach, effective immediately after written notice of termination is received

by You, if You do any of the following:

- (i) Abandon, vacate, desert, surrender, transfer control or otherwise cease operation of the Franchised Business, or fail to continuously and actively operate the Franchised Business, or to do so for a period of five (5) consecutive business days or any shorter period that indicates an intent by You to discontinue operation of the Franchised Business without Our express written consent, unless and only to the extent that You are precluded from doing so by damage to the Franchised Business due to war, act of God, civil disturbance, natural disaster, labor dispute or other events beyond Your reasonable control, and so long as within thirty (30) days, You have begun and diligently pursued relocation or re-establishment of the Franchised Business;
- (ii) Misuse the Licensed Rights, or any other names, marks, e-marks, systems, insignias, symbols, copyrights or rights provided by Us to You, or otherwise materially impair the goodwill associated therewith the Licenses Rights, or if You shall use at the Franchised Business any names, marks, e-marks, systems, insignias, symbols or copyrights not authorized by Us;
- (iii) Consistently (e.g., twice or more in any twelve (12) month period) fail or refuse to submit when due any financial statement, tax return or schedule, or to pay when due the Royalty Fees or any other payments or to submit any required reports due to Us;
- (iv) Intentionally underreport Gross Sales in any amount or negligently underreport Gross Sales by five percent (5%) or more during any reporting period;
- (v) Operate the Franchised Business in a manner that violates any federal, state, or local law, rule, regulation or ordinance;
- (vi) Make a material misrepresentation to Us or on Your application to own and operate the Franchised Business or in conducting the Franchised Business;
- (vii) Attempt to transfer, assign or sub-franchise this Agreement without Our prior written consent as set forth in this Agreement;
- (viii) Disclose or divulge to any unauthorized person or entity or copy or reproduce any of the contents of the Operations Manual or any other trade secrets or Confidential Information provided to You by Us or any of Our subsidiaries or affiliates;
- (ix) Engage in any activity that has an adverse effect on Us, Our affiliates, Our franchisees and/or the Marks;
- (x) Are indicted or arrested, charged, publicly accused in the national or regional media or convicted of any felony whatsoever, or if you are convicted of any crime involving fraud,

deception or moral turpitude, or commit any crime or offense reasonably likely, in Our sole opinion, to materially and unfavorably affect the Licensed Rights, the marks and associated goodwill and reputation of Us, Our System, Our affiliates and/or Our other franchisees;

(xi) (1) Fail to satisfy any judgment within thirty (30) days unless a supersedeas or other appeal bond has been filed; or (2) fail to obtain discharge within five (5) days an execution levied against You, Your business or property or any person with a controlling interest in You; or (3) fail to obtain dismissal within thirty (30) days any suit to foreclose any lien or mortgage against the Franchised Business, the equipment of such business, or the land upon which the Franchised Business is situated; or (4) fail to obtain dismissal or release within a thirty (30) day period of any attachment of or liens on Your bank accounts, property or receivables; or (5) if the real or personal property of Your business is sold after levy by any sheriff, marshal, or constable;

(xii) Fail to maintain an independent contractor relationship with Us;

(xiii) Commit a default under any loan or lease required to operate the Franchised Business and fail to cure that default by the date specified by the lender or lessor;

(xiv) Create or allow the continuation of any condition in or at the Franchised Business, or on or about the Franchised Business' premises, which We reasonably believe presents health and/or safety concerns for the Franchised Business' Clients, Candidates or employees;

(xv) Engage in any act(s) that is so dishonest, untrustworthy, self-dealing, and/or fraudulent, that it goes to the essence of the Franchise Agreement and/or frustrates one of the principal purposes of the Franchise Agreement and/or irreparably damages the trust between Us and You;

(xvi) Commit a material breach that cannot be cured;

(xvii) If, without Our prior written consent, You or persons controlling, controlled by, or under common control with You shall have any interest, direct or indirect, in the ownership or operation of any business engaged in the sale of similar or other related products or services within Your Designated Territory, or in any business, regardless of where located, that looks like, copies, or imitates any MSC business, or operates in a manner tending to have such effect;

(xviii) Fail to attend one (1) of the mandatory franchise meetings designated by Us each year without obtaining Our written consent to not attend; or,

(xix) Miss four (4) or more of Our mandatory conference calls to Our franchisees within a twelve (12) month period or miss three (3) or more consecutive conference calls.

(e) Notwithstanding the foregoing provisions of this Section, You shall be in breach under this Agreement and all rights granted under this Agreement will automatically terminate without notice to You, if You do any of the following:

(i) Make an assignment for the benefit of creditors or an admission of Your inability to pay Your obligations as they become due; or,

(ii) File a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution or similar release under any law, or admit or fail to contest the material allegations of any such pleading or action for the benefits of creditors filed against You, or are adjudicated bankrupt or insolvent, or a receiver is appointed for a substantial part of Your assets or the assets of the Franchised Business, or the claims of Your creditors or the creditors of the Franchised Business are abated or subject to moratorium under any laws.

(f) If You are in material default as described in Subsection (b) above, We have the right to suspend any and all operating assistance as described in this Agreement and/or the Operations Manual to You.

(g) In the event state law requires a notice period prior to the effective date of a termination under this Section, We shall have the right to take possession of the Franchised Business and diligently run it on Your behalf until such time as the termination becomes legally effective. You, on behalf of Yourself, Your heirs, and Your legal representatives, consent to such operation of the Franchised Business by Us, and release and indemnify Us from any liability arising in connection with Our operation of the Franchised Business pursuant to the terms of this Subsection.

33. STEP-IN RIGHTS

(a) If a material default under this Agreement occurs and remains uncured, or is not subject to cure, or if Your actions jeopardize the integrity of the Marks or System, then You authorize Us or Our designee to operate the Franchised Business for as long as, in Our reasonable judgment, it is necessary or practical. You acknowledge that this right to step-in is necessary to preserve the value and integrity of the Marks and System. Even if We exercise this right to step in, You agree that We do not lose or waive a right to exercise any other rights or remedies which We may have legally under this Agreement. Among the reasons We may act under these step-in rights are:

(i) We reasonably determine that You are unable to operate the Franchised Business because You are absent or incapacitated because of illness, accident, injury or death;

(ii) You have not paid Your monetary obligations to Us or others when they are due;

(iii) You have not removed non-consensual liens or encumbrances which have been placed against the Franchised Business; or,

- (iv) We determine that material operational problems require that We operate the Franchised Business for a period of time.

(b) During a step-in period, We will maintain in a separate account, all Gross Sales of the Franchised Business. From that account We will pay all expenses of the Franchised Business, which will include the Royalty Fee, Administrative Fees, all Marketing Fund contributions or payments, all other payments required under this Agreement and reasonable compensation and expenses for Our representatives. If these step-in rights are exercised, You agree to hold Us harmless and hold harmless Our representatives for all actions or omissions which occur during the course of the temporary operation. You agree to pay Our reasonable attorneys' fees and costs which might arise from the exercise of these step-in rights. Nothing in this Section will prevent Us from exercising any other rights which We may have under this Agreement, including the right to terminate the Agreement.

34. CROSS-DEFAULT

Any default by You of any other agreement between Us and/or Our affiliates and You and any of Your affiliates shall be deemed a default under this Agreement, and any default by You under this Agreement shall be deemed a default under any and all other agreements between Us and/or Our affiliates and You and/or Your affiliates. If the nature of such default under any other agreement would have permitted Us to terminate this Agreement had such default occurred under this Agreement, We shall have the right to terminate all of the other agreements between Us and/or Our affiliates and You or any of Your affiliates in the same manner as provided herein for termination of this Agreement.

35. OBLIGATIONS OF FRANCHISEE UPON TERMINATION OR EXPIRATION

(a) Upon termination of this Agreement for any reason or upon expiration of its Term, You agree as follows:

- (i) To pay immediately to Us, Our subsidiaries and/or Our affiliates the full amount of all sums due under this Agreement including damages, liquidated damages and costs incurred in enforcing this Agreement or otherwise;
- (ii) To cease immediately to operate the Franchised Business and cease to use the Licensed Rights provided by Us under this Agreement, including but not limited to Our Marks, or any other marks registered by Us and Our affiliates or any of Our trade secrets, signs, symbols, devices, materials constituting part of Our System, and any confusingly similar name, marks, e-marks, copyrights, systems, insignias, symbols and other rights, procedures or methods;

- (iii) To immediately return to Us all originals and copies of Our Operations Manuals and all other manuals, plans and specifications, designs, training aids, records, data, samples, models, programs, or handbooks and other materials loaned or provided to You by Us or any of Our subsidiaries or affiliates;
- (iv) To immediately turn over to Us any and all originals and copies of Client and Candidate Lists, records, files, instructions, social media contact lists, correspondence including Client and Candidate related emails, brochures, computer software, computer CDs, DVDs or diskettes and any and all Confidential Information in Your possession, custody or control concerning or relating to the operation of the Franchised Business and/or Our operations or business. The only documents that You shall be permitted to retain are Your copy of this Agreement, any correspondence between You and Us and any other documents that You reasonably need to comply with a provision of applicable law;
- (v) To cease immediately to hold Yourself out in any way as Our franchisee or to do anything that would indicate any past or present relationship between You and Us;
- (vi) To the extent possible, to immediately remove or permanently cover any and all structures, signs or advertisements identifiable in any way with Us or the MEDICAL SEARCH name or image;
- (vii) To promptly take such action that may be required to cancel all fictitious or assumed names or equivalent registrations relating to Your use of any of the Marks or, at Our option, assign same to Us;
- (viii) Promptly assign to Us any interest that You may have in the telephone number(s), telephone listing(s) and/or directory(ies), social media and networking accounts, and/or Internet numbers used by You in connection with the operation of the Franchised Business. You shall promptly transfer all telephone calls by call-forwarding to Us or to such other party or entity as We shall direct; execute the Telephone Listing Agreement attached to this Agreement or any such instruments and take such actions as We may deem necessary to effect such transfer and call-forwarding of telephone calls. You acknowledge that this Agreement shall be conclusive evidence of Our rights to such telephone numbers, telephone directory listings, social media and networking accounts and Internet numbers and Our authority to direct this transfer;
- (ix) Abide by all restrictive covenants set forth in Sections 25 through 27 of this Agreement;
- (x) Assign any and all accounts receivable to Us for collection. In connection therewith You hereby appoint Us as attorney-in-fact to engage in such collection activities following the termination or expiration of this Agreement and You specifically undertake to refrain

from engaging in any such collection activities upon termination or expiration. We agree to employ good faith efforts, including, where appropriate in Our sole and exclusive judgment, the commencement of legal proceedings, to collect such accounts receivable. Nothing contained herein shall be construed or deemed to impose any duty or obligation upon Us to collect such accounts receivable and, if all or a portion of such accounts receivable are not collected by Us, You release and waive any claims thereto against Us. If We are successful in collecting all or a part of such accounts receivable, We shall remit to You such sums collected after first deducting any and all monies owed to Us; after deducting the pro rata cost of servicing the Client(s) with respect to whom the receivables were collected; and, after further deducting Our costs of collection;

(xi) Immediately refrain from engaging in any and all contacts with Clients or Candidates or former Clients or Candidates of the Franchised Business, whether with respect to collection of accounts receivable, to provide services to such Clients or Candidates or former Clients or Candidates pursuant to any business conducted by You, whether or not similar to the Franchised Business, or for any other purpose whatsoever;

(xii) If You are a participant in a Group Buy pursuant to Section 21(h) at the time of termination, You must immediately pay all remaining amounts that are or would be owed by You for Your share of all such Group Buys if this Agreement had not been terminated or expired; and,

(xiii) If Your applicable State requires the payment of Sales Tax(es) and there are unpaid Sales Tax(es) on any of Your sales, You must immediately pay those Sales Tax(es) to Your Applicable State and You must provide proof of payment to Us.

(b) If termination of this Agreement arises out of a default or defaults by You in complying with terms of this Agreement, We shall have the option to purchase at fair market value all or part of Your supplies and products used by You in the Franchised Business. Such option shall be exercised, if at all, in whole or in part, by Us upon or within fifteen (15) days of termination of this Agreement. It is expressly understood that this provision is an option that We may or may not exercise, and that We are under no obligation to do so. We shall have the right to set off all amounts due from You against any payment We would otherwise make to You under this Subsection. If We and You cannot agree on the fair market value of the property, it will be determined by an independent appraisal paid for by both You and Us. You shall have the right to maintain Your own property not bearing any of the Marks, including equipment and supplies, and are under no obligation to sell such property to Us.

36. CROSS SYSTEM FRANCHISES

We have no obligation to grant additional franchises to You or any other franchisee. If You operate

a MSC Franchised Business and You desire to operate another MSC franchised business under the same or different MSC Mark, We will not consider granting another franchise unless, in addition to meeting our other then-current criteria to be a franchisee, Your owner(s) establishes a separate business entity to be the franchisee, and the full-time manager of the new franchised business, who cannot be the manager of another MSC franchised business, must own at least a nineteen percent (19%) interest in that separate business entity and that interest cannot be sold in the future to anyone that has common ownership in any other MSC franchisee. This requirement will be set forth in an amendment to the franchise agreement.

37. NOTICES

All approvals, requests, notices, and reports required or permitted under this Agreement will not be effective unless in writing and delivered to the party entitled to receive the notice in accordance with this Section. All such approvals, requests, notices, and reports, as well as all payments, will be deemed delivered at the time delivered by hand; or one (1) Business Day after sending by facsimile, e-mail or comparable electronic system or through a nationally recognized commercial courier service for next Business Day delivery; or three (3) Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; and must be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified and/or, with respect to any approvals and notices that We provide to You or Your Owners, at the Franchised Business's address. As of the Effective Date of this Agreement, notices should be addressed to the following addresses unless and until a different address has been designated by written notice to the other party:

(a) If to Us at:
MEDICAL SEARCH CONSULTANTS LLC
3830 Valley Centre Drive
Suite 705-453
San Diego, California 92130

(b) If to You at:

38. DISPUTE RESOLUTION

(a) We and You agree that it is in each of our best interests to resolve claims, controversies and disputes arising out of or relating to Your operation of the Franchised Business under this Agreement between us in an orderly fashion and in a consistent manner. For that reason, We and You agree as follows:

(i) Except for matters where either party seeks equitable relief, neither party will seek a judicial resolution of a dispute between them without first requesting a meeting or

telephone conference with the other party by written notice, which notice will designate a party who is a senior executive with authority to reach a resolution of the dispute on their behalf. The party receiving the notice will also designate a representative of similar authority for the purpose of discussing the specific matter in dispute. If You are an individual, You will be Your designated representative. At least one meeting or telephone conference of the designated representatives will be held in an effort to resolve the dispute. The parties will agree on a location, date and time for the meeting or telephone conference which must be within thirty (30) days of the initial notice. If the meeting(s) and/or telephone conferences do not resolve the dispute, either party may pursue mediation in accordance with Subsection 38(a)(ii).

(ii) If the dispute is not resolved pursuant to Subsection 38(a)(i), the parties shall submit the dispute to mediation in accordance with the Commercial Arbitration Rules and Mediation Procedures (Including Procedures for Large, Complex Commercial Disputes) of the American Arbitration Association (“AAA”) unless both parties agree to waive mediation and proceed directly to arbitration as set forth in Subsection 38(a)(iii). We and You will each bear our own costs and fees for the mediation except that the mediator's fee will be split equally between You and Us.

(iii) If the parties have not resolved a claim, controversy or dispute by negotiation, mediation, or otherwise (which the parties will make a diligent effort to do) or if a claim, controversy or dispute arises subsequent to the termination or expiration of this Agreement, such claim, controversy or dispute shall be referred to Arbitration in accordance with the AAA’s Commercial Arbitration Rules and Mediation Procedures (Including Procedures for Large, Complex Commercial Disputes), as amended (and specifically including the Optional Rules). If such Rules are in any way contrary to or in conflict with this Agreement, the terms of this Agreement shall control. The Arbitrator shall apply the Federal Rules of Civil Procedure and the Federal Rules of Evidence to the extent possible while, in Arbitrator's discretion, still effecting the arbitration goal of streamlined administrative procedure. The law of the state in which Our principal place of business is located, which is currently San Diego, California, shall govern the construction and interpretation of this Agreement in Arbitration.

(b) The Arbitration proceedings shall be conducted before a single Arbitrator, selected in accordance with AAA Rules, who has been actively engaged in the practice of law for at least ten (10) years and has franchise law experience. Prior to the commencement of hearings, the Arbitrator shall provide an oath of undertaking of impartiality.

(c) Arbitration shall be conducted in the city and state where We maintain Our principal place of business (or, if there is no AAA office in that city, at the location of the AAA nearest to Our principal place of business, which is currently San Diego, California). The award of the Arbitrator shall be final and judgment upon the award rendered in Arbitration may be entered in any court

having jurisdiction thereof. The costs and expenses of Arbitration, including compensation and expenses of the Arbitrator, shall be borne by the non-prevailing party.

(d) Any party to this Agreement may bring an action, including a summary or expedited proceeding to compel Arbitration of any such dispute or controversy, in a court of competent jurisdiction in the state and judicial district where We maintain Our principal place of business and, further, may seek provisional or ancillary remedies including temporary or injunctive relief in connection with such dispute or controversy, without providing or posting any bond or security regardless of any legal requirements to do so, provided that the dispute or controversy is ultimately resolved through binding Arbitration conducted in accordance with the terms and conditions of this Agreement.

(e) In proceeding with Arbitration and in making determinations hereunder, the Arbitrator shall not extend, modify or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Us in good faith. Notice of or request to or demand for arbitration shall not stay, postpone or rescind the effectiveness of any termination of this Agreement. In the event that either Party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such Party notwithstanding said failure to appear.

(f) Whenever We reserve or are deemed to have reserved discretion in a particular area or where We agree or are deemed to be required to exercise Our rights reasonably or in good faith, We will satisfy Our obligations whenever We exercise Reasonable Business Judgment in making Our decision or exercising Our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if Our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes Our financial or other individual interest. Examples of items that will promote or benefit the System include without limitation enhancing the value of the Marks, improving Client and Candidate service and satisfaction, improving service or product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System. We are not required to consider any of Your or any other franchisee's particular economic or other circumstances when exercising Our Reasonable Business Judgment. Decisions that We make using Our Reasonable Business Judgment will not affect all franchisees equally, and some may be benefited while others are not. Neither You nor any third party (including without limitation an arbitrator or a court of competent jurisdiction), shall substitute its judgment for Our Reasonable Business Judgment.

39. REMEDIES

(a) The parties agree that any claim for lost earnings or profits by You shall be limited to a

maximum amount equal to the net profits of the Franchised Business for the prior year as shown on Your federal income tax return.

