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FRANCHISE DISCLOSURE DOCUMENT

INFORMATION FOR
PROSPECTIVE FRANCHISEES
REQUIRED BY THE FEDERAL TRADE COMMISSION

LEADERSHIP MANAGEMENT, INC.
A Texas Corporation
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The franchise will market programs, courses and tapes in the general fields of knowledge, education and communications, with special emphasis on leadership, supervisory and executive development.

The total investment necessary to begin operation of a LMI Franchise is $20,000 - $27,500. This includes the $15,000 for the initial franchise fee that must be paid to the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats contact Staci Dalton at 254/776-2060 or SDalton@lmi-usa.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise" which can help you understand how to use this disclosure

document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

DATE OF ISSUANCE: March 15, 2026

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 Attachment C.
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 LMI 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 is it like to be an LMI franchisee?	Item 20 or Attachment C 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 and Attachments 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 Attachment A.

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

Special Risks to Consider About *This* Franchise

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

1. **Out of State Dispute Resolution.** The franchise agreement requires that it be governed by and construed in accordance with the laws of the state of Texas and that venue shall be in Texas, for any disputes which may arise between you and LMI. This may be favorable or unfavorable to you. Even though the franchise agreement provides that "home state" law applies, local law may supersede it in your state. Please refer to any state-specific addendum that may be attached to the franchise disclosure document for details.

2. **Out of State Arbitration**. The franchise agreement requires that all disagreements be settled by arbitration at a site that is mutually agreed upon by both parties. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate within a state other than in your home state.

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.

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Item 1: THE COMPANY AND ANY PARENTS, ITS PREDECESSORS AND AFFILIATES

To simplify the language of this disclosure document, "LMI" means Leadership Management, Inc., the Franchisor and is also referred to as “we”, “us” or “our”. "You" means the person who buys the franchise. LMI is a Texas corporation which was incorporated on March 17, 1979. Our principal business office is located at 4567 Lake Shore Drive, Waco, Texas 76710. The telephone number is 254/776-2060. Email info@lmi-usa.com.

LMI operated as a subsidiary of SMI/USA, Inc. from 1966 through 1992. On December 31, 1992, due to a reorganization of SMI/USA, Inc., the capital stock of LMI was distributed to the shareholders of SMI/USA. On January 1, 1993, all common stock of LMI was transferred to a trust. Since that time, we have operated as a separate, independent corporation. On July 15, 1999, the Company (LMI) changed its name to Leadership Management International USA, Inc. On July 21, 2000, LMI changed its name back to Leadership Management, Inc. Other, than as mentioned above, the Company has no predecessors. The Company does not have any affiliates.

The Company has been granted the rights, by way of a twenty-five-year License Agreement with the Meyer Resource Group dated April 1, 1995, to use, market, and sell all of the products and services now offered by LMI, by way of its Franchisees, together with all trademarks, copyrights, and other proprietary information used by LMI. See Item 13 for further details concerning the above. The Company previously operated under a similar License Agreement with SM, Inc., which agreement was assigned to The Meyer Resource Group.

In April of 2020, The Meyer Resource Group transferred ownership of all trademarks, copyrights and other proprietary property over to Leadership Management International, Inc. and Success Motivation International, Inc.

During 2002, the Company completed a sub-license and asset purchase agreement with Teleometrics International, Inc., a Texas Corporation, whereby the Company was granted the exclusive license to publish, distribute, translate, sub-license, and sell Teleometrics’ products. These products relate to time and personal management programs, seminars, and related products. These products and services are available to all LMI Franchisees as a part of their supplementary product line.

LMI franchises the right to sell and service executive, management and leadership development programs and assessments to individuals and corporate clients. You will purchase the products from LMI for resale to the public. You are responsible for the ongoing training and service of these clients as they progress through the programs. Your competition includes other companies in the management/leadership training field which may serve clients with products and services similar to those offered by you. Competition ranges from fairly large and sophisticated companies to small individual consultants. These

programs have been sold to both individuals and corporations by other LMI franchisees for over 30 years.

LMI's agent for service of process is disclosed in Attachment B.

LMI does not own or operate any franchises or company-owned and operated outlets; nor do we do business under any other name. LMI has offered this type of franchise for over 30 years. LMI does not offer any other type of franchise in any other line of business.

LMI franchises the right to sell 12 programs and related products in the general fields of knowledge, education, and communication. Our primary function is strategic development and organizational planning. We have development programs in the following areas: leadership, management, organization, productivity, sales, and communications. In addition, we use assessment tools and management module training workshops. These programs are sold to you at wholesale pricing, and you can market the courses at retail to the public. You may operate throughout the contiguous United States.

There are not any regulations specific to the industry in which the franchise business operates.

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Item 2: BUSINESS EXPERIENCE

Chairman of the Board, CEO and President: Randy Slechta. Randy Slechta was appointed Chairman of the Board of Leadership Management, Inc. during May 2014. He has served as CEO and President of LMI for more than five years and continues in that role. Mr. Slechta is also the CEO and President of Leadership Management International, Inc. and has been so for more than five years.

CFO and Assistant Secretary: Deborah K. Hansen. During January 1989, Mrs. Hansen was appointed CFO of The Rutherford Group, Inc., Waco, Texas, a holding company. During December 1989, Ms. Hansen was also appointed Controller of The Rutherford Group, Inc. and continues to serve in both positions. Mrs. Hansen was appointed as Controller and Assistant Secretary of LMI during June 1993. During March 1998, Mrs. Hansen was appointed as CFO of LMI.

Vice-President of Administration and Operations: Staci Dalton. Staci Dalton joined LMI in 1992 as part of the marketing team. In May 2002 she was appointed Director of Marketing and Training Services. During 2004, she was elected as Vice-President of Administration and Operations.

Director of Development: Paul J. (Tony) Stigliano. Mr. Stigliano currently serves in the Development Department of LMI as Director of Development and has served in this position for more than five years.

Secretary: Morgan Schutter. Morgan Schutter joined LMI in July 2022 as an Executive Assistant. She was elected Secretary of Leadership Management, Inc., effective February 1, 2024, and continues in that role. Prior to joining LMI, she was employed by Leander Independent School District as a teacher from July 2019 until July 2022.

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Item 3: LITIGATION

No litigation is required to be disclosed in this item.

Item 4: BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

Item 5: INITIAL FRANCHISE FEE

You must pay Company an initial franchisee fee of $15,000 for the right to establish a Franchise. You may pay the fee in full (lump sum) when you sign the Franchise Agreement or make a minimum partial payment of $5,000 when you sign the Franchise Agreement and execute a promissory note for the balance of $10,000 to be paid over three (3) years (see Item 10 of this disclosure document). The initial franchise fee shall be deemed fully earned and nonrefundable in consideration for the assistance and services provided by the Franchisor prior to the start of the business, and for its cost or deferred opportunity to grant such franchise to any other party. With the exception that we will return$1,000 to you if you do not complete the initial training and we therefore would not be able to allow the Franchise to open for business. Your request for such a refund must be submitted to the Company, by certified mail, within one hundred eighty (180) days after the Franchise Agreement is fully executed. The refund will be mailed to the Franchisee within thirty (30) days of our receipt of a release of franchise rights and termination of the franchise agreement signed by the Franchisee. The fee is the same for all Franchisees under this offering. These fees are used by the Company to defray our costs for recruiting new franchisees.

Initial Training Fee: We do not charge a training fee for the training of the Franchisee or his/her sales personnel. At your request, and subject to space availability, the Company will provide training to additional members of your personnel.

Item 6: OTHER FEES

Name of Fee (1)	Amounts	Due Date	Remarks
Transfer (1) (2)	$5,000	Prior to the time of transfer	Payable when you sell your franchise
Renewal (1)	$1,500	5 years from the 1st day of the month following execution of the Agreement	Renewable for consecutive five-year terms if there has been no violation of the Agreement.
Royalties (1) (3)	6%; Not to exceed $10,000 per year	15th day of each month, on revenues received during the previous month	Payable to us by authorized draft drawn on your designated bank account
Registration Fees (4)	$50 to $500 per person	Prior to the seminar	You and/or member of your organization can attend.
Travel Expense Relating to Training	$500 to $1,500 estimate	At the time you attend training in Waco, Texas	You are responsible for your own travel expense.

(1) All these fees are uniformly imposed, Non-Refundable Fees. All fees imposed by and payable to us are non-refundable, except as set forth in Item 5 of this FDD.

(2) Prior to the transfer of a franchise, you as the transferor or the transferee must pay a $5,000 transfer fee to LMI. There is no fee if you transfer to a family member or to a corporation which you control.

(3) Royalties – Your royalty fee is based on your sales to customers, less the cost of any LMI Product delivered in connection with the sale, the net difference being computed at 6% for royalty purposes; however, this royalty is capped so as to be limited to a maximum of $10,000 per calendar year. See Section 4 of the Franchise Agreement.

(4) LMI holds special meetings several times a year. There usually is a nominal registration fee for attendees at these meetings.

Item 7: INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Description	Minimum Amount	Maximum Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchisee Fee (1)	$15,000	$15,000	Lump Sum or Finance See Item 10	At signing of Agreement	LMI
Marketing And Business System Manuals, Etc.	Included in the franchise fee	Included in the franchise fee	Included in the franchise fee		
Travel Expenses (2)	$1,000	$2,000	As Incurred	As Incurred	Independent Vendors
Real Estate And Improvements (3)	$0	$0	N/A		
Miscellaneous Opening Costs (4)	$1,000	$1,500	As Incurred	As Incurred	Independent Vendors
Additional Funds (5) (To Cover Working Capital Needs for a Start Up Period of 1 To 3 Months)	$3,000	$9,000	As Incurred	As Incurred	Independent Vendors
TOTALS (6)	$20,000	$27,500			

NOTES:

1. You may pay an initial franchise fee of $15,000 when you sign a Franchise Agreement or pay a minimum partial payment of $5,000 when you sign the Franchise Agreement and finance $10,000 (see Item 10). The initial franchise fee is nonrefundable under the terms of the Franchise Agreement, with the exception that we will return $1,000 to you if you do not complete the initial training and we therefore would not be able to allow the Franchise to open for business. Your request for such a refund must be submitted to the Company, by certified mail, within one hundred eighty (180) days after the Franchise Agreement is fully executed. The refund will be mailed to the Franchisee within thirty (30) days of our receipt of a release of franchise rights and termination of the franchise agreement signed by the Franchisee.

2. This estimates the Travel Expense for the Training Session.

3. LMI does not require that you purchase, rent or lease office space, equipment, furniture, fixtures, etc.

4. Miscellaneous opening costs may include utility deposits, incorporation fees, advertising costs, etc., which are relative to the start up of your business.

5. We recommend that you begin with initial working capital of approximately $3,000 to $9,000 to provide for operating cash and miscellaneous costs during the first three months after starting your new business. Some vendors and tradesmen require payment of fees and deposits prior to providing services, such as sales tax deposits, business license fees, advertising costs, utility deposits, etc. A franchisee who already has an ongoing business may require only nominal additional initial working capital (approximately $2,000). The Franchisor has relied on its 30 years of experience to make this estimate. Your actual costs will depend upon many factors such as your management skill, experience and business acumen, the local market for our product, etc.

6. This total is an estimate.

Item 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We will furnish you with a current product price list at wholesale cost. You are responsible for setting the retail price for products and services that you provide.

This section of the contract also provides that you will not purchase any of LMI's products from any person or entity other than LMI, any predecessor or successor of LMI or any entity which is or was wholly owned by LMI, without the express written consent of LMI. You also agree that you will not sell any other product or related services other than those marketed by us without the express written consent of LMI. These provisions were added to the contract to enable us to maintain quality control of its products and services. We are the only approved supplier for all products. We do not have any purchase arrangements with any suppliers.

You agree to comply with all the Company's standards and specifications relating to the products used or sold at the Business.

The Company does not place any restrictions on Franchisee's managers.

You agree to sell or offer for sale products and services, in the manner and style required by us. You agree not to deviate from the standards and specifications without first obtaining written consent from LMI. We shall have the right to change products and services offered by the Franchisee at any time, and there are no limits on our right to make those changes.

You must use the Company's website. Franchisee may not use individual website to direct sell any product or related products of LMI.

We do not require any purchases or leases with any persons affiliated with LMI. You are not required to purchase any type of computer system or computer service.

Revenues for LMI consist of sale of products to its franchises (which provides the major portion of our total revenues) and sale of franchises. An analysis of the amounts and percentage of such revenues for the past three fiscal years is presented in the chart:

AMOUNT	**12/31/23 Audited**	**12/31/24 Audited**	**12/31/25 Audited**
Sale of products	$624,500	$691,078	$549,906
Franchise Revenue	$81,620	$ 87,178	$80,652
TOTAL REVENUES	$706,120	$778,256	$630,558
PERCENT			
Sale of products	88%	89%	87%
Franchise Revenue	12%	11%	13%
TOTAL REVENUES	100%	100%	100%

It is estimated that 100% of the franchisee's purchases of courses and related products are required to be from the Company. There are no leases.

Item 9: FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement. It will help you find more detailed information about your obligations in these agreements and in other items in this disclosure document.

Obligation	Section in Agreement	Item in Disclosure Document
a. Site selection and acquisition / lease	None	None
b. Pre-Opening purchases/ leases	None	None
c. Site Development and other pre-opening requirements	None	None
d. Initial and ongoing training	6,11	11
e. Opening	None	None
f. Fees	3,4,6,13,14	5,6,7
g. Compliance with standards and policies/ Manuals	5	14
h. Trademarks and proprietary information	10	13,14

Obligation	Section in Agreement	Item in Disclosure Document
i. Restrictions on products/ services offered	5	8,16
j. Warranty and customer service requirements	None	None
k. Territorial development and sales quotas	None	None
l. Ongoing product/service purchases	5	8
m. Maintenance, appearance and remodeling requirements	None	None
n. Insurance	None	None
o. Advertising	12	
p. Indemnification	None	None
q. Owner's participation / management/ staffing	5/8	15
r. Records/reports	4	6
s. Inspections/audits	4	
t. Transfer	13	6,7,17
u. Renewal	2	6,17
v. Post-termination obligations	13,14	17
w. Non-Competition covenants	7	17
x. Dispute resolution	15	17
y. Royalties	4	6
z. Training	6	11

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ITEM 10: FINANCING

LMI does offer direct financing. We do not guarantee your note, lease or other obligations.

Summary of Financing Offered

Item Financed	Source of Financing	Down Payment	Amount Financed	Term	Interest Rate	Monthly Payment	Prepay Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Initial Fee	Franchisor	5,000	$10,000	36 mos.	0%	$278	None	Franchise Agreement	Loss of Franchise	Franchise Agreement Terminated
Product Purchases Inventory			None							
Sale of Product to Customers			None							
Equipment			None							

Note:
Financing is available for the franchise prospect by LMI, dependent upon the availability of funds for such financing, as well as the credit rating of the prospective Franchisee. LMI will finance up to $10,000 at 0% interest, with monthly payments up to 36 months. To obtain financing, the prospective Franchisee must execute a promissory note in favor of LMI. A copy of the Promissory Note is attached. See attachment Exhibit B-5.

To secure your obligations under the Promissory Note, you must also execute a Security Agreement and assign your Franchise Agreement to LMI as collateral.

