

FRANCHISE DISCLOSURE DOCUMENT

Paramount Franchising LLC
A Nevada limited liability company
12481 South Fort St., Suite 200
Draper, Utah 84020
801-341-2300
Jon@Paramount.tax
www.paramount.tax



The franchised business is to operate a federal and state tax return preparation, tax resolution, accounting and related accounting and financial services business under the service mark Paramount.

The total investment necessary to begin operation of a Paramount Tax & Accounting franchise is \$72,100 to \$157,000. This includes \$60,100 to \$67,000 that must be paid to the franchisor or its affiliate(s).

If you enter into a Multi-Unit Development Agreement (“MUDA”) to develop multiple franchises, you must commit to develop at least 2 franchises, and you are required to pay the initial franchise fee in full for each unit to be developed—\$40,000 for your first unit and \$25,000 per additional unit.

The total investment necessary to begin operation of 2 Paramount Tax & Accounting franchises is \$129,200 to \$299,000. This includes \$105,200 to \$119,000 that must be paid to the franchisor or its affiliate(s).

The total investment necessary to begin operation of 3 Paramount Tax & Accounting franchises is \$186,300 to \$441,000. This includes \$150,300 to \$171,000 that must be paid to the franchisor or its affiliate(s).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Jon Wilhelm at Jon@Paramount.tax; 12481 South Fort St., Suite 200, Draper, Utah 84020; and 801-341-2300.

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

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

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

Issuance date: May 24, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit “H.”
How much will I need to invest?	Items 5 and 6 list fees that 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 “F” 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 Paramount Tax and Accounting business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a Paramount Tax and Accounting franchisee?	Item 20 or Exhibit “H” lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

Your state may also 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 you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Utah. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Utah than in your own 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.

**(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 1st Floor
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
Item 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
Item 2 BUSINESS EXPERIENCE	3
Item 3 LITIGATION	3
Item 4 BANKRUPTCY	3
Item 5 INITIAL FEES	4
Item 6 OTHER FEES.....	5
Item 7 ESTIMATED INITIAL INVESTMENT	9
Item 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	12
Item 9 FRANCHISEE’S OBLIGATIONS	14
Item 10 FINANCING	15
Item 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	15
Item 12 TERRITORY	23
Item 13 TRADEMARKS.....	25
Item 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	27
Item 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	28
Item 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	29
Item 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION.....	30
Item 18 PUBLIC FIGURES	35
Item 19 FINANCIAL PERFORMANCE REPRESENTATIONS	36
Item 20 OUTLETS AND FRANCHISEE INFORMATION	38
Item 21 FINANCIAL STATEMENTS.....	42
Item 22 CONTRACTS	42
Item 23 RECEIPTS.....	42

EXHIBITS

- A. State Administrators and Agents for Service of Process
- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Multi-Unit Development Agreement
- D. Rider to Lease Agreement
- E. Form of General Release
- F. Financial Statements
- G. Operating Manual Table of Contents
- H. Current and Former Franchisees
- I. State Addenda to Disclosure Document
- J. State Addenda to Franchise Agreement
- K. State Addenda to the Multi-Unit Development Agreement
- L. Signing Checklist
- M. Deposit Receipt Letter
Receipt (2 copies)

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

In this disclosure document, “we,” “us,” or “our” refers to Paramount Franchising LLC “Franchise” or “you” means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement’s provisions also will apply to your owners.

(1) Us, Any Parents, and Certain Affiliates

Our name is Paramount Franchising LLC. Our principal business address is 12481 South Fort St., Suite 200, Draper, Utah 84020.

Our parent is Paramount Tax & Accounting CPAS PLLC, a Nevada limited liability company located at 6980 O’Bannon Dr., Las Vegas, Nevada 89117. It was organized on July 7, 2022 in the state of Nevada. Our parent does not offer franchises and has not offered franchises in the past.

We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

(2) Our Predecessors

Our predecessor was Paramount Franchising, LLC, a Florida limited liability company located at 2121 Vista Parkway, West Palm Beach, Florida 33411. It offered franchises from 2/10/2017 until 5/01/2018 and sold 6 franchises during that time. This entity was dissolved in order to finalize the separation of a partnership which co-owned the LLC.

(3) Our Business Name

We use the names “Paramount Franchising LLC,” “Paramount Tax & Accounting” and “Paramount.” We do not intend to use any other names to conduct business.

(4) Agent for Service of Process

Our agent for service of process in Nevada is Jeffrey Whitehead, and his principal business address is 6980 O’Bannon Dr., Las Vegas, Nevada 89117. Our agents for service of process in other states are disclosed in Exhibit A.

(5) Business Organization

We were organized as a Utah limited liability company on September 23, 2016. On February 7, 2022, we redomesticated our limited liability company to Nevada to become a Nevada limited liability company.

(6) Information About Our Business and the Franchises Offered

(i) We do not operate businesses of the type being franchised, but our affiliate, Paramount Tax & Accounting CPAs, PC, has operated a business similar to the franchise being offered in Salt Lake County, Utah since 2008.

(ii) We do not have any other business activities other than franchising. We began offering Paramount Tax & Accounting franchises in 2018. We have not offered franchises in other lines of business.

(7) Franchises Offered

(i) If you sign a franchise agreement with us, you will develop and operate a federal and state tax return preparation, tax resolution, accounting and related accounting and financial services business under the trade name “Paramount.” Your principal executive or another employee of your Paramount Tax & Accounting business must be a licensed professional defined as: a certified public accountant (a “CPA”), an enrolled agent (an “EA”), chartered accountant (a “CA”) or an attorney, or as otherwise required by state law, and must spend at least 10 hours a week engaged in your Paramount Tax & Accounting business. Additionally, your office must be open at least 30 hours per week (except for the week between Christmas and New Year’s).

(ii) In the future, we may develop a program which may allow you to sell financial products through an affiliate company that we form, but that program has not yet been finalized.

(iii) The market for your business will be individuals and businesses in your territory. You will experience competition from local, regional and national businesses that operate under well-known brands, including other franchised brands. You will also experience competition from bookkeepers, independent CPAs and national, regional and local tax preparers.

(iv) The tax preparation business is seasonal with many returns being required to be filed by April 15th. However, there are multiple tax deadlines throughout the year, and there are opportunities to provide accounting services to businesses on a monthly basis.

(v) There are laws and regulations that are specific to our industry. As noted above, your principal executive, or another employee of your Paramount Tax & Accounting business, must be a licensed professional (as mentioned above), and must be authorized to communicate with the Internal Revenue Service and state taxing authorities to provide tax return preparation and resolution services. These state and federal codes and regulations govern the determination of taxes owed by each client, the conduct of tax preparers and persons seeking to resolve tax disputes, and eligibility for obtaining and maintaining an Electronic Filing Identification Number (an “EFIN”) and similar matters. You must secure and maintain an EFIN number for your franchise business. You cannot file taxes electronically if you do not pass the Internal Revenue Services’ “suitability” screening required to obtain an EFIN. There are also state and local laws that may impact the operation of your business. You should consult with an attorney regarding these laws.

(8) Prior Business Experience

We have offered franchises since 2018. Outside of our predecessor, none of our affiliates has offered franchises in other lines of business. None of our affiliates provides products or services to our franchisees.

(9) Multi-Unit Development

We generally only sell single-unit franchises. However, in certain circumstances when a franchisee shows it has the experience and capabilities to open and operate multiple units, we may all a franchisee to enter into a multi-unit development agreement with us for the development of additional franchise units (see Exhibit C). There is no minimum number of franchise units we require multi-unit developers to open to enter into a multi-unit development agreement. The size of the territory, the number of units to be

developed, and the development schedule are negotiable. If you were allowed to sign a multi-unit development agreement, you would be required to sign our then-current franchise agreement for each unit as developed, which terms may differ from the current franchise agreement included with this FDD. Unless specifically stated otherwise, the disclosures for a multi-unit are the same as for a single unit.

**Item 2
BUSINESS EXPERIENCE**

Jon Wilhelm: CEO, CFO and Chief Franchise Development Officer

Jon Wilhelm has served as our CEO, CFO and Chief Franchise Development Officer since our inception. He also is the owner of Paramount Tax & Accounting CPAs, PC in Draper, Utah, which he has owned since October 2008. Both of these positions are held in Utah.

William Baxter: Chief Operating Officer

William has served as our COO since November 2020. From March 2015 until November 2020, William was a director with United Franchise Group, a franchise systems service company based out of West Palm Beach, Florida.

Scott Witter: Vice President of Sales

Scott has served as our Vice President of Sales since February 2023. From March 2016 to February 2023, Scott was the National Sales Director for Westmatic Corporation, a large vehicle wash systems company based out of Buffalo, New York.

David Southwick: Officer

David has served as an officer in Paramount Franchising LLC since January 2019. David has also served in various positions for our affiliate's Paramount Tax and Accounting location in Draper, Utah from February 2018 to the present. He began as a tax preparer in 2018, moved up to a tax manager in 2019, and has been a managing partner since January 2020.

**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 FEES

Initial Franchise Fee

All franchisees purchasing a new Paramount Tax & Accounting franchise pay an initial franchise fee of \$40,000. This amount is due in full in a lump sum at the time of signing the franchise agreement. If you are an honorably discharged veteran of the United States military, we offer a 20% discount off the initial franchise fee. Veteran ID cards, a DD-214, and other documentation will be required to provide proof of honorable discharged status.

Deposit Fee “Binder”

At least 14 days after we provide you with a copy of this disclosure document, but prior to signing the franchise agreement, you will be required to pay a \$5,000 deposit, commonly referred to as a “binder.” This binder is fully refundable if you do not purchase a Paramount Tax & Accounting franchise. After we receive your binder, we begin the search for your specified territory. When you enter into your franchise agreement, the binder is applied against the franchise fee leaving a remainder of \$35,000, which must be paid at the time of signing the franchise agreement.

Partial Refund of the Initial Franchise Fee

If (1) you fail to complete the initial training program to our satisfaction, or (2) we conclude, no more than 10 days after you complete the initial training program that you do not have the ability to satisfactorily operate your franchise, then we have the right to terminate your franchise agreement. If we do so, we will refund your franchise fee less any out-of-pocket costs we have incurred, subject to your signing a general release of our liability.

Multi-Unit Development

If you and we agree that you will develop multiple franchises, then you will be required to sign our Multi-Unit Development Agreement (“MUDA”) in the form of Exhibit C to this disclosure document. The initial franchise fee for the first franchise unit is \$40,000, and the initial franchise fee for each additional franchise to be developed is \$25,000 per franchise. You must commit to developing at least 2 franchises. You will pay all franchise fees upon signing the MUDA. These franchise fees are refundable only under the same circumstances as described above under “Partial Refund of the Initial Franchise Fee.”

Startup Package

We will supply you with a startup package that includes computers, a server, monitors, scanners, modem, printers, video conferencing equipment, and software. Depending on your needs and preferences, this startup package costs between \$20,000 and \$25,000. This amount must be paid in a lump sum at the time of ordering.

Supply Inventory

You are required to purchase folders and business cards from us at our cost. The cost will range from \$100 to \$2,000.

Uniformity and Refunds

Unless otherwise set forth above, all fees and costs payable to us are uniform and non-refundable.

**Item 6
OTHER FEES³**

Type of Fee	Amount	Due Date	Remarks
Royalty	10% of your gross sales	Monthly, on the 5 th day of the following month	See Note 1.
Local Marketing	5% of your gross sales	Determined on an annual basis at year end	You are required to spend this money throughout the year in your local market, according to our marketing guidelines. However, once your location reaches \$1,000,000 in annual gross sales this obligation will be waived, so long as your annual gross sales exceed \$1,000,000. However, you must again spend 5% of your annual gross sales on local marketing if your annual gross sales later drop below \$1,000,000.
Marketing, SEO (search engine optimization), and website management	\$300 monthly or the then-current fee	Monthly, on the 1 st of the month	This fee is paid directly to a third party vendor and counts toward your local marketing contribution mentioned above.
Email Accounts	\$5 to \$30 monthly (currently)	Paid annually: upon creation and annual renewal of the email address(es)	We can require that this fee be paid to us or to the supplier.
Market cooperative contribution	As determined by co-op but at least 1% of gross sales	Monthly, on the 5 th day of the following month	We have the right to establish local or regional advertising cooperatives. See Note 2.
Additional training	A reasonable fee (currently, \$1,500 per person)	Upon demand	We may require additional training on an annual or semi-annual basis. We may charge a reasonable fee for this training.

Type of Fee	Amount	Due Date	Remarks
Non-compliance fee	\$250	Upon demand	We may charge you \$250 for any non-compliance with our system specifications or your franchise agreement. If such non-compliance is ongoing, we may charge you \$250 per week until you cease such non-compliance. Non-compliance is also considered a default of the franchise agreement.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Late fee	\$100, plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	Upon demand	Charges begin to accrue after the due date of any required payment or report.
Insufficient funds fee	\$50 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	Upon demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Special support fee	Our then-current fee, plus our expenses. Currently, \$600 per day.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

Type of Fee	Amount	Due Date	Remarks
Interim management fee	Our then-current fee, plus our expenses. Currently, \$600 per day.	On demand	Payable if we elect to operate your business during your unapproved closing, unapproved absence, incapacity, death, after you have been given a notice of default and failed to cure. You must also pay the travel, lodging, food, and other expenses for our representative(s) and other expenses that may be incurred by us to perform such services, plus royalties, advertising fees, and other applicable fees. The interim management period will not last more than 6 months unless otherwise agreed between us.
Client complaint resolution	Our expenses	As incurred	We may take any action we deem appropriate to resolve a client complaint about your business. If we respond to a client complaint, you are required to reimburse us for our expenses.
Records audit	Our actual cost	Upon demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported gross sales by more than 3% for any 4-week period.
Inspection fee	Currently, \$300, plus our out-of-pocket costs	Upon demand	Payable only if we conduct an inspection of your business because of a governmental report, client complaint or other client feedback, or your default or non-compliance with any system specification.
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs, plus a 10% administrative fee.
Transfer fee	50% of the then-current franchise fee	When transfer occurs	Payable if you sell your business or your rights under the multi-unit development agreement. You only need to reimburse our legal fees if you transfer less than 25% and your current owners maintain control. However, all guarantors will remain guarantors unless replaced by another personal guarantor. Subject to state law.

Type of Fee	Amount	Due Date	Remarks
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend us (with counsel reasonably acceptable to us) and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses.
Audit protection insurance (optional)	Currently, \$10 per return	As incurred	This is currently paid to a third party to provide insurance against an audit by the IRS. This is for individual returns and is not available for business returns.
Expedited return (optional)	Currently, \$50 per return	As incurred	This is currently paid to a third-party banking institution and allows your clients to receive an expedited return after filing their taxes.
Territory division fee	\$10,000, plus the startup package for the new location	At the time of signing the new franchise agreement for the additional territory	Once you reach 3,500 clients or maintain an average of 3,000 clients over a 12-month period, we can require you to open a second outlet in your territory, and your original territory will be divided into two separate territories. In such case, you would be required to sign a new franchise agreement for the additional location and purchase an additional startup package.
Conference or seminar fee	Currently, \$0 to \$2,000 per attendee	At time of registering for the conference or seminar	You will also be required to pay all travel, lodging, food, and other expenses for each of your attendees. Attendance at conferences and seminars is optional at this time, but we reserve the right to make a conference or seminar mandatory for your principal executive.

Notes

1. "Gross sales" is defined in our franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit and the value of any services bartered or done on trade. Gross sales do not include (i) bona fide refunds to clients, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in gross sales).

2. Marketing Cooperatives. The amount you must contribute to the cooperative will be determined by the majority vote of the members but not less than 1% of gross sales. There is no cap to member contributions if we control voting. Contributions to the marketing cooperative will be counted towards your local marketing contribution.

3. Except as described in the table above, all fees are imposed by us and collected by us. All fees payable to us are not refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate.

Item 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (see Note 1)	\$40,000 - \$40,000	Check or wire transfer	Upon signing the franchise agreement	Us
Real Estate / Rent (see Note 2)	\$0 - \$3,000	Check	Upon signing lease	Landlord
Utilities	\$0 - \$1,000	Check, debit, and/or credit	Upon ordering service	Utility providers
Leasehold Improvements	\$0 - \$10,000	Check	As incurred or when billed	Contractors
Market Introduction Program	\$0 - \$5,000	Check, debit, and/or credit	As incurred or when billed	Suppliers
Startup Package	\$20,000 - \$25,000	Lump sum	Upon ordering	Us
Furniture, Fixtures, and Equipment	\$0 - \$5,000	Check, debit, and/or credit	As incurred	Suppliers
Insurance	\$500 - \$3,500	Check, debit, and/or credit	Upon ordering	Insurance company
Signage	\$300 - \$3,000	Check, debit, and/or credit	Upon ordering	Suppliers
Office Expenses	\$0 - \$2,000	Check, debit, and/or credit	As incurred	Suppliers

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Inventory	\$500 - \$2,000	Check, debit, and/or credit	Upon ordering	Suppliers
Supply Inventory	\$100 - \$2,000	Check, debit, and/or credit	Upon ordering	Us
Licenses and Permits	\$0 - \$1,000	Check	Upon application	Government
Dues and Subscriptions	\$700 - \$2,000	Check, debit, and/or credit	As incurred	Suppliers, trade organizations
Professional Fees (lawyer, accountant, etc.)	\$0 - \$3,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms
Travel, lodging and meals for initial training	\$0 - \$4,000	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) (see Note 3)	\$10,000 - \$45,500	Varies	Varies	Employees, suppliers, utilities
Total (Note 4)	\$72,100 - \$157,000			

Notes

1. The initial franchise fee is refundable only as described in Item 5. If you are an honorably discharged veteran of the United States military, we offer a 20% discount off the initial franchise fee. Veteran ID cards, DD-214, and other documentation will be required to provide proof of honorable discharged status. If you enter into a multi-unit development agreement with us, you will be required to pay the initial franchise fee for each franchise to be developed at the time of signing the multi-unit development agreement. We expect multi-unit developers to generally commit to open between 2 and 5 franchise units. Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. None of the other expenditures in this table will be refundable. Neither we nor any affiliate finances any part of your initial investment.

2. We allow our franchisees to work from a home office, so long as the home office is a separate office space closed off from the remainder of the home, the office space is at least 10' x 10', the office space is quiet and professional looking, and the office is equipped with all the necessary equipment and technology to provide clients with the same quality services as if the franchisee were leasing a commercial space. Our estimates in this table range from a home office to leasing commercial space. If you lease commercial space, the above table assumes you pay a security deposit equal to one-month's rent, and that you begin paying rent when (or shortly before) you open for business. For this to occur, you would need to negotiate a "free rent" period for the time it takes to build out your business. You may be able to negotiate additional free rent or reduced rent periods after opening as well. If you choose to purchase real estate instead of renting, your costs will be significantly different. We have not included an estimate for the

cost to purchase and build a location in the table above, but we estimate the cost of your buildout to range between \$200 and \$300 per square feet.

3. This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, rent, and other operating expenses in excess of income generated by the business. In formulating the amount required for additional funds, we relied on: the development experience of a Paramount Tax & Accounting business by our affiliate and our franchisees, and our general knowledge of the industry.

4. Other than the initial franchise fees, the figures listed in the table above are estimates for the development of a single franchise unit territory, and we cannot guarantee that you will not have additional expenses starting your franchise business. You should review these figures in this Item 7 carefully with a business advisor before making any decision to purchase the franchise. If you enter into a multi-unit development agreement, then you can expect similar costs for each unit to be developed, but we anticipate you will develop your units over time according to the development schedule rather than all at once. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment. We do not offer direct or indirect financing for any item.

**YOUR ESTIMATED INITIAL INVESTMENT
(2 to 3 Unit Development)**

If you enter into a multi-unit development agreement with us, you must commit to develop at least 2 franchises. And although multi-unit developers are expected to develop their units over time rather than all at once, we have included the total estimated costs to develop 2 to 3 franchise units below.

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
2-Unit Development ^{1,3}	\$129,200 - \$299,000	As incurred	Part upon signing the multi-unit development agreement and the remainder paid as the second unit is developed	Us and suppliers
3-Unit Development ^{2,3}	\$186,300 - \$441,000	As incurred	Part upon signing the multi-unit development agreement and the remainder paid as each unit is developed	Us and suppliers

NOTES

¹ 2-Unit Development. The range is the estimate to build out 2 units based on the Item 7 table.

² 3-Unit Development. The range is the estimate to build out 3 units based on the Item 7 table.

³ Total. These figures are estimates for the development of 2 or 3 units, and we cannot guarantee that you will not have additional expenses starting your development business. You should review these figures in Item 7 carefully with a business advisor before making any decision to purchase a multi-unit franchise. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications. You must not deviate from our methods, standards, and specifications without our prior written consent.

You must purchase or lease the following products and services from us, other sources designated or approved by us, or according to our specifications as set forth in the manuals:

Item or Service	Is the franchisor or an affiliate an approved supplier of this item?	Is the franchisor or an affiliate the only approved supplier of this item?
Tax Folders	No	No
Signs	No	No
Business Cards	No	No
Real Estate	No	No
Insurance	No	No
Startup Package	Yes	Yes
Supply Inventory	Yes	Yes
Computer Equipment, Software and Hardware	No	No
Office Supplies	No	No
Website	No	No
SEO Services	No	No

(1) Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Real Estate. Your business location is subject to our approval and must meet our specifications. You must have your landlord sign our form of Rider to Lease Agreement (attached to this disclosure document as Exhibit D).

B. Insurance. You must obtain insurance as described in the franchise agreement and in our manual, which includes (i) Commercial General Liability insurance, including broad form commercial liability coverage, written on an “occurrence” policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit, (ii) an umbrella policy with coverage in an amount of not less than \$1,000,000, (iii) Workers Compensation coverage as required by state law, (iv) Errors and Omissions Insurance with a policy limit of up to \$1,000,000 or as required by state law, if more, and (v) data breach insurance coverage with a policy limit up to \$1,000,000. Your insurance policies must list Paramount Franchising LLC as an additional insured. You must also provide certificates of the required insurances to us prior to opening your franchise business or on annual renewal of the coverage or upon our request, and you shall give us 30 days prior written notice when you cancel any policy.