(b) The parties further agree that, in addition to such other damages awarded, if this Agreement is terminated because of Your default, You shall be liable to Us for a lump sum amount equal to the net present value of the Royalty Fees and Marketing Fund Fees that would have become due following termination of this Agreement for the period this Agreement would have remained in effect but for Your default. Royalty Fees and Marketing Fund Fees for purposes of this Section shall be calculated based on the Franchised Business' average monthly Gross Sales for the twelve (12) months preceding the termination date. If you have not operated your Franchised Business for at least twelve (12) months preceding the termination date, Royalty Fees and Marketing Fund Fees will be calculated based on the average monthly Gross Sales of franchised businesses operating under the same Mark during Our last fiscal year and the payment amount would be equal to the net present value utilizing the Prime Rate as published per the Wall Street Journal. This fee is in addition to, and not in lieu of any other damages we sustain as a result of the termination. The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages We would incur from this Agreement's termination due to Your default, and the loss of cash flow due to, among other things, the complications of determining what costs, if any, We might have saved and how much the fees would have grown over what would have been this Agreement's remaining Term. The parties consider this liquidated damages provision to be a reasonable, good faith and genuine pre-estimate of those damages, and not a penalty.

40. REMEDIES CUMULATIVE

All rights and remedies of the parties hereto shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for in this Agreement or which may be available at law or in equity in case of any actual or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between You and Us or Our affiliates. The rights and remedies of the parties under this Agreement shall be continuing and may be exercised at any time or from time to time. The expiration, earlier termination, or exercise of Our rights pursuant to Section 32 of this Agreement shall not discharge or release You from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination, or the exercise of such rights under this Agreement.

41. LIMITATIONS OF CLAIMS

Except with regard to Your obligation to pay Us and Our affiliates Royalty Fees, any Marketing Fund Fees and other fees or payments of every nature and kind due from You pursuant to this Agreement or otherwise, any claims between the parties must be commenced within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving

rise to the claim or such claim shall be barred. The parties understand that this time limit might be shorter than otherwise allowed by law. You agree that the sole recourse for claims arising between the parties shall be against Us or Our successors and assigns. You agree that Our shareholders, members, managers, directors, officers, employees and agents and Our affiliates shall not be personally liable nor named as a party in any action between You and Us. You and We further agree that, in connection with any such proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim that is not submitted or filed as described above shall be forever barred. The parties agree that any proceeding will be conducted on an individual, not a class-wide, basis and that a proceeding between You and Us may not be consolidated with another proceeding between Us and any other person or entity. No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

42. INJUNCTIVE RELIEF

(a) Nothing in this Agreement shall bar Our right to seek specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause Us loss or damages under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You specifically acknowledge that any failure by You to comply with the requirements of Sections 25, 26 and/or 27 of this Agreement will cause Us irreparable injury and that We shall be entitled to obtain specific performance of, and/or an injunction against any violation of, such requirements. You agree to pay all court costs and reasonable attorneys' fees incurred by Us in obtaining specific performance of, and/or an injunction against any violation of, the requirements of this Agreement. The foregoing remedies shall be in addition to any other legal or equitable remedies that We may possess.

(b) You agree that We will not be required to post a bond to obtain any injunctive relief and that Your only remedy if an injunction is entered against You will be to seek the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by reason of the wrongful issuance of such injunction being expressly waived hereby).

(c) Should legal proceedings be brought against You to enforce any non-competition covenant or for Your failure to maintain confidentiality and protect against infringement, the period of restriction shall be deemed to begin running on the date of entry of an order granting Us injunctive relief and shall continue uninterrupted for the entire period of restriction.

43. DAMAGES AND WAIVER OF JURY TRIAL

The parties waive, to the extent permitted by law, any claim for punitive or exemplary damages against each other, regardless of each parties' respective right to such damages under the choice

of law provision herein. Only claims, controversies or disputes involving You and no claims for or on behalf of any other franchisee, franchisor or supplier may be brought by You hereunder.

FURTHERMORE, YOU AND WE EACH IRREVOCABLY WAIVE OUR RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY. YOU AND WE ACKNOWLEDGE THAT THIS WAIVER OF JURY TRIAL RIGHTS PROVIDES THE PARTIES WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND RESOLUTION OF ANY DISPUTE ARISING OUT OF THIS AGREEMENT AND ANY ASPECT OF THE PARTIES' RELATIONSHIP. YOU AND WE FURTHER ACKNOWLEDGE THE SUFFICIENCY AND RECEIPT OF MUTUAL CONSIDERATION FOR SUCH BENEFIT.

44. ENFORCEMENT COSTS AND EXPENSES

You shall pay Us on demand any and all costs and expenses We incur in enforcing the terms of this Agreement, including, but not limited to, Our overhead costs and Our expenses for Our staff's time and efforts to obtain overdue reports and/or payments or to address and/or resolve defaults; costs and commissions due a collection agency; attorneys' fees; and Our administrative costs. If a claim for amounts owed by You to Us or any of Our affiliates is asserted in any legal proceeding or if We are required to enforce this Agreement in a judicial or arbitration proceeding and We prevail, You must reimburse Us for Our costs and expenses, including court costs, arbitration and arbitrator costs, expert witness fees, discovery costs, and reasonable accounting and attorneys' fees and costs on appeal together with interest charges on all of the foregoing whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. All such costs and expenses shall be prorated to properly reflect any partial prevailing in the proceeding, as determined by the arbitrator or the court. Your duty to pay all of the above costs and expenses shall survive the termination or expiration of this Agreement.

45. NO RIGHT TO SET OFF

You shall not be allowed to set off amounts owed to Us or Our affiliates for Royalty Fees, Marketing Fund Fees, fees, or other amounts due against any monies owed to You, which right of set off is hereby expressly waived by You.

46. WAIVER

No waiver by Us or by You of any covenant or condition or the breach of any covenant or condition of this Agreement to be kept or performed by the other party shall constitute a waiver by the waiving party of any subsequent breach of such covenant or condition or authorize the breach or non-observance on any other occasion of the same or any other covenant or condition of this Agreement. Subsequent acceptance by Us of any payments due to Us hereunder shall not be

deemed to be a waiver by Us of any preceding breach by You of any terms, covenants or conditions of this Agreement. Any conditional waiver granted by Us shall be subject to Our continuing review, may subsequently be revoked for any reason effective upon Your receipt of ten (10) days prior written notice to that effect, and shall be without prejudice to any other rights We may have.

47. CONSENTS

Whenever this Agreement requires Our approval or consent, You shall make a timely written request to Us and such approval shall be obtained in writing.

48. JOINT AND SEVERAL OBLIGATION

If You consist of more than one person, Your liability under this Agreement shall be joint and several.

49. GOVERNING LAW; CONSENT TO VENUE AND JURISDICTION

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1051 et seq.), as amended, or other federal law, this Agreement and the franchise rights granted herein shall be governed by and construed in accordance with the substantive laws of State in which Our principal place of business is located, which is currently San Diego, California, which laws shall prevail in the event of any conflict of law. The parties agree, however, if the Franchised Business is not located in California and You are not a resident of, or domiciled in, California, the provisions of the California Franchise Investment Law and the California Franchise Relations Act, and the regulations promulgated thereunder shall not apply to this Agreement or the Franchise relationship created hereby unless its jurisdictional requirements are met independently without reference to the Section 49. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through the laws of any state relating to franchises or business opportunities, other than those of the state in which You and/or Your Territory is located. If any provision, or portion hereof in any way contravenes the laws of any state or jurisdiction where this Agreement is to be performed, such provision, or portion thereof, shall be deemed to be modified to the extent necessary to conform to such laws, and still be consistent with the parties' intent as evidenced by this Agreement. All claims which, as a matter of law or public policy, cannot be submitted to arbitration in accordance with Section 38 shall be brought within the state and judicial district in which We have Our principal place of business; provided, however, with respect to any action which includes injunctive relief, We may bring such action in any court in any state which has jurisdiction. You irrevocably submit to the jurisdiction of such courts and waive any objection You may have to either the jurisdiction or venue of such courts.

50. GOVERNING LANGUAGE

This Agreement has been negotiated in the English language and the rules of construction and

definitions of the English language will be applied in interpreting this Agreement. You represent that You and Your Principal Owner and Your Operating Principal are fluent in English and have consulted with legal counsel to the extent necessary to understand the provisions of this Agreement. The English language version of this Agreement will be the official and binding Agreement between the Parties. All notices and communications required or permitted under this Agreement, including without limitation all meetings, mediations, arbitration and litigation, will be conducted and written in the English language. In addition, We will provide all services and materials under this Agreement, including without limitations the Manuals and all training programs, seminars, conferences, conventions, programs and meetings, in the English language and will not have a duty to provide any translation or interpreter services for any of Your personnel. You will be solely responsible for the cost of any related translation or interpreter services.

51. ENTIRE AGREEMENT; MODIFICATION

This Agreement and the Addenda and Exhibits constitute the entire Agreement between the parties with respect to its subject matter, and this Agreement supersedes all prior and contemporaneous oral and/or written agreements between the parties. No officer, employee or other servant or agent of Ours or Yours is authorized to make any representation, warranty or other promise not contained in this Agreement. No change, modification, termination or attempted waiver of any of the provisions of this Agreement shall be binding upon Us or You unless in writing and signed by an authorized officer of both You and Us.

Nothing in this Agreement is intended to disclaim the representations We have made in the Franchise Disclosure Document which We furnished to You.

52. SEVERABILITY

All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required hereunder or requires the taking of some other action not required the terms of this Agreement, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements hereof.

53. CONSTRUCTION

The term “You”, “Your”, and “Franchisee” as used herein is applicable to one or more persons, a corporation, a limited liability company, or partnership, or such other form of legal entity as We shall approve from time to time, as the case may be. References to “You”, “Your”, and “Franchisee” applicable to an individual or individuals shall mean the principal owner or owners of the equity or operating control of Franchisee, if Franchisee is a corporation, or partnership or limited liability company or other legal business entity.

54. HEADINGS

The headings to the various sections of this Agreement have been inserted for convenience only and shall not modify, define, limit or expand express provisions of this Agreement.

55. GENDER

Throughout this Agreement, wherever the context requires or permits, the neuter gender shall be deemed to include the masculine and feminine and the singular number, the plural and vice versa.

56. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

57. SPECIAL REPRESENTATIONS

You hereby represent as follows:

- (a) You have conducted an independent investigation of Our business and System and recognize that the business venture contemplated by this Agreement involves business risks;
- (b) You acknowledge that We have advised You to consult with advisors and attorneys of Your own choosing about the potential benefits and risks of entering into this Agreement;
- (c) You acknowledge that You have received a complete copy of this Agreement, with all Attachments, Addenda and Exhibits referenced in this Agreement, and other related Agreements, if any, at least seven (7) days prior to the date on which this Agreement was executed;
- (d) You also acknowledge that prior to the date of this Agreement, no other Agreement was entered into, and no funds were offered to or accepted by Us;
- (e) You are aware of the fact that We may in the future modify Our franchise agreements, that some franchisees of Ours may operate under different forms of agreements, and, consequently, that Our obligations and rights in respect to Our various franchisees may differ materially in certain circumstances;
- (f) You understand that any training, support, guidance or tools We provide to You as part of the franchise are for the purpose of protecting Our brand and Marks and to assist You in the operation of Your Franchised Business and not for the purpose of controlling or in any way intended to exercise or exert control over Your decisions or day-to-day operations of Your Franchised Business, including Your sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of Your employees and

all other employment and employee related matters; and

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

58. EFFECTIVE DATE

This Agreement shall not be effective until accepted by Us as evidenced by signing by an authorized Officer of Us.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties Hereto Have Duly Executed This Agreement as of the Day and Year Specified in the Preamble,

FRANCHISOR: MEDICAL SEARCH CONSULTANTS LLC

BY:_____

OFFICE HELD:_____

WITNESSED BY:_____

IF INDIVIDUAL FRANCHISEE: _____

PRINT NAME OF INDIVIDUAL

(SIGNATURE AND DESIGNATION OF SOLE PROPRIETOR OR PARTNER AS THE CASE MAY BE)

WITNESSED BY:_____

IF INDIVIDUAL FRANCHISEE: _____

PRINT NAME OF INDIVIDUAL

(SIGNATURE AND DESIGNATION OF SOLE PROPRIETOR OR PARTNER AS THE CASE MAY BE)

WITNESSED BY:_____

“BUSINESS ENTITY FRANCHISEE, MEMBERS, SHAREHOLDERS AND OFFICERS”

In the event Franchisee is a business entity (corporation, limited liability company or other legal entity) then in accordance with this Agreement, the undersigned, who are each either executive officers or shareholders or members, or other equity participants of the Franchisee, each agree to be jointly and severally personally liable for Franchisee's payment and performance of this Agreement and join in this Agreement on behalf of Franchisee.

“IF BUSINESS ENTITY FRANCHISEE”: _____

PRINT NAME OF BUSINESS ENTITY

PRINT NAME OF OFFICER/
SHAREHOLDER/MEMBER

SIGNATURE

TITLE/NATURE OF
EQUITY INTEREST

DATE

WITNESSED BY:_____

PRINT NAME OF OFFICER/
SHAREHOLDER/MEMBER

SIGNATURE

TITLE/NATURE OF
EQUITY INTEREST

DATE

WITNESSED BY:_____

ADDENDUM A TO FRANCHISE AGREEMENT

FRANCHISEE'S DESIGNATED TERRITORY

In accordance with the provisions of Section 4 of the Franchise Agreement, You are granted a designated territory, hereinafter referred to as “Your Designated Territory”, which encompasses an approximate population of between _____ people. The population in Your Designated Territory was determined by United States Census, most recent data available, and/or any combination of records of any local or state agency or commission charged with tracking population counts or census records in Your Designated Territory.

The designated area highlighted on the attached map and marked with geographic boundaries or otherwise described on the attached exhibit is the Designated Territory in which You shall have the right to use Our System and the Licensed Rights as set forth in the Franchise Agreement.

Dated this ____ day of _____, 20__.

Franchisee(s):

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

Franchisor: MEDICAL SEARCH CONSULTANTS LLC

By:_____

Name:_____

Title:_____

Exhibit A-1

Territory Map for _____ (depicted in _____)

ADDENDUM B TO FRANCHISE AGREEMENT

NOTICE OF KEY EMPLOYEES

In accordance with the provisions of Section 12 of the Franchise Agreement, the following list of owners, partners, members, and/or employees, if any, are hereby identified as Key Employees of Franchisee and/or the Franchised Business.

KEY EMPLOYEES:

NAMES

RELATIONSHIP TO FRANCHISEE

Dated this ____ day of _____, 20__.

FRANCHISEE:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

FRANCHISOR: MEDICAL SEARCH CONSULTANTS LLC

By: _____

Name: _____

Title: _____

ADDENDUM C TO FRANCHISE AGREEMENT

GUARANTY AGREEMENT

This guaranty agreement is entered into on this ____ day of _____, 20____, between _____ with its principal address at _____ (“Guarantor”) and Medical Search Consultants LLC with its principal address at 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130 (“Franchisor”).

RECITALS

- A. Whereas, Franchisor and _____ (“Franchisee”) have entered into a Franchise Agreement dated _____ (“the Franchise Agreement”).
- B. Whereas, Guarantor is a shareholder, director, officer, member, trustee and/or partner of Franchisee.
- C. Now, Therefore, in consideration of and as an inducement to Franchisor to enter into the Franchise Agreement with Franchisee and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby covenants and agrees as follows:
1. Guarantor warrants that the facts contained in Recital A and B are correct;
 2. Guarantor has read the terms and conditions of the Franchise Agreement;
 3. Guarantor personally and unconditionally makes all the covenants, representations and agreements of Franchisee set forth in the Franchise Agreement and that Franchisee is obligated to perform thereunder;
 4. Guarantor personally, unconditionally and irrevocably guarantees to Franchisor and its successors and assigns that all of Franchisee's obligations, undertakings, agreements and covenants set forth in the Franchise Agreement will be punctually paid and performed during the Term of the Franchise Agreement and thereafter, as applicable;
 5. Guarantor unconditionally and irrevocably agrees to be personally bound by, and personally liable for the breach of, each and every provision of the Franchise Agreement by Franchisee;
 6. Upon default by Franchisee or notice from Franchisor, Guarantor will immediately make each payment and perform each obligation required of Franchisee under the Franchise Agreement;
 7. Without affecting the obligations of any guarantor under this Guaranty Agreement, Franchisor may, without notice to Guarantor, waive, renew, extend, modify, amend or release any indebtedness or obligation of Franchisee or any guarantor, or settle, adjust or compromise any claims against Franchisee or any guarantor;

8. Guarantor waives all demands and notices of every kind with respect to enforcement of this Guaranty Agreement, including, without limitation, notice of presentment, demand for payment or performance by Franchisee, any default by Franchisee or any guarantor, and any release of any guarantor or other security for the Franchise Agreement or the obligations of Franchisee;
9. Franchisor may pursue its rights against any guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise of such right or remedy shall preclude the further exercise of such right or remedy;
10. Upon receipt by Franchisor of notice of the death of Guarantor, the estate of deceased Guarantor shall be bound by the foregoing Guaranty Agreement, but only for defaults and obligations under the Franchise Agreement existing at the time of death; the obligations of all other guarantors shall continue in full force and effect;
11. This Guaranty Agreement will continue and is irrevocable during the Term of the Franchise Agreement and, if required by the Franchise Agreement, after its termination or expiration;
12. Guarantor's obligations under this Guaranty Agreement are effective on the Effective Date of the Franchise Agreement, regardless of the actual date of signature;
13. This Guaranty Agreement is governed by the laws of the state in which our principal place of business is located, which is currently San Diego, California and Guarantor irrevocably submits to the jurisdiction and venue of the courts of California;
14. If Franchisor is required to enforce this Guaranty Agreement in any judicial or arbitration proceeding or on any appeals, Guarantor must reimburse Franchisor for its enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty Agreement;
15. Guarantor acknowledges that he or she has obtained independent legal advice before signing this Guaranty Agreement.

[signatures on following page]

IN WITNESS WHEREOF, Guarantor has signed this Guaranty Agreement under seal.

Signature

Print Name

Address

Signed, sealed and delivered by the above-named Guarantor in the presence of:

Witness Signature

Print Name

Address

ADDENDUM D TO FRANCHISE AGREEMENT

PRINCIPAL OWNER'S STATEMENT

This form must be completed by the Franchisee ("I," "me" or "my") if I have multiple owners or if I, or my Franchised Business, is owned by a business organization (like a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding the Franchise to me.

1. **Form of Owner.** I am a (check one):

- (i) General Partnership _____
- (ii) Corporation _____
- (iii) Limited Partnership _____
- (iv) Limited Liability Company _____
- (v) Other _____
Specify: _____

2. **Business Entity.** I was incorporated or formed on _____, _____ under the laws of the [State/Commonwealth of _____]. I have not conducted business under any name other than my corporate, limited liability company or partnership name. The following is a list of all persons who have management rights and powers (e.g., operating principal, officers, managers, partners, etc.) and their positions are listed below:

Name of Person

Position(s) Held

3. **Owners.** The following list includes the full name and mailing address of each person who is an owner and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Owner's Name and Address

Description of Interest and Percentage of Ownership

Operating Principal/ _____ %

4. **Governing Documents.** Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.).