If you decide to finance your franchise, the monthly payments would be $278.00 for 36 months.

The note may be prepaid without penalty at any time. If you fail to make timely note payments, LMI can call the note and demand immediate payment of the full outstanding balance and obtain attorney's fees if a collection action is necessary. You waive your rights to protest under the note.

Except as outlined above, there are no other terms or any other financing arrangements offered directly or indirectly by LMI. LMI has no past or present practice of selling, assigning or discounting to any other third-party notes, contracts, or other obligations of the Franchise; however, the Company may do so in the future.

LMI sells all franchises on a cash basis, except as indicated above. LMI believes other financing from commercial or other lending institutions may be available to qualified prospective Franchisees.

Item 11: COMPANY'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

A. Before you begin your business, LMI will ship your sales aids and sales training materials (Exhibit B-1 to the Agreement). There are no other pre-opening requirements other than training described in Item 11; there are no other pre-opening obligations for you by LMI.

B. After you begin your business, and during the operation of your business, LMI will provide assistance in the following manner:

1. A business start-up package, which will include (see Exhibit B-1): One each of the following programs – Effective Personal Leadership (EPL) Effective Personal Productivity (EPP) and Effective Sales Strategies (ESS).

2. Provide initial training during the first 90 days and continue training thereafter. (See Section VI of the Franchise Agreement).

3. Answer questions and assist with problem solving.

4. Conduct conferences to teach you and your sales associates the LMI Business Success System.

5. Conduct special seminars to emphasize strategic marketing and management methods.

6. Send you updated training information, products, services, motivational articles, announcements, and meetings via mail or email, etc., or conference calls.

There is no advertising program. There is no advertising fund.

See Section VI of the Franchise Agreement for Franchisor's Obligations.

C. LMI is not obligated to provide any services in the following areas:

1. Hiring and training of employees

2. Pricing

3. Administrative, bookkeeping, accounting, and inventory control procedures

4. Advertising: The Franchisor does not have any advertising programs in which the Franchisee must participate in. The Franchisee may use his/her own advertising material; however, all advertising must be approved by LMI.

D. LMI does not require the use of a computer or computer-related systems; nor do we require the use of any cash register system.

E. LMI does not select the site or approve a specific area within which you locate your business other than your area must be in the contiguous United States.

F. LMI provides Operational Manuals which are available for you to review while you are at the orientation session prior to your decision to become a franchisee.

G. LMI must receive your signed agreement and payment for the franchise before you are allowed to begin in the business. The nature of the product, orientation training, and time involved in administrative procedures will give you enough time to finish the preliminary work so that you can start your business in less than a month.

H. THE TRAINING PROGRAM OF THE FRANCHISOR AS OF THE FRANCHISOR'S LAST FISCAL YEAR END OR A MORE RECENT DATE INCLUDING:

1. THE GENERAL OUTLINE OF THE TRAINING PROGRAM:

    a. Receive start up materials and review LMI Business Success System with LMI coordinator.

    b. Will go through an Effective Personal Productivity (EPP) program with LMI home office.

    c. Will visit headquarters in Waco, TX for one day business planning process with LMI home office.

    d. Will go through sales training and LMI Business Success System sales presentation with LMI home office.

    e. Will develop marketing plan and strategy for local area with LMI home office.

    f. Continued training as made available.

2. Our Instructors Have the Following Experience:

    The experience of the instructors ranges from a minimum of five (5) years' experience with the franchisor to a maximum of over twenty (20) years' experience. The President, Vice Presidents, and our Development Director are involved in the training of LMI Franchisees. (See the attachment: LMI Training Instructors).

3. Charges to be made to the franchisee and who must pay travel and living expenses of the enrollees in the training program:

   A minimum registration fee is required for additional training, such as Regional Meetings and the LMI National Convention. Also, Franchisees pay their own travel and living expenses to the meeting.

4. The training program is mandatory All the franchisees appointed during 2025 attended the training program.

5. Additional training programs and/or refresher courses are not required. However, special seminars to emphasize marketing and management methods are held from time to time. Franchisees are not required to attend. There is no fee.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
LMI Business Success System	3	One per month (Six months minimum)	LMI Home Office initially followed up with weekly teleconferences
Business Planning	2	One per month (Six months minimum	LMI Home Office initially followed up with weekly teleconferences
Sales	1	One per month (Six months minimum)	LMI Home Office initially followed up with weekly teleconferences
Marketing Plan Strategy	1	One per month (Six months minimum)	LMI Home Office initially followed up with weekly teleconferences
Effective Personal Productivity		Two per week (8 weeks)	Web Seminar
Sales Marketing		One per month	Teleconference

Note A: Initial training for new franchise partners is held one-on-one with the new franchisee at the LMI Home Office in Waco, TX, within thirty (30) days of full execution of the franchise agreement. Follow-up training continues for a minimum of 180 days with individual, weekly calls, as well as monthly group teleconferences.

Note B: No additional training programs and/or refresher courses are required. However, LMI encourages all Franchisees to attend the additional training opportunities offered during the year.

LMI
TRAINING

INSTRUCTORS

Randy Slechta, Chairman of the Board, CEO and President. Randy Slechta was appointed Chairman of the Board of Leadership Management, Inc. during May 2014. He has served as CEO and President of LMI for more than five years and continues in that role. Mr. Slechta is also the CEO and President of Leadership Management International, Inc. and has been so for more than five years.

Paul J. (Tony) Stigliano, Director of Development, has served as a marketing and sales executive with LMI since 1982. He has been the number one recruiter for the Company for the past 15 years. He has extensive marketing, sales and training experience. He is a highly respected business leader.

Staci Dalton, Vice-President of Administration and Operations, Ms. Dalton joined LMI in 1992 as part of the marketing team; in May 2002 she was appointed Director of Marketing and Training Services. During 2004, she was elected as Vice-President of Administration and Operations.

ITEM 12: TERRITORY

You will not receive exclusive territory. This Franchise may be operated from any location; it is not site specific. LMI may establish other franchises that may compete with you. LMI has not established, nor does it presently intend to establish any company-owned outlets using LMI's trade name or trademarks. Neither has LMI established, nor does it presently intend to establish, other franchises or company-owned outlets selling or leasing similar products or services under a different trade name or trademark.

ITEM 13: TRADEMARKS

All trademarks, service marks, trade name, logotypes and commercial symbols discussed in this disclosure document ("Proprietary Marks") were developed and are owned by LMI or SMI. LMI and SMI since their respective inception continued the practice of registering and renewing all trademarks, logotypes, or other symbols and will continue this practice. These marks have been duly registered with the United States Patent and Trademark Office and its counterparts in some international markets.

At present, Leadership Management International, Inc., owns 38 registered marks that are available for any franchise to use. None of the marks have been registered in any individual state. A list of the Proprietary Marks is included herein as Attachment E.

The Franchise Agreement specifically limits the use of the Proprietary Marks to the promotion and sale of LMI's products in the continental United States and as affixed to LMI's products. You may use the marks as a part of the name under which your franchise will be operated; except that you may include the marks on letterhead or stationery, provided that you also include the notation that you are an LMI Franchisee.

Proprietary Marks may be used in your business listing. In the event of termination of your Franchise Agreement, you must immediately cease to make use of the marks except as they are already affixed to LMI's products by LMI.

Careful study should be made of Paragraph 10 of the Franchise Agreement for a full understanding of the restrictions of your use of LMI's Proprietary Marks and the use of other trademarks, trade names and commercial symbols.

LMI and SM, Inc. claim common law rights arising from the exclusive use, protection and enforcement of the names, marks and symbols listed in Attachment E from the date of their first use. As discussed above, LMI derives the right to use and further license the Proprietary Marks from the License Agreement. Pursuant to the License Agreement, LMI is obligated to cause you to maintain high quality services offered under the Proprietary Marks. So long as the License Agreement is in effect, and LMI continues to offer franchises, it is entitled to license the marks to all new Franchisees. In the event of termination of the License Agreement, you will be entitled to continue the use of the Proprietary Marks in your franchise business until termination of your Franchise Agreement.

Neither LMI nor SM, Inc. has experienced any opposition, cancellation proceeding or other interruption of its trademarks, nor is there any such action pending in the state in which your franchise business is to be located. There has not been any pending (or otherwise) material litigation or any determination of the Patent Office that would involve proprietary marks that are material to the franchise. Other than restrictions with respect to maintaining the integrity of the Proprietary Marks, there are no agreements currently in effect which significantly limit the rights of LMI to license the use of such trademarks, service marks, trade names, logotypes, or other commercial symbols in any manner material to you. There are no agreements nor will there ever be any agreements limiting the rights of LMI's use of these trademarks; therefore, your rights to use the trademarks would not be limited, restricted, or cancelled.

There is no federal or state litigation regarding the Franchisor's use or ownership rights of any of its trademarks. There are no agreements which affect in any manner or limit the rights of the Franchisor to the use or license of its trademarks.

Paragraph X of the Franchise Agreement asserts ownership of these trademarks, although the Franchise Agreement does not obligate LMI to protect your rights to the use of these trademarks, LMI agrees to protect your rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you, as a franchisee, from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. As written, your limited use of the trademark requires a notation that this mark is registered in the United States Patent and Trademark Office by SM, Inc. Therefore, any claims of infringement or unfair competition with respect to the trademark rightfully should be directed toward LMI or SM, Inc. and not toward you.

Many of the principal registered trademarks of SM, Inc. have reached the 7-year limit and Certificates of Continued Usage have been filed with the Patent and Trademark Office and are still in full force and effect.
To LMI's knowledge, there are no infringing uses of such trademarks which could materially affect the use of the marks by you, either in this state or in any other state.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

LMI owns no patents; however, all of the products which are sold or offered for sale to you are copyrighted by legend © works of Mr. Paul J. Meyer or Success Motivation, Inc. The copyright owners have granted license agreements to LMI to distribute such products.

All of the products marketed by LMI have been published with a claim to copyright by legend. In addition, all other printed material of substance has been similarly copyrighted, and the performance rights of recordings have also been preserved.

In Paragraph 10 of the Franchise Agreement, you will agree that the Proprietary Marks and copyrights are owned by LMI and that you have no right to reproduce, copy or imitate nor to aid or abet any parties in such action which would infringe upon the right of LMI by

reproducing, copying, or imitating any portion or part of LMI's products. No copyrights have reached their first renewal date.

None of the copyright materials found in this disclosure document are registered in the Copyright Office of any state. Neither LMI nor any copyright owner has experienced any interference, opposition, or cancellation proceedings of it copyrights, nor is there any pending litigation involving these copyrights which is relevant to their use in this state. LMI knows of no infringement of its copyrighted material which could materially affect your business in this or any state.

In addition to the copyrighted material that you will have the right to sell, you understand and agree that, from time to time, you will come into possession of certain of LMI's trade secrets concerning the manner in which it conducts business, including, but not necessarily limited to: all confidential lists of LMI Franchisees and franchise organizations (including names, addresses and phone numbers); all material contained in LMI's sales training and management training manuals; customer lists; and LMI materials clearly marked or labeled as trademarked or trade secrets most particularly as applicable to methods of operations, or confidential practices. Although LMI has not filed applications for copyright registration for these materials, it claims copyright and the information is proprietary. This proprietary information must be kept confidential by you. Upon termination of this Agreement, you may not use, sell, teach, train or disseminate in any manner to any other person, firm, corporation or association any proprietary information pertaining to LMI's business and/or the manner which it is conducted.

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

A. Franchisee agrees to:

(1) Designate and always retain an individual to serve as the "Operating Principal" under the Franchise Agreement. The Franchisee may serve in that position.

The Operating Principal may, at his option, and subject to the Company's approval, designate an individual to perform the duties and obligations of the Operating Principal described in the Agreements. The Operating Principal (or his designee, if applicable) must devote substantial full time and best efforts to the supervision and performance of the Franchise under the Agreements.

(2) The person designated will meet the standards set forth for this position, as provided in the Manuals or other written instructions. The Operating Principal (or his designee) must satisfy the training requirements stated in the Franchise Agreement.

(3) Comply with all the Company's standards and specifications relating to the products used or sold at the Business.

(4) To sell or offer for sale products and services, in the manner and style required by the Franchisor. Franchisee agrees not to deviate from the standards and specifications without first obtaining written consent from the Franchisor. Franchisor shall have the right to change products and services offered by Franchisee at any time, and there are no limits on our right to make those changes.

(5) Obtain in sufficient supply and use and sell only the products that conform to our standards and specifications.

B. Franchisee may decide the prices they charge to their customers.

C. Franchisee covenants and agrees that it shall make reasonable efforts to operate the business to achieve optimum sales.

D. If Franchisee is a corporation or partnership, Franchisee represents, warrants, and covenants that:

(1) Franchisee is duly organized and validly existing under the state law of its formation.

(2) Franchisee is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification.

(3) The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's corporate power, if Franchisee is a corporation, or if Franchisee is a partnership, permitted under Franchisee's written partnership agreement and have been duly authorized by Franchisee.

E. Franchisee shall comply with all requirements of federal, state, and local laws, rules, regulations, and orders.

F. Franchisee shall comply with all other requirements and perform such other obligations as provided for in this Agreement.

G. Franchisee is required to set up an LMI sub site (no site set up fee will be charged) or obtain written approval from Franchisor to maintain an individual website. Franchisee may not use individual website to direct sell any product or related products of LMI.

H. Franchisee's Performance:

(1) Franchisee agrees to work conscientiously and progressively toward growth and development of the Franchise and to use discretion and judgment in enlisting and training new sales representatives. Franchisee shall carefully supervise sales personnel, search for additional avenues and fields in which to increase sales and

seek any other method which will enhance the sales and acceptance of Company's products pursuant to the terms and conditions of this Franchise Agreement.

(2) After the first full calendar year beginning January 1, and during each calendar year thereafter while this Franchise Agreement is in effect, Franchisee agrees to purchase a minimum of $2,500.00 worth of Company's products at the then current Franchisee prices as indicated in the Company's most current confidential price list.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

A Franchisee can sell any or all of the products offered by the Franchisor. The Franchisor has the right to add new programs and to delete present programs at its discretion. At least thirty (30) days notice of any such changes will be given to the Franchisee. Franchisee agrees to use LMI products and materials, exclusively, for sale to its clients (unless other material is approved in writing by LMI).

Franchisee is not restricted regarding which customers they may market and sell.

In regard to servicing clients, Franchisee agrees:

A. To register all new clients monthly (including name, address, phone numbers, etc.) with LMI. This information is to be sent, on the form provided by LMI, along with the monthly royalty report. LMI commits to keeping this information confidential and agrees not to compete directly with Franchisee's clients.

B. Franchisee agrees that all clients registered by Franchisee shall revert to and become the exclusive property of LMI if the Franchisee terminates their Franchise Agreement. If the Franchisee transfers his/her Franchise, with approval by LMI, all clients registered to the Franchisee shall be transferred to the new Franchisee.

C. To supply client feedback in the form recommended by LMI monthly.

Paragraph 5 of the Franchise Agreement contains a covenant whereby you agree not to purchase any of LMI's products from anyone other than LMI without the prior written consent of LMI (see item 8).