C. Point-of-Sale Software and Hardware, and Related Software and Hardware. You must purchase (or lease) the point-of-sale software and hardware, and related software and hardware, that we specify. See Item 11 for more details.

D. Office Supplies: You must purchase printed folders, hand-outs, business cards and other logoed and promotional materials in accordance with our specifications.

(2) Us or our Affiliates as Supplier

We are currently a supplier of printed folders, handouts, business cards and other logoed and promotional materials.

(3) Ownership of Suppliers

Other than ownership of the franchisor company, none of our officers owns an interest in any supplier to our franchisees.

(4) Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing; and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing and we grant approval. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our manual.

(5) Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to do so) issue new or revised specifications only after thorough testing in our headquarters, in company-owned units, and/or a limited market test in multiple units.

(6) Revenue to Us and Our Affiliates

We or our affiliates may derive revenue from the sale of goods or services sold directly to you, or we may receive a fee or rebate from approved suppliers based off purchases from our franchisees. In the year ending December 31, 2022, our revenues from the sale or lease of these products and services to franchisees was \$187,500 or 9.9% of our total revenues of \$1,889,031.

(7) Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 45% to 60% of your total purchases and leases to establish your business. We estimate that the required purchases and leases of goods and services to operate your business are 5% to 25% of your total purchases and leases of goods and services to operate your business.

(8) Payments by Designated Suppliers to Us

We reserve the right to receive payments from any designated suppliers based on purchases by you or other franchisees. These payments are for reasonable overhead costs.

(9) Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists; however, we reserve the right to join into such agreements to cover reasonable overhead costs.

(10) Negotiated Arrangements

We do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. However, we may do so in the future.

(11) Benefits Provided to You for Purchases

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

Item 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	§ 6.1 and 6.2	Item 11
b. Pre-opening purchase/leases	§§ 6.2, 6.3, 8.5 and Franchise Agreement Attachment 5	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	§§ 6.4, 7.6	Items 5, 6, 8 and 11
e. Opening	§§ 6.5, 6.6	Items 7, 8 and 11
f. Fees	Article 4, §§ 5.5, 5.6, 7.8, 10.5, 11.2, 11.3, 11.10, 15.2, 16.1, 17.6	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	§§ 6.3, 7.1, 7.3, 7.5, 7.9 – 7.13, 7.15, 10.1, 10.4, 11.1	Items 8, 11 and 14
h. Trademarks and proprietary information	Article 12, § 13.1	Items 13 and 14

Obligation	Section in agreement	Disclosure document item
i. Restrictions on products/services offered	§ 7.3	Items 8, 11 and 16
j. Warranty and client service requirements	§§ 7.7, 7.8, 7.9	Item 8
k. Territorial development and sales quotas	Not applicable	Item 12
l. Ongoing product/service purchases	Article 8	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	§§ 7.12, 7.13	Items 6, 7 and 8
n. Insurance	§ 7.15	Items 6, 7 and 8
o. Advertising	Article 9	Items 6, 7, 8 and 11
p. Indemnification	Article 16	Items 6 and 8
q. Owner's participation/management/staffing	§ 2.4	Items 15
r. Records and reports	Article 10	Item 11
s. Inspections and audits	§§ 10.5, 11.2	Items 6 and 11
t. Transfer	Article 15	Items 6 and 17
u. Renewal	§ 3.2	Items 6 and 17
v. Post-termination obligations	Article 13, § 14.3	Item 17
w. Non-competition covenants	§ 13.2	Item 17
x. Dispute resolution	Article 17	Items 6 and 17

**Item 10
FINANCING**

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

**Item 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

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

(1) Our Pre-Opening Obligations

Before you open your business:

A. *Your Site.* We will review and advise you regarding potential locations that you submit to us. (Franchise Agreement Section 5.4). We are not obligated to further assist you in locating a site or negotiating purchase or lease of the site.

(i) We generally do not own your premises.

(ii) If your site is not already known and approved by us when you sign your franchise agreement, then we and you will specify in your franchise agreement the area in which you must select a site (Franchise Agreement, Summary Page). We do not select your site. Your site is subject to our approval. To obtain our approval, you must provide all information and documents about the site that we require. (Franchise Agreement Paragraph 6.1(i)).

(iii) The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms.

(iv) The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information. (Franchise Agreement Section 6.1). If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default, and we may terminate your franchise agreement.

(v) We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility. (Franchise Agreement Section 6.3).

(vi) We allow our franchisees to work from a home office, so long as the home office is a separate office space closed off from the remainder of the home, the office space is at least 10' x 10', the office space is quiet and professional looking, and the office is equipped with all the necessary equipment and technology to provide clients with the same quality services as if the franchisee were leasing a commercial space. (Franchise Agreement Paragraph 6.1(iii)).

(vii) If Paramount Franchising does not accept the proposed Location in writing within 30 days, then it is deemed rejected. (Franchise Agreement Paragraph 6.1(i)).

B. *Constructing, Remodeling, or Decorating the Premises.* We will provide you with a set of our standard building plans and specifications and/or standard recommended floor plans, and our specifications for required décor. (Franchise Agreement Paragraphs 5.4(a) and (b)).

C. *Hiring and Training Employees.* We will provide you with our suggested staffing levels (Franchise Agreement Section 5.2), suggested guidelines for hiring employees (Franchise Agreement Section 5.2), operational instructions in the manual which you can use as part of training new employees (Franchise Agreement Section 5.3), and our initial training program described below. All hiring decisions and conditions of employment are your sole responsibility. In order to maintain uniformity of our systems and services and to protect our confidential information, you cannot allow an employee or contractor to perform bookkeeping, tax or accounting work other than through your business while employed or contracted by you (Franchise Agreement Paragraph 7.5(c)).

D. *Necessary Equipment, Signs, Fixtures, Opening Inventory, and Supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. We do not provide these items directly; we only provide the

names of approved suppliers. We do not deliver or install these items. You must look to the respective manufacturers or suppliers for issues related to warranties, defective products, training, and support for any goods purchased from third parties. (Franchise Agreement Section 8.1 and Paragraph 5.4(b)).

E. *Initial Training Program.* We will conduct our initial training program. (Franchise Agreement Section 6.4). The current initial training program is described below.

F. *Operating Manual.* We will give you access to our manual (Franchise Agreement Section 5.1).

G. *Business Plan Review.* If you request, we will review your pre-opening business plan and financial projections. (Franchise Agreement Paragraph 5.4(c)).

H. *Market Introduction Plan.* We will advise you regarding the planning and execution of your market introduction plan. (Franchise Agreement Paragraph 5.4(e)).

(2) Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is one month. Factors that may affect the time period include your ability to obtain a lease, obtaining financing, obtaining business permits and licenses, hiring employees, shortages, or delayed installation of equipment, fixtures, and signs.

(3) Our Post-Opening Obligations

After you open your business:

A. *Developing Products or Services You Will Offer to Your Clients.* Although it is our intent and practice to refine and develop products or services that you will offer to your clients, the franchise agreement does not obligate us to do so.

B. *Hiring and Training Employees.* We will provide you with our suggested staffing levels (Franchise Agreement Section 5.2), suggested guidelines for hiring employees (Franchise Agreement Section 5.2), and operational instructions in the manual, which you can use as part of training new employees (Franchise Agreement Section 5.3). All hiring decisions and conditions of employment are your sole responsibility. In order to maintain uniformity of our systems and services and to protect our confidential information, you cannot allow an employee or contractor to perform bookkeeping, tax, or accounting work other than through your business while employed or contracted by you (Franchise Agreement Section 7.5).

C. *Improving and Developing Your Business; Resolving Operating Problems You Encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently, \$600 per day), plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Franchise Agreement Paragraph 5.5(a)).

D. *Establishing Prices.* Upon your request, we will provide recommended prices for products and services. (Franchise Agreement Section 5.5).

E. *Establishing and Using Administrative, Bookkeeping, Accounting, and Inventory Control Procedures.* We will provide you our recommended procedures for administrative, bookkeeping, accounting, and inventory control. We may make any such procedures part of required (and not merely recommended) procedures for our system. (Franchise Agreement Paragraph 5.5(c)).

F. *Website.* We will maintain a website for the Paramount brand, which will include your business information and telephone number. We have the right to designate the vendor for the website and any SEO services that we or our franchisees use. (Franchise Agreement Paragraph 5.5(e)).

(4) Advertising

(i) *Your Own Advertising Material.* You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you. (Franchise Agreement Section 9.1).

(ii) *Advertising Council.* We do not have an advertising council composed of franchisees. The franchise agreement gives us the power to form an advertising council if we choose. (Franchise Agreement Section 9.3).

(iii) *Local or Regional Advertising Cooperatives.* We do not currently have any local or regional advertising cooperatives, but we have the right to require you to participate in a local or regional advertising cooperative. We will define the area of the cooperative based on media markets, or other geographic criteria that we deem appropriate. The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% of gross sales. We do not anticipate that we or an affiliate of ours would ever control voting of an advertising cooperative, but in such a case, there is no cap to member contributions. Your contributions to the marketing cooperative will be counted towards your local marketing contribution. If our own outlets are members of a cooperative, they must contribute to the fund on the same basis as franchisees. Unless otherwise determined by us, the activities of a cooperative will be determined by a majority vote of its members in good standing. We have the right to require the cooperative to operate from written bylaws or other governing documents that we determine. The documents are not currently available for you to review. Cooperatives are not required to prepare annual financial statements or make such statements available to its members for review. We have the power to require cooperatives to be formed, changed, dissolved, or merged. (Franchise Agreement Section 9.3).

(iv) *Market Introduction Plan.* You must develop a market introduction plan and obtain our approval of the plan at least 30 days before the projected opening date of your business. (Franchise Agreement Section 9.5).

(v) *Required Spending.* After you open, you must spend at least 5% of gross sales each month on marketing your business until your location reaches \$1,000,000 in annual gross sales. If your annual gross sales later drop below \$1,000,000, you must again spend 5% of your annual gross sales on local marketing. This requirement will continue until your annual gross sales again exceeds \$1,000,000. (Franchise Agreement Section 9.4).

(vi) *Internet Marketing.* We have the exclusive right to own, conduct and manage all marketing and commerce on the Internet or other electronic medium, including all websites and “social media” marketing related to the brand, but we may provide you access to the social media account for your location for certain management responsibilities and functions. You cannot change any login/password information without our prior written approval, and you must supply us with all changed/updated login/password

information. You cannot conduct such marketing or commerce, nor establish any website or social media presence independently, except as we may specify, and only with our consent. We retain the right to approve any linking to or other use of the Paramount Tax & Accounting website. You must comply with any Internet, online commerce and/or social media policy that we may prescribe. (Franchise Agreement Section 9.6).

(vii) *Our Rights and Obligations to Market.* Under the terms of the franchise agreement, we are not obligated to conduct advertising for the franchise system, or to spend any amount on advertising in your territory. However, we may use any marketing materials or campaigns developed by or on behalf of you and other franchisees, and you will grant us an unlimited, royalty-free license to do so. (Franchise Agreement Section 9.2).

(5) Point of Sale and Computer Systems

We require you to buy (or lease) the following software, hardware and peripheral equipment:

Drake Software – POS and Tax Preparation Software. There is no upfront cost to purchase the software because it is subscription based. The ongoing cost is currently \$1,295 per year for unlimited use and unlimited users per physical location. The cost includes support, updates and maintenance. The software calculates the price per form and generates an invoice for the client. Drake Software is for individual, business, trust, fiduciary, and non-profit tax returns. It stores complete tax information, including the returns. It also stores the amount of time spent by each operator, along with data about that client that may be entered. (Franchise Agreement Section 8.5; Attachment 5 to the Franchise Agreement)

Employee Payroll Tracking Software – Initial cost of \$500. This software is only required if you have employees or independent contractors working for your business. This software generates reports that allow for percentage payments to employees for services performed and payment collected. This one-time cost includes support, updates and maintenance. It is an online program. (Franchise Agreement Section 8.5; Attachment 5 to the Franchise Agreement)

Microsoft Office Suite – Monthly subscription cost of \$10 to \$15 per user. The basic subscription provides access to Word, Excel, Outlook and other capabilities. This price includes maintenance and upgrades as released by Microsoft. (Franchise Agreement Section 8.5; Attachment 5 to the Franchise Agreement)

QuickBooks Online – Accounting Software – Cost is \$50 monthly (or less) which includes updates and maintenance. (Franchise Agreement Section 8.5)

Computer Hardware and Software – Depending on your current equipment and computer hardware, some or all of the following may be included in the startup package at a cost of \$20,000 to \$25,000:

- a. A laptop or desktop computer (Microsoft protocol workstation).
- b. A server computer (Microsoft protocol) for each office. This server should not substitute as a personal computer for one user.
- c. A large screen monitor (40 inches to 60 inches) is required at each tax preparation station to be hung on the wall in full view of the client(s). Docking stations may be needed to handle the additional screens.

- d. Two desktop monitors are required in addition to the large screen monitor for each tax preparation station. A laptop screen may count as one of these monitors (if applicable)
- e. One Scanner at each workstation – Currently, Twain based scanners to help provide a paperless office.
- f. An HP laser jet printer is required for every 2 preparers.
- g. Wireless modem and router though hardwire is preferred.
- h. High-speed Internet access.
- i. Camera, microphone, and speakers for video meetings.
- j. Anti-virus software and backup services are required.

You must upgrade or update the required computer software or hardware as we require. We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates to your hardware or software. (Franchise Agreement Section 8.5; Attachment 5 to the Franchise Agreement) We do not require you enter into any such contract with a third party, but we anticipate the annual costs to maintain, repair, upgrade and update these systems to be between \$100 and \$3,000 per year.

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, client data, and reports. There is no contractual limitation on our right to access the information. (Franchise Agreement Section 8.5)

(6) Operating Manual

We will loan you a copy or provide electronic access to our confidential manuals, containing mandatory policies, operating procedures and other information. (Franchise Agreement Section 5.1) The manuals are confidential, will remain our property and may be used only in association with the Paramount Tax & Accounting franchise business and only during the term of the franchise agreement. You must keep the contents of the manuals confidential. The table of contents of the operating manual is included as Exhibit “G” to this disclosure document and is approximately 192 pages. You may not copy any part of the manuals, either physically or electronically. (Franchise Agreement Sections 11.5 and 13.1).

(7) Multi-Unit Development Agreement

Your rights under the multi-unit development agreement are territorial only and do not give or imply a right to use our trademarks or system. Our only obligation is to provide a territory where you have the option to develop Paramount Tax & Accounting franchise businesses provided in the multi-unit development agreement. After you have identified a potential site for a location, we must approve the location. Our approval will be based on our then-current standards for that franchise business pursuant to your franchise agreement. (Franchise Agreement Paragraph 5.4(a); 6.1(i) and Multi-Unit Development Agreement Section 2).

(8) Training Program

Our training consists of the following:

TRAINING PROGRAM¹

Subject	Hour of Classroom Training	Hours of On the Job Training	Location
System and Introduction	1 Hour	—	Salt Lake County, Utah or via virtual video conference
Starting your Business and Strategic Planning	1 Hour	—	Salt Lake County, Utah or via virtual video conference
Approved Services	1 Hour	—	Salt Lake County, Utah or via virtual video conference
Approved Software for Preparing Taxes	2 Hours	2 Hours	Salt Lake County, Utah or via virtual video conference
Onsite Tax Preparation Practices and Introduction to Online Courses	1 Hour	3 Hours	Salt Lake County, Utah or via virtual video conference
Electronic Filing Requirements	1 Hour	—	Salt Lake County, Utah or via virtual video conference
Ethics, Due Diligence and Guidelines When Accepting Clients	1 Hour	1 Hour	Salt Lake County, Utah or via virtual video conference
Invoicing and Fee Guidelines	1 Hour	1 Hour	Salt Lake County, Utah or via virtual video conference
Systems, Checklists and How to Run the Office Effectively	—	4 Hours	Salt Lake County, Utah or via virtual video conference
Contracts, Forms and Legal Documents	1 Hour	—	Salt Lake County, Utah or via virtual video conference
Safety, OSHA Requirements and Quality Control	1 Hour	—	Salt Lake County, Utah or via virtual video conference
Computer and Software Training ²	—	4 Hours	Salt Lake County, Utah or via virtual video conference
Customer Service and Handling Complaints	—	1 Hour	Salt Lake County, Utah or via virtual video conference
Marketing and Advertising Your Business	2 Hours	—	Salt Lake County, Utah or via virtual video conference

How to Hire Tax Preparers Staffing and Labor Costs	1 Hour	—	Salt Lake County, Utah or via virtual video conference
Processing Documents, Administrative, Accounting and Record Keeping Obligations	2 Hours	—	Salt Lake County, Utah or via virtual video conference
Paramount Tax & Accounting Instruction and Educational Videos (Required)	—	~10 Hours	Virtual/Online
Tax Software Instruction and Educational Videos (Optional)	—	~40 Hours	Virtual/Online
TOTAL	16 Hours	26 – 66 Hours	

¹ The training program may be changed due to updates in materials, methods, manuals, and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to you and personnel may vary based on the experience of those persons being trained.

² Software training programs will be provided to franchisees by our approved vendor once initial training above is completed.

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training class once per month. Training will be held at our offices and business location in Salt Lake County, Utah or held virtually over video conferencing software. Some training materials may be pre-recorded. At least 10 hours of the online educational videos (those specifically related to Paramount Tax & Accounting) are required to be watched by you. The other online videos provided to you are optional, but we encourage you to watch them. (Franchise Agreement Section 6.4)

The instructional materials consist of our manuals and other materials, lectures, discussions, and on-the-job demonstration and practice. The manuals will detail all aspects of franchise operations presented in training and serve as an ongoing reference. Updates to the manuals will be made available to you through various means including online.

(9) Instructors

Training classes will be led by Jon Wilhelm or another member of the Paramount Tax & Accounting team. Jon’s experience is described in Item 2. He has over 25 years of experience in our industry and over 10 years of experience with our affiliate, Paramount Tax & Accounting CPAs, PC. Jon has also taught courses at the university level for a total of approximately 9 years. Our instructors and trainers will have at least 2 years’ experience in the tax and accounting industry or will be a licensed CPA or Enrolled Agent.

There is no fee for your principal executive and up to 2 additional persons to attend the initial training; however, you must pay the travel and living expenses of all persons attending training. Each participant in training must sign a non-compete and confidentiality agreement with us.

Your principal executive must attend training. You may send any additional persons to the initial training that you want (up to the maximum described above). The length of training depends on the prior experience of your attendees but should last approximately 6 to 11 days. You must complete training to our satisfaction at least 2 weeks before opening your business. If (1) you fail to complete the initial training program to our satisfaction, or (2) we conclude, no more than 10 days after you complete the initial training program, that you do not have the ability to satisfactorily operate your franchise, then we have the right to terminate your franchise agreement. If we do so, we will refund your franchise fee less any out-of-pocket costs we have incurred, subject to your signing a general release of our liability. (Franchise Agreement Section 6.4)

(10) Additional Training

We may at any time require that your Principal Executive or other personnel complete training programs in any format and any location as determined by us. You will be required to pay a fee and shall pay all applicable travel, living and other expenses. (Franchise Agreement Section 7.6)

At our discretion, we may conduct conferences and seminars, which may be through online webinars, videos, live video conferencing, phone conferences or in person, to discuss improvements, new developments, mutual concerns, business issues, sales, marketing, personnel training, bookkeeping, accounting, inventory control and performance standards. Attendance at conferences and seminars is optional at this time, but we reserve the right to make a conference or seminar mandatory for your principal executive. You are required to pay any applicable the registration fees, as well as travel, and living expenses for your attendees. In-person conferences and seminars will be held at locations chosen by us. (Franchise Agreement Section 5.6)

Item 12 TERRITORY

(1) Territory Protection

We grant you an exclusive territory meaning that we will not open a Paramount Tax & Accounting outlet, nor license or franchise another party to open a Paramount Tax & Accounting outlet in your territory. The continuation of your territorial protection does not depend on achieving a certain sales volume, market penetration, or another contingency.

(2) Your Location

Your franchise is for a specific location approved by us.

(3) Grant of Territory

Your franchise agreement will specify a territory, which will be determined by us. Your territory will be made up of one or more ZIP codes. We generally grant territories with a population base of approximately 100,000 people. We have the right to designate the name of each territory and to change the name designation of a territory. You may only provide services to clients at your location, virtually, or as otherwise directed by us. Unless otherwise approved or required by us, you may not make sales by any

other means, including without limitation by wholesale, by delivery, by mail order or over the Internet, or at temporary or satellite locations.

(4) Territory Division

We have found that once an office reaches approximately 3,500 clients or an average of 3,000 clients, the service of that office can diminish due to the increased workload, and client attrition can be more widespread. Therefore, once you reach 3,500 clients or maintain an average of 3,000 clients over a 12-month period, we can require you to open a second outlet in your territory, and your original territory will be divided into two separate territories. In such case, you may have one or more territories with less than approximately 100,000 people, but the culmination of the population for all your territories will still be approximately 100,000 people. You would also be required to sign a new franchise agreement for the additional location, but the initial franchise fee will only be \$10,000 for this additional franchise, and you would be required to purchase an additional startup package for that additional territory.

(5) Relocation; Establishment of Additional Outlets

You do not have the right to relocate your business, and we have no obligation to approve any request for relocation. Our policy is to approve relocation of a franchisee's business on case-by-case basis, considering factors such as changes in demographics, profitability of your current business, or a loss of your premises due to circumstances beyond your control.

You do not have the right to establish additional franchised outlets or expand into additional territories. If you desire to establish additional franchised outlets, you must (1) meet our then-current criteria for new franchisees as well as our then-current criteria for multi-unit franchisees, (2) be in compliance with your franchise agreement at all times since opening your business, (3) have demonstrated your capability to operate the franchise successfully, and (4) sign our then-current franchise agreement.