This Statement of Principal Owners is current and complete as of _____, 20____.

OWNER INDIVIDUALS:

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

**CORPORATION, LIMITED
LIABILITY COMPANY OR
PARTNERSHIP:**

(Name)

By:_____

Title:_____

ADDENDUM E TO FRANCHISE AGREEMENT

ACKNOWLEDGEMENT STATEMENT

Prohibited Parties Clause. I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department's List of Specially Designated Nationals;
2. the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders;
3. the U.S. State Department's Debarred List or Nonproliferation Sanctions; or
4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the Term of the Franchise Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

OWNER INDIVIDUALS:

(Signature) (Date)

(Print Name)

(Signature) (Date)

(Print Name)

(Signature) (Date)

(Print Name)

**CORPORATION, LIMITED
LIABILITY COMPANY OR
PARTNERSHIP:**

(Name)

By:_____

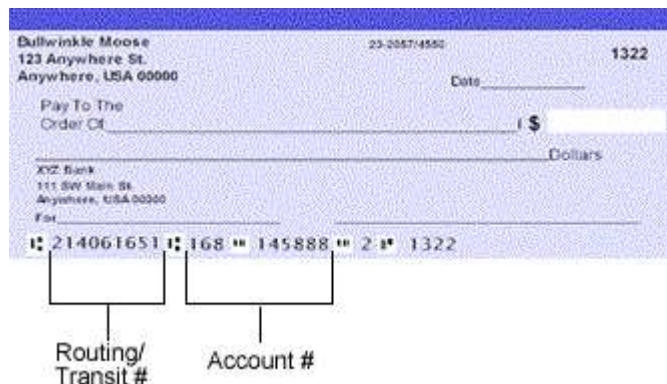
Title:_____

ADDENDUM F TO FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS

I (We, if joint account) the undersigned hereby authorize Medical Search Consultants LLC, a Florida limited liability company, and All Med Search LLC, a Florida limited liability company, both with principal offices at 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130, to initiate electronic transfer of funds out of my (our) primary Checking or Savings selected below at the Financial Institution indicated, for payment of Royalties or other amounts which I may owe Medical Search Consultants LLC or All Med Search LLC. I (We) acknowledge that the origination of Automated Clearing House (ACH) transactions to my (our) account must comply with the provisions of the United States law. All costs and expenses, including any resulting from the dishonor by my (our) bank of any electronic funds transfer, shall be my (our) sole responsibility. This authorization is irrevocable and shall remain in effect until the termination or expiration of the underlying Franchise Agreement with Medical Search Consultants LLC. If I (we) do not have enough money in my (our) account to cover the transfer or if my (our) Financial Institution for any other reason refuses to honor a transfer, I (we) will separately pay for the charges I (we) owe under my (our) Franchise Agreement with Medical Search Consultants LLC.

ACH Information		
Financial Institution:		
Branch:		
City	State:	Zip:
Routing/Transit Number:		
Account/Bank Number:		



I (we) acknowledge that these funds will be debited on dates Medical Search Consultants LLC designates in its Operations Manual.

Name(s): _____

Signature: _____ Date: _____

Signature: _____ Date: _____

Day Phone: () _____ Evening Phones: () _____

Fill out this form and attach a voided check.

ADDENDUM G

FRANCHISE COMPLIANCE QUESTIONNAIRE

As you prepare to enter into a Franchise Agreement with Medical Search Consultants LLC to operate an **ALL MEDSEARCH** or **ALL MED PRACTITIONERS SEARCH** or **ALL MED FINANCIAL AND SALES SEARCH** franchise, it is important to determine whether any statements or promises were made to you, either orally or in writing, which were not authorized by Medical Search Consultants LLC and which may be untrue, inaccurate or misleading.

Please provide honest and complete responses to each of the following:

1. Have you received and personally reviewed our Franchise Agreement and all its attachments?

Yes ____ No ____

CONSIDER THE FOLLOWING QUESTIONS IN REGARD TO INFORMATION PROVIDED DIRECTLY FROM FRANCHISOR OR ITS REPRESENTATIVES (NOT ITS FRANCHISEES):

2. Has any employee, broker or other person representing Medical Search Consultants LLC made any statements or promises concerning the revenues, profits or operating costs of an **ALL MEDSEARCH** or **ALL MED PRACTITIONERS SEARCH** or **ALL MED FINANCIAL AND SALES SEARCH** franchise?

Yes ____ No ____

3. Has any employee, broker or other person representing Medical Search Consultants LLC made any statements or promises concerning the amount of money you may earn in the operation of an **ALL MEDSEARCH** or **ALL MED PRACTITIONERS SEARCH** or **ALL MED FINANCIAL AND SALES SEARCH** franchise?

Yes ____ No ____

4. Has any employee, broker or other person representing Medical Search Consultants LLC made any statements or promises concerning the likelihood of success that you should or might expect to achieve from operating an **ALL MEDSEARCH** or **ALL MED PRACTITIONERS SEARCH** or **ALL MED FINANCIAL AND SALES SEARCH** franchise?

Yes ____ No ____

5. Has any employee, broker or other person representing Medical Search Consultants LLC made any statements or promises concerning the advertising, marketing, training or support service or assistance that we will furnish to you that contradicts any information in the FDD?

Yes ____ No ____

6. Has any employee, broker or other person representing Medical Search Consultants LLC made any statements or promises concerning the costs you may incur in starting or operating the **ALL MEDSEARCH** or **ALL MED PRACTITIONERS SEARCH** or **ALL MED FINANCIAL AND SALES SEARCH** franchise that contradicts any information in the FDD?

Yes ____ No ____

7. Has any employee, broker or other person representing Medical Search Consultants LLC made any statements or promises or agreements relating to the **ALL MEDSEARCH** or **ALL MED PRACTITIONERS SEARCH** or **ALL MED FINANCIAL AND SALES SEARCH** franchise that contradicts any information in the FDD?

Yes ____ No ____

If you have answered Yes to any of the questions numbered 2 through 7 above, please provide a full explanation *for each*. Attach additional pages if necessary.

8. I signed the Franchise Agreement and Addenda (if any) on _____, _____, and acknowledge that no Agreement or Addendum is effective until signed and dated by Medical Search Consultants LLC.

RESIDENTS OF THE STATE OF CALIFORNIA AND FRANCHISEES WITH A BUSINESS TO BE LOCATED IN CALIFORNIA ARE NOT REQUIRED TO COMPLETE THIS QUESTIONNAIRE.

RESIDENTS OF THE STATE OF MARYLAND AND FRANCHISEES WITH A BUSINESS TO BE LOCATED IN MARYLAND: Any representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

RESIDENTS OF THE STATE OF WASHINGTON AND FRANCHISEES WITH A BUSINESS TO BE LOCATED IN WASHINGTON ARE NOT REQUIRED TO COMPLETE THIS QUESTIONNAIRE: This Questionnaire does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

Your answers are important to us and we will rely on them; by signing this Questionnaire, you are representing that you have responded truthfully to all of the above questions.

Date: _____ **Prospective Franchisee:** _____

TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the “Telephone Listing Agreement”) is made and entered into as of the ____ day of _____, 20__ (the “Effective Date”), by and between Medical Search Consultants LLC, a Florida limited liability company with its principal place of business at 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130, (the “Franchisor”), and _____, a(n) _____ (the “Franchisee”).

WITNESSETH:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a MEDICAL SEARCH Franchised Business (the “Franchise Agreement”); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1 Interest in Telephone Numbers and Listings. Franchisee has, or will acquire during the Term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the “Numbers and Listings”) related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as “Franchisee’s Interest”).

2.2 Transfer. On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee’s Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and

any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement.

3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Telephone Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated

persons or entities as if they had duly executed this Telephone Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits thereto shall remain in effect as set forth therein.

3.7 Survival. This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several.

3.9 Governing Law. This Telephone Listing Agreement shall be governed by and construed under the laws of the state of California, without regard to the application of California conflict of law rules.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date.

MEDICAL SEARCH CONSULTANTS LLC

Witness:

By:_____
Nadia Gruzd, Managing Member

Date:_____

FRANCHISEE:

Witness

By:_____

Date:_____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

NON-DISCLOSURE, NON-SOLICITATION AND NON-COMPETITION AGREEMENT

EXHIBIT C

NON-DISCLOSURE, NON-SOLICITATION AND NON-COMPETITION AGREEMENT

This Agreement is made and entered into _____, ____ between Medical Search Consultants LLC, a Florida limited liability company, with its principal place of business at 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130, (“MSC”), _____ (“Franchisee”) and _____ (“Trainee”).

RECITALS

WHEREAS, MSC has developed, is using and is the owner of all rights in a unique system for the establishment, development, operation and marketing of permanent placement staffing businesses which provide recruiting and placement services to the health care industry (hereinafter referred to as “Health Care Industry”) including acute care hospitals, ambulatory surgical centers, behavioral health centers, biotech companies, birth centers, dialysis centers, emergency and outpatient care centers, home health care businesses, hospice facilities, imaging and radiology centers, long term acute hospitals, medical coding and billing centers, medical device manufacturers, mobile clinics, orthopedic and rehabilitation centers, outpatient centers, pharmacies, pharmaceutical companies, psychiatric hospitals, rehabilitation hospitals and or clinics, skilled nursing facilities, urgent care centers or as may be further defined by Us from time to time (hereinafter referenced to as “Clients”);

WHEREAS, MSC has developed a system to provide recruiting for the placement of senior (C -Level) executives, nursing, pharmacy and allied health professionals to the Health Care Industry under the trade name and service mark ALL MEDSEARCH®; and a system to provide recruiting for the placement of physicians, midlevel practitioners (physician assistants) and nurse practitioners to the Health Care Industry under the trade name and service mark ALL MED PRACTITIONERS SEARCH® ; and a system to provide recruiting for the placement of coding, information technology, administrative and sales professionals to the Health Care Industry under the trade name and service mark ALL MED FINANCIAL AND SALES SEARCH® ; together, the “MSC MEDICAL SEARCH SYSTEM”;

WHEREAS, the MSC MEDICAL SEARCH SYSTEM includes, without limitation, standards, specifications, methods, procedures, techniques, know-how, management directives, identification schemes, sales management and financial control methods; marketing and promotions; client relations; and training and assistance, in connection with the operation of each SYSTEM, all of which may be changed, improved and further developed by MSC from time to time (“MSC's Trade Secrets”);

WHEREAS, MSC’s Trade Secrets provide economic advantages to MSC and are not generally known to nor readily ascertainable by proper means by MSC’s competitors who could obtain economic value from knowledge and use of MSC’s Trade Secrets;

WHEREAS, MSC has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy MSC’s Trade Secrets;

WHEREAS, MSC has granted Franchisee a limited right to operate under the designated Mark _____ within a Designated Territory using the MSC MEDICAL SEARCH SYSTEM and MSC’s Trade Secrets for the period defined in the franchise agreement made

and entered into on _____, 20__ between MSC and Franchisee (“Franchise Agreement”); and

WHEREAS, the term MSC MEDICAL SEARCH SYSTEM shall refer to the MSC MEDICAL SEARCH SYSTEM as applicable to the Franchise Agreement referred to above (ALL MEDSEARCH; or ALL MED PRACTITIONERS SEARCH; or ALL MED FINANCIAL AND SALES SEARCH);

WHEREAS, MSC and Franchisee have agreed in the Franchise Agreement on the importance to MSC and to the Franchisee and other licensed users of the MSC MEDICAL SEARCH SYSTEM of restricting use, access and dissemination of MSC’s Trade Secrets; and

WHEREAS, it will be necessary for certain employees or contractors of Franchisee to have access to and to use some or all of MSC’s Trade Secrets in the development and maintenance of Franchisee’s Franchised Business using the MSC MEDICAL SEARCH SYSTEM; and

WHEREAS, Franchisee has agreed to obtain from certain key employees or contractors written agreements protecting MSC’s Trade Secrets and the MSC MEDICAL SEARCH SYSTEM against unfair competition; and

WHEREAS, Trainee wishes to remain, or wishes to become, an employee or contractor of Franchisee; and

WHEREAS, Trainee wishes and needs to receive and use MSC’s Trade Secrets in the course of Trainee’s employment or contract in order to effectively perform Trainee’s services for Franchisee.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. MSC and/or Franchisee shall disclose to Trainee some or all of MSC’s Trade Secrets relating to the MSC MEDICAL SEARCH SYSTEM.
2. Trainee shall receive MSC’s Trade Secrets in confidence, maintain them in confidence, and use them only in the course of Trainee’s employment by or contract with Franchisee and then only in connection with the development and/or maintenance by Franchisee of health care recruitment business using the MSC MEDICAL SEARCH SYSTEM for so long as Franchisee is licensed by MSC to use the MSC MEDICAL SEARCH SYSTEM.
3. Trainee shall not at any time make copies of any documents or compilations containing some or all of MSC’s Trade Secrets without the express written permission of MSC.
4. Trainee shall not disclose or permit the disclosure of MSC’s Trade Secrets except to other employees or contractors of Franchisee and only to the limited extent necessary to train or assist other employees or contractors of Franchisee, who have also signed Non-Disclosure, Non-Solicitation and Non-Competition Agreements, in the development or maintenance of the health care recruitment business using the MSC MEDICAL SEARCH SYSTEM.
5. That all information and materials, including without limitation, procedures, specifications, techniques and compilations of data which MSC shall designate as confidential shall be deemed MSC’s Trade Secrets for the purposes of this Agreement.

6. Trainee shall surrender the **MSC Operations Manual** and any other material containing some or all of MSC's Trade Secrets to Franchisee or to MSC, upon request, or upon termination of Trainee's employment or contract by Franchisee for any reason, or upon conclusion of the use for which the **MSC Operations Manual** or other information or material may have been furnished to Trainee and/or in Trainee's control including but not limited to any and all originals and copies of candidate and client lists, rolodexes, records, files, instructions, correspondence, brochures, computer software, computer CDs, DVDs or other media, social media contact lists and social media accounts and any and all Confidential Information in Trainee's possession, custody or control concerning or relating to the operation of the Franchisee's Franchised Business and/or MSC's operations or business, and/or the MSC MEDICAL SEARCH SYSTEM.

7. Trainee shall not, directly or indirectly, do any act or omit to do any act, which would or would likely to be injurious or prejudicial to the goodwill associated with the MSC MEDICAL SEARCH SYSTEM.

8. Trainee shall not establish a website on the Internet using any domain name containing the words "allmed", "allmedsearch", "medicalsearch".com, .net, .biz, .us, .org or any variation thereof. MSC retains the sole right to advertise on the Internet and create a website using any of the foregoing or related domain names. Trainee acknowledges that MSC is the owner of all right, title and interest in and to such domain names as MSC shall designate. All MSC websites will be hosted and maintained by MSC or a designated web hosting partner. MSC restricts, designates, and has the right to approve or control all of Trainee e-commerce activities, including advertising, marketing, e-mail marketing correspondence, digital content, and electronic communications if any. This includes any websites and Social Networking and Marketing activities, including but not limited to Twitter, Facebook, Foursquare, LinkedIn or any social media outlets. MSC may require Trainee to utilize e-commerce products or services designated by MSC, which MSC may change from time to time. Trainee must follow the most current rules and regulations published in the **MSC Operations Manual** or other manuals as they pertain to these channels. Any digital or electronic content published must be within brand communication standards and is subject to approval by MSC. All digital imagery bearing any MSC Mark is subject to approval by MSC. All instructions by MSC which are deemed to restrict, designate or control Internet or e-commerce activities must be responded to within twenty-four (24) hours. MSC may approve or control any existing or future (not yet developed) or other advertising or social networking services of the Franchisee's Franchised Business, including the sending of bulk e-mail or facsimiles, other than in accordance with the guidelines in the **MSC Operations Manual** or otherwise as specified in writing by MSC. MSC has the right to terminate Trainee's participation in e-Commerce in MSC's sole discretion if MSC deems necessary to protect the MSC brand and Marks and/or the MSC MEDICAL SEARCH SYSTEM.

9. In order to protect the goodwill and unique qualities of the MSC MEDICAL SEARCH SYSTEM and the confidentiality and value of MSC's Trade Secrets, and in consideration for the disclosure to Trainee of MSC's Trade Secrets, Trainee further undertakes and covenants that, during the time he is employed by or contracted with Franchisee, he will not:

(a) directly or indirectly, for himself or through, on behalf of or in conjunction with any person, partnership, limited liability company, corporation, or business entity, engage in or acquire any financial or beneficial interest in (including interest in corporations, partnerships, limited liability company, trusts, unincorporated associations or joint ventures), advise, help or make loans to any entity involved in business which is the same as or similar to the MSC MEDICAL SEARCH SYSTEM including, but not limited to, any business which is, or is intended to be located, within the United States or Canada; or

(b) divert or attempt to divert, directly or indirectly, any business, business opportunity, Candidate or any Client of any MSC, MSC affiliate or MSC franchised business to any competitor of MSC.

10. In further consideration for the disclosure to Trainee of MSC's Trade Secrets and to protect the uniqueness of the MSC MEDICAL SEARCH SYSTEM, Trainee agrees that for two (2) years following the termination of Trainee's employment or contract with Franchisee for any reason, Trainee will not without the prior written consent of MSC, divert or attempt to divert, directly or indirectly, any business, business opportunity, Candidate or any Client of any MSC franchised businesses to any competitor.

11. Franchisee undertakes to use its best efforts to ensure that Trainee acts as required by this Agreement.

12. Trainee agrees that in the event of a breach of this Agreement, MSC would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions thereof, MSC shall be entitled to enforce the provisions of this Agreement against Franchisee and Trainee, and may seek, in addition to any other remedies which are made available to it at law or in equity, including the right to terminate the Franchise Agreement, a temporary and /or permanent injunction and a decree for the specific performance of the terms of this Agreement, without being required to furnish a bond or other security.

13. This Agreement shall be governed by and construed under the laws of the state of California.

14. If any Court or other tribunal having jurisdiction to determine the validity or enforceability of this Agreement determines that it would be unenforceable as written, its provisions shall be determined to be withheld, modified or limited to such extent or in such manner as is necessary for it to be valid and enforceable to the greatest extent possible.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

MEDICAL SEARCH CONSULTANTS LLC

By: _____
Name: _____
Title: _____
Date: _____

TRAINEE

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

SPOUSAL NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

EXHIBIT D

SPOUSAL NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

This Agreement is made and entered into _____ between Medical Search Consultants LLC, a Florida limited liability company, with its principal place of business at 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130, (“Franchisor” or “MSC”) and _____, a/an _____ with its principal place of business at _____ (“Franchisee”) and _____, the spouse or domestic partner of an owner of Franchisee (“Signer”) with a primary residence at _____.