Paragraph 7 of the Agreement contains a covenant whereby you agree not to engage in competition against LMI by offering goods and services in the field of personal development, self-improvement, motivation, human relations, sales training, leadership or executive development so long as you remain a Franchisee. Goods and services in the above fields are the only conditions whereby you would be restricted or limited as to the goods or services you may offer. If you are already in a consulting or marketing business at the time you are considering becoming a Franchisee, LMI is willing to consider requests for a modification of Paragraph 7 to allow you to continue with the sale of goods and services being sold at the time you become a Franchisee; so long as the goods and services are not

directly competitive with the programs or products of LMI and do not violate any of LMI's copyrights, trademarks or trade secrets. This modification is made with a Letter of Addendum to the Franchise Agreement similar to the following:

> "Restrictions against the activities of the Franchisee, while this contact is in force and the Franchisee is an active Franchisee, shall not apply to the Franchisee's present activities [i.e.: (Franchisee's occupation) consulting, seminar work, etc.] or to any program or product, so long as that program or product is not directly competitive with the programs or products of LMI and does not violate any of the Company's copyrights, trademarks, or trade secrets.
>
> The Franchisee agrees that upon termination of the Agreement, he will not (for a period of 2 years thereafter): Sell or offer for sale any form of recordings, courses or similar products in the field of motivation, sales training, leadership or executive development that will use products or services in any manner that would violate Company's copyrights, trademarks or trade secrets; nor shall the Franchisee aid or assist others in doing so."

The above restriction will apply to acts conducted within 100 miles of any area in which you or your sales representative(s) have made substantial sales of LMI products within the 2-year period immediately preceding termination of the Agreement.

Franchisee agrees to adhere to the following standards:

A. Franchisee recognizes and agrees that from time to time hereafter, Franchisor may change or modify the Company's Systems, including, without limitation, the adoption and use of new or modified trade names, trademarks, patents, service marks or copyrighted materials and Franchisee agrees to accept, use and display for the purposes of this agreement any such changes or modifications in the Company's System, including new or modified trade names, trademarks, service marks or copyrighted materials, as if they were part of the Company's System at the time of execution hereof; and the Franchisee will make such reasonable expenditures as such changes or modifications in the Company's System or the adoption, use and display of new or modified trade names, trademarks, service marks or copyrighted materials may require. For purposes of this agreement, all references to the Company's System shall include such future changes and modifications.

B. Franchisee recognizes the mutual benefit to Franchisee, Franchisor and other Franchisees of Franchisor of the uniformity of service, products and advertising of the Company's System and understands that such uniformity is necessary for the successful operation of the Company. Franchisee also acknowledges that services and products sold under the Company's name using the Company's System have a reputation for excellence. This reputation has been developed and maintained by Franchisor, and Franchisee acknowledges that it is of the utmost importance to Franchisor, and to all other Franchisees that such reputation be maintained. To this end Franchisee covenants

and warrants with respect to the operation of their franchise and its employees will comply with all of the standard requirements of the Company's System throughout the term of this agreement.

1. Operate, market, and sell only services and products sold therein in accordance with the specifications, standards, business practices and policies of Franchisor now in effect or hereafter promulgated by Franchisor for its Franchisees, and comply with all requirements of the Company's System as they are now or hereafter established. Franchisor and its duly authorized representatives shall have the right, if they so elect, to inspect the same at all reasonable times to ensure that Franchisee is complying with such standards. If Franchisee in any way fails to maintain the standards of service established by Franchisor, Franchisor shall notify Franchisee in writing and give Franchisee thirty *(30)* days in which to cure any violations. If Franchisee fails to cure any violation within such thirty *(30)* day period, Franchisor shall, in addition to any other remedy available to it, have the right to cancel the Franchise Agreement for cause.

2. To use the "LMI" name for its Franchise and for all signage, advertising, stationary, business cards, etc. in accordance with the Company's standards for use.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The following table lists important provisions of the **Franchise Agreement**. You should read these provisions in the Franchise Agreement attached to this disclosure document as Exhibit B.

CATEGORY	Section In Agreement	Summary
a. Length of the term of the franchise	2a	Term is for 5years
b. Renewal or extension of the term	2	Franchise may be renewed for consecutive five (5) year periods unless the Agreement has been terminated due to violations see Section 9.
c. Requirements for franchisee to renew or extend	2	1. Notify intent to renew 2. Pay the renewal fee 3. Not be in violation or default of terms of Franchise Agreement
d. Termination by franchisee	14	You may terminate for any reason by giving 60 days written notice
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with "cause"	14	LMI can terminate if you default or for good cause.
g. "Cause" defined - defaults which cannot be cured	14	You have 30 days to: discontinue violation(s) of the contract; cure non-payment of accounts and/or satisfy minimum purchase requirement. You have 60 days to cure any defaults not otherwise specified.

CATEGORY	Section In Agreement	Summary
h. "Cause" defined - curable defaults	14	The provision in the Franchise Agreement which provides for termination upon bankruptcy may not be enforceable under Federal Bankruptcy law (11 U.S.C. Section 101 et.seq.)
i. Franchisee's obligations on termination/non-renewal	14	You lose the right to market LMI programs except to sell the programs you have on hand
j. Assignment of contract by Franchisor	13	No restrictions on LMI's right to assign
k. "Transfer" by you definition	13	Transfer of contract, assets or change in ownership
l. Company approval of transfer by Franchisee	13	Transfer must be approved by LMI whether owned by an individual or a corporation; but LMI cannot unreasonably withhold consent.
m. Conditions for Franchisor approval of transfer	13	Transferee must be of good character, pay transfer fee, and sign the Agreement. You must pay any outstanding accounts due to LMI.
n. Company's right of first refusal to acquire your business	None	
o. Company's option to purchase your business	None	
p. Death or disability of franchisee	13	No restriction on disability. Your estate or representative may transfer the franchise per approval of the new Franchisee by LMI
q. Non-competition covenants during the term of the franchise	7	No involvement in a competing business anywhere in the United States.
r. Non-competition covenants after the franchise is terminated or expires	7	No competing for 2 years or within 100 miles of LMI or another Franchisee. Neither can you assist another Franchisee nor encourage another to terminate his business.
s. Modification of the Agreement	16	If any part of the non-competition covenant is found to be void in a court of law, the covenant will be deemed modified so as to be enforceable. Any modification must be made in writing and signed by you and LMI.
t. Integration / merger clause	16	Only the terms of the Agreement are binding, subject to state law. Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	15	Company and Franchisee agree to consent to dispute resolution by arbitration or mediation which will be binding upon both parties.
v. Choice of Forum	16	The venue is Texas
w. Choice of Law	16	Governed by the laws of the State of Texas

These states have statutes which may supersede the Franchise Agreement in your relationship with us including the area of termination and renewal of your franchise: ARKANSAS (Stat. Section 79-807), CALIFORNIA (Bus. & Prof. Code

Sections 2000-20043), CONNECTICUT (Gen. Stat. Section 42-133 e et seq.), DELAWARE (Code, tit.), HAWAII (Rev. Stat. Section 482E-1), ILLINOIS (815ILCS705/1-44), INDIANA (Stat. Section 23-2-7), IOWA (Code Sections 523H.1523H.17), MICHIGAN (Stat. Section 19.854(27), MINNESOTA (Stat. Section 80C.14), MISSISSIPPI (Code Section 75-24-51), MISSOURI (Stat. Section 407.400), NEBRASKA (Rev. Stat. Section 87-401), NEW JERSEY (Stat. Section 56:10-1), SOUTH DAKOTA (Codified Laws Section 37-5B), VIRGINIA (Code 13.1-557-574-13.1-564), WASHINGTON (Code Section 19.100.180), WISCONSIN (Stat. Section 135.03). These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your Franchise.

These states have statutes which limit our ability to restrict your activity after the Franchise Agreement has ended: CALIFORNIA (Bus. & Prof. Code Section 16,600), FLORIDA (Statutes Section 542.33), MICHIGAN (Complied Laws Section 445.771 et seq), MONTANA (Codes Section 30-14-201), NORTH DAKOTA (Century Code Section 9-08-06), OKLAHOMA (Statutes Section 15-217-19), WASHINGTON (Code Section 19.86.030). Other states have court decisions limiting our ability to restrict your activity after the Franchise Agreement has ended.

The Conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Illinois law: 815 ILCS 705/19 and 20. The law of the state of Illinois prohibits any requirement to litigate any cause of action, except for arbitration proceedings, or any choice of law provision arising under the Franchise Agreement for any state other than Illinois.

A provision in the Franchise Agreement which terminates this agreement on your bankruptcy may not be enforceable under Title 11, United States Code Section 101.

ITEM 18: PUBLIC FIGURES

LMI does not use any public figures to promote its franchise.

LMI pays royalties, based on sales, to a number of public figures who are authors of certain LMI products. The names of the public figures may be used by LMI from time to time in advertising the products. The use of the names of the authors in this advertising does not constitute an endorsement of LMI or the franchises offered by LMI.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or 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 Randy Slechta at 254/776-2060, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS & FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2023 to 2025

Outlet Type	Year	Franchises at the Start of Year	Franchises at the End of the Year	Net Change
Franchises	2023	111	112	+1
	2024	112	108	-4
	2025	108	109	+1
Total Outlets	2023	111	112	0
	2024	112	108	-2
	2025	108	109	+1

Note: The Company does not own or operate any franchises; nor do they own or Operate Company-owned outlets, therefore, all figures herein representing Franchises also represents the total outlets.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other Than the Franchisor)
For Years-2023 to 2025

State	Year	Number of Transfers
GA	2023	1
None	2024	None
None	2025	None

Table No. 3
Status of Franchised Outlets
For Years-2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Termina-Tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
AK	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
AL	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
AR	2023	4	0	0	1	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
AZ	2023	3	1	0	1	0	0	3
	2024	3	0	0	1	0	0	2
	2025	2	0	0	0	0	0	2
CA	2023	6	0	0	1	0	0	5
	2024	5	1	0	0	0	0	6
	2025	6	0	0	0	0	0	6

State	Year	Outlets at Start of Year	Outlets Opened	Termina-Tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
CO	2023	4	1	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
CT	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
DE	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
FL	2023	8	1	0	1	0	0	8
	2024	8	1	0	0	0	0	9
	2025	9	0	0	0	0	0	9
GA	2023	3	2	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
IA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
IL	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
IN	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
KS	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
KY	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
LA	2023	2	0	0	1	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MA	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
MD	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
ME	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MI	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Termina-Tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
MN	2023	1	0	0	1	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MO	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NC	2023	3	1	0	0	0	0	4
	2024	4	0	0	2	0	0	2
	2025	2	0	0	0	0	0	2
NE	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
NH	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
NJ	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	1	0	0	0	0	5
NM	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
NV	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NY	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	1	0	0	1
OH	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
OK	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
OR	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
PA	2023	9	0	0	0	0	0	9
	2024	9	1	0	1	0	0	9
	2025	9	0	0	0	0	0	9
RI	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	0	0	0	0	2
SC	2023	5	0	0	1	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Termina-Tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
TN	2023	2	0	0	1	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
TX	2023	16	1	0	3	0	0	14
	2024	14	0	0	1	0	0	13
	2025	13	0	0	1	0	0	12
VA	2023	2	0	0	1	0	0	1
	2024	1	0	0	0	0	1	0
	2025	0	0	0	0	0	0	0
WA	2023	1	0	0	0	0	0	1
	2024	1	0	0	1	0	0	0
	2025	0	0	0	0	0	0	0
WI	2023	3	0	0	0	0	0	3
	2024	3	0	0	1	0	0	2
	2025	2	1	0	0	0	0	3
Totals	2023	111	11	0	10	0	0	112
	2024	112	6	0	9	0	1	108
	2025	108	3	0	2	0	0	109

NOTE:

1. All numbers are as of December 31, 2025.

2. The numbers in the "Total" column may exceed the total number of franchisees because several events may have affected the same franchisee.

3. Only states with active franchises or franchises terminated in the last three years have been listed on this table.

4. Please see attachment C for complete listing of operational franchises and attachment D for a complete listing of the Franchisees who left the system as of December 31, 2025.

There are no franchisees who have not communicated with the Franchisor within the ten weeks of this application.

Table No. 4
COMPANY-OWNED OUTLETS
FOR YEARS 2023 to 2025

State	Year	Company owned
None	2023	None
None	2024	None
None	2025	None

Table No. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2025

	FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY OWNED OUTLET IN THE NEXT FISCAL YEAR
Florida	0	2	0
Texas	0	2	0
Totals	0	4	0

Only states with planned activity have been listed in Table No. 5.

The Company does not own or operate any Franchises; nor does it have any Company-owned operating units. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

The Franchisor has not signed any confidential clauses with any current or former franchises during the past three years.

ITEM 21: FINANCIAL STATEMENTS

Included herein are the Company's financial statements for the years ended December 31, 2025, 2024, and 2023. These statements include:

Leadership Management, Inc. Balance Sheet
Leadership Management, Inc. Statement of Income and Stockholder's Equity
Leadership Management, Inc. Statement of Cash Flows
Leadership Management, Inc. Notes to Financial Statements.

The financial statements have been examined by Pattillo, Brown & Hill as explained in the accountant's report, and have been included in reliance upon such reports given upon the authority of Pattillo, Brown & Hill as experts in accounting and auditing. See Exhibit A.

ITEM 22: CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

1. Franchise Agreement - Exhibit B is a sample of the Franchise Agreement which will be used in this state.
2. Start-Up Materials – Exhibit B-1

3. Franchisee Draft Authorization Form – Exhibit B-2
4. Sample Of a Transfer Agreement – Exhibit B-3
5. Business Success System – Table of Contents – Exhibit B-4
6. Sample Promissory Note – Exhibit B-5
7. Wisconsin Addendum Letter – Exhibit B-6

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.

Attachments

A. State Administrators
B. Agents for Service of Process
C. List of Current Franchisees
D. List of Franchisees Who Have Left the System within the Past 12 Months
E. Proprietary Marks

Item 23: Receipts

Located on last pages of this Franchise Disclosure Document

EXHIBIT A

LEADERSHIP MANAGEMENT, INC.

FINANCIAL STATEMENTS

FISCAL YEARS ENDED
DECEMBER 31, 2025, 2024 and 2023

WITH INDEPENDENT AUDITOR'S REPORT

LEADERSHIP MANAGEMENT, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2025, 2024, AND 2023

WITH INDEPENDENT AUDITOR'S REPORT

LEADERSHIP MANAGEMENT, INC.

FOR THE YEARS ENDED
DECEMBER 31, 2025, 2024, AND 2023

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PB&H

PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

INDEPENDENT AUDITOR'S REPORT

To Those Charged with Governance and Stockholders
Leadership Management, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Leadership Management, Inc. (a Texas corporation), which comprise the balance sheets as of December 31, 2025, 2024, and 2023, 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 Leadership Management, Inc. as of December 31, 2025, 2024, and 2023, 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 Leadership Management, Inc. 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 Leadership Management, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

OFFICE LOCATIONS
TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Auditor's Responsibilities for the Audit of the Financial Statements

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

Other Information

Management is responsible for the other information included in the franchise disclosure document. The other information comprises the federally mandated information but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
February 23, 2026

LEADERSHIP MANAGEMENT, INC.