(6) Options to Acquire Additional Franchises

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

(7) Adjustment of Territory Boundaries

We reserve the right to adjust your territory boundaries if a government body revises the ZIP codes that make up your territory, or if the population in your territory increases to a population of more than 150,000 people. In such case, we may readjust the boundaries of your territory, including the assigned ZIP codes for your territory, but any adjustment will not result in your territory(ies) having less than a population base of approximately 100,000 people.

(8) Other

(i) Restrictions on Us from Soliciting or Accepting Orders in Your Territory.

There are no restrictions on us from soliciting or accepting orders from consumers inside your territory. We reserve the right to use other channels of distribution, such as the Internet, websites, social media, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks or using trademarks different from the ones you will use under your franchise agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your territory.

(ii) Soliciting by You Outside Your Territory

You can advertise outside your territory, so long as you do not advertise in another franchise territory. There are no restrictions on you accepting clients from outside of your territory. For example, direct referrals to other clients from existing clients or referral partners will be permitted anywhere in the country regardless of who owns the area. We reserve the right to control all Internet-based marketing.

(iii) Competition by Us Under Different Trademarks

Neither we, nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement does not prohibit us from doing so.

(9) Multi-Unit Development Agreements

As a multi-unit developer, you will be assigned a limited, non-exclusive development area over which you will have development authority. You may face competition from other franchisees, from units that we own, or from other channels of distribution or competitive brands that we control. The size of your development area is to be negotiated. The written boundaries will be included in your multi-unit development agreement. The schedule of units to be developed in your development area are negotiated between you and us. To maintain your territorial development rights, you must develop the number of franchise businesses by the deadlines listed in your development schedule. After you have identified a potential site for a location, we must approve the location. Our approval will be based on our then-current standards for that franchise business pursuant to your franchise agreement.


There are no restrictions on us from soliciting or accepting orders from consumers inside your development area. We reserve the right to use other channels of distribution, such as the Internet, websites, social media, catalog sales, telemarketing, or other direct marketing sales, to make sales within your development area using our principal trademarks or using trademarks different from the ones you will use under your franchise agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your development area.

**Item 13
TRADEMARKS**

(1) – (4) Principal Trademark

The following are the principal trademarks and slogans that we license to you. These trademarks and slogans are owned by our affiliate, Paramount Tax & Accounting CPAs, PC. They are registered on the Principal Register of the United States Patent and Trademark Office. All required affidavits and renewals have been filed.

Registration/ Serial Number	Mark	Registry	Registration/ Filing Date	Status
4941080	PARAMOUNT (word mark)	Principal	April 19, 2016	Active

5748253	 (composite mark)	Principal	May 14, 2019	Active
5254533	When it comes to your tax and accounting needs, choosing a great CPA is Paramount! (word mark)	Principal	August 1, 2017	Active
5254534	Because we're CPAs, and they're not (word mark)	Principal	August 1, 2017	Active

(5) Determinations

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings.

(6) Litigation

There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

(7) Agreements

Our affiliate owns all of the trademarks described in this Item. Under an intercompany license agreement between us and our affiliate entered into in 2018, we have been granted the exclusive right to sublicense the trademark to franchisees throughout the United States for 50 years with renewal periods of 25 years. It may be modified only by mutual consent of the parties. It may be terminated by our affiliate only if we materially misuse the trademarks and fail to correct the misuse within 60 days of notice. The intercompany license agreement specifies that if it is ever terminated, your franchise rights will remain unaffected.

(8) Protection of Rights

We protect your right to use the principal trademarks listed in this Item and protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section.

The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you.

If you use our trademarks in accordance with the franchise agreement, then (i) we shall defend you (at our expense) against any legal action by a third party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense.

(9) Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

(1) Patents

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

(2) Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our operating manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for the purpose of your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

(3) Agreements

Our affiliate owns all of the copyrights described in this Item. Under an intercompany license agreement between us and our affiliate entered into in 2018, we have been granted the exclusive right to sublicense the copyrighted materials to franchisees throughout the United States for 50 years with renewal periods of 25 years. It may be modified only by mutual consent of the parties. It may be terminated by our affiliate only if we materially misuse the copyrights and fail to correct the misuse within 60 days of notice. The intercompany license agreement specifies that if it is ever terminated, your franchise rights will remain unaffected.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

(4) Protection of Rights

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights.

We do not know of any copyright infringement that could materially affect you.

(5) Proprietary Information

We have proprietary, confidential manuals and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, client data, information and know-how.

You must protect the confidentiality of our manuals and other proprietary information and use our confidential information only for your franchised business. We may require your owners and key employees to sign confidentiality agreements.

(6) Improvements to the System

Any improvements you make to the system will be owned by us and considered a “work-made-for-hire” or will otherwise be assigned to us.

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

(1) Your Participation

Your principal executive is not required to participate personally in the direct operation of your business. However, we recommend that your principal executive participates.

You must designate one person as your “principal executive.” If you as the franchisee are an individual, the principal executive is you personally, if you as the franchisee are an entity, the principal executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The principal executive must own at least 10% of the business. The principal executive must complete our initial training program. The principal executive must complete any post-opening training programs that we develop in the future. The principal executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The principal executive cannot fail to attend more than 3 consecutive required meetings.

Your principal executive or another employee of your Paramount Tax & Accounting business must be a licensed professional (EA, CPA, CA, or attorney), or as required by state law, and must spend at least 10 hours a week engaged in your Paramount Tax & Accounting business.

A licensed professional must e-file all tax returns and approve of all of the work produced by the franchised firm.

(2) “On-Premises” Supervision

Your principal executive is not required to personally conduct “on-premises” supervision (that is, act as general manager) of your business. However, we recommend on-premises supervision by your principal executive.

There is no limit on who you can hire as an on-premises supervisor. The general manager of your business (whether that is your principal executive or a hired person) must successfully complete our training program.

If the franchise business is owned by an entity, we do not require that the general manager own any equity in the entity.

(3) Restrictions On Your Manager

If we request, you must have your general manager sign a confidentiality and non-compete agreement. We do not require you place any other restrictions on your manager.

(4) Who Must Attend Initial Training

Your principal executive and your managers must attend the initial training program.

(5) Personal Guarantees

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 3 to Exhibit B).

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved. You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes. You may not outsource any part of your services to a third party, including to another Paramount Tax & Accounting franchisee without our prior written approval.

Additionally, if you have the proper licensing as required by your state, we may approve of you providing auditing services and other types of consulting services to your clients. Depending on state law, these fees will be considered part of your gross sales, and thus, included in the calculation of your ongoing royalty payment.

We do not restrict your access to clients, and you may accept referrals from anywhere in the country, even if that client is in another franchisee's territory. However, you are not permitted to market in another franchisee's territory.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	§ 3.1	20 years from date of franchise agreement
b. Renewal or extension of the term	§ 3.2	You may obtain a successor franchise agreement for up to 2 additional 5-year terms.
c. Requirements for franchisee to renew or extend	§ 3.2	For our franchise system, “renewal” means that at the end of your term, you sign our successor franchise agreement for an additional 5-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract. To renew, you must give timely advance notice to us (between 90 days and 180 days prior to the end of the term); be in compliance; renovate to then-current standard; sign the then-current form of our franchise agreement; and sign a general release (unless prohibited by applicable law).
d. Termination by franchisee	§ 14.1	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 60 days after receiving written notice from you.
e. Termination by franchisor without cause	Not Applicable	Termination always requires a valid cause.
f. Termination by franchisor with cause	§ 14.2	Please see detail in this section.
g. “Cause” defined--curable defaults	§ 14.2	Non-payment by you (10 days to cure); violation of the franchise agreement other than non-curable default (30 days to cure).

Provision	Section in franchise or other agreement	Summary
h. "Cause" defined--non-curable defaults	§ 14.2	Misrepresentation when applying to be a franchisee; intentionally submitting false information; bankruptcy; loss of possession of your location; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; libel or defamation of us; you cease operations for more than 5 consecutive days without our prior written approval; you commit 3 defaults in 12 months; cross-termination; charge or conviction of a felony, or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured.
i. Franchisee's obligations on termination/non-renewal	§§ 14.3 – 14.6	Pay all amounts due; return our manuals and proprietary items; notify phone, Internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by us	§ 15.1	Unlimited
k. "Transfer" by franchisee – defined	Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) direct or indirect ownership interest of more than 25% of the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	§ 15.2	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	§ 15.2	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer signs our then-current franchise agreement; you make all payments to us and are in compliance with the franchise agreement; buyer completes training program; you sign a general release; business complies with then-current system specifications.

Provision	Section in franchise or other agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	§ 15.5	If you want to transfer your business, we have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	Not Applicable	
p. Death or disability of franchisee	§ 15.4	If you die or become incapacitated, your executor must transfer the business to a third party within 9 months. We have the right to operate the business temporarily if you die or become incapacitated.
q. Non-competition covenants during the term of the franchise	§ 13.2	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, or be engaged or employed by, any competitor.
r. Non-competition covenants after the franchise is terminated or expires	§ 13.2	For 2 years, no ownership or employment by a competitor located within 25 miles of your former territory or within 25 miles of the territory of any other Paramount business operating on the date of termination.
s. Modification of the agreement	§ 18.4	No modification or amendment of the franchise agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the manuals or system specifications.
t. Integration/merger clause	§ 18.3	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, this does not disclaim the representations made by us in this disclosure document.
u. Dispute resolution by arbitration	§ 17.1	All disputes are resolved by arbitration (except for injunctive relief). Subject to applicable state law.

Provision	Section in franchise or other agreement	Summary
v. Choice of forum	§§ 17.1; 17.5	Arbitration will take place where our headquarters is located (currently, Salt Lake County, Utah). Any legal proceedings not subject to arbitration will take place in the district court of the United States in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to state law).
w. Choice of law	§ 18.8	Utah (subject to applicable state law).

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the multi-unit development agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Multi-Unit Development Agreement

Provision	Section in Multi-Unit Development Agreement	Summary
a. Length of the franchise term	§ 1	As negotiated
b. Renewal or extension of the term	Not Applicable	
c. Requirements for franchisee to renew or extend	Not Applicable	
d. Termination by franchisee	Not Applicable	
e. Termination by franchisor without cause	Not Applicable	Termination always requires a valid cause.
f. Termination by franchisor with cause	§ 4	Please see detail in this section.
g. "Cause" defined--curable defaults	Not Applicable	

Provision	Section in Multi-Unit Development Agreement	Summary
h. "Cause" defined--non-curable defaults	§ 4	Failure to meet a development deadline, or you default and fail to cure a default under one of your franchise agreements
i. Franchisee's obligations on termination/non-renewal	§§ 4 – 5	You will forfeit all deposits made and any contractual rights to develop or purchase additional franchises in the development area. However, you may continue as a franchisee pursuant to your signed franchise agreements.
j. Assignment of agreement by us	§ 7	Unlimited
k. "Transfer" by franchisee – defined	§ 7	You cannot transfer without our approval.
l. Franchisor's approval of transfer by franchisee	§ 7	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	§ 7	You cannot transfer without our approval.
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	
o. Franchisor's option to purchase franchisee's business	Not Applicable	
p. Death or disability of franchisee	Not Applicable	
q. Non-competition covenants during the term of the franchise	Not Applicable	
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	

Provision	Section in Multi-Unit Development Agreement	Summary
s. Modification of the agreement	§ 7	No modification or amendment will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the manuals or system specifications.
t. Integration/merger clause	§ 7	Only the terms of the multi-unit development agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and multi-unit development agreement may not be enforceable. However, this does not disclaim the representations made by us in this disclosure document.
u. Dispute resolution by arbitration	§ 7	All disputes are resolved by arbitration (except for injunctive relief). Subject to applicable state law.
v. Choice of forum	§ 7	Arbitration will take place where our headquarters is located (currently, Salt Lake County, Utah). Any legal proceedings not subject to arbitration will take place in the district court of the United States in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to state law).
w. Choice of law	§ 7	Utah (subject to applicable state law).

For additional disclosures required by certain states, refer to Exhibit I - State Addenda to Disclosure Document.

**Item 18
PUBLIC FIGURES**

We do not use any public figure to promote our franchise. However, we reserve the right to use public figures in the future.

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.

Gross Sales/Expenses/Net Income

The below tables represent an historic performance representation of our 1 company owned location and 33 of our franchised locations that were opened and operating for the full 2022 calendar year. Our other 22 franchise locations were not included in the tables below because those locations commenced operations sometime in 2022 and did not operate for a full calendar year in 2022.

Company Owned/Affiliate Locations (10+ years in operation)

The below table represents an historic performance representation of our affiliated owned location in Draper, Utah from January 1, 2022 to December 31, 2022. We only have one company owned location.

Category	Combined Totals	High Range	Low Range	Average	Median	Number of outlets that attained or surpassed the average	Percentage of outlets that attained or surpassed the average
Gross Sales^{1,2}	\$23,914,484	\$23,914,484	\$23,914,484	\$23,914,484	\$23,914,484	1	100%
<i>Less Marketing Costs</i>	<i>\$149,487</i>	<i>\$149,487</i>	<i>\$149,487</i>	<i>\$149,487</i>	<i>\$149,487</i>	1	100%
<i>Less Other Expenses</i>	<i>\$445,647</i>	<i>\$445,647</i>	<i>\$445,647</i>	<i>\$445,647</i>	<i>\$445,647</i>	1	100%
<i>Royalties² (10%)</i>	<i>\$72,598</i>	<i>\$72,598</i>	<i>\$72,598</i>	<i>\$72,598</i>	<i>\$72,598</i>	1	100%
Net Income	\$23,246,752	\$23,246,752	\$23,246,752	\$23,246,752	\$23,246,752	1	100%

¹ Gross Sales. Most of our corporate location’s revenues in 2022 were from tax consulting. Our franchisees are allowed to provide tax consulting as well, but most of the tax consulting performed by our corporate location involved mineral property donations and conservation easements for high income producing clients, and the IRS and state taxing authorities may phase out this deduction in the near future.

² Royalties. Our corporate location pays us royalties on all tax and accounting work it performs but not tax consulting work. In 2022, gross sales generated from tax and accounting work was \$725,980.

Franchised Locations (12+ months in operation)

The below table represents an historic performance representation of our 33 franchised locations that were opened and operating for the full 2022 calendar year. The table represents figures from January 1, 2022 to December 31, 2022.

Category	Combined Totals	High Range	Low Range	Average	Median	Number of outlets that attained or surpassed the average	Percentage of outlets that attained or surpassed the average
Gross Sales	\$13,712,060	\$5,101,617	\$7,400	\$415,517	\$104,244	7	21%
<i>Less Marketing Costs</i>	\$237,335	\$20,799	\$3,600	\$7,192	\$6,238	13	39%
<i>Less Other Expenses</i>	\$3,276,288	\$1,021,687	\$2,150	\$99,281	\$22,231	8	24%
<i>Less Royalties</i>	\$1,334,801	\$510,162	\$568	\$40,449	\$10,424	6	18%
Net Income	\$8,863,636	\$4,491,370	-\$5,088	\$268,595	\$44,681	7	21%

Notes

1. Gross Sales. “Gross sales” means the total dollar amount of all sales generated by an outlet for a given period, including payment for any services or products sold, whether for cash or credit and the value of any services bartered or done on trade. Gross sales do not include (i) bona fide refunds to clients, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in gross sales).
2. Average. “Average” means the sum of all data points in a set, divided by the number of data points in that set.
3. Median. “Median” means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the 2 numbers in the middle, adding them together, and dividing by 2.
4. Location Characteristics. Our company/affiliate owned location and all franchised locations listed in the tables above offer similar products and services to what new franchisees would offer. Each location is in a metropolitan area.
5. Other Expenses. The term “other expenses” includes general and administrative expenses, along with direct costs, that did not include sales and marketing expenses.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Paramount Franchising LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Jon Wilhelm, Jon@Paramount.tax, 12481 South Fort St., Suite 200, Draper, Utah 84020, and 801-341-2300, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System Wide Outlet Summary
For years 2020 to 2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	11	21	+10
	2021	21	43	+22
	2022	43	54	+11
Company-Owned ¹	2020	3	2	-1
	2021	2	1	-1
	2022	1	1	+0
Total Outlets	2020	14	23	+9
	2021	23	44	+21
	2022	44	55	+11

¹ “Company-Owned” units are owned and operated by our affiliate.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Ohio	2020	1
	2021	0
	2022	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Utah	2020	0
	2021	1
	2022	0
Texas	2020	0
	2021	1
	2022	0
Total	2020	1
	2021	2
	2022	0

**Table 3
Status of Franchised Outlets
For years 2020 to 2022**

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Arizona	2020	1	3	0	0	0	0	4
	2021	4	2	0	0	0	0	6
	2022	6	0	0	0	0	0	6
California	2020	1	0	0	0	0	0	1
	2021	1	2	0	0	0	0	3
	2022	3	5	0	0	0	0	8
Florida	2020	1	0	0	0	0	0	1
	2021	1	2	0	0	0	0	3
	2022	3	2	0	0	0	0	5
Idaho	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Iowa	2020	0	0	0	0	0	0	0

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Nevada	2020	2	1	0	0	0	0	3
	2021	3	2	0	0	0	0	5
	2022	5	0	0	0	0	0	5
North Carolina	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Ohio	2020	1	0	0	0	0	1 ¹	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Texas	2020	0	2	0	0	0	0	2
	2021	2	2	0	0	0	0	4
	2022	4	2	0	0	0	0	6
Utah	2020	5	5	0	0	0	0	10
	2021	10	8	0	0	0	0	18
	2022	18	1	0	0	0	0	19
Virginia	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Totals	2020	11	11	0	0	0	1	21
	2021	21	22	0	0	0	0	43
	2022	43	11	0	0	0	0	54

¹ These franchises were transferred to a new franchisee, and then the new franchisee relocated the franchise to Utah.

Table 4
Status of Company-Owned Outlets
For years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Utah	2020	3	0	0	0	1	2
	2021	2	0	0	0	1	1
	2022	1	0	0	0	0	1
Totals	2020	3	0	0	0	1	2
	2021	2	0	0	0	1	1
	2022	1	0	0	0	0	1

Table 5
Projected Openings As Of December 31, 2022

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Next Fiscal Year
California	2	1	0
Utah	3	1	0
Totals	5	2	0

(1) Current Franchisees

Exhibit H contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

(2) Former Franchisees

Exhibit H contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

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

(3) Sale of Previously Owned Outlet

We are not selling a previously owned franchised outlet now under our control.

(4) Confidentiality Clauses

In the last 3 fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

(5) Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

**Item 21
FINANCIAL STATEMENTS**

Exhibit F contains our audited financials dated 12/31/2022, our audited financials dated 12/31/2021, and our audited financials dated 12/31/2020. We have also included unaudited interim financials dated 3/31/2023. Our fiscal year ends December 31.

**Item 22
CONTRACTS**

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Multi-Unit Development Agreement
- D. Rider to Lease Agreement
- E. Form of General Release
- J. State Addenda to Franchise Agreement
- M. Deposit Receipt Letter

**Item 23
RECEIPTS**

Detachable documents acknowledging your receipt of this disclosure document are attached as the last 2 pages of this disclosure document.