RECITALS

WHEREAS, MSC has developed, is using and is the owner of all rights in a unique system for the establishment, development, operation and marketing of permanent placement staffing businesses which provide recruiting and placement services to the health care industry (hereinafter referred to as “Health Care Industry”) including acute care hospitals, ambulatory surgical centers, behavioral health centers, biotech companies, birth centers, dialysis centers, emergency and outpatient care centers, home health care businesses, hospice facilities, imaging and radiology centers, long term acute hospitals, medical coding and billing centers, medical device manufacturers, mobile clinics, orthopedic and rehabilitation centers, outpatient centers, pharmacies, pharmaceutical companies, psychiatric hospitals, rehabilitation hospitals and or clinics, skilled nursing facilities, urgent care centers or as may be further defined by Us from time to time (hereinafter referenced to as “Clients”);

WHEREAS, MSC has developed a system to provide recruiting for the placement of senior (C-Level) executives, nursing, pharmacy and allied health professionals to the Health Care Industry under the trade name and service mark ALL MEDSEARCH®; and a system to provide recruiting for the placement of physicians, midlevel practitioners (physician assistants) and nurse practitioners to the Health Care Industry under the trade name and service mark ALL MED PRACTITIONERS SEARCH® ; and a system to provide recruiting for the placement of coding, information technology, administrative and sales professionals to the Health Care Industry under the trade name and service mark ALL MED FINANCIAL AND SALES SEARCH® ; together, the “MSC MEDICAL SEARCH SYSTEM”;

WHEREAS, the MSC MEDICAL SEARCH SYSTEM includes, without limitation, standards, specifications, methods, procedures, techniques, know-how, management directives, identification schemes, sales management and financial control methods; marketing and promotions; client relations; and training and assistance, in connection with the operation of each SYSTEM, all of which may be changed, improved and further developed by MSC from time to time (“MSC's Trade Secrets”);

WHEREAS, MSC’s Trade Secrets provide economic advantages to Franchisor and are not generally known to or readily ascertainable by proper means by Franchisor’s competitors who could obtain economic value from knowledge and use of MSC’s Trade Secrets;

WHEREAS, MSC has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of MSC’s Trade Secrets;

WHEREAS, Franchisor and Franchisee desire to enter into a Franchise Agreement which will grant Franchisee a limited right to operate a Franchised Business within a territory using MSC

MEDICAL SEARCH SYSTEM and MSC's Trade Secrets for a period defined in the Franchise Agreement ("Franchise Agreement");

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to Franchisee and other licensed users of MSC MEDICAL SEARCH SYSTEM of restricting use, access and dissemination of Franchisor's Trade Secrets; and

WHEREAS, it is anticipated that Signer may have access to learn Franchisor's Trade Secrets as Franchisee develops and maintains Franchisee's Business using MSC MEDICAL SEARCH SYSTEM.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. Franchisee may disclose to Signer some or all of Franchisor's Trade Secrets relating to MSC MEDICAL SEARCH SYSTEM.

2. Signer shall receive Franchisor's Trade Secrets in confidence, maintain them in confidence, and shall use them only in connection with the development and/or maintenance by Franchisee of the Franchised Business using MSC MEDICAL SEARCH SYSTEM for so long as Franchisee is licensed by Franchisor to use MSC MEDICAL SEARCH SYSTEM.

3. Signer shall not at any time make copies of any documents or compilations containing some or all of MSC's Trade Secrets without the express written permission of Franchisor.

4. Signer shall not disclose or permit the disclosure of MSC's Trade Secrets to anyone.

5. That all information and materials, including without limitation, specifications, techniques and compilations of data which Franchisor shall designate as confidential shall be deemed MSC's Trade Secrets for the purposes of this Agreement.

6. Signer shall not, directly or indirectly, do any act or omit to do any act, which would or would likely to be injurious or prejudicial to the goodwill associated with MSC MEDICAL SEARCH SYSTEM.

7. In order to protect the goodwill and unique qualities of MSC MEDICAL SEARCH SYSTEM and the confidentiality and value of Franchisor's Trade Secrets, and in consideration for the disclosure to Signer of Franchisor's Trade Secrets, Signer further undertakes and covenants that, during the time Franchisee is a franchisee of Franchisor and for the two (2) years following the termination or expiration of Franchisee's Franchise Agreement, Signer will not:

(a) Directly or indirectly, for himself/herself or through, on behalf of or in conjunction with any person, partnership or business entity, engage in or acquire any financial or beneficial interest in (including interest in business entities, partnerships, trusts, unincorporated associations or joint ventures), advise, help or make loans to any entity involved in business which is the same as or similar to that conducted by MSC SEARCH SYSTEM which business is, or is intended to be located, within the United States; or

(b) Divert or attempt to divert, directly or indirectly, any business, business opportunity, Candidate or any Client of any MSC, MSC affiliate or MSC franchised business or Franchisee's

Franchised Business(s) to any competitor of MSC.

8. Franchisee undertakes to use Franchisee's best efforts to ensure that Signer acts as required by this Agreement.

9. Signer agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions thereof, Franchisor shall be entitled to enforce the provisions of this Agreement against Franchisee and Signer, and may seek, in addition to any other remedies which are made available to it at law or in equity, including the right to terminate the Franchise Agreement, a temporary and /or permanent injunction and a decree for the specific performance of the terms of this Agreement, without being required to furnish a bond or other security.

10. Signer agrees that the period during which the post-termination/expiration restrictions above apply shall be extended uninterrupted by the length of any period of time during which Signer was in violation of such restrictions.

11. This Agreement shall be governed by and construed under the laws of California.

12. If any Court or other tribunal having jurisdiction to determine the validity or enforceability of this Agreement determines that it would be unenforceable as written, its provisions shall be determined to be withheld, modified or limited to such extent or in such manner as is necessary for it to be valid and enforceable to the greatest extent possible.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR

By: _____
Name: _____
Title: _____
Date: _____

SIGNER

By: _____
Name: _____
Date: _____

EXHIBIT E TO THE DISCLOSURE DOCUMENT

MEDICAL SEARCH CONSULTANTS LLC

**AGENTS FOR SERVICE OF PROCESS AND
STATE FRANCHISE ADMINISTRATORS**

Nadia Gruzd
Medical Search Consultants LLC
3830 Valley Centre Drive
Suite 705-453
San Diego, California 92130,

STATE	STATE ADMINISTRATORS	AGENTS FOR SERVICE OF PROCESS, IF DIFFERENT
California Toll-free (866) 275-2677 Email: Ask.DFPI@dfpi.ca.gov www.dfpi.ca.gov	Department of Financial Protection and Innovation Los Angeles 320 West 4th Street, Suite 750 Los Angeles, CA 90013 Sacramento 2101 Arena Blvd. Sacramento, CA 95834 San Diego 1455 Frazee Road, Suite 315 San Diego, CA 92108 San Francisco 1 Sansome Street, Suite 600 San Francisco, CA 94104	Commissioner of Financial Protection and Innovation Los Angeles 320 West 4th Street, Suite 750 Los Angeles, CA 90013 Sacramento 2101 Arena Blvd. Sacramento, CA 95834 San Diego 1455 Frazee Road, Suite 315 San Diego, CA 92108 San Francisco 1 Sansome Street, Suite 600 San Francisco, CA 94104
Hawaii	Securities Examiner 335 Merchant Street, Room 203 Honolulu, HI 96813	Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62706	Illinois Attorney General 500 South Second Street Springfield, IL 62706
Indiana	Franchise Section Indiana Securities Division Secretary of State, Room E-111 302 W. Washington Street	Administrative Office of the Secretary of State 201 State House Indianapolis, Indiana 46204

STATE	STATE ADMINISTRATORS	AGENTS FOR SERVICE OF PROCESS, IF DIFFERENT
	Indianapolis, IN 46204	
Maryland	Office of Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021	Maryland Securities Commissioner 200 St. Paul Place Baltimore Maryland 21202-2021
Michigan	Consumer Protection Division Antitrust and Franchise Unit Michigan Dept of Attorney General 670 G. Mennen Williams Building 525 West. Ottawa Lansing, MI 48933	
Minnesota	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198	Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222 Phone (212) 416-6042 Fax	New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Fl. Albany, New York 12231-0001 (518) 473-2492
North Dakota	Office of Securities Commissioner 600 East Boulevard Avenue State Capital 14 th Floor Bismarck, ND 58505-0510	North Dakota Securities Department 600 East Boulevard Avenue State Capital 14th Floor Dept 414 Bismarck, ND 58505-0510
Oregon	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310	
Rhode Island	Division of Securities Department of Business Regulations Bldg. 69, 1st Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02920	

STATE	STATE ADMINISTRATORS	AGENTS FOR SERVICE OF PROCESS, IF DIFFERENT
South Dakota	Dept. of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre SD 57501	
Virginia	Ronald W. Thomas, Administrator State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219	Clerk State Corporation Commission 1300 East Main Street Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Securities and Franchise Registration Division of Securities 4 th Floor 345 W. Washington Ave Madison, WI 53703	

EXHIBIT F TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

Current Franchisees:

ALL MEDSEARCH

Arkansas/NE Texas

Tim Stanton and Greg Bozek*
4 Evergreen International, Inc.
2639 Atwater Hills Drive NE
Grand Rapids, MI 49525
773-343-9579

Florida – North Florida

Brent McKenzie
BMAC Consulting LLC
4969 Viceroy Street, Unit 106
Cape Coral, FL 33904
218-329-1927

Florida – South Florida

Brent McKenzie
BMAC Consulting LLC
4969 Viceroy Street, Unit 106
Cape Coral, FL 33904
218-329-1927

Florida – Southeast Florida

Brent McKenzie
BMAC Consulting LLC
4969 Viceroy Street, Unit 106
Cape Coral, FL 33904
218-329-1927

Florida – Southwest Florida

Brent McKenzie
BMAC Consulting LLC
800 S. 4th Street, Unit 1509
Louisville, KY 40203
754-399-2161

Georgia – North Georgia

Mike Dunmire
Pasture Gate Holdings LLC
252 Pasture Gate Road
Macon, NC 27551
470-990-9110

Louisiana/SE Texas

Bonnie Cirino
Cirino Consulting Services
18330 Patchwork Drive
Milford, DE 19963
302-559-5725

New Mexico

Tim Stanton and Greg Bozek*
4 Evergreen International, Inc.
2639 Atwater Hills Drive NE
Grand Rapids, MI 49525
773-343-9579

Tennessee – NE Tennessee

Bonnie Cirino
Cirino Consulting Services
18330 Patchwork Drive
Milford, DE 19963
302-559-5725

North Carolina - Eastern North Carolina

Jerry Ruta
Falco Group LLC
1913 Meridian Curve
Carver, MN 55315
743-239-2005

North Carolina – Western North Carolina

Jerry Ruta
Falco Group LLC
1913 Meridian Curve
Carver, MN 55315
743-239-2005

Texas – Austin/San Antonio

Tim Stanton and Greg Bozek*
4Evergreen International, Inc.
639 Atwater Hills Drive NE
Grand Rapids, MI 49525
773-343-9579

*Multi-unit Developer

Signed but not yet opened:

ALL MEDSEARCH

None

ALL MED PRACTITIONERS SEARCH

None

ALL MED FINANCIAL AND SALES SEARCH

None

Former Franchisees:

ALL MEDSEARCH

Florida – North Florida

Laurie Smith
Smith Recruiting LLC
4621 Vicksburg Drive
Sylvania, OH 43560
850-739-7018

Louisiana

Victoria Epstein
EKR Consulting LLC
3171 Dunwick Drive
Johns Island, SC 29455
318-383-0003

ALL MED PRACTITIONERS SEARCH

None

ALL MED FINANCIAL AND SALES SEARCH

None

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

EXHIBIT G TO THE DISCLOSURE DOCUMENT

**SPECIFIC STATE ADDENDA TO
DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT**

ADDENDUM TO MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE DISCLOSURE DOCUMENT
INFORMATION REQUIRED BY THE STATE OF CALIFORNIA

The Cover Page shall be amended by adding the following disclosures:

1. Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business.
2. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.
3. In California the highest interest rate permitted by law is ten percent (10%).
4. Item 3 "Litigation" shall be amended by the addition of the following paragraph: Neither the franchisor, nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
5. California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
6. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).
7. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
8. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
9. The franchise agreement requires binding arbitration. The arbitration will occur at San Diego, California with the costs being borne by the non-prevailing party.
10. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
11. The franchise agreement requires application of the laws of the State of California. This provision may not be enforceable under California law.
12. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
13. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a

waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

14. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

RIDER TO MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA

In recognition of the California Franchise Investment Law, Cal. Corp. Code §31000 et seq., and the California Franchise Relations Act, Cal. Bus. & Prof. Code § 20000 et seq., the parties to the attached Franchise Agreement (the “Agreement”) agree as follows:

1. Sub-Paragraphs 7 (a) and (b) of the Agreement, under the heading “Franchisee’s Payments” are amended by adding the following sentence:

“Payment of all initial fees is postponed until after all of franchisor’s initial obligations are complete and franchisee is open for business.”

2. Sub-Paragraph 28(d)(viii) of the Agreement, under the heading “Assignment; Conditions and Limitations” shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

You shall execute a general release under seal, in a form satisfactory to us, of any and all claims against us and our officers, directors, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Profession Code §§20000 through 20043).

3. A new Sub-Paragraph 32(g) of the Agreement, under the sub-heading “Termination in California” shall be added, as follows:

To the extent that the provision of this Paragraph 32 regarding termination are inconsistent with the requirements of the California Franchise Relations Act, the termination provisions are superseded by the Act's requirements and shall have no force or effect.

4. A new Sub-Paragraph 25(a)(iii) of the Agreement, under the sub-heading “Application of Covenants in California” shall be added as follows:

This Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

5. A new sentence is added to the end Paragraph 27 of the Agreement as follows:

The Non-Disclosure and Non-Competition Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

6. Paragraph 49 of the Agreement, under the heading “Governing Law”, shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

This Agreement takes effect upon its acceptance and execution by MEDICAL SEARCH

CONSULTANTS LLC and shall be interpreted and construed under the laws of the State in which our principal place of business is located, which is currently San Diego, California, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Illinois choice of law rules) except to the extent governed by the U.S. Trademark Act of 1946, 15 U.S.C. § 1051, et seq. (the “Lanham Act”); provided, however, that if the covenants in Paragraphs 25 and 27 of this Agreement would not be enforceable under the laws of California, and the Franchised Business is located outside of California, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Business is located. Nothing in this Paragraph 49 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of California to which this Agreement would not otherwise be subject. However, these provisions may not be enforceable under California law.

7. A new Sub-Paragraph 38(g) of the Agreement shall be added as follows:

The Agreement requires binding arbitration. The arbitration will occur in the State in which our principal place of business is located, which is currently San Diego, California with the costs being borne by the non-prevailing party

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Amendment to the Franchise Agreement in duplicate on the day and year first above written.

ATTEST:

FRANCHISOR:

MEDICAL SEARCH CONSULTANTS LLC

Witness

By: _____
Title:

ATTEST:

FRANCHISEE

Witness

By: _____

ATTEST:

Witness

By: _____

NOTICE REQUIRED UNDER HAWAIIAN FRANCHISE LAW

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

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

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

**ADDENDUM TO MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE DISCLOSURE DOCUMENT FOR
STATE OF ILLINOIS**

**THIS NOTICE WILL ACT AS AN AMENDMENT TO THE FRANCHISE DISCLOSURE
DOCUMENT, FOR THE STATE OF ILLINOIS ONLY**

Illinois law governs the Franchise Agreement and other Agreements between the parties to this franchise.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisee's rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

**ADDENDUM TO MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE DISCLOSURE DOCUMENT FOR
STATE OF INDIANA**

1. Item 17.c. may be modified by Indiana Code § 23-2-2.7.
2. The Summary in Item 17.r. is deleted and replaced with the following Summary:
For two years after the termination of your Franchise Agreement, you may not establish a similar type of business within your exclusive territory.
3. Item 17.t. is supplemented with the following language:
However, you do not waive any rights under the Indiana Statutes with regard to prior representations made by MEDICAL SEARCH CONSULTANTS LLC in the Disclosure Document.
4. Items 17.v. and 17.w. are supplemented with the following language:
Except that under Indiana law, you may have the right to bring an action in Indiana, and have Indiana law apply.
5. The Indiana Deceptive Franchise Practices Act, IC 23-2-2.7-1 (10) prohibits the limitation brought for breach of a Franchise Agreement including any limitation on the forum chosen. Any provision in the Franchise Agreement, specifying a forum contrary to Indiana law, shall not apply to any claims brought under the Indiana Deceptive Franchise Practices Act and/or the Indiana Franchise Act, Ind. Code ANN.§§ 1-51 (1994).
6. The Indiana Deceptive Franchise Practices Act, IC 23-2-2.7-1 (10) prohibits the limitation of litigation brought for breach of a Franchise Agreement. Any provision in the Franchise Agreement requiring the application of another state's law shall not apply to any claims brought under the Indiana Deceptive Franchise Practices Act and/or the Indiana Franchise Act, Ind. Code ANN.§§ 1-51 (1994).
7. Indiana Code § 23-2-2.5-9 (2) requires a franchisor to give you a copy of the Franchise Disclosure Document at the earlier of: (i) 10 days prior to signing the franchise agreement; or (ii) 10 days prior to franchisor's receipt of any consideration. The Receipt is amended to reflect the 10 day waiting period.

**AMENDMENT TO MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS**

The Medical Search Consultants LLC Franchise Agreement between _____ (“Franchisee”) and Medical Search Consultants LLC, a Florida limited liability company (“Franchisor”), dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of this Agreement (this “Amendment”:

ILLINOIS LAW MODIFICATIONS

Illinois law governs the Franchise Agreements.

In conformation with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisee’s rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act, 815 ILCS 705/19, 705/20 (West 2016).

In conformation with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other of Illinois is void.

In this business venture, Franchisor’s affiliate will conduct all of the client billings services for your franchised business, deduct payments due, and then pay the balance to you.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Franchise Agreement on this _____ day of _____, 20__.

FRANCHISOR:
MEDICAL SEARCH CONSULTANTS LLC

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO MEDICAL SEARCH CONSULTANTS LLC
MULTIPLE UNIT DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS**

This Multiple Unit Developer Agreement between _____ (“Franchisee”) and Medical Search Consultants LLC, a Florida limited liability company (“Franchisor”), dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of this Agreement (this “Amendment”):

ILLINOIS LAW MODIFICATIONS

Illinois law governs the Development Agreement.

In conformation with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformation with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other of Illinois is void.

In this business venture, Franchisor’s affiliate will conduct all of the client billings services for your franchised business, deduct payments due, and then pay the balance to you.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Franchise Agreement on this _____ day of _____, 20__.