BALANCE SHEETS

DECEMBER 31, 2025, 2024 AND 2023

	December 31,		
	2025	2024	2023
ASSETS			
Current assets:			
Cash	$ 77,360	$ 233,788	$ 219,771
Certificate of deposit	262,020	250,000	250,000
Accounts receivable	4,107	3,332	4,416
Accounts receivable - affiliates	6,032	7,960	10,789
Inventories	85,681	119,076	153,159
Prepaid expenses	578	578	916
Total current assets	435,778	614,734	639,051
Deferred tax asset	75,872	75,872	75,872
Property and equipment (net of accumulated depreciation of $33,344, $33,344, and $33,344, respectively)	-	-	-
Total assets	$ 511,650	$ 690,606	$ 714,923
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable:			
Trade	$ 3,754	$ 18,825	$ 18,220
Affiliates	-	3	3
Accrued liabilities:			
Taxes other than income taxes	2,307	2,092	2,323
Commissions	1,627	1,750	2,246
Professional fees	9,500	9,000	9,000
Interest	-	-	10,614
Current portion of small business administration loan	3,430	3,304	-
Total current liabilities	20,618	34,974	42,406
Deferred revenue	100,620	135,202	139,698
Due to affiliates	936	3,017	2,700
Small business administration loan, net of current portion	140,879	144,022	150,000
Total liabilities	263,053	317,215	334,804
Stockholders' equity:			
Common stock, par value $1.00 per share, authorized, issued and outstanding 50,000 shares	50,000	50,000	50,000
Contributed capital	860,000	860,000	860,000
Retained earnings (deficit)	(661,403)	(536,609)	(529,881)
Total stockholders' equity	248,597	373,391	380,119
Total liabilities and stockholders' equity	$ 511,650	$ 690,606	$ 714,923

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

LEADERSHIP MANAGEMENT, INC.

STATEMENTS OF INCOME

DECEMBER 31, 2025, 2024 AND 2023

	For the Years Ended December 31,		
	2025	2024	2023
Franchise revenue	$ 80,652	$ 87,178	$ 81,620
Management fees	75,000	60,000	60,000
Sales (net of discounts of $11,733, $18,331, and $15,967, respectively)	474,906	631,078	564,500
Total revenue	630,558	778,256	706,120
Cost of goods sold	358,537	375,968	333,804
Gross profit	272,021	402,288	372,316
Operating expenses:			
Selling expenses	29,759	51,726	65,564
Salaries and benefits	94,110	124,408	78,439
Other administrative expenses	109,721	99,813	147,295
Facilities expense	110,248	80,850	83,847
Total operating expenses	343,838	356,797	375,145
Operating income (loss)	(71,817)	45,491	(2,829)
Other income (expense):			
Other income	217	-	15,283
Interest income	13,449	15,778	3,131
Interest expense	(5,742)	(5,096)	(6,377)
Professional fees	(60,901)	(62,901)	(54,000)
Total other income (expenses)	(52,977)	(52,219)	(41,963)
Net income (loss)	$(124,794)	$(6,728)	$(44,792)

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

LEADERSHIP MANAGEMENT, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

DECEMBER 31, 2025, 2024, AND 2023

	Common Stock	Contributed Capital	Retained Earnings (Deficit)	Total
Balance, January 1, 2023	$ 50,000	$ 860,000	$(485,089)	$ 424,911
Net loss	-	-	(44,792)	(44,792)
Balance, December 31, 2023	$ 50,000	$ 860,000	$(529,881)	$ 380,119
Net loss	-	-	(6,728)	(6,728)
Balance, December 31, 2024	$ 50,000	$ 860,000	$(536,609)	$ 373,391
Net loss	-	-	(124,794)	(124,794)
Balance, December 31, 2025	$ 50,000	$ 860,000	$(661,403)	$ 248,597

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

LEADERSHIP MANAGEMENT, INC.

STATEMENTS OF CASH FLOWS

DECEMBER 31, 2025, 2024 AND 2023

	For the Years Ended December 31,		
	2025	2023	2022
NET CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	$(124,794)	$(6,728)	$(44,792)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Changes in operating assets and liabilities:			
Accounts receivables	1,153	3,913	2,412
Inventories	33,395	34,083	(23,739)
Prepaid and other expense	-	338	-
Due to affiliated companies	(2,081)	317	(1,525)
Accounts payable	(15,074)	605	12,323
Deferred revenue	(34,582)	(4,496)	29,276
Accrued expenses	592	(11,341)	(3,099)
Net cash flows provided (used) by operating activities	(141,391)	16,691	(29,144)
CASH FLOWS FROM INVESTING ACTIVITIES			
Certificate of deposit	(12,020)	-	(250,000)
Net cash flows used by investing activities	(12,020)	-	(250,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on long-term debt	(3,017)	(2,674)	-
Net cash flows used by financing activities	(3,017)	(2,674)	-
NET INCREASE (DECREASE) IN CASH	(156,428)	14,017	(279,144)
CASH, BEGINNING OF YEAR	233,788	219,771	498,915
CASH, END OF YEAR	$ 77,360	$ 233,788	$ 219,771
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Federal income taxes paid	$ -	$ -	$ -
Interest paid	$ 5,742	$ 15,710	$ 8,772

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

LEADERSHIP MANAGEMENT, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2025, 2024, AND 2023

1. SUMMARY OF BUSINESS ACTIVITIES

Leadership Management, Inc. (the "Company"), was founded in 1965 to help companies develop leadership skills. The Company provides lines of programs and courses designed to help people achieve their professional and personal goals.

The Company is part of a closely held controlled group as described in the *related party transaction* footnote below. These financials reflect the Company as a stand-alone entity and all material related party transactions have been disclosed.

The following is a reconciliation of the number of franchises in operation:

	2025	2024	2023
Franchises at January 1	108	112	111
New franchises added during the year	3	6	11
Franchises canceled or terminated during the year	(2)	(10)	(10)
Active at December 31	109	108	112

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Key accounting policies that include significant judgements and estimates include:

- Useful lives of property and equipment
- Allowance for doubtful accounts
- Reserve for obsolete inventory

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all unrestricted demand deposits and money market funds with original maturities of three months or less to be cash equivalents. The Company had no cash equivalents as of December 31, 2025, 2024, and 2023.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable arise in the normal course of business. It is the policy of management to review the outstanding accounts receivable on a continual basis, write-off debts deemed uncollectible, and establish an allowance for doubtful accounts. As of December 31, 2025, 2024, and 2023, the Company had an allowance for doubtful accounts of $2,460, $0 and $7,000.

Revenue Recognition

The Company has adopted accounting standards update ("ASU") 2014-09 Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, "Accounting Standards Codification ("ASC") Topic 606".)

In accordance with the standard the Company's recognition of revenues generated from each source is as follows:

Franchise royalties, which are based on a percentage of the franchisees' sales are recognized at the time the underlying sales occur.

Sales of programs, trainings materials, planners, etc. are recognized at the time the underlying sales occur and the items are transferred to the customer.

The details of the significant changes in revenue recognition and quantitative impact of the changes are discussed below.

Initial Franchise Fees

Typically, franchise rights are granted to franchisees for an initial term of five years with an option to renew for 1-5 years with renewal fees between $150-$2,500 contingent on the relationship and royalty collections from the franchisee. In exchange for initial franchise fees and royalties, the Company is obligated by its franchise agreement to provide training, operating manuals, written advice, and marketing supplies. Under the previous revenue recognition guidance, revenues from initial franchise fees were recognized when the obligations of the Company to prepare the franchisee for operation were substantially complete, which occurred at the initiation point.

Under the new guidance, the standard requires that the transaction price received from customers be allocated to each separate and distinct performance obligation. The transaction price attributable to each separate and distinct performance obligation is then recognized as the performance obligations are satisfied. The services that the Company provides related to the initial franchise fees the Company receives from franchisees do not contain separate and distinct performance obligations from the franchise right. Accordingly, under the new standard, initial franchise fees, as constrained for amounts the Company does not expect to collect, will be recognized over the initial term of the franchise agreement, which is generally five years.

Renewal Franchise Fees

Similar to initial franchise fees, revenue from renewal fees was previously recognized when the obligations of the Company were substantially complete, which occurred at the renewal point. Under the new guidance, renewal fees will be recognized over the life of the renewal period, generally between 1 to 5 years.

Refer to footnote 8 for further information on revenue recognition. Costs are recognized as incurred, and as of December 31, 2025, the Company had not capitalized any incremental costs of obtaining a contract in accordance with ASC 340-40, *Other Assets and Deferred Costs – Contracts with Customers*.

Inventories

Inventories are priced at the lower of cost (first-in, first-out method) or market. As of December 31, 2025, 2024, and 2023, there was no reserve for obsolete inventory, as management expects all inventory is still saleable. Any inventory deemed obsolete has been written off to expense. During the years ended December 31, 2025, 2024, and 2023, the Company has written off obsolete inventory of $7,871, $10,649, and $17.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed on the straight-line method in amounts sufficient to amortize the costs of the assets over their estimated lives of 3 to 5 years, for current assets held.

Maintenance and repair costs are expensed as incurred. Renewals and betterments are capitalized. The cost of assets sold or retired, as well as any accumulated depreciation, is removed from the accounts at the time of disposal and any resulting gain or loss is included in the results of operations.

Advertising

The Company's advertising expenditures consist primarily of web advertising and are expensed as incurred. For the years ended December 31, 2025, 2024, and 2023, the Company had $0, $1,234, and $2,197 in advertising expenses.

Income Taxes

The Company and its shareholders have elected to operate as a C Corporation. The Company accounts for income taxes under an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. In estimating future tax consequences, all expected future events other than enactments of changes in tax law or rates are considered. The Company reviews its deferred tax assets for ultimate realization and will record a valuation allowance to reduce the deferred tax asset if it is more likely than not that some portion, or all, of these deferred tax assets will not be realized.

The Company's tax returns are generally no longer subject to examination by the Internal Revenue Service after three years.

Concentration of Credit Risk

The Company maintains its cash balances at one financial institution, which is insured by the Federal Deposit Insurance Corporation ("FDIC"). All accounts, interest and noninterest bearing, are insured by the FDIC up to $250,000. As of December 31, 2025, 2024, and 2023, the Company had uninsured deposits, however, no losses have been incurred.

3. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2025, 2024, and 2023, are summarized below:

	December 31,		
	2025	2024	2023
Property and equipment	$ 33,344	$ 33,344	$ 33,344
Less accumulated depreciation	(33,344)	(33,344)	(33,344)
	$ -	$ -	$ -

Depreciation expense for the years ended December 31, 2025, 2024, and 2023 was $0.

4. SMALL BUSINESS ADMINISTRATION LOANS

A $150,000 Economic Disaster Loan (EIDL) was received in June 2020, the loan has a 3.75% annual interest rate and is due in thirty years with payments beginning in June 2022. Following is a summary of debt obligations at December 31, 2025, 2024 and 2023:

	December 31, 2025	December 31, 2024	December 31, 2023
Economic Diaster Loan bearing an interest rate of 3.75% with payments beginning in June 2022 and a maturity date of June 2052	$ 144,309	$ 147,326	$ 150,000
Less current maturities	(3,430)	(3,304)	-
Total long-term debt, net of current maturities	$ 140,879	$ 144,022	$ 150,000

Future maturities are as follows:

Years Ending December 31,	
2026	$ 3,430
2027	3,561
2028	3,697
2029	3,838
2030	3,984
Thereafter	125,799
Totals	$ 144,309

The debt has accrued interest of $0, $0 and $10,614 as of December 31, 2025, 2024 and 2023, respectively.

5. FEDERAL INCOME TAXES

Deferred federal income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect the taxable income. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through provisions for income taxes. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense (benefit) is the tax payable (receivable) for the period, together with the change during the period in deferred tax assets and liabilities.

In prior years, deferred tax assets and valuation allowances have been provided for all the possible future benefits. The Company currently has a net operating loss expected to be used in future years to offset taxable income. Therefore, a deferred tax asset of $75,872, $75,872 and $75,872 is recorded in 2025, 2024, and 2023, respectively. The operating losses in 2025, 2024 and 2023 were not included in the deferred tax asset as the operating loss may not be used in future years.

As of December 31, 2024, the Company had federal net operating loss carryforwards of $408,088, available to reduce future taxable income. The current year taxable loss of $122,432 has been added to the net operating loss carryforward leaving approximately $530,520 available to reduce future taxable income as of December 31, 2025. The significant differences in book vs tax loss in certain years are franchise investments recognized in the current year that had been taxed previously, along with the PPP income not being taxable.

6. RELATED PARTY TRANSACTIONS

The Company is solely owned by a trust. Beneficiaries of the trust own or have interest in the other Companies doing business with or having relationships with the Company.

As of December 31, 2025, 2024, and 2023, the Company has accounts receivable, net of the reserve for doubtful accounts, aggregating $6,032, $7,960, and $10,789, respectively, due from several companies owned or managed by related parties. These amounts are listed on the balance sheets as accounts receivable – affiliates. These balances arise as the Company advances its affiliates' money throughout the year. The balances are shown net of a reserve for doubtful accounts of $0, $0, and $0 for the years ended December 2025, 2024, and 2023.

For the years ended December 2025, 2024, and 2023 the Company also had accounts payable of $936, $3,020, and $2,703, respectively, for the various services listed below. These amounts are listed on the balance sheets as accounts payable – affiliates and due to affiliates.

During the fiscal years ended December 31, 2025, 2024, and 2023, the Company paid $80,460, $64,800 and $64,800, respectively, for building rent to a company owned by the same trust. The lease commenced on January 1, 2025, and expired on December 31, 2025. The Company has renewed this lease for one year effective January 1, 2026.

During the fiscal years ended December 31, 2025, 2024, and 2023, the Company paid professional fees of $48,000, $50,000, and $54,000, respectively, to General Consolidated Management, an affiliate of the Company.

For the years ended December 31, 2025, 2024, and 2023, the Company paid $147,000, $150,000, and $120,000, respectively, to Leadership Management International, an affiliate of the Company, for warehousing fees. The Company also recorded management fee revenue of $75,000, $60,000 and $60.000, from Leadership Management International for the years ended December 31, 2025, 2024, and 2023, respectively.

For the years ended December 31, 2025, 2024, and 2023, the Company paid $0, $0, and $170, respectively, for product development and royalties of $0, $3, and $0, respectively, to Meyer Resource Group, an affiliate of the Company.

7. EMPLOYEE BENEFIT PLAN

The Company participates in a defined contribution plan covering substantially all employees and sponsored by General Consolidated Management, Inc., an affiliate of the Company. The Company can elect to make discretionary contributions to the Plan. During the years ended December 31, 2025, 2024, and 2023, no employer contributions were made to the Plan.

8. REVENUE RECOGNITION

The Company earns revenue from two primary sources, the sale of products and franchise related revenue.

All revenue streams for the Company discussed above are within the scope of and accounted for under ASC 606. ASC 606 requires revenue to be recognized when the Company satisfies the related performance obligations by transferring to the customer a good or service through a 5-step process:

1) Identify the contract with the customer,
2) Identify the associated performance obligations,
3) Determine the transaction price,
4) Allocate the transaction price to the performance obligations, and
5) Recognize revenue when the performance obligations have been satisfied and the good or service has been transferred.