Exhibit A

STATE ADMINISTRATORS AND LIST OF AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California		Department of Financial Protection and Innovation	<p><u>Sacramento:</u> 2101 Arena Blvd., Sacramento, CA 95834</p> <p><u>San Diego:</u> 1455 Frazee Road Suite 315, San Diego, CA 92108</p> <p><u>San Francisco:</u> One Sansome Street, Ste. 600, San Francisco, CA 94101</p> <p><u>Los Angeles:</u> 320 West 4th Street, Ste. 750, Los Angeles, CA 90013-2344</p>	<p><u>Sacramento:</u> (916) 445-7205</p> <p><u>San Diego:</u> (619) 525-4233</p> <p><u>San Francisco:</u> (415) 972-8559</p> <p><u>Los Angeles:</u> (213) 576-7500</p> <p><u>Toll Free:</u> (866) 275-2677</p>
Connecticut	Securities and Business Investment Division	Connecticut Department of Banking	260 Constitution Plaza, Hartford, CT 06103-1800	(860) 240-8233
Florida	Division of Consumer Services	Department of Agriculture and Consumer Services	P.O. Box 6700, Tallahassee, FL 32314-6700	(805) 488-2221 Fax: (805) 410-3804
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Ste. 315, West Tower, Atlanta, GA 30334	
Hawaii	Business Registration Division, Commissioner of Securities	Department of Commerce and Consumer Affairs	P.O. Box 40, Honolulu, HI 96810	(808) 586-2744
Illinois	Franchise Bureau	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4436
Indiana	Franchise Section	Indiana Securities Division, Secretary of State	302 West Washington Street, Room E-111, Indianapolis, IN 46204	(317) 232-6681
Iowa	Iowa Securities Bureau		340 Maple, Des Moines, Iowa 50319-0066	(515) 287-4441
Maryland	Office of the Attorney General	Division of Securities	200 St. Paul Place, 20 th Floor, Baltimore Maryland 21202-2020	(410) 576-6360

Michigan	Michigan Attorney General's Office	Consumer Protection Division; Attn: Franchise Section	525 West Ottawa Street, Williams Building, 6 th Floor, Lansing, MI 48933	(517) 373-7117
Minnesota	Minnesota Department of Commerce	Securities – Franchise Registration	85 7 th Place East, Suite 280, St. Paul, Minnesota 55101-2198	(651) 539-1600
Nebraska	Bureau of Securities/Financial Institutions Division	Department of Banking and Finance	1526 K Street, Suite 300, Lincoln, NE 68508-2732	(402) 471-3445
New York	NYS Department of Law	Investor Protection Bureau	28 Liberty St. 21 st Floor, New York, NY 10005	(212) 416-8222 Fax: (212) 416-6042
North Dakota	Franchise Examiner	North Dakota Securities Department	600 East Boulevard Avenue, State Capital 5 th Floor, Dpt 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Division of Finance and Corporate Securities	Department of Consumer and Business Services	Labor and Industries Building	(503) 378-4140 Fax: (503) 947-7862
Rhode Island	Securities Division	Department of Business Regulation	1511 Pontiac Avenue, John O. Pastore Complex 69-1, Cranston, RI 02920-4407	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 S. Euclid 2 nd Floor, Pierre, SD 57501-3185	(605) 773-3563 Fax: (605) 773-5953
Texas	Secretary of State	Registration Division	P.O. Box 13193, Austin, TX 78711-3193 1719 Brazos, Austin, TX 78707	(512) 475-1769
Utah	Division of Consumer Protection	Utah Department of Commerce	160 East 300 South, SM Box 146704, Salt Lake City, UT 84114-6704	(801) 530-6601 Fax: (801) 530-6001
Virginia	State Corporation Commission	Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor, Richmond, VA 23219	(804) 371-9051
Washington	Securities Division	Department of Financial Institutions	P.O. Box 9033, Olympia, WA 98507-9033	(360) 902-8760
Wisconsin	Division of Securities	Department of Financial Institutions	P.O. Box 1768, Madison, WI 53701	(608) 266-2801
Federal Trade Commission	Division of Marketing Practices	Bureau of Consumer Protection	Pennsylvania Avenue at 6 th Street, NW, Washington DC 20580	(202) 326-3128

LIST OF AGENTS FOR SERVICE OF PROCESS

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation	Department of Financial Protection and Innovation	2101 Arena Blvd., Sacramento, CA 95834	(916) 445-7205 (866) 275-2677
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Suite 315, West Tower, Atlanta, GA 30334	
Hawaii	Commissioner of Securities	Department of Commerce and Consumer Affairs Business Registration Division, Securities Compliance Branch	335 Merchant Street, Room 203, Honolulu, HI 96813	(808) 586-2722
Illinois	Chief, Franchise Division	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4465
Indiana	Indiana Secretary of State		210 State House, Indianapolis, IN 46204	
Maryland	Maryland Securities Commissioner	Division of Securities; Office of Attorney General	200 St. Paul Place, 20 th Floor, Baltimore, MD 21202-2020	(410) 576-6360
Michigan	Antitrust and Franchise Business	Michigan Department of the Attorney General's Office; Franchise Administrator; Consumer Protection Division	6546 Mercantile Way, Lansing, MI 48910	(517) 373-7117
Minnesota	Commissioner of Commerce	Minnesota Department of Commerce	85 7 th Place East, Suite 280, St. Paul, MN 55101	(651) 539-1500
New York	New York Department of State		99 Washington Avenue, 6 th Floor, Albany, NY 12231	(518) 473-2492
North Dakota	North Dakota Securities Department		600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Director of Insurance & Finance	Business Service Division of Finance and Corporate Securities Labor and Industries Building	Salem, OR 97310	(503) 378-4387

Rhode Island	Chief Securities Examiner of Business Regulation	Department of Business Regulation Securities Division	1511 Pontiac Avenue, John O. Pastore Complex – Building 69-1, Cranston, RI 02920	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 South Euclid Avenue, 2 nd Floor, Pierre, SD 57501-3185	(605) 773-3563
Virginia	Clerk of the State Corporation Commission		1300 East Main Street, 1 st Floor, Richmond, VA 23219	
Washington	Director of Financial Institutions		150 Israel Road SW, Tumwater, WA 98501	(360) 902-8760
Wisconsin	Wisconsin Commissioner of Securities	Franchise Investment Division	101 East Wilson Street, Fourth Floor, Madison, WI 53702	

If a state is not listed, Paramount Franchising LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which Paramount Franchising LLC has appointed an agent for service of process.

EXHIBIT B
FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

SUMMARY PAGE

- | | |
|---------------------------------|----------------|
| 1. Franchisee | _____ |
| 2. Effective Date | _____ |
| 3. Initial Franchise Fee | \$ _____ |
| 4. Development Area | _____ |
| 5. Business Location | _____ |
| 6. Territory | _____ |
| 7. Opening Deadline | _____ |
| 8. Principal Executive | _____ |
| 9. Franchisee's Address | _____
_____ |

FRANCHISE AGREEMENT

This Agreement is made between Paramount Franchising LLC, a Utah limited liability company (“Paramount Franchising”), and Franchisee on the Effective Date.

Background Statement:

A. Paramount Franchising owns the licensing rights to a system (the “System”) for developing and operating a federal and state tax return preparation, resolution, accounting and related accounting and financial services business under the service mark Paramount.

B. The System includes (1) methods and procedures for developing and operating a Paramount business, (2) plans, specifications, equipment, signage and trade dress for Paramount businesses, (3) particular products and services, (4) the Marks, (5) training programs, (6) technical knowledge, (7) marketing plans and concepts, (8) a website, (9) accounting and bookkeeping specifications, (10) methods and standards of operation, and (11) other mandatory or optional elements as determined by Paramount Franchising from time to time.

B. The parties desire that Paramount Franchising license the Marks and the System to Franchisee for Franchisee to develop and operate a Paramount business on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

“**Action**” means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

“**Approved Vendor**” means a supplier, vendor, or distributor of Inputs which has been approved by Paramount Franchising.

“**Business**” means the Paramount business owned by Franchisee and operated under this Agreement.

“**Competitor**” means any business which offers tax and accounting services.

“**Confidential Information**” means all non-public information of or about the System, Paramount Franchising, and any Paramount business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems and techniques, formulas, techniques, designs, layouts, operating procedures, client data, information and know-how.

“**Gross Sales**” means the total dollar amount of all sales generated through the Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit and the value of any services bartered or done on trade. Gross Sales does not include (i) bona fide refunds to clients, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

“**Input**” means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

“Internet” means any present or future interactive system for electronic communications, using lines, cables, wireless, satellite, radio or any other technology; and which involves one or more of the following: the system of interconnected computer networks that use the Internet protocol suite (TCP/IP) or its successor; websites or similar remotely-accessible electronic information sources (whether password protected or not); use of domain names, other locators, or emails that use the Marks; Internet phone services; cellular or similar messaging; mobile applications; social networks or Social Media; or wikis, podcasts, online content sharing communities, or blogging.

“Location” means the location stated on the Summary Page. If no location is stated on the Summary Page, then the Location will be determined in accordance with Section 6.1.

“Losses” includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys’ fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Paramount Franchising’s reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

“Manual” means Paramount Franchising’s confidential operating manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

“Marketing Fund” means the fund established (or which may be established) by Paramount Franchising into which Marketing Fund Contributions are deposited.

“Marks” means the service mark and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Paramount Franchising from time to time for use in a Paramount business.

“Owner” means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then “Owner” means Franchisee.

“Remodel” means a refurbishment, renovation, and remodeling of the Location to conform to the building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, decor, color schemes, presentation of the Marks, and other System Standards in a manner consistent with the image then in effect for a new Paramount business.

“Required Vendor” means a supplier, vendor, or distributor of Inputs which Paramount Franchising requires franchisees to use.

“Social Media” means any and all websites, apps and web or Internet pages for social interaction, business operation, marketing, and other online information communications, whether now or later developed.

“System Standards” means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Paramount Franchising, including without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, client service, design (such as construction, decoration, layout, furniture, fixtures and signs), equipment, inventory, marketing and public relations, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup

and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and Internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

“**Territory**” means the territory stated on the Summary Page. If no territory is stated on the Summary Page, then the Territory is determined in accordance with Section 6.1.

“**Transfer**” means for Franchisee (or any owner of Franchisee) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) direct or indirect ownership interest of more than 25% of the Business, or (iv) control of the Business.

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Paramount Franchising grants to Franchisee the right to operate a Paramount business solely at the Location. If no Location is stated on the Summary Page when this Agreement is signed, then the parties will determine the Location in accordance with Section 6.1. Franchisee shall develop, open and operate a Paramount business at the Location for the entire term of this Agreement. The parties acknowledge that Franchisee must operate the Business to meet Paramount Franchising’s minimum System Standards, but that the means of satisfying the System Standards are left to the control and discretion of Franchisee.

2.2 Protected Territory. Paramount Franchising shall not establish, nor license the establishment of, another Paramount business within the Territory. Paramount Franchising retains the right to:

- (i) establish and license others to establish and operate Paramount businesses outside the Territory;
- (ii) operate and license others to operate businesses anywhere that do not operate under the Paramount brand name; and
- (iii) sell and license other to sell products and services in the Territory through channels of distribution (including the Internet) other than Paramount outlets.

In addition, other Paramount businesses are permitted to provide services to clients located within Franchisee’s Territory if those clients are referred to other Paramount businesses in Franchisee’s Territory. Likewise, Franchisee is permitted to provide services to clients located within another franchisee’s territory if those clients are referred to Franchisee.

2.3 Franchisee Control. Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner’s interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify Paramount Franchising within 10 days.

2.4 Principal Executive and Staff Licensed Professional. Franchisee agrees that the person designated as the “Principal Executive” on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Executive must have at least 10% ownership interest in Franchisee.

The Principal Executive does not have to serve as a day-to-day general manager of the Business, but the Principal Executive must devote substantial time and attention to the Business. If the Principal Executive

dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to Paramount Franchising's reasonable approval and complete the initial training as required by Paramount Franchising.

In addition, the Principal Executive or another employee of your Business must be a licensed professional defined as: a certified public accountant (a "CPA"), an enrolled agent (an "EA"), chartered accountant (a "CA"), or attorney, or as otherwise required by state law, and such individual must spend at least 10 hours a week engaged in the Business. Additionally, your office must be open at least 30 hours per week (except for the week between Christmas and New Year's).

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Paramount Franchising, in the form of Attachment 3.

2.6 No Conflict. Franchisee represents to Paramount Franchising that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the Effective Date and continues for 20 years.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to two additional periods of five years each, subject to the following conditions prior to each renewal:

- (i) Franchisee notifies Paramount Franchising of the election to renew between 90 and 180 days prior to the end of the term;
- (ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Paramount Franchising (or any of its affiliates) at the time of election and at the time of renewal;
- (iii) Franchisee has made or agrees to make (within a period of time acceptable to Paramount Franchising) renovations and changes to the Business as Paramount Franchising requires to conform to the then-current System Standards;
- (iv) Franchisee executes Paramount Franchising's then-current standard form of franchise agreement, which may be materially different than this form (including, without limitation, higher and/or different fees), except that Franchisee will not pay another initial franchise fee and will not receive another renewal or successor term; and
- (v) Franchisee and each Owner executes a general release (on Paramount Franchising's then-standard form) of any and all claims against Paramount Franchising, its affiliates, and their respective owners, officers, directors, agents and employees.

ARTICLE 4. FEES

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable, except as provided in Section 6.4. If Franchisee is an honorably discharged veteran of the United States military, Franchisee will receive a discount of 20% off the initial franchise fee. Franchisee must provide to Paramount Franchising Veteran ID cards, a DD-214, and other documentation to provide proof of honorable discharged status.

4.2 Royalty Fee. Franchisee shall pay Paramount Franchising a monthly royalty fee (the “Royalty Fee”) equal to 10% of Gross Sales. The Royalty Fee for any given month is due on the 5th day of the following month.

4.3 Marketing Cooperative Contributions. If the Business participates in a Marketing Cooperative, then Franchisee shall contribute to the Marketing Cooperative a percentage of Gross Sales (or other amount) determined by the Market Cooperative.

4.4 Non-Compliance Fee. Paramount Franchising may charge Franchisee \$250 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee’s non-payment of a fee owed to Paramount Franchising). If such non-compliance is ongoing, Paramount Franchising may charge Franchisee \$250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of Paramount Franchising’s internal cost of personnel time attributable to addressing the non-compliance and is not a penalty or estimate of all damages arising from Franchisee’s breach. The non-compliance fee is in addition to all Paramount Franchising’s other rights and remedies; non-compliance is considered a default of this Agreement.

4.5 Reimbursement. Paramount Franchising may (but is never obligated to) pay on Franchisee’s behalf any amount that Franchisee owes to a supplier or other third party. If Paramount Franchising does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to Paramount Franchising within 15 days after invoice by Paramount Franchising accompanied by reasonable documentation.

4.6 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, and any other amounts owed to Paramount Franchising by pre-authorized bank draft or in such other manner as Paramount Franchising may require.

(b) Calculation of Fees. Franchisee shall report monthly Gross Sales to Paramount Franchising by the 5th day of the following month. Gross Sales will be determined by the use of the accounting software that Paramount Franchising chooses. Each Franchisee will be required to use this accounting software for their reporting requirements, such that the calculation of the Royalty Fee will be available to the Franchisor by the 5th day of each month for the prior month. The amount calculated for the Royalty Fee will be withdrawn through ACH. If Franchisee fails to report monthly Gross Sales, then Paramount Franchising may withdraw estimated Royalty Fees equal to 125% of the last Gross Sales reported to Paramount Franchising, and the parties will true-up the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that Paramount Franchising has the right to remotely access to Franchisee’s point-of-sale system and to calculate Gross Sales. Franchisee will also provide information as to the number of tax returns completed each month, as well as the total number of clients. This information will also be required on the 5th day of the month.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a \$100 “late fee” plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Paramount Franchising may charge \$50 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs incurred by Paramount Franchising (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. Paramount Franchising may apply any payment received from Franchisee to any obligation and in any order as Paramount Franchising may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Paramount Franchising any fees or amounts described in this Agreement are not dependent on Paramount Franchising’s performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

4.7 Optional Programs. Franchisee understands and agrees that Paramount Franchising has developed optional programs for which there may be a fee paid to a third party or to Paramount Franchising. In such case, the provisions of this Article 4 will apply to all such payments. Additionally, Paramount Franchising may develop additional optional and/or mandatory programs. This Section 4.7 will also apply to programs developed in the future.

4.8 Marketing, SEO (Search Engine Optimization), and Website Management Fee. A monthly fee of \$300 (or the then-current fee) is to be paid directly to a third party vendor for services related to the franchisee’s website. These services may include but are not limited to SEO (search engine optimization), marketing services, website changes, PPC (pay per click) campaigns, etc.

4.9 Email Account(s) Fee. Franchisee shall pay Paramount Franchising or its designated supplier a monthly email account fee of \$5 to \$30 (currently). This fee may increase based on increased costs and maintenance. This fee is paid annually and is due upon the creation of the email address(es) and the annual renewal date each year thereafter.

ARTICLE 5. ASSISTANCE

5.1 Manual. Paramount Franchising shall make its Manual available to Franchisee.

5.2 Assistance in Hiring Employees. Paramount Franchising shall provide its suggested staffing levels to Franchisee and suggested guidelines for hiring employees. All hiring decisions and conditions of employment are Franchisee’s sole responsibility.

5.3 Assistance in Training Employees. Paramount Franchising shall, to the extent it deems appropriate, provide programs for Franchisee to conduct training of new employees.

5.4 Pre-Opening Assistance.

(a) Selecting Location. Paramount Franchising shall provide its criteria for Paramount locations to Franchisee. Paramount Franchising will review and advise Franchisee regarding potential locations submitted by Franchisee.

(b) Pre-Opening Plans, Specifications, and Vendors. Within a reasonable period of time after the Effective Date, Paramount Franchising shall provide Franchisee with (i) Paramount Franchising's sample set of standard building plans and specifications and/or standard recommended floor plans; (ii) the applicable System Standards, (iii) other specifications as Paramount Franchising deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (iv) Paramount Franchising's lists of Approved Vendors and/or Required Vendors.

(c) Business Plan Review. If requested by Franchisee, Paramount Franchising shall review and advise on Franchisee's pre-opening business plan and financial projections. **Franchisee acknowledges that Paramount Franchising accepts no responsibility for the performance of the Business.**

(d) Pre-Opening Training. Paramount Franchising shall make available its standard pre-opening training to the Principal Executive and up to two other employees, at Paramount Franchising's headquarters and/or at a Paramount business designated by Paramount Franchising. Franchisee must watch at least 10 hours of the online educational videos required by Paramount Franchising. Paramount Franchising shall not charge any fee for this training. Franchisee is responsible for the travel, lodging, meal, and other out-of-pocket expenses for each of its attendees. A virtual training option may also be available.

(e) Market Introduction Plan. Paramount Franchising shall advise Franchisee regarding the planning and execution of Franchisee's market introduction plan.

5.5 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, Paramount Franchising will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Paramount Franchising deems reasonable. If Paramount Franchising provides in-person support in response to Franchisee's request, Paramount Franchising may charge its then-current fee (currently, \$600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Upon request, Paramount Franchising will provide recommended prices for products and services offered by franchisees of the System.

(c) Procedures. Paramount Franchising will provide Franchisee with Paramount Franchising's recommended administrative, bookkeeping, accounting, and inventory control procedures. Paramount Franchising may make any such procedures part of required (and not merely recommended) System Standards.

(e) Internet. Paramount Franchising shall maintain a website for Paramount, which will include Franchisee's location (or territory) and telephone number. Paramount Franchising has the right to designate the vendor for the website and any SEO services that Paramount Franchising or Franchisee will use.

5.6 Conferences and Seminars.

Paramount Franchising has the discretion to conduct conferences and seminars, which may be through online webinars, videos, live video conferencing, phone conferences or in person, to discuss improvements, new developments, mutual concerns, business issues, sales, marketing, personnel training, bookkeeping, accounting, inventory control and performance standards. Attendance at conferences and seminars is optional at this time, but Paramount Franchising reserves the right to make a conference or

seminar mandatory for Franchisee's Principal Executive. Franchisee is required to pay any applicable the registration fees (currently \$0 to \$1,000 per attendee), as well as travel, and living expenses for Franchisee's attendees. In-person conferences and seminars will be held at locations chosen by Paramount Franchising.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Determining Location and Territory. If the Location and Territory are not stated on the Summary Page:

(i) Franchisee shall find a potential Location within the Development Area described on the Summary Page and submit its proposed Location to Paramount Franchising for acceptance, with all related information Paramount Franchising may request. If Paramount Franchising does not accept the proposed Location in writing within 30 days, then it is deemed rejected.

(ii) Upon approval by Paramount Franchising, the Location and Territory shall be listed on the Location Acceptance Letter in the form of Attachment 2. Paramount Franchising shall determine the Territory in its good faith discretion, substantially in accordance with Item 12 of the Franchise Disclosure Document.

(iii) Paramount Franchising may allow Franchisee to work from a home office, so long as the home office is a separate office space closed off from the remainder of the home, the office space is at least 10' x 10', the office space is quiet and professional looking, and the office is equipped with all the necessary equipment and technology to provide clients with the same quality services as if Franchisee were leasing a commercial space.

(iv) Paramount Franchising's advice regarding, or acceptance of a site is not a representation or warranty that the Business will be successful, and Paramount Franchising has no liability to Franchisee with respect to the location of the Business. Failure to find an approved site may result in a termination of this Agreement without a refund.

6.2 Lease. In connection with any lease between Franchisee and the landlord of the Location: (i) if requested by Paramount Franchising, Franchisee must submit the proposed lease to Paramount Franchising for written approval, and (ii) Franchisee shall obtain a rider to the lease signed by the landlord to the Location, on the form required by Paramount Franchising. See Exhibit D.

6.3 Development. Franchisee shall construct (or remodel) and finish the Location in conformity with Paramount Franchising's System Standards and with all applicable local ordinances and building codes and obtain all required permits for the Location. If required by Paramount Franchising, Franchisee shall engage the services of an architect licensed in the jurisdiction of the Location. Franchisee shall not begin any construction or remodeling work without first obtaining Paramount Franchising's approval of Franchisee's plans. Paramount Franchising may, but is not required to, inspect Franchisee's construction or remodeling progress at any reasonable time. Franchisee shall not rely upon any information provided or opinions expressed by Paramount Franchising or its representatives regarding any architectural, engineering or legal matters in the development and construction of the Business, and Paramount Franchising assumes no liability with respect thereto. Paramount Franchising's inspection and/or approval to open the Business is not a representation or a warranty that the Business has been constructed in accordance with any architectural, engineering or legal standards.

6.4 New Franchisee Training. Franchisee's Principal Executive must complete Paramount Franchising's training program for new franchisees. If the Principal Executive (i) fails to complete the initial training program to Paramount Franchising's satisfaction, or (ii) Paramount Franchising concludes, no more

than 10 days after the Principal Executive completes the initial training program, that the Principal Executive does not have the ability to satisfactorily operate the Business, then Paramount Franchising may terminate this Agreement. In such event, Paramount Franchising shall refund the initial franchise fee to Franchisee (less any out-of-pocket costs incurred by Paramount Franchising), subject to Franchisee's prior execution of a general release of liability of Paramount Franchising and its affiliates, in a form prescribed by Paramount Franchising.

6.5 Conditions to Opening. Franchisee shall notify Paramount Franchising at least 30 days before Franchisee intends to open the Business to the public. Before opening, Franchisee must satisfy all of the following conditions: (1) Franchisee is in compliance with this Agreement, (2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Paramount Franchising has inspected and approved the Business, (5) Franchisee has hired sufficient employees, (6) Franchisee's officers and employees have completed all of Paramount Franchising's required pre-opening training; and (7) Paramount Franchising has given its written approval to open, which will not be unreasonably withheld.

6.6 Opening Date. Franchisee shall open the Business to the public on or before the date stated on the Summary Page.

6.7 Adjustment of Territory Boundaries. Paramount Franchising reserves the right to adjust Franchisee's Territory boundaries if a government body revises the ZIP codes that make up Franchisee's Territory, or if the population in Franchisee's Territory increases to a population of more than 150,000 people. In such case, Paramount Franchising may readjust the boundaries of Franchisee's Territory, including the assigned ZIP codes for Franchisee's Territory, but any adjustment will not result in Franchisee's Territory having less than a population base of approximately 100,000 people.

6.8 Territory Division. Once Franchisee reaches 3,500 clients or maintains an average of 3,000 clients over a 12-month period, Paramount Franchising, in its sole discretion, can require Franchisee to open a second outlet in Franchisee's Territory, and Franchisee's original territory will be divided into two separate territories. In such case, Franchisee may have one or more territories with less than approximately 100,000 people, but the culmination of the population for all of Franchisee's territories will still be approximately 100,000 people. In case of a territory division, Franchisee shall sign a new franchise agreement for the additional location, but the initial franchise fee will only be \$10,000 for this additional franchise, and Franchisee will be required to purchase an additional startup package for that additional outlet.