FRANCHISOR:
MEDICAL SEARCH CONSULTANTS LLC

By: _____
Name: _____
Title: _____

MULTIPLE UNIT DEVELOPER:

By: _____
Name: _____
Title: _____

**AMENDMENT TO MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF INDIANA**

The Medical Search Consultants LLC Franchise Agreement between _____ (“Franchisee”) and Medical Search Consultants, LLC, a Florida limited liability company (“Franchisor”), dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of this Agreement (this “Amendment”):

INDIANA LAW MODIFICATIONS

1. The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchise Act, Ind. Code Ann. §§ 1-51 (1994) and the Indiana Deceptive Franchise Practices Act, Ind. Code Ann. § 23-27 (1985). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The Indiana Deceptive Franchise Practices Act provides rights to Franchisee concerning non-renewal and termination of the Agreement. To the extent the Agreement contains a provision that is inconsistent with the Act, the Act will control.
- b. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule of order under the Act, such release shall exclude claims arising under the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, and such acknowledgements shall be void with respect to claims under the Act.
- c. If the Agreement contains covenants not to compete upon expiration or termination of the Agreement that are inconsistent with the Indiana Deceptive Franchise Practices Act, the requirements of the Act will control.
- d. The Indiana Deceptive Franchise Practices Act provides that substantial modification of the Agreement by Franchisor requires written consent of the Franchisee. If the Agreement contains provisions that are inconsistent with this requirement, the Act will control.
- e. If the Agreement requires litigation/arbitration to be conducted in a forum other than the State of Indiana, the requirement may be unenforceable as a limitation on litigation under the Indiana Deceptive Franchise Practices Act §§ 23-2.2.7(10).
- f. If the Agreement requires that it be governed by a state’s law, other than the State of Indiana, to the extent that such law conflicts with the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, the Acts will control.

- g. The Indiana Deceptive Franchise Practices Act provides rights to Franchisee concerning the waiver of claims or rights. To the extent the Agreement contains a provision that is inconsistent with the Act, the Act will control.
- h. The Indiana Deceptive Franchise Practices Act provides rights to Franchisee concerning the time period to bring an action against the Franchisor. To the extent the Agreement contains a provision that is inconsistent with the Act, the Act will control.
- i. The Indiana Deceptive Franchise Practices Act prohibits the Franchisor from operating a substantially identical business to that of the Franchisee's within the Franchisee's territory, regardless of trade name. To the extent this Agreement contains a provision that is inconsistent with the Act, the Act will control.
- j. The Indiana Deceptive Franchise Practice Act excludes any indemnification for liability caused by the Franchisee's proper reliance on or use of procedures or materials provided by the Franchisor. To the extent his Agreement contains a provision that is inconsistent with the Act, the Act will control.

2. Indiana Code § 23-2-2.5-9(2) requires us to give you a copy of the Franchise Disclosure Document at the earlier of: (i) 10 days prior to signing the Franchise Agreement; or (ii) 10 days prior to our receipt of any consideration.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Indiana Deceptive Practices Act and the Indiana Franchises Act, with respect to each such provision, are net independent of this Amendment. This Amendment shall have n force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Franchise Agreement on this _____ day of _____, 20__.

FRANCHISOR:

MEDICAL SEARCH CONSULTANTS LLC

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

**ADDENDUM TO MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE DISCLOSURE DOCUMENT FOR
STATE OF MINNESOTA**

The Franchise Agreement requires binding arbitration. The arbitration will occur in another state than Minnesota, with costs being borne by the non-prevailing party. Under Minnesota Statutes § 80C.21 and Minnesota Rule Part 2860.4400J, this section may not in any way invalidate or reduce any of the franchise owner's rights that are listed in Chapter 80C of the Minnesota Statutes.

The Franchise Agreement requires application of the laws of a state other than Minnesota. Under Minnesota Statutes § 80C.21 and Minnesota Rule Part 2860.4400J, this section may not in any way invalidate or reduce any of the franchise owner's rights that are listed in Chapter 80C of the Minnesota Statutes.

1. The following language is added to Item 13 of the Minnesota Disclosure Document:

“Medical Search Consultants LLC will protect your right to use the licensed Mark and Trade Name or will indemnify you against any loss, costs, or expenses arising out of any claim, suit, or demand regarding your use of the Marks or Trade Name.”

2. The following language is added to the State Cover page and Item 17, Renewal, Termination, Transfer and Dispute Resolution, of the Minnesota Disclosure Document:

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

3. The following language is added to Item 17, Renewal, Termination, Transfer and Dispute Resolution, of the Minnesota Disclosure Document:

“With respect to franchises governed by Minnesota law, the Franchisor will comply with Minn. Stat. 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement; and that consent to transfer of the franchise may not be unreasonably withheld.”

“Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by the Minnesota Franchise Law (Minn. Stat. section 80C.01 to 80C.22); provided, that this prohibition shall not bar the voluntary settlement of disputes.”

“Minn. Rule 2860.4400J prohibits a franchisor from requiring a franchisee to waive his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to franchisor obtaining injunctive relief with or without bond.”

**AMENDMENT TO MEDICAL SEARCH CONSULTANTS,LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Franchise Act, Minnesota Statutes, " 80C.01 - 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Commissioner of Commerce, the parties to the attached Franchise Agreement (the "Agreement") agree as follows:

1. Section 19 of the Agreement under the heading "Marks", shall be supplemented by the following new subparagraph 19 (e) entitled "Franchisee's Indemnity Rights under Minnesota Law:

"We will protect Franchisee's right to use the licensed Mark and Trade Name or will indemnify Franchisee against any loss, costs, or expenses arising out of any claim, suit, or demand regarding Franchisee's use of the Marks or Trade Name."

2. Section 32 of the Agreement under the heading "Termination", shall be supplemented by the following new subparagraph 32 (h) entitled "Termination Rights under Minnesota Law":

"With respect to franchises governed by Minnesota law, the Franchisor will comply with. Minn. Stat. 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement; and that consent to transfer of the franchise may not be unreasonably withheld."

3. The last three (3) sentences of Section 43 of the Agreement under the heading "Damages and Waiver Jury Trial", pertaining to waiver of jury trial shall be deleting in its entirety.

4. The Franchise Agreement is further amended as follows:

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

"Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by the Minnesota Franchise Law (Minn. Stat. section 80C.01 to 80C.22); provided, that this prohibition shall not bar the voluntary settlement of disputes."

"Minn. Rule 2860.4400J prohibits a franchisor from requiring a franchisee to waive his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to franchisor obtaining injunctive relief with or without bond."

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Franchise Agreement on this _____ day of _____, 20__.

FRANCHISOR:

Medical Search Consultants LLC

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

**ADDENDUM TO MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE DISCLOSURE DOCUMENT FOR
REQUIRED BY THE STATE OF MARYLAND**

In recognition of the MARYLAND Franchise Registration and Disclosure Law, as amended, the Franchise Disclosure Document for Medical Search Consultants, LLC for use in the State of MARYLAND shall be amended as follows:

(1) Item 17 of this Disclosure Document is modified to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the award of the franchise.

(2) Item 17 of this Disclosure Document is modified to state that provisions allowing termination on bankruptcy may not be enforceable under federal bankruptcy law (11U.S.C. 101 et seq.).

(3) Item 17 of this Disclosure Document, in the summary column of part (c), is modified to state that the general release required as a condition of renewal will not apply to any claim arising under the Maryland Franchise Registration and Disclosure Law.

(4) Item 17 of this Disclosure Document, in the summary column of part (m), is modified to state that the general release required as a condition of transfer will not apply to any claim arising under the Maryland Franchise Registration and Disclosure Law.

(5) Item 17 of this Disclosure Document, in the summary column of part (v), is modified to state that the franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

(6) Item 17 of this Disclosure Document, in the summary column of part (v), is modified to state that other than for certain disputes, claims are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

**AMENDMENT TO MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND**

The Franchise Agreement between _____ (“Franchisee”) Medical Search Consultants LLC, a Florida limited liability company (“Franchisor”), dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of this Agreement (this “Amendment”).

The Franchise Agreement is amended by the addition of the following provisions and the parties agree to these amendments:

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

The general release of claims required as a condition of renewal, sale, and/or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Section 32 (e) of the Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

Any claims arising under the Maryland Franchise Registration and Disclosure law must be brought within three (3) years after the franchise is granted.

Franchise Compliance Questionnaire, Addendum G to the Franchise Agreement is amended by adding the following:

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

[signatures on following page]

Dated this ____ day of _____, 20____.

WITNESSES:

MEDICAL SEARCH CONSULTANTS
LLC :

By: _____
Nadia Gruzd, Managing Member

FRANCHISEE:

By: _____

By: _____

**AMENDMENT TO MEDICAL SEARCH CONSULTANTS LLC
MULTIPLE UNIT DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF MARYLAND**

The Multiple Unit Development Agreement between _____ (“Multiple Unit Developer”) and Medical Search Consultants LLC, a Florida limited liability company (“Franchisor”), dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of this Agreement (this “Amendment”).

The Multiple Unit Development Agreement is amended by the addition of the following provisions and the parties agree to these amendments:

The general release of claims required as a condition of renewal, sale, and/or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

All representations requiring prospective Multiple Unit Developers to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

A Multiple Unit Developer may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure law must be brought within three (3) years after the franchise is granted.

This multi-unit development agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

Dated this ____ day of _____, 20__.

WITNESSES:

MEDICAL SEARCH CONSULTANTS
LLC:

By: _____
Nadia Gruzd, Managing Member

MULTIPLE UNIT DEVELOPER:

By: _____

By: _____

**ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT FOR
STATE OF NEW YORK**

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. 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 FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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

restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

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

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

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

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

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

7. The following is added to the end of the “Summary” section of Item 17(j), titled “**Assignment of contract by franchisor**”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

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

THIS NEW YORK ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF NEW YORK OR LOCATE THEIR FRANCHISES IN NEW YORK.

ADDENDUM TO THE
MEDICAL SEARCH CONSULTANTS LLC
NORTH DAKOTA DISCLOSURE DOCUMENT

1. The Summary column of Item 17 paragraph (c) of this Disclosure Document is modified to read as follows:

“Give us at least 90 days’ notice of your intention to renew, sign our current form of franchise agreement renewable and ancillary agreements, sign a release (except for matters coming under the North Dakota Franchise Investment Law (the “North Dakota Law”).”

2. The Summary column of Item 17 Paragraph (r) of this Disclosure Document is modified by adding the following at the end of the sentence:

“Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.”

3. The Summary column of Item 17 paragraph (u) of this Disclosure Document is amended by adding the following at the end of the paragraph:

“Except that matters coming under the North Dakota Law will be submitted to arbitration in a mutually agreeable location.”

4. The Summary column of Item 17 paragraph (v) of this Disclosure Document is amended to read as follows:

“Except for matters coming under the North Dakota Law, litigation must be in the State in which our principal place of business is located, which is currently California.”

5. The Summary column of Item 17 paragraph (w) of this Disclosure Document is amended to read as follows:

The law of North Dakota governs.*

RIDER TO
MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA

This Rider is entered into this _____, 20____ (the “**Effective Date**”), between Medical Search Consultants LLC, a Florida limited liability company, with its principal business address at 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130 (“**we**,” “**us**,” “**our**” or “**Franchisor**”), and _____, a(n) _____ whose principal business address is _____

(referred to in this Rider as “**you**,” “**your**” or “**Franchisee**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.
2. **Grant of Successor Franchise.** You are not required to sign a general release as to any matters coming under the North Dakota Franchise Investment Law (the “North Dakota Law”).
3. **Post-Term Competitive Restrictions.** Covenants not to compete, such as those mentioned in Section 28, are generally unenforceable in the State of North Dakota.
4. **Jurisdiction.** All matters coming under the North Dakota Law may be brought in the courts of North Dakota.
5. **Waiver of Punitive Damages.** The first sentence in Section 36 of the Agreement is deleted in its entirety.
6. **Limitation of Claims.** The statute of limitations under North Dakota Law applies to all matters coming under North Dakota Law.
7. **Governing Law.** This Agreement will be governed by North Dakota Law.
8. **Waiver of Jury Trial.** The second sentence in Section 36 of the Agreement is deleted in its entirety.
9. **Arbitration.** All matters being arbitrated under North Dakota Law may be brought in a location agreeable to both the Franchisor and the Franchisee. Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

MEDICAL SEARCH CONSULTANTS LLC

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE DISCLOSURE DOCUMENT

INFORMATION REQUIRED BY
THE STATE OF RHODE ISLAND

In recognition of the Rhode Island Franchise Investment Act, as amended, the Franchise Disclosure Document for Medical Search Consultants LLC for use in the State of Rhode Island shall be amended as follows:

1. Item 17, “Renewal, Termination, Transfer and Dispute Resolution” shall be amended by the addition of the following paragraph:

“If you are a franchisee in Rhode Island, then the choice of law and venue provisions of your Franchise Agreement will not be enforceable.”

AMENDMENT TO MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the Rhode Island Franchise Investment Act, as amended, the parties to the attached Medical Search Consultants LLC Franchise Agreement (the “Agreement”) agree as follows:

1. Section 49 of the Agreement, under the heading “GOVERNING LAW; CONSENT TO JURISDICTION”, shall be amended to add the following:

“Provided that the Rhode Island Franchise Investment Act or a successor law should void a choice of law provision enforcing the laws of a jurisdiction other than Rhode Island or void a venue provision which restricts jurisdiction outside of Rhode Island, then all references to choice of law and/or venue shall read “Rhode Island.”

IN WITNESS WHEREOF, the parties intending to be bound legally, have fully executed, sealed and delivered this Amendment to the Agreement as of the day and year contained in the Agreement.

MEDICAL SEARCH CONSULTANTS LLC

Witness

By:_____
Officer

Witness

By:_____
Franchisee

ADDENDUM TO THE
MEDICAL SEARCH CONSULTANTS LLC
SOUTH DAKOTA DISCLOSURE DOCUMENT

1. The Summary column of Item 17 Paragraph (g) of this Disclosure Document is modified by adding the following at the end of the sentence:

“Under South Dakota law, termination provisions covering breach of the franchise agreement, failure to meet performance and quality standards, and failure to make royalty payments contained in the Disclosure Document and franchise agreement must afford a franchisee thirty (30) days written notice with an opportunity to cure the default prior to termination.”

2. The Summary column of Item 17 Paragraph (r) of this Disclosure Document is modified by adding the following at the end of the sentence:

“Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of South Dakota, except in certain instances as provided by law.”

3. The Summary column of Item 17 paragraph (u) of this Disclosure Document is amended by adding the following at the end of the paragraph:

“except that matters coming under the South Dakota Law will be submitted to arbitration in a mutually agreeable location.”

4. The Summary column of Item 17 paragraph (v) of this Disclosure Document is amended to read as follows:

Except for matters coming under the South Dakota Law, litigation must be in the State in which our principal place of business is located, which is currently San Diego, California.

5. The Summary column of Item 17 paragraph (w) of this Disclosure Document is amended to read as follows:

The law of South Dakota governs.*

RIDER TO
MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE AGREEMENT
FOR USE IN SOUTH DAKOTA

This Rider is entered into this _____, 20____ (the “**Effective Date**”), between Medical Search Consultants LLC, a Florida limited liability company, with its principal business address at 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130 (“**we**,” “**us**,” “**our**” or “**Franchisor**”), and _____, a(n) _____ whose principal business address is _____

(referred to in this Rider as “**you**,” “**your**” or “**Franchisee**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

- 1. Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.
- 2. Grant of Successor Franchise.** You are not required to sign a general release as to any matters coming under the South Dakota Law.
- 3. Post-Term Competitive Restrictions.** Covenants not to compete, such as those mentioned in Section 25, are generally unenforceable in the State of South Dakota, except in certain instances provided by law.
- 4. Jurisdiction.** All matters coming under the South Dakota Law may be brought in the courts of South Dakota.
- 5. Waiver of Punitive Damages.** The first sentence in Section 43 of the Agreement is deleted in its entirety.
- 6. Limitation of Claims.** The statute of limitations under South Dakota Law applies to all matters coming under South Dakota Law.
- 7. Governing Law.** This Agreement will be governed by South Dakota Law.
- 8. Waiver of Jury Trial.** The second sentence in Section 43 of the Agreement is deleted in its entirety.
- 9. Arbitration.** All matters being arbitrated under South Dakota Law may be brought in a location agreeable to both the Franchisor and the Franchisee.

10. Termination. The following is added as Section 32(h) of the Agreement: You will have 30 days written notice with an opportunity to cure prior to termination for the following: breach of the franchise agreement, failure to meeting performance and quality standards and failure to make royalty payments.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

MEDICAL SEARCH CONSULTANTS LLC FRANCHISEE

By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

ADDENDUM TO THE
MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE DISCLOSURE DOCUMENT FOR
COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Medical Search Consultants LLC for use in the Commonwealth of Virginia shall be amended as follows:

The Summary column of Item 17 Paragraph (h) of the Virginia Disclosure Document is modified by adding the following at the end of the sentence:

“Pursuant to Section 13.1.564 of the Virginia Franchising Act, it is unlawful for a franchisor to cancel a franchise agreement without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause” as that term may be defined in the Virginia Retail Franchising Act or laws of Virginia, that provision may not be enforceable.”

ADDENDUM TO MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE DISCLOSURE DOCUMENT

INFORMATION REQUIRED BY
THE STATE OF WASHINGTON

Item 17 of the Disclosure Document is amended by the addition of the following paragraphs:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protect Act, Chapter 19.100 RCW shall prevail.

The State of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.

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

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

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

To the extent that the provisions regarding termination described in the Franchise Agreement regarding repurchase of inventory and supplies are inconsistent with the requirements of Washington Franchise Investment Protect Act, RCW 19.100.180 (2)(j) the above-mentioned provisions will be superseded by the Law's requirements, which states that we, at your option, will repurchase your inventory and supplies at fair market value.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result,

any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

The undersigned does hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____, 20____.

Witness

Medical Search Consultants LLC

By:_____
Officer

Witness

By:_____

**AMENDMENT TO MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF WASHINGTON**

The Franchise Agreement between _____ (“Franchisee”) Medical Search Consultants LLC, a Florida limited liability company (“Franchisor”), dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of this Agreement (this “Amendment”).

The Franchise Agreement is amended by the addition of the following provisions and the parties agree to these amendments:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protect Act, Chapter 19.100 RCW shall prevail.

The State of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.

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

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

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

To the extent that the provisions regarding termination described in the Franchise Agreement regarding repurchase of inventory and supplies are inconsistent with the requirements of Washington Franchise Investment Protect Act, RCW 19.100.180 (2)(j) the above-mentioned provisions will be superseded by the Law's requirements, which states that we, at your option, will repurchase your inventory and supplies at fair market value.

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

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

The undersigned does hereby acknowledge receipt of this Amendment.

Dated this _____ day of _____, 20____.

Witness

Medical Search Consultants LLC

By:_____
Officer

Franchisee:

Witness

By:_____
Name:

**AMENDMENT TO MEDICAL SEARCH CONSULTANTS LLC
MULTIPLE UNIT DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF WASHINGTON**

The Multiple Unit Development Agreement between _____ (“Multiple Unit Developer”) and Medical Search Consultants LLC, a Florida limited liability company (“Franchisor”), dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of this Agreement (this “Amendment”).