Sale of products include but are not limited to training materials, programs and planners. For the performance obligations related to sale of products, control transfers at a point in time. The Company's principal terms of sale are FOB Shipping Point and FOB Destination and the Company transfers control and records revenue for product sales either upon shipment or delivery to the customer, respectively.

Franchise related income includes initial franchise fees and renewal fees that have performance obligations that are satisfied over time and royalties that are recognized at a point in time. Initial franchise fees and renewal fees are recognized ratably on a monthly basis over the life of the contract, which is generally 5 years for the initial contract and 1-5 years for the renewal period. Royalties are recognized when earned. Royalty fees are based on 6% of sales, less cost of production. Under the terms of its franchise agreements, the Company provides initial training and continuing business consulting and marketing support to its franchises. Franchise fees and training fees are generally payable upon the execution of the franchise agreement and royalty fees generally commence upon the starting of the franchisee's business activities and are payable on or before the 15th day of each month.

For all revenue streams the overall economy will have a direct impact on the Company. If the economy were impacted negatively it will result in less disposable income for customers and thus less investment in non-essential items such as training and leadership materials and franchisee investments. Other general economic factors that could impact the Company are inflation, obsolescence and interest rates.

The following table disaggregates the Company's revenue based on the timing of the satisfaction of performance obligations for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Performance obligations satisifed over time	$ 129,516	$ 111,893	$ 107,424
Performance obligations satisfied at a point in time	501,042	666,363	598,696
	$ 630,558	$ 778,256	$ 706,120

The contract liabilities primarily relate to initial franchise fees and renewal fees, which the Company classifies as deferred revenue. Under previous revenue recognition guidance franchisee fees were recognized when the obligations of the Company to prepare the franchisee for operation were substantially complete, which occurred at the initiation point. As of year-end December 31, 2025, 2024, and 2023, deferred revenue is $100,620, $135,202 and $139,698, respectively.

9. RECLASSIFICATIONS

Certain reclassifications of prior period amounts have been made, where appropriate, to reflect comparable operating results.

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 23, 2026, the issuance date of this report. No events requiring disclosure were noted.

EXHIBIT B

LMI FRANCHISE AGREEMENT

ATTACHMENTS:

Exhibit B-1 – Start-up Materials
Exhibit B-2 – Franchise Draft Authorization
Exhibit B-3 – Sample of Transfer Agreement
Exhibit B-4 - Business Success System – Table of Contents
Exhibit B-5 - Sample Promissory Note
Exhibit B-6 – Wisconsin Addendum Letter

FRANCHISE AGREEMENT
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Exhibit B
FRANCHISE AGREEMENT

THIS AGREEMENT is made by and between LEADERSHIP MANAGEMENT, INC., a Texas corporation, (hereafter "Company") and

---
(Name)

_____
(Address)

(City, State Zip)

(Hereafter "Franchisee"):

RECITALS OF FACT

Company has acquired unique experience and special skills, technique and knowledge in the field of producing, marketing, merchandising, distributing and promoting the sale of personal and professional improvement courses, training materials, testing and evaluation products, and related products. Additionally, the Company, at great expense, has developed a distribution network for its products by entering into Franchise Agreements. By reason of its maintenance of the high standards of its programs and related products, Company has established a reputation of excellence and substantial public acceptance for its merchandise and has created good-will for its program and related products under the Proprietary Marks (as hereinafter defined) of Company.

Franchisee desires to acquire a franchise to market the Company's products within the geographic boundaries of the Continental United States of America as an independent Franchisee, making use of certain of the Proprietary Marks of Company as specified in this Agreement.

Company desires to establish Franchisee as a seller of Company's products within the geographic boundaries of the Continental United States of America.

In consideration of the forgoing and of the mutual covenants, terms and conditions contained in this Agreement, Company and Franchisee agree as follows:

1. DEFINITIONS

(a) "Proprietary Marks" shall mean the name "Leadership Management", the name “Leadership Management Institute”, the initials "LMI", the phrase "Motivating People to Their Full Potential", all of which are registered trademarks of Company, as well as all other trademarks, trade names, services marks, logos or other commercial symbols of Company.

(b) "Company's Products" shall include those items listed from time to time in Company's most current confidential price list, as well as any items hereafter designated by Company to be sold through its Franchisees.

I. GRANT

A. Franchisor hereby grants to Franchisee, upon the terms and conditions in this Agreement, the right and license, and Franchisee hereby accepts the right and obligation, to operate under the Marks and the System in accordance with this Agreement. Franchisee has represented to Franchisor that they have entered this Agreement with the intention to comply fully with the obligations to operate thereunder and acknowledge that Franchisor has granted such rights in reliance on the business skill, financial capacity, personal character of, and expectations of performance thereunder by Franchisee.

II. TERM AND RENEWAL

A. Unless sooner terminated as provided for otherwise in this Agreement, the term of this Agreement shall continue from the date the agreement is executed by LMI until the later of (i) five (5) years from the first day of the month following execution of the Agreement or (ii) at the end of any renewal period that is not exercised.

B. Franchisee may, at its option, renew the rights under this Agreement for additional consecutive terms of five (5) years each, subject to any or all of the following conditions which must, in Franchisor's discretion, be met prior to and at the time of renewal:

(1) Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor under this Agreement.

(2) Franchisee shall comply with Franchisor's then-current qualification and training requirements.

(3) Franchisee shall pay to the Franchisor, at the time of renewal a $1,500 renewal fee.

III. FEES

A. Franchisee shall pay to Franchisor an initial fee of Fifteen Thousand Dollars $15,000). You may pay the fee in full (lump sum) when you sign the Agreement or make a minimum partial payment of $5,000 when you sign this Agreement and execute a promissory note for the balance of $10,000 to be paid over three (3) years. The amount of the initial fee when and as paid shall be deemed fully earned and nonrefundable in consideration of the assistance and services provided by the Franchisor prior to the start of the business, and for its lost or deferred opportunity to grant such franchise to any other party. However, the Company will refund $1,000 of the initial fee if the Franchisee or the designated "Operating Principal", does not complete the training within 90 days after signing the franchise agreement and is not, therefore, qualified and certified as a "Certified LEADERSHIP MANAGEMENT, INC. Operator" as set forth in the Company's qualifications and standards. The request for a refund must be submitted to the Company, by Certified Mail, within 180 days after full execution of the Franchise

Agreement. The refund will be mailed to the Franchisee within thirty (30) days of our receipt of a release of franchise rights and termination of the franchise agreement signed by the Franchisee.

IV. ROYALTIES

In addition to all other amounts required to be paid hereunder, Franchisee agrees to pay to the Franchisor for the rights granted hereunder a royalty fee. The royalty fee will equal 6 percent of the Franchisee's sales figure, less the cost of the LMI Product delivered in connection with the sale, as hereinafter defined, during the entire term of this agreement; however, this royalty is limited to a maximum of $10,000 per year. Franchisee shall pay such royalty fees on a monthly basis by the fifteenth (15th) day of each month, based on the sales made during the preceding month. A statement of the relevant gross sales in a royalty report, in the form prescribed by the Company is to be submitted to Franchisor no later than the 8th business day of the month for the preceding month's activity reflecting gross sales for the month and shall include whatever other information and documents that Franchisor may reasonably from time to time require. Payment shall be made by pre-authorized draft of your account on the 15th of each month.

(a) The term "gross sales" as used in this agreement shall be equal to the amount actually received or receivable from all sales of every kind and nature from the Franchise, this includes facilitation fees, services rendered to clients as well as programs, testing, etc. "Gross sales" shall not include any amounts of sales tax.

(b) Franchisee agrees to keep full and complete records of its business operations, particularly sales. Every month Franchisee shall report the previous month's gross sales to Franchisor. Franchisee agrees that Franchisor may release Franchisee's sales results from its business to prospective Franchisees, however, the name and identity of the Franchisee will not be given without express approval of the Franchisee. Such periodic statements shall be submitted to the attention of Franchisor's franchise department no later than the 8th business day of the next month. At the end of each year, Franchisee shall submit to Franchisor at Franchisor's request, an audited annual certified report of gross sales and royalties or a certified copy of your tax return. Franchisee shall allow representatives of Franchisor to inspect Franchisee's books and records at all reasonable times in order to verify gross sales that Franchisee reports as well. If an inspection reveals that gross sales, as herein defined, reported by Franchisee to Franchisor are less than actual gross sales, Franchisee shall immediately pay to Franchisor all royalty fees based on the correct gross sales. All inspections shall be at the expense of Franchisor; provided, however, if the inspection results in a discovery of a discrepancy in the gross sales reported by Franchisee of 5% or more, then Franchisee shall pay or reimburse Franchisor for any and all reasonable expenses incurred by Franchisor in connection with the inspection including, but not limited to, legal and accounting fees, as well as interest on the amounts owed at the highest legal rates allowed from the date payment was due.

(c) Pre-Authorized Draft for Funds Transfer. Upon execution of this Agreement and at any time thereafter as Franchisor may require, Franchisee shall execute all other documents and instruments necessary to permit Franchisor to withdraw by pre-authorized draft for funds transfer from Franchisee's designated bank account the royalty fee and other amounts owed to Franchisor on the date or dates that such amounts are due. For payments based on Gross Sales, Franchisee agrees that Franchisor may calculate the amounts due based on its review of your records or, in its discretion, on the Royalty Report for the applicable period. If the Royalty Report for the applicable period has not been received within the time period required by this Agreement, the Franchisor is hereby authorized to draft a fixed amount of $800 on the 15th as a minimum royalty due. If information for the applicable period is subsequently received and reflects (i) that the actual amount due was more than the amount of the payment, then Franchisor shall be entitled to withdraw additional funds representing the amount of the difference, or (ii) that the actual amount due was less than the amount of the payment, then Franchisor shall credit the excess amount to the payment of Franchisee's future obligations, as applicable. Franchisee agrees that it shall be responsible for any transfer fee or similar charge imposed by the processing company, and for the amount of the payment due (plus a service charge of $25.00) should any funds transfer not be honored for any reason.

(d) All overdue payments shall bear interest from the date due at the rate specified by Franchisor from time to time, up to the highest rate permitted by the law of the state in which the Franchised Site is located or the laws of the state of Texas whichever is higher, but in no event to exceed eighteen percent (18%) per annum. Overdue payments will be applied to Franchisee's oldest obligation regardless of any designation by Franchisee to the contrary. This interest shall accrue regard1ess of whether Franchisor exercises its right to terminate this Agreement due to Franchisee's default in royalty or other payments or for any other reason. The Franchisee will be charged a $25.00 late fee for royalties not paid on time.

(e) The royalty fee is limited to a maximum of $10,000 per year. When the Franchisee has paid the full $10,000 in any given year, the fee will be discontinued for the remainder of the year. The royalty fee will then begin the first day of January of the next calendar year. If the Franchisee does not make enough sales to have a royalty amount of $10,000 in any given year the deficiency does not carry over into the next year.

V. FRANCHISEE'S OBLIGATIONS:

A. Franchisee agrees to:

(1) Designate and retain at all times an individual to serve as the "Operating Principal" under the Franchise Agreement. The Franchisee may serve in that position.

The Operating Principal may, at his option, and subject to the Company's approval, designate an individual to perform the duties and obligations of the Operating Principal described in the Agreements. The Operating Principal (or his designee, if applicable) must devote substantial full time and best efforts to the supervision and performance of the Franchise under the Agreements.

(2) The person designated will meet the standards set forth for this position, as provided in the Manuals or other written instructions. The Operating Principal (or his designee) must satisfy the training requirements stated in the Franchise Agreement.

(3) This section of the contract also provides that you will not purchase any of LMI's products from any person or entity other than LMI, any predecessor or successor of LMI or any entity which is or was wholly owned by LMI, without the express written consent of LMI. You also agree that you will not sell any other product or related services other than those marketed by LMI without the express written consent of LMI. These provisions had been added to the contract in order to enable LMI to maintain quality control of its products and services. We are the only approved supplier for all products. We do not have any purchase arrangements with any suppliers.

(4) All Franchisees are required to attend the Annual LMI National Convention unless circumstances would prevent their attendance and their absence is approved by LMI in writing.

(5) To use the "LMI" name for its Franchise and for all signage, advertising, stationary, business cards, etc., in accordance with Company's standards for such use.

(6) To register all new clients monthly (including name, address, phone numbers, etc.) with LMI. This information is to be sent, on the form provided by LMI, along with the monthly royalty report. LMI commits to keeping this information confidential and also agrees not to use this information to compete directly with its Franchisees.

(7) Franchisee agrees that all clients registered by Franchisee shall revert to and become the exclusive property of LMI if the Franchisee terminates their Franchise Agreement. If the Franchisee transfers his/her Franchise, with approval by LMI, all clients registered to the Franchisee shall be transferred to the new Franchisee.

(8) To supply client feedback in the form recommended by LMI monthly.

(9) Comply with all of the Company's standards and specifications relating to the products used or sold at the Business.

(10) To sell or offer for sale products and services, in the manner and style required by the Franchisor. Franchisee agrees not to deviate from the standards and specifications without first obtaining written consent from the Franchisor. Franchisor shall have the right to change products and services offered by Franchisee at any time, and there are no limits on our right to make those changes.

(11) Obtain in sufficient supply and use and sell only the products that conform to our standards and specifications.

B. Franchisee may decide the prices they charge to their customers.

C. Franchisee covenants and agrees that it shall make reasonable efforts to operate the business so as to achieve optimum sales.

D. If Franchisee is a corporation or partnership, Franchisee represents, warrants, and covenants that:

(1) Franchisee is duly organized and validly existing under the state law of its formation.

(2) Franchisee is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification

(3) The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's corporate power, if Franchisee is a corporation, or if Franchisee is a partnership, permitted under Franchisee's written partnership agreement and have been duly authorized by Franchisee.

E. Franchisee shall comply with all requirements of federal, state and local laws, rules, regulations, and orders.

F. Franchisee shall comply with all other requirements and perform such other obligations as provided for in this Agreement.

G. Franchisee is required to set up an LMI sub site (no site set up fee will be charged) or obtain written approval from Franchisor to maintain an individual website. Franchisee may not use individual website to direct sell any product or related products of LMI.

H. Franchisee's Performance:

(1) Franchisee agrees to work conscientiously and progressively toward growth and development of the Franchise and to use discretion and judgment in enlisting and training new sales representatives. Franchisee shall carefully supervise sales personnel, search for additional avenues and fields in which to increase sales and seek any other method which will enhance the sales and acceptance of Company's products pursuant to the terms and conditions of this Franchise Agreement.

(2) After the first full calendar year beginning January 1, and during each calendar year thereafter while this Franchise Agreement is in effect, Franchisee agrees to purchase a minimum of $2,500.00 worth of Company's products at the then current Franchisee prices as indicated in the Company's most current confidential price list.

VI. FRANCHISOR'S OBLIGATIONS

Franchisor agrees to provide the following:

(1) One (1) set of Confidential Operations Manuals and such other manuals and written materials as Franchisor shall have developed for use in the business.

(2) Advice and written materials concerning techniques of managing and operating the business from time to time developed by Franchisor.

(3) To provide initial training for Franchisee and ongoing training as deemed necessary.

(4) The initial fee for setting up your sub-website will be paid by us.

(5) Miscellaneous marketing supplies.