ARTICLE 7. OPERATIONS

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all System Standards and with all other mandatory obligations contained in the Manual.

7.2 Compliance with Law. Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business.

7.3 Products, Services, and Methods of Sale.

(a) **Products and Services.** Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Paramount Franchising in the Manual or otherwise in writing. Franchisee shall timely pay all suppliers, including Paramount Franchising, and its affiliates for purchased goods and services. The prices, delivery terms, terms of payment, and other terms relating to the

sale of such goods and services are subject to change by the supplier (including Paramount Franchising and affiliates) without prior notice to Franchisee at any time. In no event will Paramount Franchising or an affiliate be liable to Franchisee for unavailability of or delay in shipment or receipt of merchandise due to temporary product shortages or unavailability, order backlogs, production difficulties, delays in or unavailability of transportation, fire, strikes, work stoppages, or other such causes. A list of approved goods, services, and suppliers may be set forth in the Manual, which list it may update from time to time. Franchisee may not outsource any part of Franchisee's services to a third party, including to another Paramount franchisee without Paramount Franchising's prior written approval.

(b) Method of Services. Franchisee shall only provide services to clients at the Location, virtually, or as otherwise directed by Paramount Franchising. Unless otherwise approved or required by Paramount Franchising, Franchisee shall not make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the Internet, or at temporary or satellite locations.

(c) Audit and Consulting Services. Franchisee must obtain Paramount Franchising's prior written approval to provide auditing services; financial services and consulting services to Franchisee's clients. Franchisee must also obtain the proper licensing as required by Franchisee's state to provide such services. Depending on state law, these fees will be considered part of Franchisee's Gross Sales, and thus, included in the calculation of Franchisee's ongoing Royalty Fees and other fees.

(d) Oversight. In order to provide services and/or products that are superior to the "big box" tax firms, Paramount Franchising requires approval and/or signatures of preparers who are either a CPA, an EA, a CA, or a tax attorney. A licensed professional must e-file all tax returns and approve of all the work produced by Franchisee.

7.4 Prices. Notwithstanding any provision of this Agreement or the Manual to the contrary, Franchisee retains the sole discretion to determine the prices it charges for products and services.

7.5 Personnel.

(a) Service. Franchisee shall cause its personnel to render competent and courteous service to all clients and members of the public.

(b) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(c) Qualifications. Paramount Franchising may set minimum qualifications for categories of employees employed by Franchisee. Additionally, for the purpose of maintaining uniformity of services and to protect the Confidential Information, no employee or contractor of Franchisee can perform bookkeeping, tax or accounting work other than through the Business while employed or contracted by Franchisee.

(d) Sole Responsibility. Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, benefits, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Paramount Franchising are not joint employers, and no employee of Franchisee will be an agent or employee of Paramount Franchising.

7.6 Post-Opening Training. Paramount Franchising, may at any time, require that the Principal Executive and/or any other employees complete training programs, in any format and in any location or virtually as determined by Paramount Franchising. Paramount Franchising may charge a reasonable fee for

any training programs (currently, \$1,500). Paramount Franchising may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Principal Executive, any other employee, or a representative of Paramount Franchising, then Franchisee shall pay all travel, living and other expenses.

7.7 Guaranties and Warranties. Franchisee shall implement any guaranties, warranties, or similar commitments regarding products and/or services that Paramount Franchising may require.

7.8 Client Complaints. Franchisee shall use its best efforts to promptly resolve any client complaints. Paramount Franchising may take any action it deems appropriate to resolve a client complaint regarding the Business, and Paramount Franchising may require Franchisee to reimburse Paramount Franchising for any expenses.

7.9 Client Evaluation and System Compliance Programs. Franchisee shall participate, at its own expense, in programs required from time to time by Paramount Franchising for obtaining client evaluations and/or reviewing Franchisee's compliance with the System. This may include (but are not limited to) a client feedback system, client survey programs, and mystery shopping. Paramount Franchising shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Paramount Franchising for such programs.

7.10 Payment Systems. Franchisee shall accept payment from clients in any form or manner designated by Paramount Franchising (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, mobile payment systems, and other alternative forms of payment). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Paramount Franchising. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.11 Incentive Programs. Franchisee shall comply with all procedures and specifications of Paramount Franchising related to incentive programs as developed by Paramount Franchising.

7.12 Maintenance and Repair. Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property to the Business as Paramount Franchising may prescribe from time to time, including but not limited to periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment and décor. Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, and repair.

7.13 Remodeling. In addition to Franchisee's obligations to comply with all System Standards in effect from time to time, Paramount Franchising may require Franchisee to undertake and complete a Remodel of the Location to Paramount Franchising's satisfaction. Franchisee must complete the Remodel in the time frame specified by Paramount Franchising but in no event more than six months from the date of notice. Paramount Franchising may require the Franchisee to submit plans for Paramount Franchising's reasonable approval prior commencing a required Remodel. Paramount Franchising's right to require a Remodel is limited as follows: (i) the Remodel will not be required in the first two or last two years of the term (except that a Remodel may be required as a condition to renewal of the term or a Transfer), and (ii) a Remodel will not be required more than once every five years from the date on which Franchisee was required to complete the prior Remodel.

7.14 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that Paramount Franchising requires, including any

national or regional brand conventions. Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings.

7.15 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Paramount Franchising in the Manual. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage:

- (i) Commercial General Liability insurance, including broad form commercial liability coverage, written on an “occurrence” policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit;
- (ii) An umbrella policy with coverage in an amount of not less than \$1,000,000;
- (iii) Workers Compensation coverage as required by state law;
- (iv) Errors and Omissions Insurance is required with a policy limit of up to \$1,000,000 or as required by state law; and
- (v) Data breach insurance coverage with a policy limit up to \$1,000,000.

(b) Franchisee’s policies must list Paramount Franchising and its affiliates as an additional insured and the policies must stipulate that Paramount Franchising shall receive a 30-day prior written notice of cancellation. Franchisee shall provide certificates of insurance evidencing the required coverage to Paramount Franchising prior to opening and upon annual renewal of the insurance coverage, as well as at any time upon request of Paramount Franchising.

7.16 Suppliers and Landlord. Franchisee shall pay all vendors and suppliers in a timely manner. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location.

7.17 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Paramount, the Business, or any particular incident or occurrence related to the Business, without Paramount Franchising’s prior written approval.

7.18 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of or opposed to any such organization, without Paramount Franchising’s prior written approval.

7.19 No Other Activity at the Location. Franchisee shall not engage in any activity at the Location other than operation of the Paramount Business.

7.20 No Other Businesses. If Franchisee is an entity, Franchisee shall not own or operate any other business except Paramount businesses.

7.21 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Paramount Franchising, which will not be unreasonably withheld.

7.22 No Co-Branding. Franchisee shall not “co-brand” or associate any other business activity with the Paramount Business in a manner which is likely to cause the public to perceive it to be related to the Paramount Business.

7.23 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Paramount Franchising. Franchisee must display at the Business signage prescribed by Paramount Franchising identifying the Location as an independently owned franchise.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Paramount Franchising may require Franchisee to purchase or lease any Inputs from Paramount Franchising, from Paramount Franchising’s designee, Required Vendors, Approved Vendors, and/or under Paramount Franchising’s specifications. Paramount Franchising may change any such requirement or change the status of any vendor. To make such requirement or change effective, Paramount Franchising shall issue the appropriate System Standards. Franchisee must look to the respective manufacturers or suppliers for issues related to warranties, defective products, training, and support for any third-party goods purchased for the Business.

8.2 Alternate Vendor Approval. If Paramount Franchising requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Paramount Franchising. Paramount Franchising may condition its approval on such criteria as Paramount Franchising deems appropriate, which may include evaluations of the vendor’s capacity, quality, financial stability, reputation, and reliability; inspections; and product testing, and performance reviews. Paramount Franchising will provide Franchisee with written notification of the approval or disapproval of any propose new vendor within 30 days after receipt of Franchisee’s request.

8.3 Alternate Input Approval. If Paramount Franchising requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Paramount Franchising. Paramount Franchising will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee’s request.

8.4 Purchasing. Paramount Franchising may implement a centralized purchasing system and negotiate prices and terms with vendors on behalf of the System. Paramount Franchising may receive rebates or payments from vendors in connection with purchases by franchisees. Paramount Franchising may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Paramount Franchising may determine.

8.5 Startup Package. Franchisee must purchase its startup package consisting of computer software and hardware and other office equipment as designated by Paramount Franchising from Paramount Franchising or its designated supplier. A list of the items for the startup package are listed on Attachment 5 to this Agreement. Purchases made through Paramount Franchising must be paid in full at the time of ordering. Franchisee shall update and upgrade its computer systems and office equipment as needed and as required by Paramount Franchising. Franchisee shall give Paramount Franchising independent access to all its computers, servers, and software programs and there is no limit to Franchisor’s right to access the systems and information.

ARTICLE 9. MARKETING

9.1 Implementation. Franchisee shall not use any marketing materials or campaigns (including point-of-sale materials, advertising, social media marketing, and sponsorships) that have not been approved by Paramount Franchising. Franchisee shall implement any marketing plans or campaigns determined by Paramount Franchising. Franchisee may use its own advertising or marketing material only with Paramount Franchising's approval. To obtain Paramount Franchising's approval, Franchisee must submit any proposed advertising or marketing material at least 14 days prior to use. If Paramount Franchising does not respond, the material is deemed rejected. If Franchisee develops any advertising or marketing materials, Paramount Franchising may use those materials for any purpose, without any payment to Franchisee. Franchisee can advertise outside its Territory, so long as Franchisee does not advertise in another franchise territory, and Franchisee cannot solicit any client of another Paramount Tax & Accounting business.

9.2 Use by Paramount Franchising. Paramount Franchising may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, royalty-free license to Paramount Franchising for such purpose.

9.3 Marketing Cooperatives. Paramount Franchising may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical area. If a Market Cooperative for the geographic area encompassing the Location has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Location is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within 30 days. Paramount Franchising shall not require Franchisee to be a member of more than one Market Cooperative. If Paramount Franchising establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner and shall commence operations on a date determined by Paramount Franchising. Paramount Franchising may require the Market Cooperative to adopt bylaws or regulations prepared by Paramount Franchising. Unless otherwise specified by Paramount Franchising, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Paramount Franchising will be entitled to attend and participate in any meeting of a Market Cooperative. Any Paramount business owned by Paramount Franchising or by an affiliate of Paramount Franchising in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Business owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, Paramount Franchising may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing (subject to Paramount Franchising's approval), standardized promotional materials for use by the members in local advertising and promotion.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Paramount Franchising pursuant to Section 9.1. Paramount Franchising may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% of Gross Sales. If Paramount Franchising or an affiliate of Paramount Franchising controls voting, there is no cap to member

contributions. Contributions to the marketing cooperative will be counted towards Franchisee's local marketing contribution. Marketing Cooperatives are not required to prepare annual financial statements which are made available to its members for review.

(e) **Enforcement.** Only Paramount Franchising will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) **Termination.** Paramount Franchising may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the members in the Marketing Cooperative pro rata based on contributions made by each member from the 12 months prior to termination.

9.4 Required Spending. Franchisee shall spend at least 5% of Gross Sales each month on marketing the Business. Upon request of Paramount Franchising, Franchisee shall furnish such proof of its compliance with this Section. Paramount Franchising has the sole discretion to determine what activities constitute "marketing" under this Section. Franchisee is not required to meet this local marketing requirement once Franchisee's location reaches \$1,000,000 in annual Gross sales. However, Franchisee must again spend 5% of its annual Gross Sales on local marketing if Franchisee's annual Gross Sales later drops below \$1,000,000.

9.5 Market Introduction Plan. Franchisee must develop a market introduction plan and obtain Paramount Franchising's approval of the marketing plan at least 30 days before the projected opening date of the Business.

9.6 Internet Marketing. Paramount Franchising has the exclusive right to own, conduct and manage all marketing and commerce on the Internet or other electronic medium, including all websites and "Social Media" accounts and marketing related to the brand, but Paramount Franchising may provide Franchisee access to the Social Media account for Franchisee's location for certain management responsibilities and functions. Franchisee cannot change any login/password information without Paramount Franchising's prior written approval, and Franchisee must supply Paramount Franchising with all changed/updated login/password information. Franchisee shall not conduct such marketing or commerce, nor establish any website or Social Media account or presence independently, except as Paramount Franchising may specify, and only with Paramount Franchising's consent. Paramount Franchising retains the right to approve any linking to or other use of Paramount Franchising's website. Franchisee must comply with any Internet, online commerce and/or Social Media policy that Paramount Franchising may prescribe.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such client data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Paramount Franchising may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) **Financial Reports.** Franchisee shall provide such periodic financial reports as Paramount Franchising may require in the Manual or otherwise in writing, including:

- (i) a minimal monthly profit and loss statement for the Business within 5 days after the end of each month, and

(ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 30 days after the end of Paramount Franchising's fiscal year.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Paramount Franchising of any Action or threatened Action by any client, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as Paramount Franchising may request.

(c) Government Inspections. Franchisee shall give Paramount Franchising copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Paramount Franchising such other financial statements, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Paramount Franchising may reasonably request.

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to Paramount Franchising a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Paramount Franchising's Franchise Disclosure Document and with such other information as Paramount Franchising may request.

10.4 Business Records. Franchisee shall keep accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as Paramount Franchising may specify in the Manual or otherwise in writing.

10.5 Records Audit. Paramount Franchising may (itself or through a third party) examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. Paramount Franchising may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation (including but not limited to tax returns, bank records, and financial statements) to a location designated by Paramount Franchising. Franchisee shall also reimburse Paramount Franchising for all costs and expenses of the examination or audit if (i) Paramount Franchising conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by 3% or more for any 4-week period. Franchisee's failure to report Gross Sales for any time period or Franchisee's failure to retain and have available readable and organized required records will be deemed an understatement by more than 3%.

10.6 Remote Access to Point of Sale System. Franchisee shall give Paramount Franchising unlimited access to Franchisee's point of sale system and other software systems related to the operation of the Business, by any means designated by Paramount Franchising.

ARTICLE 11. FRANCHISOR RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by Paramount Franchising. Paramount Franchising may supplement, revise, or modify the Manual, and Paramount Franchising may change, add or delete System Standards at any time in its discretion. Paramount Franchising may inform Franchisee thereof by any method that Paramount

Franchising deems appropriate (which need not qualify as “notice” under Section 18.9). In the event of any dispute as to the contents of the Manual, Paramount Franchising’s master copy will control.

11.2 Inspections. Paramount Franchising may enter the premises of the Business from time to time during normal business hours and conduct an inspection. Franchisee shall cooperate with Paramount Franchising’s inspectors. The inspection may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and clients, and removing samples of products, supplies and materials. Paramount Franchising may videotape and/or take photographs of the inspection and the Business. Without limiting Paramount Franchising’s other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an inspection. If Paramount Franchising conducts an inspection because of a governmental report, client complaint or other client feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed inspection), then Paramount Franchising may charge all out-of-pocket expenses, plus its then-current inspection fee to Franchisee (currently, \$300).

11.3 Paramount Franchising’s Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Paramount Franchising may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Paramount Franchising for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Paramount Franchising may (i) require that Franchisee pay cash on delivery for products or services supplied by Paramount Franchising, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Paramount Franchising shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Paramount Franchising are in addition to any other right or remedy available to Paramount Franchising.

11.5 Business Data. All client data, the Operating Manual and other non-public data generated by the Business, including any data generated through the use of technology and third party platforms (collectively “Business Data”) is Confidential Information and is exclusively owned by Paramount Franchising. Paramount Franchising hereby licenses such data back to Franchisee without charge solely for Franchisee’s use in connection with the Business for the term of this Agreement. Franchisee must gather, upload, and/or store all Business Data Paramount Franchising requires. To the extent that Paramount Franchising does not otherwise have access, Franchisee must provide Paramount Franchising copies of all Business Data upon request, except if the distribution of any such information is prohibited by law. Franchisee must abide by all applicable laws pertaining to the privacy of consumer, employee and transaction information, client, and client tax information, do not contact laws as well as any applicable fiduciary obligations owed to clients, clients and third parties. If Paramount Franchising allows Franchisee to use the Business Data to transmit advertisements to clients and potential clients, Franchisee is solely responsible to comply with the laws pertaining to calling or texting clients, the sending of emails, or any other transmission of information, including any anti-spam legislation. Any part of the Operating Manual may not be copied either physically or electronically. Paramount Franchising will have unlimited access to Franchisee’s computer system, including Franchisee’s server. If Paramount Franchising provides Franchisee with an email account/address, Paramount Franchising will own such email account and have the right to access Franchisee’s email account at any time, and Franchisee understands and acknowledges that Franchisee has no expectation of privacy in the assigned email accounts.

11.6 Innovations. Franchisee shall disclose to Paramount Franchising all ideas, plans, improvements, concepts, methods and techniques relating to the Business (collectively, “Innovations”) conceived or developed by Franchisee, its employees, agents or contractors. Paramount Franchising will automatically own all Innovations and will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee. All Innovations Franchisee create will be owned by Paramount Franchising and considered a “work-made-for-hire.” If all or part of any Innovations or a derivative thereof which Franchisee creates is for any reason deemed not to be a work-made-for-hire, then Franchisee hereby irrevocably transfers and assigns to Paramount Franchising or its affiliate all right, title, interest and ownership including license rights, in the Innovations or derivative, and Franchisee agrees to execute any document necessary to effectuate the transfer and assignment. To the extent Franchisee has any moral or similar rights in an Innovations or derivative, Franchisee expressly waives those rights. Any Innovations may be used by Paramount Franchising and all other franchisees without any obligation to compensate Franchisee. Paramount Franchising reserves the right to make application for and own intellectual property relating to any such Innovations, and Franchisee will cooperate with Paramount Franchising in securing these rights. Paramount Franchising may also consider any Innovations as its trade secrets. At Paramount Franchising’s discretion, Paramount Franchising may authorize Franchisee to utilize any Innovations that may be developed by Franchisee, Paramount Franchising or other franchisees.

11.7 Delegation. Paramount Franchising may delegate any duty or obligation of Paramount Franchising under this Agreement to a third party.

11.8 System Variations. Paramount Franchising may vary or waive any System Standard for any one or more Paramount franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.9 Temporary Public Safety Closure. If Paramount Franchising discovers or becomes aware of any aspect of the Business which, in Paramount Franchising’s opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon Paramount Franchising’s order, Franchisee must temporarily cease operations of the Business and remedy the dangerous condition. Paramount Franchising shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

11.10 Interim Management. Paramount Franchising has the right, based on Franchisee’s death, incapacity, defaults or poor performance to step in to manage Franchisee’s Business for a period of time, as Paramount Franchising deems advisable for a fee (currently, \$600 per day), plus the cost of travel, food, and lodging during this time. Franchisee shall continue to pay and remain responsible for all royalties, and other fees required by this Agreement. All accounts must remain in Franchisee’s name during the interim management period, but Franchisee shall add Paramount Franchising and its representative as a co-signer on certain accounts. Franchisee shall cooperate in communicating with all vendors and suppliers related to the interim management.

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by Paramount Franchising, and only in the manner as Paramount Franchising may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee’s operation of the Business, will inure to the exclusive benefit of Paramount Franchising.

12.2 Change of Marks. Paramount Franchising may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Paramount Franchising makes any such change, Franchisee shall comply with the change, at Franchisee's expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Paramount Franchising shall defend Franchisee (at Paramount Franchising's expense) against any Action by a third party alleging infringement by Franchisee's use of a Mark, and (ii) Paramount Franchising shall indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement By Third Party. Franchisee shall promptly notify Paramount Franchising if Franchisee becomes aware of any possible infringement of a Mark by a third party. Paramount Franchising may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Paramount Franchising shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Paramount Franchising for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized in writing by Paramount Franchising, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Paramount Franchising (except for Confidential Information which Paramount Franchising licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete; Non-Solicitation.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the "Restricted Parties") shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor within 25 miles of Franchisee's Territory or within 25 miles of the territory of any other Paramount business operating on the date of termination, expiration or transfer, as applicable.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then parties intend that the court modify such restriction to extent reasonably necessary to protect the legitimate business interests of Paramount Franchising. Franchisee agrees that the existence of any claim it may have against Paramount Franchising shall not constitute a defense to the enforcement by Paramount Franchising of the covenants of this Section. If a

Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended for each day of noncompliance.

13.3 General Manager and Key Employees. Franchisee will cause its general manager and other key employees to sign Paramount Franchising's then-current form employee brand protection agreement. A copy of the current employee brand protection agreement is attached as Attachment 6 to this Agreement. A copy of all such agreements must be promptly delivered to Paramount Franchising within 10 days of hiring of the respective employee.

13.4 Non-Contravention; Non-Disparagement. Franchisee shall not undertake any action or inaction to circumvent, contravene, or undermine the purposes of this Agreement. Additionally, during and after the term of this Agreement, Franchisee shall not, in any way, form, or medium, make any negative, disparaging, false or misleading statements, published or made orally, in any medium about Paramount Franchising, the brand, the System, its products and services, or the officers, owners, partners, directors, members, managers, representatives, agents, employees or other franchisees of Paramount Franchising.

13.5 Non-Solicitation of Clients. During the term of this Agreement and for three years after this Agreement expires or is terminated for any reason, Franchisee shall not directly or indirectly contact any then-current or former client of Franchisee, or of another franchisee, or Franchisor, or affiliate of Paramount Franchising for the purpose of soliciting from any such client any business that is the same as or substantially similar to services performed by a Paramount Tax & Accounting business, including to another Paramount Tax & Accounting business.

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisee. Franchisee may terminate this Agreement only if Paramount Franchising violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 60 days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective 10 days after Paramount Franchising receives written notice of termination.