The Multiple Unit Development Agreement is amended by the addition of the following provisions and the parties agree to these amendments:

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

The State of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.

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

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

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

To the extent that the provisions regarding termination described in the Franchise Agreement regarding repurchase of inventory and supplies are inconsistent with the requirements of Washington Franchise Investment Protection Act, RCW 19.100.180 (2)(j) the above-mentioned provisions will be superseded by the Law's requirements, which states that we, at your option, will repurchase your inventory and supplies at fair market value.

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee

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

The undersigned does hereby acknowledge receipt of this Amendment.

Dated this _____ day of _____, 20____.

Witness

Medical Search Consultants LLC

By:_____
Officer

Multiple-Unit Developer:

Witness

By:_____
Name:

ADDENDUM TO MEDICAL SEARCH CONSULTANTS LLC.
FRANCHISE DISCLOSURE DOCUMENT

INFORMATION REQUIRED BY
THE STATE OF WISCONSIN

Franchise Disclosure Document for Medical Search Consultants LLC for use in the State of Wisconsin shall be amended as follows:

Cover Page:

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

THE WISCONSIN FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST 10 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 10 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

THIS DISCLOSURE DOCUMENT AND THE FRANCHISE AGREEMENTS ARE SUBJECT TO THE WISCONSIN FRANCHISE INVESTMENT LAW.

1. Item 17, Renewal, Termination, Transfer and Dispute Resolution, shall be amended by the addition of the following paragraphs at the conclusion of the Item 17 disclosures under the Local Store Franchise headings:

“To the extent that the provisions regarding renewal described in this section are inconsistent with the requirements of the Wisconsin Fair Dealership Law (which, among other things, grants You the right, in most circumstances, to 90 days prior written notice of termination and 60 days within which to remedy any claim deficiencies), the renewal provisions will be superseded by the requirements of the Wisconsin Fair Dealership Law and will have no force or effect.”

“To the extent that the provisions regarding termination described in this section are inconsistent with the requirements of the Wisconsin Fair Dealership Law (which, among other things, grants You the right, in most circumstances, to 90 days prior written notice to termination and 60 days within which to remedy any claim deficiencies), the termination provision will be superseded by the requirements of the Wisconsin Fair Dealership Law and will have no force or effect.”

“Covenants not to compete during the term of and upon termination or expiration of a Franchise Agreement are enforceable only under certain conditions according to Wisconsin Law.”

RIDER TO MEDICAL SEARCH CONSULTANTS LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF WISCONSIN

In recognition of the Wisconsin Fair Dealership Law, Wisconsin Statutes, §§ 135.01 - 135.07, the parties to the attached Medical Search Consultants LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 6 of the Agreement, under the heading "Renewal", shall be supplemented by the addition of a new final paragraph as follows:

"To the extent that the provisions of §6 regarding renewal are inconsistent with the requirements of the Wisconsin Fair Dealership Law (which, among other things, grants Franchisee the right, in most circumstances, to 90 days prior written notice to termination and 60 days within which to remedy any claims deficiencies), said renewal provision will be superseded by the requirement of the Wisconsin Fair Dealership Law and will have no force or effect."

2. Section 32 of the Agreement under the heading "Termination", shall be supplemented by the following new subparagraph 32 (h) entitled "Termination Rights under Wisconsin Law:

"To the extent that the provisions of Section 32 regarding termination are inconsistent with requirements of the Wisconsin Fair Dealership Law (which, among other things, grants You the right, in most circumstances to 90 days prior written notice of termination and 60 days within which to remedy any claimed deficiencies), said termination provisions will be superseded by the requirements of the Wisconsin Fair Dealership Law and will have no force or effect."

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Amendment to the Franchise Agreement in duplicate on the day and year first above written.

ATTEST:

MEDICAL SEARCH CONSULTANTS LLC

Witness

By:_____
Franchisor

ATTEST:

Witness

By:_____
Franchisee

EXHIBIT H TO THE DISCLOSURE DOCUMENT

**FORM OF GENERAL RELEASE
AND INDEMNITY AGREEMENT**

GENERAL RELEASE AND INDEMNITY AGREEMENT
THIS IS A CURRENT FORM THAT IS SUBJECT TO CHANGE OVER TIME

This General Release and Indemnity Agreement ("Agreement") is entered into as of the ____ day of _____, 20__, by and between Medical Search Consultants LLC, a Florida limited liability company having a principal place of business at 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130 ("Releasee") and _____ with a principal place of business at _____ ("Releasors").

RECITALS

- A. Medical Search Consultants LLC and _____ entered into a franchise agreement (the "Original Franchise Agreement") on _____ for the operation of a Franchised Business which provides management recruiting for the [_____] industries ("Franchise");
- B. It is the intention of the parties to allow the renewal of the Franchise for the territory defined as _____.
- C. Medical Search Consultants LLC will allow the renewal of the Franchise if all Outstanding Fees, if any, in the amount of \$_____ are paid in the form of a certified check, bank check or money order on or before the signing of this Agreement.
- D. Medical Search Consultants LLC will allow the renewal of the Franchise if the then-current Franchise Agreement (the "Current Franchise Agreement") has been executed by the parties and if a renewal fee equal to _____ percent (____%) of the current franchise fee, is paid in the form of a certified check, bank check or money order on or before the signing of this Agreement.

NOW THEREFORE, in consideration of the mutual promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Waiver and Release of Medical Search Consultants LLC** Effective as of the date hereof and to the extent allowed by applicable law, Releasors, for it and its beneficiaries, attorneys, representatives, successors, heirs and assigns (collectively hereinafter the "_____ Parties") hereby waives, releases and forever discharges Medical Search Consultants LLC and its shareholders, beneficiaries, officers, partners, directors, employees, attorneys, representatives, successors, heirs, affiliates and assigns (collectively hereinafter "Medical Search Consultants LLC"), jointly and severally, from all demands, actions, causes of action, suits, proceedings, covenants, claims, executions, judgments, losses, damages, penalties, obligations and liabilities whatsoever (collectively "Claims or Suits"), of every nature, kind, type, or description, in law or in equity, directly or indirectly arising out of, resulting from or relating to the Original Franchise Agreement or its predecessor agreement or the performance of the obligations of the parties thereto whether known, unknown, direct, indirect, absolute, contingent, disclosed or undisclosed

that the _____ Parties has or ever had or will have against Medical Search Consultants LLC.

2. **Governing Law.** This Agreement and the rights and obligations of the parties hereunder shall in all respects be governed by and construed and enforced in accordance with the laws of the State of California.
3. **Entire Agreement.** This Agreement sets forth the entire agreement between Releasors and Medical Search Consultants LLC with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, with respect to the subject matter hereof. The terms of this Agreement may not be terminated, amended, modified or waived except by written agreement signed by Releasors and Medical Search Consultants LLC.
4. **Headings.** All sections and descriptive headings of paragraphs of this Agreement are inserted for convenience only and shall not affect the construction or interpretation hereof.
5. **Counterparts.** This Agreement may be executed in any number of counterparts each of which, when executed and delivered, shall be deemed an original, but all of which shall together constitute on and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed as an instrument under seal as of the date first written above.

WITNESSES:

As To Franchisor

As To Franchisee

As To Franchisee

Medical Search Consultants LLC:

By: _____
Nadia Gruz, Managing Member
Hereunto duly authorized

FRANCHISEE:

By: _____
Hereunto duly authorized

By: _____
Hereunto duly authorized

EXHIBIT I
MULTIPLE UNIT DEVELOPMENT AGREEMENT

**MEDICAL SEARCH CONSULTANTS LLC
MULTIPLE UNIT DEVELOPMENT AGREEMENT**

THIS MULTIPLE UNIT DEVELOPMENT AGREEMENT (the “Agreement”) is made and entered into this _____ day of _____, 20____ (**“Effective Date”**) by and between Medical Search Consultants LLC, a Florida limited liability company (hereinafter referred to as **“MSC”** or **“Franchisor”**), with a business address at 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130, and _____, with its principal address at _____ (hereinafter referred to as **“Multiple Unit Developer”**).

WITNESSETH:

WHEREAS, Franchisor is engaged in the operation and development of franchised businesses which provide recruitment and placement services for the health care industry (hereinafter referred to as “Health Care Industry”) including acute care hospitals, ambulatory surgical centers, behavioral health centers, biotech companies, birth centers, dialysis centers, emergency and outpatient care centers, home health care businesses, hospice facilities, imaging and radiology centers, long term acute hospitals, medical coding and billing centers, medical device manufacturers, mobile clinics, orthopedic and rehabilitation centers, outpatient centers, pharmacies, pharmaceutical companies, psychiatric hospitals, rehabilitation hospitals and or clinics, skilled nursing facilities, urgent care centers or as may be further defined by Us from time to time (hereinafter referenced to as “Clients”);

WHEREAS, Franchisor has developed a system to provide recruiting for the placement of senior (C -Level) executives, nursing, pharmacy and allied health professionals to the Health Care Industry under the trade name and service mark ALL MEDSEARCH® and is currently marketing and selling franchises under that name and marks;

WHEREAS, Franchisor has developed a system to provide recruiting for the placement of physicians, midlevel practitioners (physician assistants) and nurse practitioners to the Health Care Industry under the trade name and service mark ALL MED PRACTITIONERS SEARCH® and is currently marketing and selling franchises under that name and marks;

WHEREAS, Franchisor has developed a system to provide recruiting for the placement of coding, information technology, administrative and sales professionals to the Health Care Industry under the trade name and service mark ALL MED FINANCIAL AND SALES SEARCH® and is currently marketing and selling franchises under that name and marks;

WHEREAS, as a result of the expenditure of time, effort and money, Franchisor has acquired unique experience, special skills, techniques and knowledge, and has developed valuable trade secrets regarding the operation of businesses and the unique business system for providing recruiting and placement services for the Health Care Industry (“Franchisor’s System” or “System”) which System includes standards, specifications, methods, procedures, techniques, know-how, management directives, identification schemes, and proprietary marks and information in connection with the operation of the ALL MEDSEARCH, ALL MED PRACTITIONERS SEARCH and ALL MED FINANCIAL AND SALES SEARCH businesses (“System Standards”), which System Standards may be further developed by Franchisor;

WHEREAS, Franchisor, through uniformity and high standards of quality and service, has established and maintained an excellent reputation and significant goodwill with the public with respect to the products and services available through ALL MEDSEARCH, ALL MED PRACTITIONERS SEARCH and ALL MED FINANCIAL AND SALES SEARCH businesses, which will continue to be a major benefit to Franchisor and those associated with Franchisor from businesses;

WHEREAS, the Franchisor's SYSTEM is used in connection with the brands names ALL MEDSEARCH, ALL MED PRACTITIONERS SEARCH and ALL MED FINANCIAL AND SALES SEARCH and their design trademarks, service marks, trade names and trade symbols, trade dress, signs, slogans, associated logos, designs, emblems, URLs, domain names, website addresses, email addresses, digital cellular addresses, wireless web addresses and the like ("e-marks") and copyrights (hereinafter referred to collectively as "Marks") as Franchisor has adopted and designated, or may hereafter acquire or develop and designate for use in connection with the System;

WHEREAS, all of the foregoing have a distinctive and valuable significance to the public, and Multiple Unit Developer recognizes the potential benefits to be derived from being associated with and licensed by Franchisor and from utilizing the Franchisor's Marks and System that Franchisor makes available to its franchisees through franchise agreements to operate franchised business (hereinafter the "Franchised Business");

WHEREAS, Multiple Unit Developer desires to obtain the exclusive right to develop, manage and operate the number of Franchised Businesses under the specific Marks listed under the development schedule described in **Addendum B** attached hereto ("**Development Schedule**") and within the territories described in **Addendum A** attached hereto ("**Development Territory**"), under the System and Marks, as well as to receive assistance provided by Franchisor in connection therewith;

WHEREAS, the Multiple Unit Developer hereby acknowledges that it has read this Agreement and Franchisor's franchise disclosure document ("**Franchise Disclosure Document**"), and that it has no knowledge of any representations about the Franchise or about Franchisor or its franchising program or policies made by Franchisor or by its officers, directors, shareholders, employees or agents which are contrary to the statements in Franchisor's Franchise Disclosure Document or to the terms of this Agreement, and that it understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's high standards of quality and service and the uniformity of those standards at all businesses which operate pursuant to the System and thereby to protect and preserve the goodwill of the System and the Marks; and

WHEREAS, Multiple Unit Developer understands and acknowledges the importance of Franchisor's uniformly high standards of quality and service and the necessity of operating the franchises in strict conformity with Franchisor's quality control standards and specifications.

NOW, THEREFORE, the Parties, in consideration of the respective representations, warranties, covenants and agreements contained in this Agreement, hereby mutually agree as follows:

1. GRANT

1.1 Franchisor hereby grants to Multiple Unit Developer the right and license to develop, operate and manage the number of Franchised Businesses listed in **Addendum B** in strict accordance with the System and under the specified Marks within the Development Territory described in **Addendum A**. Each Franchised Business shall be operated according to the terms of the individual franchise agreement (“**Franchise Agreement**”) signed by Franchisor and Multiple Unit Developer or its approved affiliate with respect thereto.

1.2 If the Multiple Unit Developer is developing Franchised Businesses, and complies with the terms of this Agreement, the Development Schedule, and the individual Franchise Agreement for each Franchised Business, then Franchisor will not franchise or license others, nor will it itself directly or indirectly develop, own, lease or operate in any manner, any Franchised Businesses in the Development Territory during the Term hereof; however, Franchisor reserves the right to sell products and services under the Marks or any other marks, through any other channels of distribution not specifically granted in the Agreement. Franchisor also reserves the right to (a) establish, operate or license to any other person or entity the right to establish or operate a Franchised Business owned or licensed by Franchisor at any location outside the Development Territory; (b) develop, lease and license the use of, at any location inside or outside of the Development Territory, trademarks other than the Marks, in connection with the operation of a system which offers products or services which are similar to or different from those offered under the System, on any terms or conditions which Franchisor deems advisable; (c) merge with, or be acquired by any other business, including a business that competes with the Franchised Businesses operated by Multiple Unit Developer, or to acquire and convert to the System operated by Franchisor any management placement business operated by competitors, located inside or outside of the Development Territory or otherwise operated independently as part of, or in association with, any other system or chain, whether franchised or corporately owned; and (d) implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to Clients anywhere, and to issue mandatory policies to coordinate these multi-area marketing programs. Upon the expiration or termination of this Agreement, the Multiple Unit Developer will no longer have an exclusive Development Territory and each Franchised Business will be limited to operating solely within the Franchisee’s designated territory (“**Franchisee’s Designated Territory**”) described in the individual Franchise Agreement. Multiple Unit Developer understands, acknowledges and agrees that as a Franchisee, Multiple Unit Developer will not receive any exclusive or protected territorial rights other than the territory granted with each Franchised Business within each Franchisee’s Designated Territory.

1.3 This Agreement is not a franchise agreement and Multiple Unit Developer shall have no right to use in any manner the Marks or System by virtue hereof. Each Franchised Business will be governed by the individual Franchise Agreement signed by Franchisor and Multiple Unit Developer for each Franchised Business. This Agreement does not give Multiple Unit Developer the right to operate a MSC franchised business, nor does it give Multiple Unit Developer any right to license others to operate MSC businesses.

1.4 Multiple Unit Developer shall ensure that a person having management responsibility at each Franchised Business (“**Designated Manager**”) shall be fully trained and at all times devote his or her full time, at least forty (40) hours per week, and attention to managing, supervising, and developing each Franchised Business and that the Designated Manager is at all times identified to Franchisor. Multiple Unit Developer shall identify all equity owners of Multiple Unit Developer

by completing the Principal Owner's Statement attached to this Agreement as **Addendum D**. Multiple Unit Developer shall provide Franchisor with an updated form of **Addendum D** within ten (10) business days of any change in the equity ownership of Multiple Unit Developer. The failure of Multiple Unit Developer to provide Franchisor with an updated **Addendum D** within the time frame specified in this Section 1.4 shall constitute a material default of this Agreement.

2. TERM

Unless sooner terminated pursuant to the provisions of Section 6, the Term of this Agreement shall expire upon the earlier of (a) the completion date listed on **Addendum B**, or (b) completion of the term of the Development Schedule. Franchisor, in its sole discretion, may permit Multiple Unit Developer to renew this Agreement for an additional term; provided that, without limiting the foregoing, the Multiple Unit Developer has not defaulted in its obligations under this Agreement or any other agreement with Franchisor or any affiliate of Franchisor, and the parties agree in writing to a new Development Schedule.

3. FRANCHISE AGREEMENT, INITIAL FRANCHISE FEE AND INITIAL TRAINING

3.1 With respect to each Franchised Business to be developed under this Agreement, Multiple Unit Developer may locate the business office of a Franchised Business anywhere within North America, including operation of the Franchised Business as a home based business. It is Multiple Unit Developer's responsibility to find the business office location for the Franchised Business. Franchisor does not specify nor approve the business office locations. It is the express intent of the parties hereto to limit Franchisor's responsibility under this Section to general guidance and assistance as Franchisor may periodically provide in Franchisor's operations manual ("**Operations Manual**"). If Multiple Unit Developer proposes that another entity will own and operate the Franchised Business, Multiple Unit Developer must also submit information to Franchisor regarding the proposed franchisee entity. Franchisor reserves the right to request as much additional information regarding the proposed franchisee business entity as it deems necessary, in its sole discretion, and Multiple Unit Developer agrees to provide the information immediately upon request.

3.2 Multiple Unit Developer shall pay to Franchisor an initial fee ("**Initial Fee**") of _____ Thousand Dollars (\$_____) which includes the initial franchise fee ("**Initial Franchise Fee**") for the first Franchise Agreement and a development fee ("**Development Fee**") of Ten Thousand Dollars (\$10,000.00) for each additional Franchised Business to be developed under this Agreement. The Initial Fee is due in full upon the execution of this Agreement. All amounts collected shall be deemed fully earned immediately upon receipt and shall be non-refundable, regardless of whether Multiple Unit Developer opens any of the Franchised Businesses it is obligated to open in the Development Territory. Franchisor will credit each Development Fee against the initial franchise fees for each subsequent franchise to be opened under this Agreement (not to exceed a credit of Ten Thousand Dollars (\$10,000.00) for any single franchised business), except for the Initial Franchise Fee for the first Franchise Agreement, which must be prepaid in full when Multiple Unit Developer signs this Agreement.

3.3 Franchisor shall provide the Multiple Unit Developer with Franchisor's then-current training program and on-site opening assistance for each Franchised Business to be developed hereunder.