VII. CONFIDENTIALITY AND NONCOMPETITION COVENANTS

(a) It is understood and agreed that Company has created substantial good-will throughout the areas in which its products are distributed, sold, and serviced. It is further understood and agreed that all of the products made available to Franchisee are copyrighted and that no person, firm, corporation or organization, including Franchisee, has any right whatsoever to reproduce, copy or imitate any portion or part of any of Company's products, nor any right to aid or assist others in reproducing, copying or imitating any portion or part of any of Company's products.

(b) Franchisee understands and agrees that he/she will come into possession of certain of Company's trade secrets concerning the manner in which it conducts business, including, but not necessarily limited to: all confidential lists of Company's franchisees and franchisee organizations (including names, addresses and phone numbers); all material

contained in the Company's sales training and management training manuals, customer lists, computer programs related to testing; and Company materials clearly marked or labeled as trademarked or trade secrets most particularly as applicable to methods of operations, or confidential practices. These trade secrets will be kept confidential by the Franchisee. Upon termination of this Agreement, Franchisee will not use, sell, teach, train or disseminate in any manner to any other person, firm, corporation or association any trade secret pertaining to Company's business and/or the manner in which it is conducted.

(c) The agreements, covenants and conditions contained in this Paragraph 7 are the essence of this Agreement, and Company would not appoint Franchisee in the absence of such agreements, covenants and conditions. In consideration of the agreements, covenants and conditions of this Paragraph 7 made by Franchisee, Company agrees to train Franchisee in the use of the methods which it has developed at much expense for operating a Franchise and entrust to Franchisee Company's trade secrets and confidential information pertaining to the business of Company. Franchisee expressly agrees that utilization of such training and such information in competition against Company during the term of this Agreement, and for a reasonable period, thereafter, would be unfair to Company and would result in irreparable damage to Company. Franchisee further covenants and agrees that upon termination of this Agreement, for any reason, Franchisee will not, for a period of two (2) years thereafter, directly or indirectly, do any of the following acts within 100 miles of any area in which Franchisee or Franchisee's sales representatives have made any sale of Company's products:

(i) Sell or offer for sale any form of recordings, courses, or products similar to LMI's; nor shall Franchisee aid or assist others in doing so.

(ii) Induce or attempt to induce any of Company's Franchisees, employees, sales representatives or sales directors to terminate their association with Company for any reason whatsoever.

(iii). After termination, you shall cease using LMI's confidential franchise and/or affiliate list of names, addresses, phone numbers, fax numbers and email addresses in any business activities.

(d) In the event that non-competition covenants contained in this Paragraph 7 are held by any court or other constituted legal authority to be void or otherwise unenforceable in any particular area or jurisdiction, Franchisee and Company agree that this Agreement will be considered amended and modified so as to eliminate from the Agreement the particular areas or jurisdictions which hold the non-competition covenants of this Paragraph 7 to be void or otherwise unenforceable. With respect to all other areas and jurisdictions covered by this Agreement, the terms and provisions of the Agreement shall remain in full force and effect as originally written.

(e) In the event that any non-competition covenant in this Paragraph 7 is held by any court or other constituted legal authority to be effective in any particular area or jurisdiction, only if such covenant is modified to limit its duration, scope or area, Franchisee and Company agree to consider such non-competition covenant to be amended and modified with respect to that particular area or jurisdiction so as to comply with the order of any court or other constituted legal authority. As to all other areas or jurisdictions, the non-competition covenant shall remain in full force and effect as originally written.

(f) Franchisee agrees that the non-competition covenants contained in this Paragraph 7 shall be assignable by Company to any person, firm, corporation or organization.

(g) Franchisee agrees that damages or other legal remedies for breach of the covenants and agreements of this Paragraph 7 would be inadequate for Company. Franchisee further acknowledges and agrees that breaches of the covenants and agreements of this Paragraph 7 would cause serious and irreparable injury to Company. Franchisee understands that in the event of any breach of the covenants and agreements of this Paragraph by Franchisee, Company will apply to a court of competent jurisdiction for an injunction ordering Franchisee to discontinue all activities which violate the covenants and agreements of this Paragraph 7 in addition to any other rights or remedies available to Company.

VIII. FRANCHISEE ACTIVITY AND COMPANY POLICY CONCERNING INCOME PROJECTIONS AND EARNINGS CLAIMS

(a) It is Company's policy not to make income projections or earnings claims of any nature to prospective Franchisees. By execution of this Agreement, Franchisee acknowledges that neither income projections nor earnings claims of any nature have been made by Company.

(b) Franchisee warrants:

(i) That the Company has not made any statement or implied that all of its Franchisees are uniformly successful.

(ii) That the Company has fully explained the degree of effort required to sell the Company's products; and

(iii) That he or she is in good health and able to devote his or her time and energy to the operation of this Franchise.

IX. RELATIONSHIP OF PARTIES

(a) Franchisee is not and shall not be deemed to be the agent or legal representative of Company or any subsidiary of Company for any purpose whatsoever and shall for all purposes be deemed an independent contractor. Franchisee shall have no authority to create or assume in the name of Company, or any subsidiary of Company, any obligation of any nature whatsoever, expressed or implied. Company shall have no authority to act as agent for Franchisee for any purpose whatsoever. Franchisee shall not accept payments from any party upon any obligation due to Company or any subsidiary of Company. Company shall not attempt to influence the means by which sales of its products are made by Franchisee, the manner in which the business of Franchisee is conducted, or similar matters, except as expressly provided in this agreement.

(b) Franchisee assumes full responsibility and liability for all sales and distributions of Company's products through Franchisee. Franchisee assumes all responsibility and liability for collection and payment of sales and/or use taxes on sales

made by Franchisee and agrees to indemnify and hold Company, its officers, directors, employees, agents and affiliates harmless from any claim or liability for such taxes. Franchisee assumes full responsibility for the placement and payment to the Company for all orders for products, sales promotion and training materials.

(c) Franchisee agrees that they are responsible for payment of any and all state and federal taxes (i.e., income tax, franchise tax, sales and use tax, etc., that are applicable to their own entity in the state in which they operate).

X. MARKS

A. Franchisor grants Franchisee the right to use the Marks during the term of this Agreement in accordance with the System and related standards and specifications.

B. Franchisee expressly understands and acknowledges that:

(1) As between Franchisor and Franchisee, Franchisor is the owner of all rights, title and interest in and to the Marks and the goodwill associated with and the symbolized by them.

(2) Franchisee shall not take any action that would prejudice or interfere with the validity of Franchisor's rights with respect to the Marks. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Marks or any of Franchisor's service marks, trademarks, trade names, logos, copyrights, or proprietary materials, except the right to use the Marks and the System in accordance with the terms and conditions of this Agreement for the operation of the business and only at or from its approved location.

(3) Franchisee understands and agrees that any and all goodwill arising from Franchisee's use of the Marks and the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the Franchise herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Marks.

(4) Franchisor reserves the right to substitute different Marks for use in identifying the System and the business if Franchisor's current Marks no longer can be used, or if Franchisor, in its sole discretion, determines that substitution of different Marks will be beneficial to the System. In such event, Franchisor may require Franchisee, at Franchisee's expense, to discontinue or modify Franchisee's use of any of the Marks or to use one or more additional or substitute Marks.

C. With respect to Franchisee's use of the Marks pursuant to this Agreement, Franchisee further agrees that:

(1) Unless otherwise authorized or required by Franchisor, Franchisee shall identify, operate and advertise the business exclusively under the name "LMI"

and/or Leadership Management Institute in accordance with the System and related standards and specifications. Franchisee shall not use the Marks as part of its corporate or legal name and shall obtain the Franchisor's approval of such corporate or legal name prior to filing it with the applicable state authority.

(2) During the term of this Agreement and any renewal hereof, Franchisee shall identify itself as the owner of the business in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the business as Franchisor may designate in writing.

D. Franchisee shall notify Franchisor immediately by telephone and thereafter in writing of any apparent infringement of or challenge to Franchisee's use of any Mark, of any claim by any person of any rights in any Mark, and Franchisee shall not communicate with any person other than Franchisor or any designated person in connection with any such infringement, challenge or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, or to delegate control to any of its affiliates of, any settlement, litigation or Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any affiliate in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Marks. Franchisor will indemnify Franchisee against and reimburse Franchisee for all damages for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Marks (including settlement amounts), provided that the conduct of Franchisee with respect to such proceeding and use of the Marks is in full compliance with the terms of this Agreement.

XI. DEBTS, TAXES AND GOVERNMENT REGULATIONS

A. Franchisee shall promptly pay when due all taxes, levied or assessed, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the business under this Agreement. This does not apply to disputed taxes.

B. Franchisee shall comply with federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the business.

C. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the business.

XII. ADVERTISING

It is acknowledged by Franchisee that any advertising that Franchisee may use will affect the value and acceptance of the Proprietary Marks and Company's products. Accordingly, Franchisee agrees that only those Proprietary Marks reflected in Paragraph 10 of this Agreement will be used in any Franchisee advertising, and that such use will be made only in the manner specified in Paragraph 10 of this Agreement. Company assumes no responsibility for any advertisement made by Franchisee. Franchisee agrees to abide by all ordinances, laws, statutes, and government regulations applicable to Franchisee's advertising. Franchisee will indemnify and hold Company, its officers, directors, employees, agents and affiliates harmless from any and all claims or demands in any way associated with any Franchisee advertising, including all costs and expenses of defending such claims, including reasonable attorney's fees.

XIII. TRANSFER OF FRANCHISE

(a) Franchisee shall have the right to sell or assign all or any portion of this Franchise with the prior written approval of Company, which will not be unreasonably withheld by Company. If Franchisee desires to sell or assign all or any portion of this Franchise, Franchisee will so notify Company in writing at least thirty (30) days prior to the date of the intended sale or assignment. Franchisee agrees to comply with any and all ordinances, statutes, laws, and/or government regulations applicable to the sale, transfer or assignment of this Franchise. Any proposed transfer shall be further subject to the satisfaction of the following conditions:

(i) Any such transfer shall be conditional upon the transferee being of good moral character and reputation, satisfactory credit rating, and in possession of competent business qualifications.

(ii) Prior to the time of transfer, Franchisee must pay to Company a $5,000 transfer fee.

(iii) Transferee must execute a Franchise Agreement with the Company in the then current standard form being used by Company prior to the time of transfer for this particular franchise.

(iv) Such transfer shall be conditioned upon Franchisee having fully paid and satisfied all financial obligations to Company.

(b) Company shall have the right to sell, transfer or assign all or any portion of its interest in this Franchise at any time.

(c) If Franchisee is a corporation or partnership, any proposed material change in the ownership of the Franchise shall be reported immediately in writing to Company, which shall have the right to approve such change in ownership before it becomes effective. If such change of ownership is more than a 25% change in ownership, the Company may charge a transfer fee of $5,000 [see 13(a) (ii.) above]. The approval by Company of such change of ownership shall not be unreasonably withheld.

(d) Upon death or incapacity of Franchisee, Franchisee's estate or representative may transfer the Franchise subject to the provisions of this Paragraph 13, or Franchisee's

designated successor may continue to operate the Franchise subject to Company's approval pursuant to the terms of this Paragraph 13.

(e) While Franchisor agrees not to unreasonably withhold its consent to a sale, assignment or transfer by Franchisee hereunder, consent to such transfer may be refused unless all debts of Franchisee to Franchisor or Franchisor's affiliates are paid in full.

XIV. DEFAULT AND TERMINATION

(a) Franchisee shall have the right to terminate this Agreement for any reason upon sixty (60) days written notice to Company. However, Franchisee acknowledges and agrees that no portion of the fee paid by Franchisee to Company at the commencement of the Franchise is refundable. Company will have no obligation to repurchase any of Franchisee's inventory or equipment in the event of termination.

(b) Company shall have the right to terminate this Agreement for violation of any of its terms by Franchisee after notifying Franchisee in writing of the violations of the terms of the Agreement if Franchisee fails to discontinue the violation within thirty (30) days of the written notice of violation to Franchisee by Company. After two such notices, in any consecutive twelve-month period within respect to the same violation of the terms of this Agreement to Franchisee by Company, Company shall have the right to terminate this Agreement immediately upon the third occurrence of any violation of the terms of this Agreement.

(c) Company shall have the right to terminate this Agreement after notifying Franchisee in writing of nonpayment of accounts owed to Company by Franchisee, if Franchisee fails to pay any outstanding accounts owed to Company within thirty (30) days of the notice of nonpayment to Franchisee by Company. After two such notices, in any consecutive twelve-month period within respect to the same of nonpayment to Franchisee by Company, Company shall have the right to terminate this Agreement immediately upon the third occurrence of any nonpayment of accounts owed to Company by Franchisee.

(d) Company shall have the right to terminate this Agreement for any of the following violations of the Agreement:

(i) Any adjudication of bankruptcy, appointment of a receiver, assignment for the benefit of creditors, or levy of execution directly involving Franchisee.

(ii) Conviction for or violation of any state, federal or other governmental law, statute, rule or regulation which materially affects Franchisee's ability to do business.

(e) Company shall not be limited to termination for only those reasons specifically described in this Paragraph 14, but termination for a reason or reasons other than those specified in this Paragraph 14 must be for good cause and shall be effective after sixty (60) days written notice to Franchisee.

(f) Any termination pursuant to the terms of this Paragraph 14 shall be considered effective as of the date specified in the notice of termination.

(g) Termination of this Agreement shall not extinguish any rights or release any obligations of either party under the terms of this Agreement before the effective date of such termination. In the event of termination, Franchisee expressly acknowledges and agrees that the provisions of Paragraph 14 of this Agreement will remain in effect.

(h) Franchisee acknowledges and agrees that termination of this Agreement by Company or by the Franchisee will create no obligation for Company to refund all or any part of the fee paid by Franchisee to Company at the commencement of this Franchise and that Company will not be obligated to repurchase any of Company's products in the possession of Franchisee at the time of termination.

(i) In no event shall the powers to terminate this Agreement under the terms of this Paragraph 14 be exercised capriciously by Company against Franchisee.

XV. DISPUTE RESOLUTION, MEDIATION, AND BINDING ARBITRATION

Both Franchisee and Franchisor agree and consent handling any and all disputes that might arise between them in the following manner:

A. Dispute Resolution

1. Agreement to Use Procedure. If any controversy or claim arising out of or relating to this Agreement or the breach thereof or the transaction embodied therein arises ("Dispute"), the parties agree to utilize the procedures described herein before commencing any legal action.

2. Initiation of Procedure. The initiating party shall give written notice to the other party, describing the nature of the dispute, its claim for relief and identifying one or more individuals with authority to resolve the Dispute on such party's behalf. The other party shall have ten (10) business days within which to designate in writing one or more individuals with authority to resolve the Dispute on such party's behalf.

3. Selection of Mediator. Within fifteen (15) business days from the date of designation, the parties shall make a good faith effort to select a person to mediate the dispute. If no mediator has been selected under this procedure, the parties shall jointly request a State or Federal District Judge of their choosing.

4. Time and Place for Mediation; Parties Represented. In consultation with the mediator selected, the parties shall promptly designate a mutually convenient time for mediation to be held in a mutually agreed upon place, such time to be no later than thirty (30) days after selection of the mediator. In the mediation, each party shall be represented by persons with authority and discretion to negotiate a resolution of the Dispute and may be represented by counsel.