14.2 Termination by Paramount Franchising.

(a) Subject to 10-Day Cure Period. Paramount Franchising may terminate this Agreement if Franchisee does not make any payment to Paramount Franchising when due, or if Franchisee does not have sufficient funds in its account when Paramount Franchising attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Paramount Franchising gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner other than described in subsection (a) or (c) and fails to cure such breach to Paramount Franchising's satisfaction within 30 days after Paramount Franchising gives notice to Franchisee of such breach, then Paramount Franchising may terminate this Agreement.

(c) No-Cure Period. Paramount Franchising may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;

- (ii) Franchisee intentionally submits any false report or intentionally provides any other false information to Paramount Franchising;
- (iii) a receiver or trustee for the Business or all (or substantially all) of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;
- (iv) Franchisee fails to open for business by the date specified on the Summary Page;
- (v) Franchisee loses possession of the Location;
- (vi) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;
- (vii) Franchisee abandons or ceases operation of the Business for more than five consecutive days without the prior written authorization of Paramount Franchising;
- (viii) Franchisee or any Owner slanders or libels Paramount Franchising or any of its employees, directors, or officers;
- (ix) Franchisee refuses to cooperate with or permit any audit or inspection by Paramount Franchising or its agents of contractors, or otherwise fails to comply with Section 10.5 or Section 11.2;
- (x) the Business is operated in a manner which, in Paramount Franchising's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from Paramount Franchising or otherwise);
- (xi) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;
- (xii) Paramount Franchising (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate); or
- (xiii) Franchisee or any Owner is charged with, pleads guilty to, or is convicted of a felony, or is accused by any governmental authority or third party of any act that in Paramount Franchising's opinion is reasonably likely to materially and unfavorably affect Paramount Franchising's brand.

14.3 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, and indemnity, will remain in effect, and Franchisee must immediately:

- (i) pay all amounts owed to Paramount Franchising based on the operation of the Business through the effective date of termination or expiration;
- (ii) return to Paramount Franchising all copies of the Manual, Confidential Information and any and all other materials provided by Paramount Franchising to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items;
- (iii) notify the telephone, Internet, email, electronic network, Social Media, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, Social Media accounts, directories and listings associated with any of the Marks, and authorize their transfer to Paramount Franchising or any new franchisee as may be directed by Paramount Franchising, and Franchisee hereby irrevocably appoints Paramount Franchising, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute the Digital and Social Media Authorization for Assignment in the form of Attachment 4 attached hereto; and such other directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and
- (iv) cease doing business under any of the Marks and forward all client information to Paramount Franchising.

14.4 Remove Identification. Within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a Paramount business, to the reasonable satisfaction of Paramount Franchising. This includes Franchisee's removal of signs, destruction or removal of letterheads, marketing material, the change of Business telephone listings, telephone numbers, email addresses, URLs, Internet websites, and any other property that bears Paramount Tax & Accounting brand or is affiliated with the brand. If Franchisee fails or refuse to do so, the telephone company, URL and hosting companies, and other listing agencies may accept this Agreement as evidence of Paramount Franchising's exclusive rights in and to such telephone number(s), Internet websites, URL's, email accounts, and Social Media and listing and its authority to direct their transfer. Franchisee hereby appoints Paramount Franchising as Franchisee's attorney-in-fact for the above transfers, which appointment is coupled with an interest. Franchisee must not identify any present or future business owned or operated by Franchisee as having been in any way associated with Paramount Franchising or the System. Franchisee shall comply with any reasonable instructions and procedures of Paramount Franchising for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, Paramount Franchising may enter the Location to remove the Marks and de-identify the Location. In this event, Paramount Franchising will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Paramount Franchising.

14.5 Other Claims. Termination of this Agreement by Paramount Franchising will not affect or discharge any claims, rights, causes of action or remedies (including claims for Paramount Franchising's lost future income after termination), which Paramount Franchising may have against Franchisee, whether arising before or after termination.

14.6 Purchase Option. When this Agreement expires or is terminated, Paramount Franchising will have the right (but not the obligation) to purchase any or all of the assets related to the Business, including but not limited to computer equipment, server, office furniture, etc., at fair market value, and/or to require Franchisee to assign its lease or sublease to Paramount Franchising. To exercise this option, Paramount Franchising must notify Franchisee no later than 30 days after this Agreement expires or is terminated. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Paramount Franchising has the right to cover the entire cost of the appraisal and deduct Franchisee's share from the purchase price or include with other amounts due to Paramount Franchising. Paramount Franchising's purchase will be of assets only (free and clear of all liens) and will not include any liabilities of Franchisee. If Paramount Franchising exercises the purchase option, Paramount Franchising may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts paid or to be paid by Paramount Franchising to cure defaults under Franchisee's lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to liens, Paramount Franchising may withhold a portion of purchase price directly to the lienholder to pay off such lien. Paramount Franchising may also withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Paramount Franchising may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

15.1 By Paramount Franchising. Paramount Franchising may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Paramount Franchising may undergo a change in ownership and/or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Paramount Franchising entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Paramount Franchising at least 60 days' prior written notice of the proposed Transfer, and without obtaining Paramount Franchising's prior written consent. In granting any such consent, Paramount Franchising may impose conditions, including, without limitation, the following:

- (i) Paramount Franchising receives a transfer fee equal to 50% off the then-current initial franchise fee for new franchisees. Franchisee only needs to reimburse Paramount Franchising's legal fees if Franchisee transfers less than 25% ownership in Franchisee, and Franchisee's current owners maintain control. However, all guarantors will remain guarantors unless otherwise released by Paramount Franchising;
- (ii) the proposed assignee and its owners have completed Paramount Franchising's franchise application processes, meet Paramount Franchising's then-applicable standards for new franchisees, and have been approved by Paramount Franchising as franchisees;
- (iii) the proposed assignee is not a Competitor;
- (iv) the proposed assignee executes Paramount Franchising's then-current form of franchise agreement; which form may contain materially different provisions from the Agreement;
- (v) Franchisee has paid all monetary obligations to Paramount Franchising in full, and Franchisee is not otherwise in default of this Agreement;

- (vi) the proposed assignee and its owners and employees undergo such training as Paramount Franchising may require and Franchise assists in covering the Business during such training if necessary;
- (vii) Franchisee, its Owners, and the transferee and its owners execute a general release of Paramount Franchising in a form satisfactory to Paramount Franchising; and
- (viii) the Business fully complies with all of the Paramount Franchising's most recent System Standards, including upgrading and Remodel requirements.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' prior written notice to Paramount Franchising, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3; (2) Franchisee provides copies the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Paramount Franchising, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the person with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Paramount Franchising within nine months after death or incapacity. Such transfer must comply with Section 15.2.

15.5 Paramount Franchising's Right of First Refusal. Before Franchisee (or any owner) engages in a Transfer (except under Section 15.3 or Section 15.4), Paramount Franchising will have a right of first refusal, as set forth in this Section. Franchisee (or its owners) shall provide to Paramount Franchising a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of Paramount Franchising's receipt of such copy, Paramount Franchising will have the right, exercisable by notice to Franchisee, to purchase the Business or the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that Paramount Franchising may substitute cash for any other form of payment). If Paramount Franchising does not exercise its right of first refusal, Franchisee may proceed with the proposed Transfer, subject to the other terms and conditions of this Article. However, if there are any material changes in the terms and conditions of the proposed Transfer and any of those changes are less favorable to Franchisee, Franchisee shall notify Paramount Franchising of the changes in writing, and Paramount Franchising will have an additional 10 days within which to elect to purchase the assets proposed to be Transferred on the revised terms and conditions. If the proposed Transfer is not completed for any reason after Paramount Franchising elects not to purchase the assets being Transferred, a new right of first refusal commences as to any subsequent proposed Transfer by Franchisee.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to Paramount Franchising) Paramount Franchising, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively,

“Indemnitees”) against all Losses in any Action by or against Paramount Franchising and/or any Indemnatee directly or indirectly related to, or alleged to arise out of, the operation of the Business. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnatee from claims arising as a result of any Indemnatee’s misconduct or negligence. Franchisee agree not to file any crossclaim or counter-claim against Paramount Franchising for any action made by a third-party or make any response that would infer or represent Paramount Franchising are liable as a party or defendant to any action that is contrary to this Section. This Agreement and the terms in this Section and related terms in this Agreement is a bona fide defense to any claim Franchisee may contradictorily make against Paramount Franchising as to Paramount Franchising liability or proportion of fault. Franchisee shall bear all costs to defend Paramount Franchising from claims raised by a third-party. If Paramount Franchising incurs any costs or liabilities to any third-party, Franchisee shall reimburse Paramount Franchising for costs associated with Paramount Franchising’s defense to those claims. This indemnity will continue in effect after this Agreement ends.

16.2 Assumption by Paramount Franchising. Paramount Franchising may elect to assume the defense and/or settlement of any Action subject to this indemnification, at Franchisee’s expense. Such an undertaking shall not diminish Franchisee’s obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsection (c), any controversy or claim arising out of or relating to this Agreement, or the breach thereof, will be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

(b) Location. The place of arbitration shall be the county and state where Paramount Franchising’s headquarters are located.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(d) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for Paramount Franchising to comply with laws and regulations applicable to the sale of franchises.

(e) Performance During Arbitration or Litigation. Paramount Franchising and Franchisee shall comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

17.2 Damages. In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party’s actual damages, except damages authorized by federal statute. In the event of termination of this Agreement prior the expiration of the term, Paramount Franchising’s actual damages will include its lost future income from Royalty Fees and other amounts that Franchisee would have owed to Paramount Franchising but for the termination.

17.3 Waiver of Class Actions. The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis.

17.4 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within two years from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

17.5 Venue Other Than Arbitration. For any legal proceeding not required to be submitted to arbitration, the parties agree that any such legal proceeding will be brought in the United States District Court where Paramount Franchising's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Paramount Franchising's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

17.6 Legal Costs. In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Paramount Franchising is not a fiduciary of Franchisee and does not control Franchisee or its Business. Paramount Franchising has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Paramount Franchising, and Paramount Franchising's affiliates.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties related to the subject matter herein and supersedes all prior negotiations and representations whether oral or in writing. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Paramount Franchising in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Paramount Franchising's rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Governing Law. The laws of the state of Utah (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Paramount Franchising, addressed to 12481 South Fort St., Suite 200, Draper, Utah 84020, with a copy to The Franchise & Business Law Group at 222 S. Main Street, Ste 500, Salt Lake City, UT 84101 (which will not act as notice or service). Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; (3) by email upon receipt of transmission verification; or (4) sent via overnight courier. Notwithstanding the foregoing, Paramount Franchising may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.10 Joint and Several Liability. If two or more people sign this Agreement as “Franchisee,” each will have joint and several liability.

18.11 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Paramount Franchising does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Paramount Franchising.

18.12 Counterparts. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature with full legal force and effect and may be used for all purposes as if it were an original.

ARTICLE 19. CERTIFICATION OF FRANCHISOR’S COMPLIANCE

By signing this Agreement, Franchisee acknowledges the following:

- (1) Franchisee understands all the information in Paramount Franchising’s Disclosure Document.
- (2) Franchisee understands the success or failure of the Business will depend in large part upon Franchisee’s skills, abilities and efforts and those of the persons Franchisee employs, as well as many factors beyond Franchisee’s control such as weather, calamities, competition, interest rates, the economy, government mandates, inflation, labor and supply costs, lease terms and the marketplace.
- (3) That no person acting on Paramount Franchising’s behalf made any statement or promise regarding the costs involved in operating a Paramount franchise that is not in the franchise disclosure document or that is contrary to, or different from, the information in the franchise disclosure document.

- (4) That no person acting on Paramount Franchising’s behalf made any claim or representation to Franchisee, orally, visually, or in writing, that contradicted the information in the franchise disclosure document.
- (5) That no person acting on Paramount Franchising’s behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money Franchisee may earn, or the total amount of revenue a Paramount franchise will generate, that is not in the franchise disclosure document or that is contrary to, or different from, the information in the franchise disclosure document.
- (6) That no person acting on Paramount Franchising’s behalf made any statement or promise or agreement, other than those matters addressed in this Agreement, concerning advertising, marketing, media support, market penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the franchise disclosure document.
- (7) Franchisee understands that this Agreement contains the entire agreement between Paramount Franchising and Franchisee concerning the Paramount franchise, which means that any oral or written statements not set out in this Agreement will not be binding.

IN WITNESS WHEREOF, the Paramount Franchising and Franchisee have respectively signed and sealed this Agreement as of the date written on the Summary Page.

Agreed to by:

FRANCHISOR:

FRANCHISEE: *[if an entity:]*

PARAMOUNT FRANCHISING LLC

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

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

FRANCHISEE: *[if an individual(s):]*

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

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

(Check if applicable) At the same time as the parties execute this Agreement, they are also executing an Addendum to Franchise Agreement pursuant to:

- _____ Illinois
- _____ Indiana
- _____ Maryland
- _____ Minnesota
- _____ New York
- _____ North Dakota
- _____ Rhode Island
- _____ Washington
- _____ Other

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

1. **Form of Ownership.** Franchisee is a (check one):

_____ *Sole Proprietorship*
_____ *Partnership*
_____ *Limited Liability Company*
_____ *Corporation*

State of incorporation / organization / residence: _____

2. **Owners.** If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

3. **Officers.** If Franchisee is a limited liability company or corporation:

Name	Title

4. **Principal Executive.** The name and contact information of the Principal Executive is as follows:

Principal Executive	Contact Information

Attachment 2 to Franchise Agreement

LOCATION ACCEPTANCE LETTER

To: _____

This Location Acceptance Letter is issued by Paramount Franchising LLC for your Paramount franchise in accordance with Section 6.1 of the Franchise Agreement.

1. The Location of the Franchised Business is:

2. The Territory of the Business is:

PARAMOUNT FRANCHISING LLC

By: _____

Name: _____

Title: _____

Date: _____

Attachment 3 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this “Guaranty”) is entered into and made effective by and between Paramount Franchising LLC (“Paramount Franchising”) and the undersigned person(s) (each, a “Guarantor”) owners of _____ (the “Business Entity”).

Background Statement: Business Entity (“Franchisee”) desires to enter into a Franchise Agreement with Paramount Franchising for the franchise of a Paramount business (the “Franchise Agreement”; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Paramount Franchising to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to Paramount Franchising and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Paramount Franchising, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Paramount Franchising upon demand from Paramount Franchising. Guarantor waives (a) acceptance and notice of acceptance by Paramount Franchising of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Paramount Franchising make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by Paramount Franchising for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Paramount Franchising, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by Paramount Franchising or its affiliates (except for Confidential Information, which Paramount Franchising licenses from another person or entity). Guarantor acknowledges that all client data generated or obtained by Guarantor is Confidential Information belonging to Paramount Franchising. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete and Non-Solicitation of Clients.

(a) **Restriction - In Term.** During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, or be engaged, assist, consult or be employed by, any Competitor.

(b) **Restriction – Post Term.** For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor located within 25 miles of Franchisee’s Territory or within 25 miles of the territory of any other Paramount business operating on the date of termination or transfer, as applicable.

(c) **Interpretation.** Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then parties intend that the court modify such restriction to extent reasonably necessary to protect the legitimate business interests of Paramount Franchising. Guarantor agrees that the existence of any claim it or Franchisee may have against Paramount Franchising shall not constitute a defense to the enforcement by Paramount Franchising of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be tolled for each day of noncompliance.

(d) **Non-Solicitation of Clients.** For three years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly contact any then-current or former client of Franchisee, or of another franchisee or affiliate of Paramount Franchising for the purpose of soliciting from any such client any business that is the same as or substantially similar to services performed by a Paramount business.

4. Enforcement Costs. If Paramount Franchising must enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor(s) shall reimburse Paramount Franchising for its enforcement costs. Enforcement costs include reasonable fees from accountants, attorneys, attorney’s assistants, arbitrators, and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. Modification. Guarantor agrees that Guarantor’s liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Paramount Franchising may from time to time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

6. Governing Law and Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Utah. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

7. Counterparts. This Guaranty may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature with full legal force and effect and may be used for all purposes as if it were an original.

Agreed to by:

Name: _____
Address: _____

Date: _____

Name: _____
Address: _____

Date: _____

Name: _____
Address: _____

Date: _____

Attachment 4 to Franchise Agreement

DIGITAL, SOCIAL MEDIA, AND LISTINGS AUTHORIZATION FOR ASSIGNMENT

This DIGITAL, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION (“Assignment”) is made and entered into as of the Effective Date (defined below), by and between _____ (“Franchisee”) and Paramount Franchising LLC (“Paramount Franchising”).

RECITALS

WHEREAS, Franchisee has entered into a Paramount Tax & Accounting Franchise Agreement with Paramount Franchising coterminous with this Assignment (“Franchise Agreement”); and

WHEREAS, as part of the Franchise Agreement, Franchisee is granted limited rights to use the Marks in conjunction with the Business; and

WHEREAS, under the Franchise Agreement, all marketing materials, client and prospective client information, and Social Media accounts belong to Paramount Franchising; and

WHEREAS, Franchisee understands that immediately following termination or expiration or Transfer of the Franchise Agreement, Franchisee will not have any continuing rights in or to the Marks, marketing materials, client information or the like and that all such information must be immediately turned over to Paramount Franchising; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

1. Franchisee hereby assigns all rights and interest, including all associated goodwill, in the Social Media and other digital media accounts used in the Business or used or created in any way by Franchisee or third parties to promote or use the Marks, including without limitation, Franchisee’s Facebook, Google listings, Instagram, Pinterest, Twitter, LinkedIn, Tumblr, email accounts, and the like (collectively, the “Social Media Accounts”). Franchisee shall take all action necessary to grant exclusive access of the Social Media Accounts to Paramount Franchising, including providing all passwords and administrative access to such Social Media Accounts.

2. Franchisee hereby assigns and transfers, (or in Franchisor’s sole discretion disconnects) the telephone listings, telephone numbers, Including the telephone number(s) listed on Marketing and Social Media Accounts, URL’s, Internet sites, and web pages used in the Business or used or created in any way by Franchisee or third parties to promote or use the Marks to Franchisor (collectively “Listings”).

3. Franchisee represents, warrants, and covenants the following with regard to the Social Media Accounts and Listings:

- a. Franchisee has the right to assign the Social Media Accounts and Listings, and they are free and clear of all liens and encumbrances.

- b. Franchisee will not, after termination, expiration or Transfer of the Franchise Agreement attempt to access, control, interfere with, or obstruct the Social Media Accounts and/or Listings.
- c. Franchisee shall not prevent or hinder Paramount Franchising from enforcing its rights in or to the assigned Social Media Accounts.
- d. Franchisee has not taken, or permitted, and shall not take or permit any action that would prevent Paramount Franchising from enjoying the full benefits of assignment of the Social Media Accounts and Listings to Paramount Franchising hereunder whether during the term or after the Termination of the Franchise Agreement.

4. Franchisee hereby directs and authorizes each company associated with, or in control of, the Social Media Accounts and Listings to assign, transfer, set over and otherwise authorize Paramount Franchising to take over and control the Social Media Account and Listings. If necessary, Franchisee shall execute all documents required by Paramount Franchising to give effect to the assignment of the Social Media Accounts and Listings to Paramount Franchising hereunder.

5. This Assignment applies to all Social Media Accounts and Listings regardless of whether Franchisee is allowed to manage under the Franchise Agreement or was allowed to create, use, manage, or even own Social Media Accounts and/or Listings in the past. To the extent Franchisor does not currently have administrative access to a Social Media Account or Listing of Franchisee, Franchisee shall immediately grant Franchisor such access.

6. Franchisor hereby appoints Franchisor as its attorney-in-fact for the above transfers, which appointment is coupled with an interest.

7. This Assignment is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

8. This Assignment will be governed, construed and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions.

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

PARAMOUNT FRANCHISING:

Paramount Franchising LLC

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

Attachment 5 to Franchise Agreement

STARTUP PACKAGE

Paramount Tax and Accounting Startup Equipment List:

1 (one) Computer Workstation

1 (one) Networked Server Computer

1 (one) Large screen wall mounted monitor (40 to 60 inches)

Wall mount for large screen monitor

2 (two) Desktop monitors

1 (one) Mouse

1 (one) Keyboard

1 (one) Webcam

1 (one) Microphone

Computer, Monitor and Peripheral cables

Paramount Franchise Interior Office Signage

Paramount Branded Candy – “Paramints”

Paramount Branded Tax Folders

Paramount Branded Blue Gel Pens

Microsoft Office Suite

1st year of Drake Tax Software

1st year of Antivirus Software

QuickBooks Online Accounting Software Tax Software Compatible Scanner at each workstation

Tax Software Compatible Laser Jet Printer for every two preparers

Full Customized Paramount Franchisee Website

Initial Digital Marketing Set up

3 Month Pay-Per-Click Marketing Campaign for first tax season

Attachment 6 to Franchise Agreement

EMPLOYEE BRAND PROTECTION AGREEMENT

This EMPLOYEE BRAND PROTECTION AGREEMENT (“Agreement”) is entered into as of _____, between _____ (“Franchisee”) and _____ (“Employee”), residing at _____.

A. Franchisee is the holder of a Paramount Tax & Accounting franchise developed by Paramount Franchising LLC (“Franchisor”).

B. Franchisor has developed certain confidential and proprietary information for the operation of a Paramount Tax & Accounting franchise, including without limitation, processes, methods, client lists and data, trade secrets, systems, software, pricing, financial information, client data and lists, manuals, marketing techniques, and procedures (“Proprietary Information”).

NOW, THEREFORE, in consideration of the employment of Employee by Franchisee, the parties hereto agree as follows:

1. Acknowledgement. Employee acknowledges that during the course of his or her employment by Franchisee he or she has obtained or may obtain knowledge of the Proprietary Information and other confidential matters and procedures developed, licensed to or owned by Franchisor and made available to Franchisee, which are necessary and essential to the operation of the business of Franchisee, which without such information, Franchisee could not efficiently, effectively and profitably operate its Paramount Tax & Accounting franchise. Employee further acknowledges that such Proprietary Information was not known to him or her prior to the association with Franchisee or its Paramount Tax & Accounting franchise.