4. DEVELOPMENT SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

4.1 Multiple Unit Developer shall exercise the development rights granted under this Agreement only by entering into a separate Franchise Agreement with Franchisor for each Franchised Business for which a development right is granted and for which payment of the Initial Franchise Fee for that Franchised Business pursuant to the terms of the Development Schedule is made. The Franchise Agreement to be executed for the first Franchised Business to be developed under this Agreement shall be executed and delivered, along with the Initial Franchise Fee plus the Development Fee for all subsequent Franchised Businesses to be opened under this Agreement. All subsequent Franchised Businesses developed under this Agreement shall be established and operated pursuant to the form of Franchise Agreement then being used by Franchisor for a Franchised Business. Multiple Unit Developer acknowledges that the then-current form of Franchise Agreement may differ from the form attached, and may include materially different economic terms, including, but not limited to, higher marketing contributions, however, the Franchise Fee and Royalty Fee will remain the same as the first Franchise Agreement.

4.2 Development Schedule.

(a) Acknowledging that time is of the essence, Multiple Unit Developer agrees to exercise its development rights according to Section 4.1 and according to the Development Schedule set forth on **Addendum B**, which schedule designates the number of Franchised Businesses in the Development Territory to be established and in operation by Multiple Unit Developer upon the expiration of each of the designated development periods (“**Development Periods**”).

(b) During any Development Period, Multiple Unit Developer may, with Franchisor's prior written consent, develop more than the number of Franchised Businesses that Multiple Unit Developer is required to develop during that Development Period. Any Franchised Businesses developed during a Development Period in excess of the minimum number of Franchised Businesses required to be developed upon expiration of that Development Period shall be applied to satisfy Multiple Unit Developer's development obligation during the next succeeding Development Period. Multiple Unit Developer shall not open more than the total number of Franchised Businesses Multiple Unit Developer is obligated to develop under this Agreement, as set forth above in the Development Schedule; provided, however, that Multiple Unit Developer may be permitted to open Franchised Businesses in excess of the number permitted by the Development Schedule if, Multiple Unit Developer receives Franchisor's advanced written permission, which may be granted or denied in Franchisor's sole discretion, to develop more Franchised Businesses. Multiple Unit Developer shall pay Franchisor the then-current Initial Franchise Fee applicable at the time Multiple Unit Developer signs a Franchise Agreement for any additional Franchised Businesses.

(c) If during the Term of this Agreement, Multiple Unit Developer, in accordance with the terms of any Franchise Agreement for a Franchised Business developed under this Agreement, transfers its interest in such Franchised Business, the transferred

Franchised Business shall continue to be counted in determining whether Multiple Unit Developer has complied with the Development Schedule so long as it continues to be operated as a Franchised Business.

(d) Opening Schedule:

(i) Multiple Unit Developer shall open each Franchised Business and shall commence business in accordance with the Development Schedule set forth on **Addendum B**, unless, subject to Franchisor's approval, Multiple Unit Developer obtains an extension of the Development Period from Franchisor to commence operation of a particular Franchised Business under the procedure defined in (d)(ii) below. Each extension shall be for an additional thirty (30) day period commencing upon the expiration of the applicable Development Period, including any previous extensions thereof ("**Extension Date**"). No more than two (2) extensions of any Development Period will be permitted. If an extension of a Development Period is granted by Franchisor, the Opening Date for the Franchised Business (as defined in the Franchise Agreement) shall be extended to the Extension Date. No extension of any Development Period shall affect the duration of any other Development Period or any of Multiple Unit Developer's other development obligations. If an extension is requested in the final Development Period, the Term of this Agreement shall be extended to the Extension Date, and thereafter Multiple Unit Developer shall have no further rights under this Agreement except as provided in Section 2. Each extension may be conditioned upon payment of an extension fee ("**Extension Fee**") of Three Thousand Dollars (\$3,000.00) per extension.

(ii) Multiple Unit Developer shall notify Franchisor in writing at least thirty (30) days prior to the Projected Opening Date (defined below) for a Franchised Business if Multiple Unit Developer will be unable to commence operation of the Franchised Business by the expiration date of the Development Period in which such Franchised Business was to have been opened. In such notice Multiple Unit Developer shall request that the Franchisor consider its request for an extension and shall include a description of the reasons for its failure to develop the Franchised Business in a timely manner and the expected date of opening, if the extension were to be granted, along with payment of the Extension Fee if required.

(e) Failure by Multiple Unit Developer to adhere to the Development Schedule (including any extensions approved by Franchisor) shall constitute a material event of default under this Agreement.

4.3 Multiple Unit Developer acknowledges that the projected opening dates ("**Projected Opening Dates**") for each Franchised Business set forth on **Addendum B** are reasonable and consistent with the requirements of the Development Schedule. Multiple Unit Developer shall execute a Franchise Agreement for each Franchised Business at or prior to the applicable execution deadline ("**Execution Deadline**") set forth on **Addendum B**. Multiple Unit Developer and Franchisor agree that, except with respect to the Franchise Agreement executed concurrently herewith, the Execution Deadline shall be a date no later than nine (9) months prior to the Projected Opening Date for each subsequent Franchised Business to be developed.

5. FRANCHISE AGREEMENT

Multiple Unit Developer shall not commence opening any Franchised Business until the individual Franchise Agreement for said Franchised Business has been signed by both the Multiple Unit Developer and Franchisor.

6. DEFAULT AND TERMINATION

Multiple Unit Developer shall be in default under this Agreement should Multiple Unit Developer (or its affiliate): (a) fail to comply with the Development Schedule; (b) fail to perform any of its obligations under this Agreement or any individual Franchise Agreement; (c) cease to be a Franchisee of Franchisor in good standing; or (d) fail to comply with the provisions on transfer contained herein.

Upon the default, Franchisor shall have the right, at its option, and in its sole discretion, to do any or all of the following:

6.1 Terminate this Agreement;

6.2 Terminate the territorial exclusivity granted to Multiple Unit Developer;

6.3 Reduce the size of the Multiple Unit Developer's Development Territory or the number of Franchised Businesses Multiple Unit Developer may develop in the Development Territory; or

6.4 Accelerate the Development Schedule on immediate written notice.

In addition, if any individual Franchise Agreement issued to Multiple Unit Developer or an approved affiliate of Multiple Unit Developer, whether or not issued pursuant to this Agreement, is terminated for any reason, Franchisor shall have the right to terminate this Agreement on immediate written notice to Multiple Unit Developer. Upon termination or expiration of the Term of this Agreement, this Agreement shall be of no further effect, and Franchisor shall have the right to itself open, or license others to open, Franchised Businesses within the Development Territory. For purposes of this Section 6, any Franchise Agreement issued by Franchisor to Multiple Unit Developer or its approved affiliates, or any corporation, partnership or joint venture, or their affiliates, in which Multiple Unit Developer or any stockholder, partner or joint venturer of Multiple Unit Developer, has any direct or indirect ownership or participation interest, shall be deemed a Franchise Agreement issued to Multiple Unit Developer.

7. ASSIGNMENT

7.1 Franchisor shall have the absolute right to transfer or assign all or any part of its rights or obligations hereunder to any person or legal entity which assumes its obligations under this Agreement and Franchisor shall thereby be released from any and all further liability to Multiple Unit Developer.

7.2 By Multiple Unit Developer.

(a) Multiple Unit Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Multiple Unit Developer and are granted in reliance upon the personal qualifications of Multiple Unit Developer or Multiple Unit

Developer's principals. Multiple Unit Developer has represented to Franchisor that Multiple Unit Developer is entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of transferring the development and option rights hereunder.

(b) Neither Multiple Unit Developer nor any partner, member, or shareholder thereof shall, without Franchisor's prior written consent, directly or indirectly assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement or in Multiple Unit Developer. Any proposed assignment occurring by operation of law or otherwise, including any assignment by a trustee in bankruptcy, without Franchisor's prior written consent, shall be a material default of this Agreement.

(c) Any assignment, transfer or other disposition by the Multiple Unit Developer of a single-unit Franchised Business within the Development Territory will be governed by the Franchise Agreement to which the single-unit Franchised Business is bound.

(d) Subject to the other provisions of Section 7 herein, including Section 7.2(c) above and Section 7.2(e) below, if Multiple Unit Developer wishes to sell, transfer or otherwise assign any portion, or all, of the Development Territory, the Multiple Unit Developer shall notify Franchisor, which may approve or disapprove the same in its sole discretion, and in addition, Franchisor may require any or all of the following as conditions of its approval:

(i) All of the Multiple Unit Developer's and its affiliates accrued monetary obligations and all other outstanding obligations to Franchisor, its affiliates and suppliers must be fully paid and satisfied;

(ii) The Multiple Unit Developer and its affiliates must not be in default of any provision of its Franchise Agreements, any amendments thereof or successors thereto, or any other agreement between the Multiple Unit Developer and Franchisor, its subsidiaries or affiliates;

(iii) The Multiple Unit Developer and each of its affiliates, shareholders, members, partners, officers, managers and directors must sign a general release, under seal, the consideration for which shall be the approval of the transfer, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, managers, officers, directors, members, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances;

(iv) The transferee must enter into a written assignment, under seal and in a form satisfactory to Franchisor, assuming and agreeing to discharge all of the Multiple Unit Developer's obligations under this Agreement and the relevant Franchise Agreements and, if deemed necessary by Franchisor, the transferee's principals, individually, shall guarantee the performance of all these obligations in writing in a form satisfactory to Franchisor;

(v) The transferee must demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's then-current educational, managerial and

business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to open and operate the Franchised Businesses (as may be evidenced by prior related experience or otherwise); has at least the same managerial and financial acumen required of new Multiple Unit Developers, and has sufficient equity capital, as determined by Franchisor in Franchisor's sole discretion, to open and operate the Franchised Businesses required under the terms of this Multiple Unit Development Agreement;

(vi) At Franchisor's option, the transferee must sign (and, upon Franchisor's request, shall cause all interested parties to sign), for a Term ending on the expiration date of the Franchise Agreement(s) and with the renewal term as may be provided by the Franchise Agreement(s), the standard form of Franchise Agreement and Multiple Unit Development Agreement then being offered to new Multiple Unit Developers and any other ancillary agreements as Franchisor may require for the Franchised Businesses, which agreements shall supersede the Franchise Agreements and the Multiple Unit Development Agreement between the Multiple Unit Developer and Franchisor in all respects and the terms of which agreements may differ from the terms of the Franchise Agreements and Multiple Unit Development Agreement, including, without limitation, the implementation of other fees and different royalty rates;

(vii) The Multiple Unit Developer and its principals and its affiliates must remain liable for all direct and indirect obligations to Franchisor in connection with the Franchised Businesses before the effective date of transfer and will continue to remain responsible for their obligations of nondisclosure, noncompetition and indemnification as provided in the Franchise Agreements and Guaranty Agreement, attached to this Agreement as **Addendum C** and shall sign any and all instruments reasonably requested by Franchisor to further evidence this liability; and

(viii) Multiple Unit Developer or its approved transferee shall pay to Franchisor, at the time of said transfer, a transfer fee (**"Development Transfer Fee"**) equal to Two Thousand Five Hundred Dollars (\$2,500.00) for each unopened Franchised Business to be transferred, and Fifteen Thousand Dollars (\$15,000.00) for each Franchised Business which is open and operating at the time Multiple Unit Developer notifies Franchisor of its intent to transfer or assign this Agreement (which transfer or assignment shall be in compliance with the terms of each open individual Franchise Agreement), to cover Franchisor's administrative and other expenses in connection with the transfer of the Franchised Businesses by the Multiple Unit Developer.

(e) If Multiple Unit Developer or its principals shall at any time determine to sell, transfer or otherwise dispose of all or part of the rights under this Agreement or an ownership interest in Multiple Unit Developer, and Multiple Unit Developer or its principals shall obtain a bona fide, signed written offer from a responsible and fully disclosed prospective buyer, Multiple Unit Developer shall notify Franchisor in writing of each offer, and Franchisor shall have the right and option, exercisable within a period of sixty (60) days from the date of delivery of this offer, by written notice to Multiple Unit Developer or its owners, to acquire the rights under this Agreement or this ownership interest for the price and on the terms and conditions contained in said prospective buyer's

offer. If Franchisor does not exercise its right of first refusal, Multiple Unit Developer or its principals may complete the sale of Multiple Unit Developer or this ownership interest, subject to Franchisor's approval of the buyer and all other conditions set forth in this Section 7.2, provided that if this sale is not completed within one hundred twenty (120) days after delivery of this offer to Franchisor, Franchisor shall again have the right of first refusal herein provided. In the event that the Multiple Unit Developer wishes to publicly offer its shares in any partnership or corporation which has an ownership interest in the Multiple Unit Developer, said public offering shall be subject to the approval of Franchisor, this approval to not be unreasonably withheld.

7.3 Each shareholder, member, or partner of the corporation, limited liability company, or partnership which is granted the rights to serve as the Multiple Unit Developer hereunder shall be a party to a shareholders' agreement, operating agreement, or partnership agreement which shall provide, inter alia, that upon any dissolution of the corporation, limited liability company, or partnership, or upon any divorce decree among the parties who are also shareholders, members, or partners, that ownership of the shares, membership interest, or partnership interest shall be transferred to the shareholder, member, or partner for agreed upon consideration, which has primary responsibility for sales and marketing activities, typically the President or Managing Member, following any dissolution or decree. The form and content of the shareholders' agreement, operating agreement, or partnership agreement must be approved by Franchisor before execution. Multiple Unit Developer's failure to comply with this Section 7.3 shall constitute a material default of this Agreement.

8. FORCE MAJEURE

In the event that Multiple Unit Developer is unable to comply with the Development Schedule due to strike, riot, civil disorder, war, failure to supply, fire, natural catastrophe or other similar events beyond its control, and upon notice to Franchisor, the Development Schedule and this Agreement shall be extended for a corresponding period, not to exceed ninety (90) days; provided, however, that this Section 8 shall not extend the time for payment of any monetary obligations owed to Franchisor.

9. CONFIDENTIALITY

9.1 Nothing contained in this Agreement shall be construed to require Franchisor to divulge to Multiple Unit Developer any trade secrets, techniques, methods or processes except the material contained in Franchisor's Operations Manuals and training materials, and then only pursuant to the terms, conditions and restrictions contained in the applicable Franchise Agreement. Multiple Unit Developer acknowledges that its knowledge of Franchisor's know-how, processes, techniques, information and other proprietary data is derived entirely from information disclosed to it by Franchisor and that the information is proprietary, confidential and a trade secret (“**Confidential Information**”) of Franchisor. Multiple Unit Developer agrees to adhere fully and strictly to the confidentiality of the information and to exercise the highest degree of diligence in safeguarding Franchisor's trade secrets during and after the Term of this Agreement. Multiple Unit Developer shall divulge the material only to its employees and agents and only to the extent necessary to permit the efficient operation of the Franchised Businesses. It is expressly agreed that the ownership of all the Confidential Information and property is and shall remain vested solely in Franchisor.

9.2 Multiple Unit Developer agrees that all terms of this Agreement shall remain confidential and shall not make any public announcement, issue any press release or publicity, make any confirmation of statements made by third (3rd) parties concerning the terms of this Agreement, or make any other disclosures other than the existence of this Agreement without the prior written consent of Franchisor unless compelled by law or ordered to do so by a court of competent jurisdiction. It is agreed and understood that Multiple Unit Developer may disclose the terms of this Agreement to its professional advisors and lenders. Franchisor shall be free to make the disclosure of the terms of this Agreement as it determines, in its sole discretion, to be in the best interest of Franchisor or the System.

10. NONCOMPETITION

10.1 Multiple Unit Developer has heretofore specifically acknowledged that, pursuant to this Agreement, Multiple Unit Developer will receive valuable specialized Confidential Information and information regarding the business of Franchisor, and the Franchisor's System. Multiple Unit Developer covenants that during the Term of this Agreement and subject to the post-term provisions contained herein, except as otherwise approved in writing by Franchisor, Multiple Unit Developer shall not, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partners, corporations or other recognized business entity:

(a) Solicit, divert or attempt to solicit or divert any business, Candidate or Client, or prospective Client or Candidate of the Franchised Businesses to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act deemed by Franchisor to be injurious or prejudicial to the goodwill associated with Franchisor's Marks or the System; or

(b) Own, manage, maintain, engage in, be employed by, advise, consult with, assist, invest in, , franchise, make loans to, or perform services as a director, officer, manager, representative, agent, or otherwise, or have any direct or indirect interest in any business (i) specializing, in whole or in part, in offering substantially similar products and/or services to those products and/or services offered by a MSC franchised business prior to the termination or expiration of this Agreement (a "Competitive Business") or (ii) which is granting franchises or licenses to others to operate a Competitive Business.

10.2 Multiple Unit Developer covenants that, except as otherwise approved in writing by Franchisor, Multiple Unit Developer shall not, for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, and continuing for two (2) years thereafter, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any business which is the same as or substantially similar to the Franchised Business and which is located within a radius of fifty (50) miles of the Development Territory hereunder or within fifty (50) miles of the location of any Multiple Unit Developer, company-owned or affiliate-owned Business, or franchisee-owned franchised business under the System which is in existence on the date of expiration or termination of this Agreement.

10.3 Sections 10.1 and 10.2 shall not apply to ownership by Multiple Unit Developer of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held

corporation provided that Multiple Unit Developer has no management responsibility or advisory responsibility with such publicly- traded company.

10.4 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If any or all portions of the covenants in this Section 10 are held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Multiple Unit Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of this covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 10.

10.5 Multiple Unit Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 10.1 and 10.2 in this Agreement, or any portion thereof, without Multiple Unit Developer's consent, effective immediately upon receipt by Multiple Unit Developer of written notice thereof, and Multiple Unit Developer agrees that it shall forthwith comply with any covenant as so modified, which shall be fully enforceable.

10.6 Multiple Unit Developer expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 10. Multiple Unit Developer agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 10 provided Franchisor prevails in any or all of its claims against Multiple Unit Developer.

10.7 Multiple Unit Developer acknowledges that Multiple Unit Developer's violation of the terms of this Section 10 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Multiple Unit Developer accordingly consents to the issuance of an injunction by any court of competent jurisdiction or arbitrator having jurisdiction over the Agreement prohibiting any conduct by Multiple Unit Developer in violation of the terms of this Section 10.

10.8 At Franchisor's request, Multiple Unit Developer shall require and obtain execution of covenants similar to those set forth in this Section 10 (including covenants applicable upon the termination of a person's relationship with Multiple Unit Developer) from any or all of the following persons: (a) all directors and managers of each Franchised Business; (b) all officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of Multiple Unit Developer and of any corporation directly or indirectly controlling Multiple Unit Developer if Multiple Unit Developer is a corporation; and (c) the members or general partners and any limited partners (including any corporation, and the officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner) if Multiple Unit Developer is a limited liability company or partnership. All covenants required by this Section 10 shall be in forms satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third (3rd) party beneficiary of these covenants with the independent right to enforce them. Failure by Multiple Unit Developer to obtain execution of a covenant required by this Section 10 shall constitute a material default under Section 6 hereunder.

11. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding of the parties with respect to the development of the Development Territory, and shall not be modified except by a written agreement signed by the parties hereto. Where this Agreement and any Franchise Agreement between the parties conflict with respect to the amount or payment terms of Initial Franchise Fees or equity interests held by the Franchisee or its owners, the terms of this Agreement shall govern. Under no circumstances do the parties intend that this Agreement be interpreted in a way as to grant Multiple Unit Developer any rights to grant sub-franchises in the Development Territory.

12. MONTHLY REPORTS

Multiple Unit Developer agrees that it shall provide to Franchisor a monthly report of its activities and progress in developing and establishing Franchised Businesses as provided herein. The monthly reports shall be submitted no later than the fifth (5th) day following the end of the preceding month during the Term of this Agreement.

13. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

13.1 It is acknowledged and agreed that Multiple Unit Developer and Franchisor are independent contractors and nothing contained herein shall be construed as constituting Multiple Unit Developer as the agent, partner, joint venturer, joint employer or legal representative of Franchisor for any purpose whatsoever. Multiple Unit Developer shall enter into contracts for the development of the Development Territory contemplated by this Agreement at its sole risk and expense and shall be solely responsible for the direction, control and management of its agents and employees. Multiple Unit Developer acknowledges that it does not have authority to incur any obligations, responsibilities or liabilities on behalf of Franchisor, or to bind Franchisor or its affiliates by any representations or warranties, and agrees not to hold itself out as having this authority.

13.2 Multiple Unit Developer agrees to protect, defend, indemnify and hold Franchisor harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, directly or indirectly incurred as a result of, arising from, out of, or in connection with Multiple Unit Developer's carrying out its obligations hereunder.

14. COMPLIANCE WITH APPLICABLE LAWS

Multiple Unit Developer shall develop all Franchised Businesses in the Development Territory in accordance and compliance with all applicable federal, state and local statutes, laws, including all relevant laws relating to the offer of recruitment, placement and other related services, ordinances and regulations (where applicable) and agrees to promptly pay all financial obligations incurred in connection therewith.

15. CHANGE IN DEVELOPMENT TERRITORY

The parties acknowledge that the development of the Development Territory as anticipated hereunder has been determined according to the needs of the Multiple Unit Developer's targeted market in the Development Territory, as determined by Franchisor, as of the date of execution of this Agreement. The Multiple Unit Developer understands that, if there is an increased public demand for the products and services offered by Franchisor due to an increase in the number of

individuals or businesses in the Development Territory, Franchisor will expect the Multiple Unit Developer to establish additional Franchised Businesses within the Development Territory. While Franchisor will not require the Multiple Unit Developer to establish the additional Franchised Businesses, Franchisor will strongly encourage Multiple Unit Developer to do so. Any additional Franchised Business shall be governed by Franchisor's then-current form of individual Franchise Agreement.

16. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their heirs, successors, permitted assigns and personal representatives.

17. APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of California, which laws shall govern in the event of any conflict of laws, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et. seq.). The Parties expressly consent to personal jurisdiction in the State of California and agree that, except as set forth in Section 20, the state and federal court(s) located in San Diego, California will have exclusive jurisdiction for the purposes of carrying out this provision.

18. RECEIPT OF DOCUMENTS

Multiple Unit Developer acknowledges receipt of the Multiple Unit Development Agreement, Franchise Agreement, and other contracts for the Franchised Business complete with all material terms at least seven (7) calendar days before execution hereof or payment of any monies.

19. NOTICE

All approvals, requests, notices, and reports required or permitted to be given hereunder shall be in writing and all such notices, and any other material required to be delivered hereunder, shall be considered duly given if by (i) hand delivery, facsimile, e-mail or comparable electronic system, or if sent by (ii) registered or certified mail, postage prepaid, return receipt requested, or (iii) overnight delivery paid for by sender, and addressed as follows:

Notices to Franchisor:

Medical Search Consultants LLC at:
3830 Valley Centre Drive
Suite 705-453
San Diego, California 92130

Notice to Multiple Unit Developer:

or at such other address as Franchisor or Multiple Unit Developer shall have specified by written notice to the other party hereunder. Such notice shall be deemed to have been received (i) if hand delivered, facsimile, e-mail or comparable electronic system, on the date delivered; (ii) if by registered or certified mail, then three (3) business days after mailing; and (iii) if by overnight delivery, then the first business day after being sent.

20. ARBITRATION

20.1 The parties agree that all controversies, claims and disputes between them arising out of or relating to this Agreement, the rights and obligations of the parties hereto, or any other claims or causes of action relating to the performance of either party, and/or the development of the development rights by Multiple Unit Developer shall be finally resolved by submitting, this matter to binding arbitration under the auspices of, and using the commercial arbitration rules of, the American Arbitration Association as such rules are in effect as of the date the demand for arbitration is filed. In accordance with the terms of the Federal Arbitration Act, the Arbitrator shall hear the dispute in the American Arbitration Association offices in San Diego, California or their closest office thereto. The arbitrator shall have no authority to amend or modify the terms of this Agreement. Each party further agrees that, unless a limitation is prohibited by applicable law, the other party shall not be liable for punitive or exemplary damages and the arbitrator shall have no authority to award the same. The decision of the arbitrator shall be final and binding. The Multiple Unit Developer knows, understands, and agrees that it is the intent of the parties that any arbitration between Franchisor and the Multiple Unit Developer shall be of the Multiple Unit Developer's individual claims and that the claims subject to arbitration shall not be arbitrated in conjunction with the claims of other Multiple Unit Developers or franchisees or on a class-wide basis, and Multiple Unit Developer hereby waives any right it may assert to have its claims arbitrated in conjunction with the claims of other Multiple Unit Developers or franchisees or on a class-wide basis. The costs and expenses of Arbitration, including compensation and expenses of the Arbitrator, shall be borne by the non-prevailing party.

20.2 Notwithstanding any provision contained in this Section 20, Franchisor may, at its sole option, institute an action or actions for temporary or preliminary injunctive relief or seeking any other temporary or permanent equitable relief against the Multiple Unit Developer that may be necessary to protect its Marks or other rights or property. However, in Franchisor's sole discretion, the final right of determination of the ultimate controversy, claim or dispute shall be decided by arbitration as aforesaid and recourse to the courts shall thereafter be limited to seeking an order to enforce an arbitral award. In no event shall the Multiple Unit Developer be entitled to make, shall not make, and hereby waives, any claim for money damages by way of set-off, counterclaim, defense or otherwise based upon any claim or assertion by the Multiple Unit Developer that Franchisor has unreasonably withheld or unreasonably conditioned or delayed any consent or approval to a proposed act by the Multiple Unit Developer under any of the terms of this Agreement. The Multiple Unit Developer's sole remedy for any claim shall be an action or proceeding to enforce any provisions, for specific performance or declaratory judgment.

21. MODIFICATION BY FRANCHISOR

Franchisor may modify and update its Operations Manuals, the Marks and the System unilaterally under any conditions and to any extent which Franchisor, in the exercise of its sole discretion, deems necessary to meet competition, protect trademarks or trade names, or improve the quality of the products or services provided through the Franchised Businesses, and Multiple Unit Developer shall exclusively incur the costs of any change in the Franchised Business or the System which has been caused by this modification. In the event that any improvement or addition to the Operations Manuals, the System or the Marks is developed by Multiple Unit Developer, then Multiple Unit Developer agrees to assign all right, title, and interest to such improvement or addition or, if such assignment is prohibited by law, to grant to Franchisor an irrevocable, world-

wide, exclusive, royalty-free license, with the right to sub-license the improvement or addition.

22. ACKNOWLEDGEMENTS

22.1 Multiple Unit Developer acknowledges and recognizes that different terms and conditions, including different fee structures, may pertain to different multiple unit developer agreements and franchise agreements offered in the past, contemporaneously herewith, or in the future, and that Franchisor does not represent that all multiple unit developer agreements or franchise agreements are or will be identical.

22.2 Multiple Unit Developer acknowledges that it is not, nor is it intended to be, a third (3rd) party beneficiary of this Agreement or any other agreement to which Franchisor is a party.

22.3 Multiple Unit Developer represents to Franchisor that it has the business acumen, corporate authority, and financial wherewithal to enter into this Agreement and to perform all of its obligations hereunder and furthermore that the execution of this Agreement is not in contravention of any other written or oral obligation of the Multiple Unit Developer.

22.4 Multiple Unit Developer acknowledges that it received from Franchisor this Agreement with all blanks filled in at least seven (7) calendar days before the execution of this Agreement.

22.5 Multiple Unit Developer acknowledges and accepts the following:

THE SUCCESS OF THE MULTIPLE UNIT DEVELOPER IN MANAGING AND OPERATING MULTIPLE MSC FRANCHISED BUSINESSES IS SPECULATIVE AND WILL DEPEND ON MANY FACTORS INCLUDING, TO A LARGE EXTENT, MULTIPLE UNIT DEVELOPER'S INDEPENDENT BUSINESS ABILITY. MULTIPLE UNIT DEVELOPER HAS BEEN GIVEN THE OPPORTUNITY AND BEEN ENCOURAGED TO OBTAIN INDEPENDENT ADVICE FROM LEGAL AND OTHER PROFESSIONALS BEFORE ENTERING INTO THIS AGREEMENT. THIS OFFERING IS NOT A SECURITY AS THAT TERM IS DEFINED UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS. THE OBLIGATION TO TRAIN, MANAGE, PAY, RECRUIT AND SUPERVISE EMPLOYEES AND CONTRACTORS OF THE MSC FRANCHISED BUSINESSES RESTS SOLELY WITH MULTIPLE UNIT DEVELOPER.

22.6 Nothing in the Agreement or in any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Agreement on the day and year first written above.

“FRANCHISOR”: MEDICAL SEARCH CONSULTANTS LLC

BY: _____
Nadia Gruzd

OFFICE HELD: Managing Member

WITNESSED BY: _____

“MULTIPLE UNIT DEVELOPER”: _____

(SIGNATURE AND DESIGNATION OF SOLE PROPRIETOR OR PARTNER AS THE CASE MAY BE)

WITNESSED BY: _____

“MULTIPLE UNIT DEVELOPER”: _____

(SIGNATURE AND DESIGNATION OF SOLE PROPRIETOR OR PARTNER AS THE CASE MAY BE)

WITNESSED BY: _____

“BUSINESS ENTITY MULTIPLE UNIT DEVELOPER, ITS OFFICERS, MEMBERS AND SHAREHOLDERS”

In the event **Multiple Unit Developer** is a corporation, limited liability company or other legal entity then in accordance with this Agreement, the undersigned, who are each either executive officers or shareholders or members, or other equity participants of the **Multiple Unit Developer**, each agree to be jointly and severally personally liable for **Multiple Unit Developer's** payment and performance of this Agreement and join in this Agreement on behalf of **Multiple Unit Developer**.

BUSINESS ENTITY FRANCHISEE: _____

PRINT NAME

SIGNATURE

OFFICER TITLE/NATURE OF
EQUITY INTEREST

DATE

PRINT NAME

SIGNATURE

OFFICER TITLE/NATURE OF
EQUITY INTEREST

DATE

WITNESSED BY: _____

MULTIPLE UNIT DEVELOPMENT AGREEMENT
ADDENDUM A
DESCRIPTION OF DEVELOPMENT TERRITORY

ADDENDUM A

DESCRIPTION OF THE DEVELOPMENT TERRITORY
BY MARK AND TERRITORY

MULTIPLE UNIT DEVELOPMENT AGREEMENT
ADDENDUM B
DEVELOPMENT SCHEDULE

ADDENDUM B
DEVELOPMENT SCHEDULE

FRANCHISED BUSINESS BY MARK AND TERRITORY	DEVELOPMENT PERIOD	EXECUTION DEADLINE	PROJECTED OPENING DATE

Mark(s) of Franchised Businesses to be Developed

Number of Franchised Businesses to be Developed by Mark:

Initial Franchise Fee Paid:

Development Fees Paid:

Completion Date:

2023 Medical Search Consultants LLC
FDD March 31, 2023

MULTIPLE UNIT DEVELOPMENT AGREEMENT
ADDENDUM C
GUARANTY AGREEMENT

ADDENDUM C

GUARANTY AGREEMENT

This guaranty agreement is entered into on this _____ day of _____, 20____, between _____ of _____ (“Guarantor”) and Medical Search Consultants LLC with its principal place of business at 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130, (“Franchisor”).

WHEREAS:

- A. Franchisor and _____ (“Multiple Unit Developer”) have entered into a Multiple Unit Development Agreement dated _____.
- B. Guarantor is a shareholder, director, officer, member, owner and/or partner of Multiple Unit Developer.
- C. In consideration of and as an inducement to Franchisor to enter into the Multiple Unit Development Agreement with Multiple Unit Developer, Guarantor hereby covenants and agrees as follows:
 - 1. Guarantor warrants that the facts contained in Recital A and B are correct;
 - 2. Guarantor has read the terms and conditions of the Multiple Unit Development Agreement;
 - 3. Guarantor personally and unconditionally makes all the covenants, representations and agreements of Multiple Unit Developer set forth in the Multiple Unit Development Agreement and that Multiple Unit Developer is obligated to perform thereunder;
 - 4. Guarantor personally, unconditionally and irrevocably guarantees to Franchisor and its successors and assigns that all of Multiple Unit Developer's obligations, undertakings, agreements and covenants set forth in the Multiple Unit Development Agreement will be punctually paid and performed during the Term of the Multiple Unit Development Agreement and thereafter, as applicable;
 - 5. Guarantor unconditionally and irrevocably agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Multiple Unit Development Agreement by Multiple Unit Developer;
 - 6. Upon default by Multiple Unit Developer or notice from Franchisor, Guarantor will immediately make each payment and perform each obligation required of Multiple Unit Developer under the Multiple Unit Development Agreement;
 - 7. Without affecting the obligations of any guarantor under this Guaranty Agreement, Franchisor may, without notice to Guarantor, waive, renew, extend, modify, amend or release any indebtedness or obligation of Multiple Unit

Developer or any guarantor, or settle, adjust or compromise any claims against Multiple Unit Developer or any guarantor;

8. Guarantor waives all demands and notices of every kind with respect to enforcement of this Guaranty Agreement, including, without limitation, notice of presentment, demand for payment or performance by Multiple Unit Developer, any default by Multiple Unit Developer or any guarantor, and any release of any guarantor or other security for the Multiple Unit Development Agreement or the obligations of Multiple Unit Developer;
9. Franchisor may pursue its rights against any guarantor without first exhausting its remedies against Multiple Unit Developer and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise of such right or remedy shall preclude the further exercise of such right or remedy;
10. Upon receipt by Franchisor of notice of the death of Guarantor, the estate of the deceased Guarantor shall be bound by the foregoing Guaranty Agreement, but only for defaults and obligations under the Multiple Unit Development Agreement existing at the time of death; the obligations of all other guarantors shall continue in full force and effect;
11. This Guaranty Agreement will continue and is irrevocable during the Term of the Multiple Unit Development Agreement and, if required by the Multiple Unit Development Agreement, after its termination or expiration;
12. Guarantor's obligations under this Guaranty Agreement are effective on the Effective Date of the Multiple Unit Development Agreement, regardless of the actual date of signature;
13. This Guaranty Agreement is governed by the law of the state in which our principal place of business is located, which is currently San Diego, California and Guarantor irrevocably submits to the jurisdiction and venue of the courts of California;
14. If Franchisor is required to enforce this Guaranty Agreement in any judicial or arbitration proceeding or on any appeals, Guarantor must reimburse Franchisor for its enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty Agreement;

15. Guarantor acknowledges that he or she has obtained independent legal advice before signing this Guaranty Agreement.

IN WITNESS WHEREOF Guarantor has signed this Guaranty Agreement under seal.

Signature

Print Name

Address

Signed, sealed and delivered by the above-named Guarantor in the presence of:

Witness Signature

Print Name

Address _____

MULTIPLE UNIT DEVELOPMENT AGREEMENT

ADDENDUM D

PRINCIPAL OWNER'S STATEMENT

This form must be completed by the Multiple Unit Developer (“I,” “me” or “my”) if I have multiple owners or if I, or my business, is owned by a business organization such as a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding the Development to me.

1. **Form of Owner.** I am a (check one):

- (vi) General Partnership _____
- (vii) Corporation _____
- (viii) Limited Partnership _____
- (ix) Limited Liability Company _____
- (x) Other _____

Specify:

2. **Business Entity.** I was incorporated or formed on _____, under the laws of _____. I have not conducted business under any name other than my corporate, limited liability company or partnership name. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

Name of Person

Position(s) Held

3. **Owners.** The following list includes the full name and mailing address of each person who is an owner and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Owner's Name and Address

Description of Interest

4. **Governing Documents.** Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.).

This Statement of Principal Owners is current and complete as of _____, 20__.

OWNER INDIVIDUALS:

(Signature)

(Print Name)

(Signature)

(Print Name)

**CORPORATION, LIMITED
LIABILITY COMPANY OR
PARTNERSHIP:**

(Name)

By:_____

Title:_____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	

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

EXHIBIT J

RECEIPT

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

If Medical Search Consultants LLC offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the us or an affiliate in connection with the proposed franchise sale.

If Medical Search Consultants LLC 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 state agency listed in Exhibit E.

New York and Rhode Island require 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 agreements or payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Franchise Seller: Nadia Gruzd, Managing Member, Medical Search Consultants LLC, 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130, (858) 229-5939.

Date of Issuance: March 31, 2023. See Exhibit E for our registered agents authorized to receive service of process.

I have received a Franchise Disclosure Document dated March 31, 2023.
This Disclosure Document included the following Exhibits:

- Exhibit A - Financial Statements
- Exhibit B - Franchise Agreement, Addenda A, B, C, D, E, F and G
- Exhibit C - Non-Disclosure, Non-Solicitation and Non-Competition Agreement
- Exhibit D - Spousal Non-Disclosure and Non-Competition Agreement
- Exhibit E - Franchisor's Agents for Service of Process and State Franchise Administrators
- Exhibit F - List of Franchisees
- Exhibit G - State Specific Addenda
- Exhibit H - General Release and Indemnity Agreement
- Exhibit I- Multiple Unit Development Agreement

Dated this _____ day of _____, 20__

WITNESS:

Medical Search Consultants LLC

Prospective Franchisee Signature

KEEP THIS COPY FOR YOUR RECORDS.

EXHIBIT J

RECEIPT

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

If Medical Search Consultants LLC offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the us or an affiliate in connection with the proposed franchise sale.

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- Exhibit G - State Specific Addenda
- Exhibit H - General Release and Indemnity Agreement
- Exhibit I- Multiple Unit Development Agreement

Dated this _____ day of _____, 20__

WITNESS:

Medical Search Consultants LLC

Prospective Franchisee Signature

Please sign this copy of the receipt, date your signature, and return it to Nadia Gruzd, Medical Search Consultants LLC, 3830 Valley Centre Drive, Suite 705-453, San Diego, California 92130.