5. Conduct of Mediation. The mediator shall determine the format for the meetings, and the mediation session shall be private. The mediator will keep confidential all information learned in private caucus with any party unless specifically authorized by such party to make disclosure of the information to the other party.

6. Fees of Mediator; Disqualification. The fees and expenses of the mediator shall be shared equally by the parties. The mediator shall be disqualified as a witness, consultant, expert or counsel for any party with respect to the Dispute and any related matters both during the dispute and subsequent to the dispute.

7. Confidentiality. Mediation is a compromise negotiation for purposes of Federal and State Rules of Evidence and constitutes privileged communication. The entire mediation process is confidential, and such conduct, statements, promises, offers, views and opinions shall not be discoverable or admissible in any legal proceeding for any purpose.

B. Binding Arbitration:

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, or the transaction embodied herein, which has not been resolved by the foregoing dispute resolution method shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The site for said arbitration shall be one that is mutually agreed upon by both parties, before a panel of three (3) arbitrators. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Costs related to such arbitration shall be as governed in the Administrative Fee Schedule of the Commercial Arbitration Rules.

C. Applicable Law and Jurisdiction:

This Agreement shall be governed, interpreted and construed in all respects and aspects by the law of the State of Texas, and the parties hereby agree that any legal action concerning this Agreement which is not subject to the binding arbitration clause herein shall be brought in a court of competent jurisdiction, in Texas.

XVI. MISCELLANEOUS

(a) Company and Franchisee recognize the existence of, and desire to abide by, statutory and case law prohibiting the creation of pyramid schemes or multilevel or endless chain distribution systems and the profiting by Franchisees from recruiting additional Franchisees or sales personnel without regard to product sales by such recruits. Therefore, Franchisee agrees not to sell or create sub-franchises in any way related to Company, Company's products or its business.

(b) To ensure full compliance with the terms of this Agreement, Company or its representatives shall have the right, at any reasonable business hour, to visit Franchisee's place of business, to monitor any sales or promotional efforts by Franchisee, to inspect Franchisee's books and records pertaining to any aspect of the Franchise and to contact customers of Franchisee to ascertain information concerning Company's products and related services provided by Franchisee.

(c) This Franchise is not exclusive within any area or territory. No territory is granted.

(d) Any notices required to be given under this Agreement must be in writing. Such notices shall be deemed to have been given and received when the letter containing such notice, with postage prepaid, is deposited in the United States mail. Such notices shall be given to the parties to this Agreement at the following addresses:

To Company: Leadership Management, Inc.
4567 Lake Shore Drive
Waco, Texas 76710

To Franchisee: See name and address on Page 1 of this Agreement.

Either party to this Agreement may, by giving five (5) days written notice to the other party, designate any other address in substitution of the foregoing addresses to which such notice shall be given.

(e) This Agreement shall be severable, and if any portion hereof shall be held invalid or unenforceable for any reason, the remainder shall not be thereby invalidated but shall remain in full force and effect.

(f) Failure of either party at any time to require performance of the other party of any provision hereof shall not be deemed a continuing waiver of that provision or a waiver of any other provision of this Agreement.

(g) This Agreement constitutes the entire agreement and understanding between Company and Franchisee. Neither Company nor Franchisee shall be responsible or liable for any agreement made unless expressed in this Agreement, and this Agreement may not be modified or amended except in writing and signed by both Company and Franchisee.

(h) In the event of war, government restrictions, strikes, fires, failure or shortage of any materials, or any other conditions beyond the control of parties to this Agreement shall prevent any party from performing the obligations under this Agreement; such party is hereby released from such performance during the course of any such conditions.

(i) Descriptive headings used in this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

(j) This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and the sole and only venue for any disputes which may arise between the parties shall be in Texas.

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.

[SIGNATURE PAGE FOLLOWS]

SIGNATURES

LEADERSHIP MANAGEMENT, INC.	FRANCHISEE
Executed this:	Executed this:
_____ Day of _____, 20___.	_____ Day of _____, 20___.
_____	_____
Randy Slechta, CEO and President	Name

EXHIBIT B-1

LMI Startup Materials

LMI EPL w/ MP3 (Print or Online)

LMI EPP w/ MP3 (Print or Online)

LMI ESS w/ MP3 (Print or Online)

6 Month My-Tyme Starter Set

LMI Logo Binder

LMI Canvas Bag

LMI Business Success System (Operating Manual)

QR Code Printout for My Resources Area of Website

Free enrollment into Sales Certification

Free enrollment into Facilitation Certification

Free enrollment into Fast Start School

All LMI Training Materials are available on our website and will be shown to you by your home office representative.

Exhibit B-2

LEADERSHIP MANAGEMENT, INC.
FRANCHISEE DRAFT AUTHORIZATION

Account Name: _____

Office Account No.: _____

Account to be drafted for term of Franchise Agreement beginning: _____

Account will be drafted on the 15th of the month for the amount shown on the Monthly Royalty Report, which will be postmarked by the 8th of the month. If the Monthly Royalty Report is not received by the 15th, a minimum amount of $800.00 will be drafted from the above named account on the 15th.

I, _____, certify that I am the authorized signer for above-named account. I hereby authorize LMI to draft this account for the minimum amount referenced above and/or for the variable amount as submitted on the Monthly Royalty Report form. The first draft shall occur on the date indicated and shall be drafted on or after the same day of each month thereafter.

Any changes made to this draft authorization shall be submitted by written request at least thirty (30) days prior to the next scheduled draft. There will be a $25.00 collection fee for any returned drafts.

_____ _____

Signature of Account Holder
A Franchisee for LMI

Date

Please attach a voided check from this account.

This is for processing purposes only. Your account cannot be accessed.

Exhibit B-3

TRANSFER AGREEMENT

THE STATE OF _____ }
}
COUNTY OF _____ }

This Agreement is entered into by _____, located at _____, "Seller", and _____, located at _____, "Buyer".

WHEREAS _____ hereafter called Seller, is a Franchisee of Leadership Management, Inc. Hereinafter called LMI, by virtue of a Franchise Agreement dated _____; and

WHEREAS Seller desires to sell and transfer all of his/her rights, title and interest in and to said Buyer, _____, hereinafter called Buyer. Seller and Buyer request that LMI consent to approve and allow said sale and transfer. In making this request and as a part of the inducement to LMI to approve the Franchise to be sold and transferred, both Seller and Buyer have reached their decision to sell and buy the Franchise based upon their own investigation and without having been influenced in any way by LMI or any of its officers, employees, or representatives; and

THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

NOW THEREFORE, Seller agrees that all of his/her rights, privileges and entitlements under the terms of his/her Franchise Agreement, shall terminate and cease. Buyer contracts and agrees to perform all of Seller's responsibilities and obligations under the terms of said Franchise Agreement and to be bound by all the terms and conditions thereof; and

THEREFORE, both parties hereto acknowledge that LMI shall not be held accountable for or responsible for any claims as may be asserted by anyone as a result of the transfer of the Franchise; and

THEREFORE, the Seller and Buyer acknowledge and agree that the training of a Franchisee is an integral part of the Franchise. Therefore, Buyer hereby agrees to pay to LMI, at the time of the transfer of the Franchise, a fee in the amount of _____ Dollars ($_____) to cover costs of training Buyer. The

Seller is responsible for payment of this fee; however, Seller and Buyer mutually agree that the Buyer shall assume this responsibility, and therefore, Buyer shall be responsible for paying the $_____ fee.

THEREFORE, in consideration of the promises, covenants, warranties, representations and agreements herein set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and expressed, it is agreed as follows:

(1) Upon execution hereof, Buyer will pay to LMI the sum of _____ ($_____) as a Transfer fee and will execute a Transfer Agreement that is mutually agreed upon by LMI, Name and the Transferee.

(2) Seller contracts and agrees to transfer his/her Franchise Agreement to Buyer.

(3) Seller hereby unconditionally releases, acquits, quitclaims, and forever discharges LMI and any other person, firm, business, organization, partnership, corporation or other legal entity heretofore or hereafter legally or equitably liable or responsible for the act or omissions or other conduct of LMI and their respective past, present and future directors, officers, agents, employees, subsidiaries, attorneys, heirs, administrators, executors, legal representatives, successors, assigns, sureties and insurers, ("Released Persons") from and for and on account of any and all claims arising from any event or set of facts occurring form the beginning of the world until the date hereof, including but not limited to, any Claims arising either directly or indirectly from the Franchise Agreement and any representations made by LMI or any Released Persons.

(4) Seller hereby bargains, sells and conveys all of his/her right, title and interest in and to the Franchise Agreement to Buyer.

(5) Seller expressly agrees, acknowledges and understands that:

(a) This Agreement shall include, without limitation, a release of all liability of any nature whatsoever for any Claim caused either directly or indirectly by LMI or any Released Persons of Seller.

(b) This Agreement applies not only to Claims which have already allegedly accrued or arisen but also to any Claims or controversies of any nature whatsoever which may ever arise at any time in the future arising out of or in any way connected with, either directly or indirectly, the Franchise Agreement or any representation made by LMI or any Released Person.

(c) This is a full and complete and final release of all claims, statutory, contractual, or tortuous in character or anyone acting for them.

THAT Seller and Buyer jointly notify and acknowledge to LMI that said Franchise has been transferred and conveyed by Seller and Buyer for and in consideration which is acceptable to them.

DATED AND SIGNED at _____on the ____ day of _____, 20___

_____
Seller –

DATED AND SIGNED at _____ on the _____ day of _____, 20___

_____
Buyer –

In reliance upon the agreements, representations and understanding as stated above, LMI does hereby consent and approve the transfer of the Franchise.

Leadership Management, Inc.

BY: _____

EXHIBIT B-4

BUSINESS SUCCESS SYSTEM
(OPERATING MANUAL)

TABLE OF CONTENTS

Section 1:	INTRODUCTION	(9 pages)
Section 2:	PROGRAMS AND PRICES	(35 pages)
Section 3:	HOME OFFICE POLICIES	(15 pages)
Section 4:	BUSINESS START UP	(19 pages)
Section 5:	ORGANIZING YOUR BUSINESS	(18 pages)
Section 6:	LMI MARKETING SYSTEM	(23 pages)
Section 7:	CLIENT SERVICE SYSTEM	(29 pages)
Section 8:	RESALE SYSTEM	(14 pages)
Section 9:	BUILDING YOUR BUSINESS	(6 pages)
Section 10:	AWARDS PROGRAM	(7 pages)
Section 11:	ADDITIONAL INFORMATION	(37 pages)
	TOTAL	212 pages

EXHIBIT B-5

SAMPLE PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No
$ 10,000	04/01/12	03/31/15	01

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Lender: LEADERSHIP MANAGEMENT, INC.
4567 Lake Shore Drive, Waco TX 76710

Borrower: _____

Principal Amount: $10,000 Interest Rate: 0% Date of Note: April 1, 2012

Promise to Pay. _____. ("Borrower") promises to pay to Leadership Management, Inc. ("Lender"), or order, in lawful money of the United States of America, the principal amount of Ten Thousand and 00/100 Dollars ($10,000.00).

Payment. Borrower will pay this loan on or before March 31, 2015. There is no Interest charged if the principal is paid in full on or before March 31, 2015. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied to the principal and any remaining amount to any unpaid collection costs and late charges. Payments in the amount of $278 per month are due, beginning April 1, 2012, and for each month thereafter.

Prepayment: Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, they will reduce the principal balance due and may result in Borrower making fewer payments.

Late Payments: Borrower will pay a late fee of equal to $100.00 for each payment that is not paid within ten (10) days after its due date.

Post Maturity Rate. The Post maturity Rate on this Note is 18.000% per annum. Borrower will pay interest on all sums due after final maturity whether by acceleration or otherwise, at that rate, which will continue to accrue interest at the pre-maturity rate.

Default. Borrower will be in default if any of the following happens: (a) Borrower fails to make any payment when due. (b) Borrower breaks any promise Borrower has made to Lender, or Borrower fails to comply with or to perform when due any other term, obligation, covenant, or condition contained in this Note or any agreement related to this Note, or in any other agreement or loan Borrower has with Lender. (c) any representation or statement made or furnished to Lender by Borrower or on Borrower's behalf is false or misleading in any material respect either now or at the time made or furnished. (d) Borrower becomes insolvent, a receiver is appointed for any part of Borrower's property. Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced either by Borrower or against Borrower under any bankruptcy or insolvency laws. (e) Any creditor tries to take any Borrower's property on or in which Lender

has a lien or security interest. This includes the garnishment of any of Borrows accounts with Lender. (f) Any guarantor dies or any of the other events described in this default section occurs with respect to any guarantor of this Note. (g) A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired. (h) Lender in good faith deems itself insecure.

If any default, other than a default in payment, is curable, it may be cured (and no event of default will have occurred) if Borrower, after receiving written notice from Lender demanding cure of such default: (a) cures the default within twenty (20) days; or (b) if the cure requires more than twenty (20) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all necessary steps sufficient to produce compliance as soon as reasonably practical.

Lender's Rights. Upon default, Lender may declare the entire indebtedness, including the unpaid principal balance of this Note, all accrued unpaid interest, and all other amounts, costs and expenses for which Borrower is responsible under this Note or any other agreement with Lender pertaining to this loan, immediately due, without notice, and then Borrower will pay that amount. Lender may hire an attorney to help collect this Note if Borrower does not pay, and Borrower will pay Lender's reasonable attorney's fees. Borrower also will pay Lender all other amounts actually incurred by Lender as court costs, lawful fees for filing, recording, or releasing to any public office any instrument securing this loan. This Note has been delivered to Lender and accepted by Lender in the State of Texas. If there is a lawsuit, and if the transaction evidenced by this Note occurred in McLennan County, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of McLennan County, the State of Texas. This Note shall be governed by and construed in accordance with the laws of the State of Texas and applicable Federal laws.

General Provisions. Notice: Under no circumstances (and notwithstanding any other provisions of this Note) shall the interest charged, collected, or contracted for on this Note exceed the maximum rate permitted by law. If any part of this Note cannot be enforced, this fact will affect the rest of the Note. The right to accelerate maturity of sums due under this Note does not include the right to accelerate the event of acceleration. All sums paid or agreed to be paid to Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of the loan evidenced by this Note until payment in full so that the rate or amount of interest on account of the loan evidenced hereby does not exceed the applicable usury ceiling. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, protest, notice of dishonor, notice of intent to accelerate the maturity of this Note, and notice of acceleration of the maturity of this Note. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or protect Lender's security interest in the collateral without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.

Borrower:

_____

BY: _____

BY: _____
Individually

Exhibit B-6

To Prospective Franchisees and New Franchisees,
STATE OF WISCONSIN

As a matter of corporate policy, all amendments to the Franchise agreement required by a state or other entity are made by virtue of a Letter of Addendum which is attached to and made a part of the Franchise Agreement.

This is such a letter as relates to Franchisees who reside in the State of Wisconsin.