2. Non-Use, Non-Disclosure. Except as may be required in the performance of duties for Franchisee, Employee shall not, during the course of his or her employment or at any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use any portion of the Proprietary Information, and agrees not to copy, transmit, recreate or otherwise reproduce all of any part of the Proprietary Information at any time. Should Employee work for a different Paramount Tax & Accounting franchisee, Employee shall not share with or use with such new employer any client data for any client or prospective client of Franchisee, Franchisor, or an affiliate of Franchisor. For the purposes of this Agreement, a “prospective client” does not mean any possible client. It means a potential client who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual client.

2.1 No Reverse Engineering. Employee shall not, either personally, in concert with others or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile or deconstruct any portion of the Proprietary Information.

3. Duty to Notify. Employee agrees to notify Franchisor or Franchisee or Employee’s immediate superiors of any reasonably suspected attempts to violate the terms or purposes of this Agreement or to otherwise disclose, copy, or reproduce any part of the Proprietary Information. In the event it is discovered that Employee knew or had reason to know of any suspected attempts to violate this Agreement and fails to report such knowledge, Employee agrees to indemnify Franchisor and Franchisee for all costs and fees associated with enforcement, and to reimburse Franchisor and Franchisee for those losses sustained due to such violation. Employee agrees to cooperate with Franchisor and Franchisee in its

or their attempts to enforce the terms of this Agreement and to otherwise protect the Proprietary Information, and to cooperate with Franchisee and Franchisor to the extent Franchisee is obligated to cooperate with Franchisor's attempts to enforce its rights in and to the Proprietary Information.

4. Return of Materials. Immediately upon the termination of employment, Employee agrees to deliver to Franchisee (and shall not keep in his or her possession or deliver to anyone else whether in hard or electronic soft copy) any and all records, data, photographs, notes, manuals, lists, correspondence, specifications, materials, other documents or property, or reproductions relating to, directly or indirectly, to the Proprietary Information.

5. Management and Supervisor Employees. This Section 5 shall only apply if Employee is a management employee and/or acts in a supervisory role over other employees.

5.1 Non-Competition. Employee shall not, during the course of his or her employment by Franchisee, and for one year thereafter, directly or indirectly in any capacity, without Franchisee's prior written consent, engage in a business, or plan for or organize a business, or have any financial interest in, or become and owner, officer, director, shareholder, partner, associate, employee, contractor, agent, representative or consultant in any offering or selling products or services the same or substantially similar to a Paramount Tax & Accounting business. Without limiting the generality of the foregoing, the minimum area of competitive nature will be that area within a 5-mile radius of any client serviced by Franchisee. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision. The post-termination, non-competition covenants do not apply if Employee works for another Paramount Tax & Accounting business.

6. Non-Solicitation of Clients. Employee shall not, during the course of his or her employment and for two years thereafter, directly or indirectly, contact any client, former client, or prospective client of Franchisee, Franchisor, or an affiliate of Franchisor for the purpose of soliciting such client to be a client of a business that is the same as or similar to a Paramount Tax & Accounting business, including to be a client of another Paramount Tax & Accounting business.

7. Irreparable Harm. Employee hereby acknowledges and agrees that any breach by him or her of any portion of Sections 1 through 6 above, inclusive, will cause damage to Franchisee and Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisee may be entitled, either Franchisee or Franchisor will be entitled to enforce this Agreement and to seek temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by Employee of any of the terms of Section 1 through 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisee or Franchisor by such breach, and without the requirement of posting bond. The existence of a claim against Franchisee or Franchisor will not constitute a defense to enforce the covenants of this Agreement.

8. Modification. Employee hereby agrees that, without limitation, any modifications, alterations, changes, or improvements conceived, designed, devised, developed, perfected or made by Employee, whether alone or in conjunction with others, and related in any manner to the actual or anticipated operation of the Franchisee, or the Paramount Tax & Accounting system, or to any area of research and development related to the operation of the business, must be promptly disclosed to the Franchisee and will become the property of Franchisor, and Employee hereby irrevocably assigns, transfers, and conveys any such to Franchisor.

9. Enforceability. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative.

10. Survival of Covenants. All covenants made in this Agreement by Employee survive the termination of Employee's employment with Franchisee or the expiration, transfer, or termination of this Agreement.

11. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by both parties.

12. Attorneys' Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

13. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

14. Third-party Beneficiary. It is agreed and acknowledged that Franchisor is a third-party beneficiary to this Agreement.

EMPLOYEE ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first herein above written.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

EMPLOYEE (if a minor, see next page):

By: _____

Name: _____

Title: _____

Date: _____

Age: _____

[The following page must be filled out for any employee under the age of 18]

For persons under 18 years of age, a parent or legal guardian must sign and complete the following section.

I, _____ (Parent/Guardian), the undersigned and the parent and natural guardian of _____ (minor's name), hereby acknowledge that I have executed the foregoing Employee Brand Protection Agreement for and on behalf of the minor named herein. I represent that I have legal capacity and authority to act for and on behalf of the minor named herein. As the natural or legal guardian of such minor, I hereby bind myself, the minor, and our successors and assigns to the obligations and liabilities of the foregoing Employee Brand Protection Agreement.

DATED: _____.

Signature of Parent/Guardian: _____

Name of Parent/Guardian: _____

Address: _____

Phone: _____

[Continuation of Employee Brand Protection Agreement Signature Page]

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this “MUDA”) is made between Paramount Franchising LLC (“Paramount Franchising”) and _____ (“Franchisee”) on the Effective Date.

Background Statement: On the same day as they execute this MUDA, Paramount Franchising and Franchisee have entered into a Franchise Agreement for the franchise of a Paramount business (the “Franchise Agreement”; capitalized terms used but not defined in this MUDA have the meanings given in the Franchise Agreement). Paramount Franchising and Franchisee desire that Franchisee develop multiple Paramount businesses.

1. Multi-Unit Commitment.

(a) Development Schedule; Fee. Franchisee shall develop and open Paramount businesses on the following schedule:

Location #	Deadline for Opening	Total # of Locations to be Open and Operating On Deadline	Initial Franchise Fee
1		1	\$ _____
2		2	\$ _____
3		3	\$ _____
4		4	\$ _____
5		5	\$ _____
Total Initial Franchise Fee:			

(b) Payment. Upon execution of this MUDA, Franchisee shall pay the total Initial Franchise Fee for each franchise to be developed to Paramount Franchising. The Initial Franchise Fees are \$35,000 for the first franchise and \$25,000 for each subsequent franchise. The Initial Franchise Fees are non-refundable except as provided in Section 6.4 of the Franchise Agreement.

2. Form of Agreement. For Location #1, Franchisee and Paramount Franchising have executed the Franchise Agreement simultaneously with this MUDA. For each additional Paramount franchise, Franchisee shall execute Paramount Franchising’ then-current standard form franchise agreement as developed. This MUDA does not give Franchisee the right to construct, open, or operate a Paramount business, and Franchisee acknowledges that Franchisee may construct, open, and operate each Paramount business only pursuant to a separate franchise agreement executed pursuant to this MUDA for each such Paramount business.

3. Development Area. Franchisee shall locate each Paramount business it develops under this MUDA within the following area: _____ (the

“Development Area”). Franchisee acknowledges that it does not have exclusive rights to develop, open or operate Paramount businesses in the Development Area.

4. Default and Termination. Paramount Franchising may terminate this MUDA by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee fails to meet a deadline for opening a location as set forth in the development schedule; or
- (ii) Franchisee defaults and fails to cure under the terms of any one of its franchise agreements with Paramount Franchising.

Upon Termination of this MUDA, Franchisee’s rights under this MUDA are terminated, and Paramount Franchising may (among its other rights) sell the remaining development rights, sell franchises, or open locations in the Development Area. Additionally, Franchisee will forfeit all deposits made and any contractual rights to develop or purchase additional Paramount businesses within the Development Area.

5. Limitation of Liability. Franchisee’s commitment to develop Paramount businesses is in the nature of an option only. If Paramount Franchising terminates this MUDA for Franchisee’s default, Franchisee shall not be liable to Paramount Franchising for lost future revenues or profits from the unopened Paramount businesses.

6. Conditions. Franchisee’s right to develop each Paramount franchise after the Location #1 is subject to the following:

- (i) Franchisee must possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Paramount business, in the reasonable judgment of Paramount Franchising, and
- (ii) Franchisee must be in full compliance with all brand requirements at its open Paramount businesses and not in default under any Franchise Agreement or any other agreement with Paramount Franchising.

7. Dispute Resolution; Miscellaneous. The laws of the state of Utah (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. Franchisee shall not Transfer this MUDA without the prior written consent of Paramount Franchising, and any Transfer without Paramount Franchising’s prior written consent shall be void. The provisions of Article 15 (Transfers), Article 17 (Dispute Resolution) and Article 18 (Miscellaneous) of the Franchise Agreement apply to and are incorporated into this MUDA as if fully set forth herein. Nothing in this MUDA or any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

[Signatures on Next Page]

Agreed to by:

FRANCHISOR:

Paramount Franchising LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

[if an individual:]

Name: _____

[if an entity:]

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT D

RIDER TO LEASE AGREEMENT

Landlord: _____
Notice Address: _____

Telephone: _____

Franchisor: Paramount Franchising LLC
Notice Address: 12481 South Fort St., Suite 200,
Draper, Utah 84020
Telephone: 801-341-2300

Tenant: _____

Leased Premises: _____

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used for the operation of a Paramount business (or any name authorized by Franchisor).

2. Notice of Default and Opportunity To Cure. Landlord shall provide Franchisor with copies of any written notice of default (“Default”) given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant’s Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within 30 days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease. If Franchisor becomes the lessee of the Lease Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the Paramount brand.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant’s business.

7. Right to Enter. Upon the expiration or termination of the Lease or the Franchise Agreement, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises to remove signs and other material bearing Franchisor’s brand name, trademarks, and commercial symbols, provided that Franchisor will be liable to Landlord for any damage Franchisor or its designee causes by such removal.

8. No Liability. By executing this Rider, Franchisor does not assume any liability with respect to the Lease Premises or any obligation as Tenant under the Lease.

Executed by:

LANDLORD:

By: _____

Name: _____

Title: _____

Date: _____

TENANT:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

PARAMOUNT FRANCHISING LLC

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT E

FORM OF GENERAL RELEASE

[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]

This General Release (“Release”) is executed by the undersigned (“Releasor”) in favor of Paramount Franchising LLC, a Utah limited liability company (“Paramount Franchising”).

Background Statement: *[describe circumstances of Release]*

Releasor agrees as follows:

1. Release. Releasor (on behalf of itself, guarantors, and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the “Releasing Parties”)) hereby releases Paramount Franchising, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the “Released Parties”) from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement or the offer or sale of a franchise (collectively, “Claims”).

2. Covenant Not to Sue. Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim. In the event of a dispute related to this Release, the dispute resolution sections of the Franchise Agreement will apply and govern.

3. Non-Disparagement. Releasor covenants not to, in any way, form, or medium, disparage any of the Released Parties, the System, or the Paramount Tax & Accounting brand.

4. Representations and Acknowledgments. Releasor represents and warrants that that each of them fully understands the broad coverage of the release provisions of this Release: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor’s choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

5. Miscellaneous. If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Paramount Franchising reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof. This Release may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both parties.

6. For California Residents. These releases are intended to waive, release and discharge all claims, other than those expressly reserved herein, with the express waiver of any statute, legal doctrine or other similar limitation upon the effect of general releases. In particular, the parties waive the benefit of any applicable statutory provision such as by illustration, California Civil Code Section 1542, which states:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

The parties, with the advice of their respective counsel, waive the benefit of both statute and other legal doctrine or principle of similar effect in any jurisdiction.

7. For Washington Residents. This Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and any rule or order adopted thereunder.

Agreed to by:

Name: _____
Date: _____

EXHIBIT F
FINANCIAL STATEMENTS

Audited financials dated 12/31/2022

Audited financials dated 12/31/2021

Audited financials dated 12/31/2020

Unaudited Interim Financials dated 3/31/23*

*THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT.
PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT
NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED
HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

PARAMOUNT FRANCHISING, LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022, 2021, AND 2020



PARAMOUNT FRANCHISING, LLC

Table of Contents

	<u>Page</u>
Independent auditor's report.....	3
Balance sheets	5
Statements of operations.....	6
Statements of member's equity	7
Statements of cash flows	8
Notes to the financial statements	9

Independent Auditor's Report

To the Member
Paramount Franchising, LLC
Draper, Utah

Opinion

We have audited the accompanying financial statements of Paramount Franchising, LLC, which comprise the balance sheet as of December 31, 2022, and the related statements of operations, member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Paramount Franchising, LLC as of December 31, 2022, and the results of its operations and its cash flows for the year then ended are 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. 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 the Company 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

The financial statements of Paramount Franchising, LLC as of December 31, 2021 and 2020, were audited by other auditors whose report dated May 16, 2022 expressed an unmodified opinion on those statements.

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezar & Dunbar

St. George, Utah
May 15, 2023

PARAMOUNT FRANCHISING, LLC

BALANCE SHEETS

As of December 31, 2022, 2021, and 2020

	2022	2021	2020
Assets			
Current assets			
Cash and cash equivalents	\$ 196,606	\$ 225,319	\$ 151,223
Notes receivable, short-term	566,020	610,000	24,000
Total current assets	762,626	835,319	175,223
Non-current assets			
Property and equipment, net	20,892	395,414	399,773
Goodwill	76,275	76,275	76,275
Total non-current assets	97,167	471,689	476,048
Total assets	\$ 859,793	\$ 1,307,008	\$ 651,271
Liabilities and Member's Equity			
Current liabilities			
Accounts payable	\$ -	\$ -	\$ -
Related party payables	-	196,400	196,400
Deferred revenue, current	-	103,125	229,400
Total current liabilities	-	299,525	425,800
Non-current liabilities			
Deferred revenue, non-current	-	395,500	-
Total non-current liabilities	-	395,500	-
Total liabilities	-	695,025	425,800
Member's equity	859,793	611,983	225,471
Total liabilities and member's equity	\$ 859,793	\$ 1,307,008	\$ 651,271

The accompanying notes are an integral part of these financial statements

PARAMOUNT FRANCHISING, LLC
STATEMENTS OF OPERATIONS
For the years ended December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenues			
Initial franchise fees	\$ 293,000	\$ 70,775	\$ 38,425
Royalty fees	1,408,531	1,046,311	307,762
Fulfillment fees	187,500	111,000	61,700
Other operating revenue	-	-	3,200
Total operating revenues	<u>1,889,031</u>	<u>1,228,086</u>	<u>411,087</u>
Operating expenses			
General and administrative	435,702	229,316	110,693
Professional fees	1,211,754	460,872	58,131
Advertising and marketing	77,650	21,658	51,034
Depreciation	12,355	4,359	4,359
Total operating expenses	<u>1,737,461</u>	<u>716,205</u>	<u>224,217</u>
Net operating income	151,570	511,881	186,870
Non-operating income (expense)			
Bad debt	(30,000)	-	-
Gain on sale of property	13,949	-	-
Total non-operating income (expense)	<u>(16,051)</u>	<u>-</u>	<u>-</u>
Net income	<u>\$ 135,519</u>	<u>\$ 511,881</u>	<u>\$ 186,870</u>

The accompanying notes are an integral part of these financial statements

PARAMOUNT FRANCHISING, LLC
 STATEMENTS OF MEMBER'S EQUITY
 For the years ended December 31, 2022, 2021, and 2020

Balance as of January 1, 2020	\$ 78,321
Member distributions	(39,720)
Net income	186,870
Balance as of December 31, 2020	225,471
Member distributions	(125,369)
Net income	511,881
Balance as of December 31, 2021	611,983
Adoption of ASC 952-606	498,625
Member distributions	(386,334)
Net income	135,519
Balance as of December 31, 2022	\$ 859,793

The accompanying notes are an integral part of these financial statements

PARAMOUNT FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash flows used in operating activities:			
Net income	\$ 135,519	\$ 511,881	\$ 186,870
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	12,355	4,359	4,359
Gain on sale of property	13,949	-	-
Bad debt	(30,000)	-	-
Change in operating assets and liabilities:			
Short-term notes receivable	73,980	(586,000)	(24,000)
Deferred revenue	-	269,225	223,521
Net cash provided by operating activities	<u>205,803</u>	<u>199,465</u>	<u>390,750</u>
Cash flows from investing activities:			
Proceeds from sale of property	233,949	-	-
Purchases of property and equipment	-	-	(43,600)
Net cash provided by (used in) investing activities	<u>233,949</u>	<u>-</u>	<u>(43,600)</u>
Cash flows from financing activities:			
Payments on related party note payable	(196,400)	(70,594)	(20,500)
Member distributions	(244,167)	(54,775)	(197,375)
Net cash used in financing activities	<u>(440,567)</u>	<u>(125,369)</u>	<u>(217,875)</u>
Net change in cash and cash equivalents	(815)	74,096	129,275
Cash and cash equivalents at beginning of period	225,319	151,223	21,948
Cash and cash equivalents at end of period	<u>\$ 224,504</u>	<u>\$ 225,319</u>	<u>\$ 151,223</u>
Supplemental disclosures of cash flow			
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Non-cash investing and financing activities:			
Equipment distributed to member	<u>\$ 142,167</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

PARAMOUNT FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Paramount Franchising, LLC (the "Company") was organized as a Utah limited liability company ("LLC") in 2016. On February 7, 2022, the Company changed domicile, converting into a Nevada LLC. The Company is headquartered in Draper, Utah and provides franchising opportunities to entrepreneurs desiring to own and operation their own tax and accounting operation as a franchise.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission ("SEC"), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

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

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2022, 2021, and 2020, the Company had cash and cash equivalents of \$196,606, \$225,319, and \$151,223, respectively.

(e) Short-Term Notes Receivables

Short-term notes receivable are recorded for amounts due based on the terms of executed franchise agreements for initial franchise fees. These receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. Management regularly evaluates individual customer receivables considering their financial condition, credit history and current economic conditions. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded as income when received. As of December 31, 2022, the Company had an allowance for doubtful accounts of \$30,000. As of December 31, 2021 and 2020, there was no allowance for doubtful accounts. As of December 31, 2022, 2021, and 2020, the Company had net short-term notes receivable of \$566,020, \$610,000, and \$24,000.

(f) Goodwill

The Company has recorded goodwill associated with the acquisition of the Paramount franchise system on 2018. In accordance with ASC 350-20, *Goodwill*, the Company does not amortize goodwill. Rather, management will regularly evaluate the goodwill for indications of impairment. During the year ended December 31, 2022, there were no indications of impairment. As of December 31, 2022, 2021, and 2020, goodwill was \$76,275.

PARAMOUNT FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

(g) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Items in excess of \$2,000 that meet specific guidelines are capitalized. Expenditures for major renewals and improvements are capitalized. Minor replacements, maintenance, and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the cost of the asset and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the result of operations for the respective period. Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives for significant property and equipment categories are as follows:

Land	Indefinite
Building	30 years
Office equipment & software	4 years

(h) Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the difference between the carrying amount of the asset and the fair value of the asset.

(i) Revenue Recognition

The Company's revenues consist of fees from franchisees for initial franchise fees, royalties, and fulfillment fees.

The Company recognizes revenue under ASC 606, *Revenue from Contracts with Customers*. On January 1, 2022, the Company adopted the practical expedient for private company franchisors outlined in ASC 952-606 using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch-up adjustment recognized upon adoption. As such, comparative information in the Company's financial statements has not been restated and continues to be reported under the accounting standards in effect for those periods. Upon adoption of the practical expedient, the Company removed deferred revenue of \$498,625 on January 1, 2022.

ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each area representative agreement and franchised location, the Company enters into a formal agreement that clearly outlines the transaction price, which includes an initial fee, ongoing royalties, and the Company's performance obligations.

Upon evaluation of the five-step process, the Company has determined that royalties from locations operated by franchisees, which are based on a percentage of gross revenue, are to be recognized at the time the underlying sales occur. For fulfillment fees, revenue is recognized upon shipment of product.

In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. These pre-opening services include the following:

- Training of the franchisee's personnel or the franchisee

PARAMOUNT FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business

The Company has determined that the fair value of pre-opening services exceeds the initial fees received; as such, the initial fees are allocated to the pre-opening services, which are recognized as revenue upon commencement of operations.

(j) Income Taxes

The Company is structured as a limited liability company under the laws of the state of Nevada. Accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company adopted ASC 740-10-25-6, *Accounting for Uncertainty in Income Taxes*, that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities. Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2022, the 2021, 2020, and 2019 tax years are subject to examination.

(k) Advertising Costs

The Company expenses advertising costs as incurred. During the years ended December 31, 2022, 2021, and 2020, the Company incurred advertising expenses of \$77,650, \$21,658, and \$51,034, respectively.

(l) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, pre-paid expenses, and accounts payable the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value as current interest rates and terms offered to the Company for similar debt are substantially the same.

(m) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Related Party Transactions

During the year ended December 31, 2019, the Company received cash from its member in the form of a loan. The loan did not accrue interest and was due upon demand. During the year ended December 31, 2022, the loan was repaid in full. As of December 31, 2021 and 2020, the balance due to member was \$196,400.

PARAMOUNT FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

(3) Property and Equipment

Equipment consists of the following as of December 31, 2022, 2021, and 2020:

	2022	2021	2020
Building and land	\$ -	\$ 220,000	\$ 220,000
Automobiles	-	142,167	142,167
Office equipment & software	43,600	43,600	43,600
	43,600	405,767	405,767
Accumulated depreciation	(22,708)	(10,353)	(5,994)
	<u>\$ 20,892</u>	<u>\$ 395,414</u>	<u>\$ 399,773</u>

Depreciation expense for the years ended December 31, 2022, 2021, and 2020 was \$12,355, \$4,359, and \$4,359, respectively.