In accordance with Sections 135.03, 135.04, and 135.045, Chapter 135, Wisconsin Statutes (as amended), Paragraph 9 (Termination) of this Franchise Agreement shall be amended to provide that:

(1) The Company may not terminate, cancel, fail to renew or substantially change the competitive circumstance of a Franchise Agreement without good cause; that the burden of proving good cause shall be on the Company; and

(2) Except as provided in this Section, the Company shall provide the Franchisee at least 90 days prior written notice of termination, cancellation, non-renewal or substantial change in competitive circumstances and shall provide that the Franchisee has 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice shall be void. The notice provisions of this Section shall not apply if the reason for termination, cancellation or non-renewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, non-renewal or substantial change in competitive circumstances is nonpayment of sums due under the Franchise, the Franchisee shall be entitled to written notice of such default, and shall have 10 days in which to remedy such default from the date of delivery or posting of such notice; and

(3) If the Franchisee is terminated by Company, Company shall, at the option of the Franchisee, repurchase all inventories sold by Company to Franchisee for resale under the Franchise Agreement at a fair wholesale market value; provided, however, that such merchandise has been invoiced by Company to and paid for by Franchisee, is in good and resalable condition, and is limited to that merchandise which bears the name, trademark, label or other mark identifying it as a product of Company.

(4) The Wisconsin Fair Dealership Law, Chapter 135, Wisconsin Statute, supersedes any provisions of the Franchise contract or agreement with such provisions when such provisions are in conflict with that law.

In order to make this Letter of Addendum a part of the Franchise Agreement, will you please sign the two original copies of this letter so that each of the two contracting parties may have file copies thereof.

_____	_____
Randy Slechta CEO and President	Franchisee
_____	_____
Date	Date

Attachment A

LIST OF STATE ADMINISTRATORS

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
One Sansome Ste 600
San Francisco, CA 94104
866/ASK-CORP

Office of the Illinois Attorney General
Franchise Bureau
500 South Second Street
Springfield, Illinois 62706
217/782-4465

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

The Office of the Attorney General
Maryland Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202
410/576-7042

Consumer Protection Division
Franchise Section / Attn: Marilyn McEwen
670 Law Building
Lansing, Michigan 48909
517/373-7117 FAX: 517/335-1935

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55102-2198
651/296-4026 FAX: 651/297-1959

New York State Department of Law
Investor Protection Bureau
28 Liberty St. 21st Fl
New York, New York 10005
212/416-8222

North Dakota Securities Department
State Capitol Fifth Floor
600 East Boulevard
Bismarck, North Dakota 58505-0510
701/328-2910

Corporate Securities
Department of Insurance and Finance
21 Labor and Industries Bldg.
Salem, Oregon 97310
503/378-4387

Division of Securities
233 Richmond Street, Suite 232
Providence, Rhode Island 02903-4232
401/277-3048

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, Virginia 23219
804/371-9051 FAX: 804/371-9911

Bill Beatty, Administrator
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
360/902-8760

Securities Division of the Department of Financial Institutions.
P.O. Box 1768
Madison, Wisconsin 53701
608/266-3364

Attachment B

AGENTS FOR SERVICE OF PROCESS

California:	Commissioner of Financial Protection and Innovation (DFPI) One Sansome Street, Suite 600 San Francisco, CA 94104
Connecticut:	Connecticut Banking Commissioner
Illinois:	Illinois Attorney General
Indiana:	Indiana Secretary of State
Maryland:	Maryland Securities Commissioner
Michigan:	Michigan Department of Commerce, Corporations and Securities Bureau
Minnesota:	Minnesota Commissioner of Commerce
New York:	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota:	North Dakota Securities Department
Oregon:	Theodore R. Kulongoski (Director of Oregon Department of Insurance and Finance)
Rhode Island:	Director of Rhode Island Department of Business Regulation
South Dakota:	Director of South Dakota Division of Insurance
Virginia:	Clerk of the State Corporation Commission
Washington:	Director of Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater WA 98501 (360) 902-8760
Wisconsin:	Securities Division of the Department of Financial Institutions--Administrator

Franchise Name	COMPANY	Address	CITY	ST	ZIP	Email Address
Phillip Lee	n/a	10545 Spindrift Loop	Anchorage	AK	99515	plee.lmiak@gmail.com
Shasta Pryor	n/a	31 Cavalier Drive	Pike Road	AL	36064	shastapryor@hotmail.com
Terry Hill	Leading Edge Development	11312 East Stoney Point Court	Little Rock	AR	72211	hil.terrance@gmail.com
Lane Vastine	Strategic Leadership Development Group	906 S. 12th Street	Rogers	AR	72756	alv_sldg_lmi@msn.com
Jon & Amy Mobley	Mobley Leadership Institute	2633 Everest Ave.	Rogers	AR	72758	amymmobley@gmail.com
Linda & Tery Tennant	Attainment, Inc.	9094 E. Sahuaro Drive	Scottsdale	AZ	85260	linda@attainmentinc.com
Hal Steinbeigle	n/a	26205 S. Grapefruit Dr.	Queen Creek	AZ	85142	hsteinbeigle@gmail.com
Derrick Beernesteyn	Soaring Leadreship Development	7097 Alvern St., Apt. D223	Los Angeles	CA	90045	soaringleadershipdevelopment@gmail.com
William E Mullins III	WorkForceEdge, LLC	28100 Murcia Street	Hayward	CA	94544	emullins@workforcedge.com
Mark Hanson	LMI of San Diego	12453 Yerba Valley Rd.	Lakeside	CA	92040	mhanson44@gmail.com
Donald Sando	Strategic Results Group LLC	1428 Via Christina	Vista	CA	92084	donsando@strategicresultsgroup.com
Michael Ford	M.P. Ford & Associates	620 Walavista Avenue	Oakland	CA	94610	michaelpatrickford@gmail.com
Claudio & Loann Capra	Jasper Dynamic, LLC	2701 Del Paso Rd., 130-366	Sacramento	CA	95835	loanncapra@gmail.com
Jean Morrell	Morrell & Associates	1357 43rd Ave, Unit 10	Greeley	CO	80634	pjmorrell@comcast.net
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Scott Davis	n/a	6712 Golden Sill Court	Castle Pines	CO	80108	csd.scottdavis@gmail.com
Mitch Tublin	Strategic Alliance Group	120 Brookhollow Lane	Stamford	CT	06902	solv4u@hotmail.com
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Richard S. Lewine	RSL Consulting Group, LLC	3510 Oaks Way	Pompano Beach	FL	33069	rslewine@rslgo.com
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Jack Tallman		222 Harbour Drive #118	Naples	FL	34103	babycakestallman@centurylink.net
Lynette Robbins	Knowles System	837 Bancroft Place	The Villages	FL	32162	Lynette@knowlessystems.com
Renwick Brutus	Leadership Mgmt. of West Michigan, LLC	5 Maidenbush Ct. E	Homosassa	FL	34446	rbrutus@lmiresources.com
Tom Lawless	Lean Training and Consulting, Inc.	108 N. Lake Cunningham Ave.	Saint Johns	FL	32259	tom@leantac.com
Steve Owens	The LEAPS Coaching Group	3601 Gatlin Drive	Rockledge	FL	32955	steve.owens@leapscoaching.com
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Kris & Elise Keropian	Rising Executives	130 Grandchester Way	Fayettville	GA	30215	keropian8@gmail.com
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Randal Langley	Langley Leadership Group, LLC	42 Westherbrook Lane	Dallas	GA	30157	drrlangley@gmail.com
Peter Mierke	OpX Solutions, LLC	191 Old Mill Rd.,W	Richmond Hill	GA	31324	peter@opxsolutionsllc.com
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Michael Patterson	On Track Leadership, Inc.	800 E. NW Hwy., Ste. 700	PALATINE	IL	60074	mike@ontrackleadership.com
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Larry Hughes	Partners in Peak Performance LLC	9301 Cedar Lake Ave., Suite 203	Oklahoma City	OK	73114	larry@thehughes-group.com
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John Pierson	NW Business Solutions LLC	16795 NW Cook Road	McMinnville	OR	97128	jpierson@opxnw.com
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Neil M. Hilkert	Leadership Development Institute	292 Main Street, Suite 283	Harleysville	PA	19438	neilh@directinsight.com
Cynthia Corsetti	Leadership Resources	175 Witherow Road	Sewickley	PA	15143	cynthia@cynthiacorsetti.com
Kent Frese	TeamLMI	3500 Market St, Suite 102	Camp Hill	PA	17011	kfrese@teamlmi.com
Frederick Guions	The Guions Group	3751 Island Ave., Suite 300	Philadelphia	PA	19153	frederick@frederickguions.com
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Jim Crisafulli	Crisafulli Business Coaching	121 East Matunuck Farm Drive	South Kingstown	RI	2789	jim@crisafullibusinesscoaching.com
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Cindy Beutke McConnel	Leadership Results, Inc.	45 Lookout Point	Prosperity	SC	29127	cindyb@leadership-results.com
Nancy Eichstadt	The Carolina Leadership Group, LLC	2153 East Main Street	Duncan	SC	29334	neichstadt@carolinaleadershipgroup.com
Dick Corso/Valerie Cardenas	LMI- Midwest	201 Coyatee Shores	Loudon	TN	37774	r_corso@att.net
Charles I. Dixon	LMI of Dallas	12300 Ford Road Suite 140	Dallas	TX	75234	SeaEye@sbcglobal.net
Albert G Gonzales	Optimum Management Systems	P.O. Box 87069	Houston	TX	77287	albertg.gonzales@yahoo.com
Joe & Teresa Gonzalez	The Management Connection	444 Carter Creek Pkwy	Bryan	TX	77802	joe@profacilitator.com
Dal Anderson	DB Anderson Group	3419 Bridlegate Drive	Arlington	TX	76016	danderson-lmi@sbcglobal.net
Rajinder B. Lakhani	Management & Leadership Consultants	2209 WINDY RIDGE COURT	Plano	TX	75025	RBLakhani@yahoo.com
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Reggie Scott	Reggie Scott Coaching	2851 Tranquilo	Grand Prairie	TX	75054	reggie@reggiescottcoaching.com
Tiara Brown	Leadership Now	430 Euless Drive	Cedar Hill	TX	75704	browntiara810@gmail.com
Norma Hale	JourneyAh, LLC	1917 Golden Arrow Ave.	Cedar Park	TX	78681	normah@journeyah.com
Keith Crawford		1415 Tuff Street	Reklaw	TX	75784	kicrawford11@gmail.com
Aasim Waheed	Achieve Leadership Solutions	8903 Lilac Springs	Houston	TX	77095	aasim.waheed@achieveleadershipss.com
Brooke Sena / Chuck Price	Blue Collar Consulting, LLC	271 Canterbury Drive	Plover	WI	54467	brooke@bluecollarconsulting.net
Patrick J. Below	CEO Consulting Services	715 Hill Street, Suite 140	Madison	WI	53705	patrickjbelow@hotmail.com
Perry Worzella		1036 Forest Lake Drive	Plover	WI	54467	pbworzella@gmail.com

Attachment D

Franchisees Who Left the System as of December 31, 2025

Date	Franchisee	Company Name	Address	City/State	Phone
12/31/25	Ron Stenzel (retired)	Leadership Dynamics Group	7315 W. Hearthstone Green Dr	Houston, TX 77095	281-463-9111
12/31/25	Rudy Southwell	Institue 4 Increased Performance	175 Huguenot St., Unit 2401	New Rochelle, NY 10801	917-701-4550

ATTACHMENT E

U.S. REGISTERED TRADEMARKS OF THE MEYER RESOURCE GROUP, INC., LICENSED TO LEADERSHIP MANAGEMENT, INC.

DESIGNATION	DATE OF REG.	CERT. NO.	USPO REGISTER
Effective Communication	9/23/03	2,768,378	Supplemental
Effective Management Development	12/25/01	2,523,633	Supplemental
Effective Motivational Management & Design	12/12/95	1,940,732	Principal
Effective Motivational Management	1/9/96	1,946,475	Principal
Effective Personal Leadership	1/9/96	1,946,473	Principal
Effective Personal Leadership & Design	12/12/95	1,940,734	Principal
Effective Personal Productivity & Design	7/9/96	1,985,032	Principal
Effective Personal Productivity	8/15/00	2,377,807	Principal
Effective Selling Strategies	1/9/96	1,946,476	Principal
Effective Selling Strategies & Design	12/12/95	1,940,736	Principal
Effective Team Development	9/23/03	2,768,379	Supplemental
Effective Team Dynamics	11/14/06	3,172,721	Supplemental
LMI, World Bar Chart, Leadership Management	8/6/02	2,604,383	Principal
Leadership Management & Design	4/16/80	1,198,645	Principal
LMI	6/11/02	2,577,916	Principal
ONI Organizational Needs Inventory & Design	4/25/00	2,345,001	Principal
Profile Evaluation System	2/21/95	1,879,579	Principal
The Profile Evaluation System w/Circle Arrow	10/8/02	2,632,726	Principal
Total Person Wheel of Life & Design	4/15/97	2,052,693	Principal
Effective Motivational Leadership	6/27/96	3,110,776	Supplemental
Motivating People To Their Full Potential	4/12/66	807,083	Supplemental
Effective Personal Management	7/9/96	1,985,016	Principal
Effective Strategic Leadership	4/28/09	3,614,151	Supplemental
S.M.A.R.T. Goals	6/24/08	3,452,666	Principal
World Bar Chart	4/28/2020	6,041,414	Principal

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	May 6, 2025
Illinois	April 10, 2025
Indiana	June 22, 2025
Michigan	July 25, 2025
Minnesota	July 10, 2025
New York	June 5, 2025
North Dakota	June 23, 2025
Rhode Island	June 4, 2025
South Dakota	April 10, 2025
Virginia	April 1, 2025
Washington	November 5, 2025
Wisconsin	March 20, 2025

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

Receipt

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

If Leadership Management, Inc., (LMI) offers you a franchise, LMI must provide this disclosure document to you at least:

(1) Fourteen calendar days before you sign a binding agreement with, or make a payment to the Franchisor or an affiliate in connection with the proposed franchise sale or

(2) Fourteen calendar days before payment to LMI.

You must also receive a franchise agreement containing all material terms at least seven calendar days before you sign a franchise agreement.

If LMI 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 on attachment B.

I have received a Franchise Disclosure Document dated March 15, 2026. This Disclosure Document included the following Exhibits:

Exhibit A - Financial Statements
Exhibit B - Franchise Agreement
Attachment A - List of State Administrators
Attachment B - Agents for Service of Process
Attachment C - List of Current Franchisees
Attachment D - List of Franchisees who have Left the System within the Past 12 Months
Attachment E – Proprietary Marks

Dated: _____ _____

Individually or as an Officer

of_____

You should return one copy of the signed receipt either by signing, dating and mailing it to Leadership Management, Inc. at 4567 Lake Shore Drive, Waco, TX 76710, or by emailing a copy of the signed receipt to Leadership Management, Inc. at TStigliano@lmi-usa.com or SDalton@lmi-usa.com.

Receipt

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

If Leadership Management, Inc., (LMI) offers you a franchise, LMI must provide this disclosure document to you at least:

(1) Fourteen calendar days before you sign a binding agreement with, or make a payment to the Franchisor or an affiliate in connection with the proposed franchise sale or

(2) Fourteen calendar days before payment to LMI.

You must also receive a franchise agreement containing all material terms at least seven calendar days before you sign a franchise agreement.

If LMI 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 on attachment B.

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Dated: _____ _____

Individually or as an Officer

of_____

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