(4) Commitments and Contingencies

(a) *Litigation*

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC 450, *Contingencies*, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is “probable” and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is “probable” but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is “reasonably possible,” disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are “remote” are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(b) *COVID-19*

On March 11, 2020, the World Health Organization classified the outbreak of a new strain of the coronavirus (“COVID-19”) as a pandemic. The COVID-19 outbreak in the United States began in mid-March 2020 and has continued through December 31, 2022 and subsequent to the fiscal year end. It is continuing to disrupt supply chains and affect production and sales across a range of industries. Management believes the pandemic has had a material effect on the Company’s operations, reducing revenue from both new and existing franchisees. The extent of the impact of COVID-19 on the Company’s future operational and financial performance continues to evolve and will depend on certain ongoing developments, including the duration and spread of the outbreak, impact on the Company’s customers and vendors all of which are uncertain and cannot be reasonably estimated. At this point, the full extent to which COVID-19 may impact the Company’s future financial condition or results of operations is uncertain.

(5) Subsequent Events

Management has reviewed and evaluated subsequent events through May 15, 2023, the date on which the financial statements were issued.

PARAMOUNT FRANCISING, LLC

Audited Financial Statements

December 31, 2021 and 2020

Table of Contents

	Page
Independent Auditors' Report	1 - 2
Financial Statements:	
Balance Sheet	3
Statement of Income and Changes Member's Equity.	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 7

Independent Auditor's Report

Board of Directors and Members of
Paramount Franchising, LLC

We have audited the financial statements of Paramount Franchising, LLC, which comprise the balance sheet as of December 31, 2021 and 2020 and the related statements of income, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Paramount Franchising, LLC as of December 31, 2021 and 2020 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Paramount Franchising, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 Paramount Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Paramount Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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



Salt Lake City, UT
May 16, 2022

PARAMOUNT FRANCHISING, LLC

Balance Sheet

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 225,319	\$151,223
Notes receivable franchisees due in one year	<u>610,000</u>	<u>18,000</u>
Total current assets	835,319	169,223
Noncurrent Assets:		
Notes receivable franchisees .due after one year	-	6,000
Property and equipment – net	395,414	399,773
Other Assets:		
Goodwill	<u>76,275</u>	<u>76,275</u>
Total Assets	<u>\$1,307,008</u>	<u>\$651,271</u>

LIABILITIES AND MEMBER'S EQUITY

Current Liabilities:		
Notes payable – related party	\$ 196,400	\$196,400
Deferred revenue – current portion	<u>103,125</u>	<u>23,825</u>
Total current liabilities	299,525	220,225
Long-term liabilities:		
Deferred revenue – long-term portion	<u>395,500</u>	<u>205,575</u>
Total Liabilities	695,025	425,800
Member's equity	<u>611,983</u>	<u>225,471</u>
Total Liabilities and Member's Equity	<u>\$1,307,008</u>	<u>\$651,271</u>

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

PARAMOUNT FRANCHISING, LLC
Statements of Income and
Changes in Member's Equity
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUES:		
Franchise Fees	\$ 70,775	\$ 38,425
Royalties	1,046,311	307,762
Fulfillment Fees	111,000	61,700
Other Income	-	3,200
Total Revenue	<u>1,228,086</u>	<u>411,087</u>
OPERATING EXPENSES:		
Advertising	21,658	51,034
Computer	39,177	1,361
Consultants	443,655	43,100
Contractors	21,068	53,500
Depreciation	4,359	4,359
Dues and subscriptions	4,462	-
Fulfillment	118,345	16,873
Insurance	2,665	5,226
Legal and professional	17,217	15,031
Meals and entertainment	-	11,167
Miscellaneous	4,974	3,405
Office expense	17,593	6,079
Promotional	-	1,050
Repairs and maintenance	-	4,617
Taxes and licenses	2,384	2,578
Telephone and internet	6,225	1,451
Travel	2,131	-
Utilities	<u>10,292</u>	<u>3,386</u>
Total Operating Expenses	<u>716,205</u>	<u>224,217</u>
Net Income	<u>\$511,881</u>	<u>\$186,870</u>

Statement of Changes in Member's Equity

Member's equity - beginning of year	\$225,471	\$ 78,321
Distributions	(125,369)	(39,720)
Net income	<u>511,881</u>	<u>186,870</u>
Member's equity - end of year	<u>\$611,983</u>	<u>\$225,471</u>

The accompanying notes are an integral part of the financial statements

PARAMOUNT FRANCHISING, LLC
Statement of Cash Flows
For the Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS USED BY OPERATING ACTIVITIES:		
Net income	\$511,881	\$186,870
Adjustments to reconcile net income to net cash provided by operating activities:		
Prior period adjustments	-	34,121
Depreciation	4,359	4,359
Changes in assets and liabilities:		
Increase in notes receivable – franchisees	(586,000)	(24,000)
Decrease in franchise deposit	-	(40,000)
Increase in deferred revenue	<u>269,225</u>	<u>229,400</u>
Net cash provided by operating activities	199,465	390,750
CASH FLOWS USED BY INVESTING ACTIVITIES:		
Acquisition of property and equipment	<u>-</u>	<u>(43,600)</u>
Net cash used by investing activities	-	(43,600)
CASH FLOWS USED BY FINANCING ACTIVITIES:		
Reduction in owner’s investment	(70,594)	(20,500)
Reduction in related party note payable	-	(157,655)
Member’s distributions	<u>(54,775)</u>	<u>(39,720)</u>
Cash flows used by financing activities	(125,369)	(217,875)
Increase in cash and cash equivalents	<u>\$ 74,096</u>	<u>\$129,275</u>
Cash and cash equivalents at beginning of year	\$151,223	\$ 21,948
Increase in cash and cash equivalents	<u>74,096</u>	<u>129,275</u>
Cash and cash equivalents at end of year	<u>\$225,319</u>	<u>\$151,223</u>

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

PARAMOUNT FRANCHISING, LLC
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 1 - COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

- A. *Company and Activities*** - Paramount Franchising, LLC (the Company) was organized as a Limited Liability Corporation (LLC) in the state of Utah in 2016 and is headquartered in Draper, Utah. The Company provides franchising opportunities to entrepreneurs desiring to own and operate their own tax and accounting operation as a franchisee.
- B. *Basis of Accounting*** - The Company's financial activities are prepared using the accrual basis of accounting as required under generally accepted accounting principles for businesses in the United States of America.
- C. *Cash and Cash Equivalents*** - For purposes of the balance sheet and statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.
- D. *Property and Equipment*** - Property and equipment are stated on the basis of cost. Depreciation is computed on the straight-line method over the estimated useful life of the related asset. Repairs and maintenance are expensed when incurred and purchases with a cost in excess of \$2,000 are capitalized.
- E. *Revenue from Franchises and Royalties*** – On January 1, 2021, the Company adopted ASU 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, “ASC 606”), which creates a framework for recognizing revenue from contracts with franchisees that fall within its scope. Results for reporting periods beginning after January 1, 2021 are presented under ASC 606. while prior period amounts were reported in accordance with prior GAAP.
- F. *Income Taxes*** – The Company, with the shareholder's consent, has elected to be taxed as a Subchapter S Corporation under the provisions of the Internal Revenue Code and comparable state income tax law. As an “S” Corporation, the Company is generally not subject to corporate income taxes and the Company's net income or loss is reported on the individual tax return of the shareholder of the Company. Therefore, no provision or liability for income taxes is reflected in the financial statements.
The Company has not been audited by the Internal Revenue Service, and accordingly the business tax returns since 2016 are open to examination. Management has evaluated its tax positions and has concluded that the Company has taken no uncertain tax positions that could require adjustment or disclosure in the financial statements to comply with provisions set forth in Accounting Standards Codification (ASC) section 740, *Income Taxes*.
- G. *Accounting Estimates*** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

PARAMOUNT FRANCHISING, LLC
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 2 – Cash and equivalents are carried at cost plus accrued interest and consist of the following short-term holdings:

	<u>2021</u>	<u>2020</u>
Deposits-Insured (FDIC)	<u>\$225,319</u>	<u>\$151,223</u>

NOTE 3 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment and accumulated depreciation:

	<u>2021</u>	<u>2020</u>
Building and Land	\$220,000	\$220,000
Automobiles	142,167	142,167
Office equipment & software	<u>43,600</u>	<u>43,600</u>
Total	405,767	405,767
Less accumulated depreciation	<u>(10,353)</u>	<u>(5,994)</u>
Net property and equipment	<u>\$395,414</u>	<u>\$399,773</u>

NOTE 4 – NOTE PAYABLE – RELATED PARTY

	<u>2021</u>	<u>2020</u>
Note payable due to related company owned by shareholder, unsecured, 0% interest rate, due on demand.	<u>\$196,400</u>	<u>\$196,400</u>

NOTE 5 – FRANCHISE AND ROYALTY REVENUE RECOGNITION

In accordance with ASC 606 franchise and royalty revenues are recognized as follows:

Franchise fees are recognized over the term of each individual franchise agreement starting at the inception of each agreement and are allocated to revenue in future years. Currently the term for these agreements is 20 years.

Royalties are recognized from the franchisees as the underlying sales occur, however, in accordance with the guidelines, the royalties are not accrued for amounts earned but not received.

NOTE 6 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the date of the statement of financial position through May 16, 2022 and has determined that there are no subsequent events to disclose.

Paramount Franchising, LLC

Balance Sheet

As of March 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Brighton Checking 5357 (5357)	143,337.34
Total Bank Accounts	\$143,337.34
Accounts Receivable	
Accounts Receivable	610,000.00
Total Accounts Receivable	\$610,000.00
Other Current Assets	
Due From PTACPA	0.00
Uncategorized Asset	0.00
Total Other Current Assets	\$0.00
Total Current Assets	\$753,337.34
Fixed Assets	
Accumulated Amortization	0.00
Accumulated Depreciation	-14,167.00
Buildings	0.00
Goodwill	76,275.00
Land	0.00
Software (Asset)	43,600.00
Vehicles	142,166.69
Total Fixed Assets	\$247,874.69
Other Assets	
Notes Receivable	0.00
Total Other Assets	\$0.00
TOTAL ASSETS	\$1,001,212.03
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Deferred Revenue	672,350.00
Due To PTACPA	-3,600.00
Total Other Current Liabilities	\$668,750.00
Total Current Liabilities	\$668,750.00
Total Liabilities	\$668,750.00
Equity	
Owner's Draw	-849,213.49
Owner's Investment	75,340.73
Retained Earnings	1,106,751.83

Paramount Franchising, LLC

Balance Sheet As of March 31, 2023

	TOTAL
Net Income	-417.04
Total Equity	\$332,462.03
TOTAL LIABILITIES AND EQUITY	\$1,001,212.03

Paramount Franchising, LLC

Profit and Loss

January - March, 2023

	TOTAL		
	JAN - MAR, 2023	JAN - MAR, 2022 (PP)	CHANGE
Income			
Fulfillment Income	5,000.00	40,000.00	-35,000.00
Royalty Income	247,283.47	239,355.31	7,928.16
Total Income	\$252,283.47	\$279,355.31	\$ -27,071.84
GROSS PROFIT	\$252,283.47	\$279,355.31	\$ -27,071.84
Expenses			
Advertising & Marketing	11,357.53	11,132.00	225.53
Advertising - Facebook		25,804.42	-25,804.42
Automobile Expense	1,726.96	150.02	1,576.94
Bank Charges & Fees	156.19	240.00	-83.81
Consulting Fee	171,448.75	145,024.00	26,424.75
Dues & Subscriptions	1,239.02	1,246.85	-7.83
Fulfillment Expense	12,483.57	82,118.32	-69,634.75
Insurance	2,896.00	682.35	2,213.65
Internet Expense	846.66	666.74	179.92
Legal & Professional Services	2,089.53	502,132.50	-500,042.97
Meals & Entertainment	2,465.60	304.85	2,160.75
Meeting	32,000.00	48,996.00	-16,996.00
Office Supplies	2,750.55	1,171.35	1,579.20
Repairs & Maintenance	104.00		104.00
Software Expense	3,739.43	5,804.22	-2,064.79
Taxes & Licenses	600.53		600.53
Telephone Expense	70.31	759.79	-689.48
Travel	3,584.17	1,795.74	1,788.43
Utilities	3,141.71	2,426.63	715.08
Total Expenses	\$252,700.51	\$830,455.78	\$ -577,755.27
NET OPERATING INCOME	\$ -417.04	\$ -551,100.47	\$550,683.43
NET INCOME	\$ -417.04	\$ -551,100.47	\$550,683.43

EXHIBIT G

OPERATING MANUAL TABLE OF CONTENTS

Manual Section	Number of Pages
Preface & Introduction	35
Establishing My Franchise Business	37
Personnel	45
Administrative Procedures	27
Daily Procedures	24
Selling & Marketing	24
Total Number of Pages	192

EXHIBIT H**TO THE FRANCHISE DISCLOSURE DOCUMENT**

SCHEDULE OF FRANCHISEES AS OF DECEMBER 31, 2022

State	Contact	Territory	Address	City, State, Zip	Phone
Arizona	Amy Weidman/David Brown	Desert Ridge, AZ	20869 N Tatum Blvd	Phoenix, AZ 85050	602-478-0636
Arizona	Roy Layton ¹	Chandler, AZ	3100 West Ray Road, Suite 201	Chandler, AZ 85226	480-204-9446
Arizona	Roy Layton ¹	Glendale, AZ	18275 N 59th Ave Suite 112B	Glendale, AZ 85308	480-204-9446
Arizona	Roy Layton ¹	North Gilbert, AZ	1166 East Warner Rd.	North Gilbert, AZ 85296	480-204-9446
Arizona	Roy Layton ¹	South Gilbert, AZ	4365 East Pecos Road	South Gilbert, AZ 85298	480-204-9446
Arizona	Roy Layton ¹	Globe, AZ	656 North Broad Street	Globe, AZ 85501	480-204-9446
California	Eunice Cheng	La Mirada, CA	16700 Valley View, Ste 300	La Mirada, CA 90638	626-968-8680
California	Albert Elomina	Woodland Hills, CA	6931 Topanga Canyon Blvd #1	Canoga Park, CA 91303	323-929-0290
California	Wences Navaro	Arcadia, CA	1616 South 5th Ave.	Arcadia, CA 91006	626-246-8189
California	Charlotte Nikolaidis	Moreno Valley, CA	14605 Ashton Ct. Moreno Valley	California, 92555	951-660-4272
California	Elayne Pace	San Jose, CA	2103 Lincoln Ave	San Jose, CA 95125	650-759-4363
California	Chris Collins	Rancho Cucamonga, CA	9267 Haven Ave	Rancho Cucamonga, CA 91730	626-833-9759
California	Eunice Cheng	La Mirada, CA	16700 Valley View, Ste 300	La Mirada, CA 90638	626-968-8680
California	Kumar Barjesh	Riverbank	To be determined		209-541-0641
Florida	Rafael Chiquito	Weston, FL	12555 Orange Dr.	Davie, FL 33330	404-433-7712
Florida	Philip Nye	Bradenton, FL	1001 Riverside Dr., Suite 230	Palmetto, FL 34221	941-405-7731
Florida	Alberto Ibarra	Doral, FL	3650 NW 82nd Ave Suite 505	Doral, FL 33166	786-391-7055
Florida	Yvens Bellanton	Lake Worth East, FL	2328 10th Ave N	Lake Worth, FL 33461	786-541-5813
Florida	Troy Thomas	Stuart, FL	6575 W Loop S	Bellaire Texas 77401	713-347-0003
Idaho	Christina Weddle	Mountain Home, ID	167 NE Beaman St.	Mountain Home, ID 83647	208-216-9643
Iowa	Kelly Barlow	Waterloo, IA	200 W Ridgeway Ave #100	Waterloo, IA 50701	319-230-6731
Nevada	Carolyn Johnson ¹	Las Vegas - Central	8170 W. Sahara Ave, Ste. 201	Las Vegas, NV 89117	702-523-5107
Nevada	Carolyn Johnson ¹	Henderson, NV	170 S Green Valley Parkway	Henderson, NV 8901202	702-523-5107

Nevada	Gabriel May	West Valley City, UT	3624 Bawden Ave	West Valley City, UT 84120	214-478-1831
Nevada	John Williams	Las Vegas - West	8430 W Lake Mead Blvd Suite 100	Las Vegas, NV 89128	702-343-9257
Nevada	Roy Layton ¹	Enterprise, NV	8275 S Eastern Ave	Las Vegas, NV 89123	480-204-9446
North Carolina	Juan Rincon	Matthews, NC	5835 Executive Center Drive	Charlotte, NC 28212	980-425--8987
Texas	Felicia Tchkonte ¹	Katy, TX	24044 Cinco Village Center Blvd.	Katy, TX 774943	248-390-1377
Texas	Felicia Tchkonte ¹	Sugarland, TX	777 Sugar Creek Center Blvd	Sugarland, TX 77478	248-390-1337
Texas	Azeb Wossen	Plano – West, TX	7950 Legacy Drive	Plano, TX 75024	832-246-9730
Texas	Wanjing Su	Sugar Land – North, TX	15500 Voss Road	Sugar Land, TX, 77498	832-282-1560
Texas	David Anderson	San Marcos, CA	325 Hopkins St.	San Marcos Texas, 78666	512-940-9001
Texas	Umair Sheik	Houston – SW, TX	6575 W Loop S	Bellaire Texas, 77401	713-347-0003
Utah	Ashley Jefferies	Provo, UT	180 N University Ave	Provo, UT 84601	801-362-2244
Utah	Brian Baity	West Valley City, UT	3624 Bawden Ave	West Valley City, UT 84120	801-541-3330
Utah	Maggie Gillespie	Orem, UT	1431 S 550 East, Suite 250	Orem, UT 84097	801-433-7738
Utah	Roy Layton ¹	Foothill, UT	2150 S 1300 E t	Salt Lake City, UT 84106	480-204-9446
Utah	Roy Layton ¹	Holladay, UT	To be determined	Holladay, UT 84117	480-204-9446
Utah	Roy Layton ¹	Midvale, UT	101 E 7200 S	Midvale, UT 84047	480-204-9446
Utah	Christy Matthews	Holladay, UT	13212 S Woods Park Dr	Herriman, UT 84096	801-597-4514
Utah	David Kilpatrick	St. George, UT	1283 E. Galilee Way	Washington, UT 84780	646-509-6496
Utah	Jeff Kessler ¹	Lehi, UT	3450 N, Triumph Blvd Ste 102	Lehi, UT 84043	801-753-5767
Utah	Jeff Kessler ¹	South Jordan, UT	10808 S River Front Parkway	South Jordan, UT 84095	801-998-2127
Utah	Jenny Beynon	West Jordan, UT	8823 S Redwood Rd.	West Jordan, UT 84088	801-512-5944
Utah	Josh Pyne	Granite, UT	9295 S 1300 E	Sandy, UT 84093	385-529-0814
Utah	Maren Hilton	Bountiful, UT	499 South 100 West	Bountiful, Utah 84010	801-683-9734
Utah	Colby Wilcock	Utah Lake, UT	1305 Commerce Dr.	Saratoga Springs, UT 84045	801-971-2626
Utah	David Southwick	Draper, UT	12481 S. Fort St.	Draper, UT 84020	801-367-8784
Utah	Parker Hilton ¹	Bountiful, UT	190 N Main St.	Bountiful, UT 84010	801-683-9734
Utah	Parker Hilton ¹	Layton, UT	To be determined		801-683-9734
Utah	Parker Hilton ¹	North Salt Lake City, UT	To be determined		801-683-9734
Utah	Ben Dyches/ Alphonso	Mapleton, UT	940 S 2000 W	Springville, UT 84663	801-358-0463
Virginia	Marcus, Taylor	Richmond – East, VA	7300 Hanover Green Dr.	Mechanicsville, VA 23111	804-258-2154

Virginia	Adam Wilhelm	Annandale, VA	7023 Little River Turnpike Suite 200	Annandale, VA 22003	703-955-6229
----------	--------------	---------------	---	---------------------	--------------

¹ Indicates that this franchisee owns multiple franchises as a multi-unit developer.

SCHEDULE OF FRANCHISEES TERMINATED, TRANSFERRED, NOT RENEWED OR OTHERWISE LEFT THE SYSTEM:

TERMINATED:

NONE

NOT RENEWED:

NONE

TRANSFERRED:

NONE

NON-COMMUNICATING FRANCHISES WHO HAVE NOT COMMUNICATED TO CALLS EMAILS WITHIN THE LAST 10 WEEKS:

State	Contact	Territory	Address	City, State, Zip	Phone
California	Kumar Barjesh	Riverbank	To be determined		209-541-0641

EXHIBIT I
STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

1. The California Franchise Investment law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.
2. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
3. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be fully enforceable under California law.
5. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
6. The franchise agreement requires binding arbitration. The arbitration will occur at Salt Lake County, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake County, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The franchise agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
8. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. Neither franchisor nor any person listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling this or these persons from membership in such association or exchange.
10. Section 31125 of the California Corporations Code requires the Franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed modification of an existing franchise.
11. OUR WEBSITE at WWW.PARAMOUNT.TAX HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.
12. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

13. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

14. Item 6 under Late Fees is amended to include the following: "The highest interest rate allowed in California is 10% annually."

15. Item 19 is amended to include the following:

"The financial performance representations do not reflect the costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in this offering circular, may be one source of this information."

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Illinois only, this Disclosure Document is amended as follows:

Illinois Law governs the franchise agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:

FRANCHISOR:

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

STATE REGULATIONS FOR THE STATE OF INDIANA

Notwithstanding anything to the contrary set forth in the disclosure document, the following provisions shall apply to all franchises offered and sold in the State of Indiana:

1. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, shall apply to the franchise agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

2. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the disclosure document and franchise agreement are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

“Notwithstanding any such termination, and in addition to the obligations of the Franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the Franchisee nevertheless shall be, continue and remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Term of the Franchise Agreement.

At the time of such termination of the Franchise Agreement, the Franchisee covenants to pay to Franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney’s fees) incurred by Franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the Franchisee’s right to a trial on any of the above matters.”

3. No release language set forth in the disclosure document or franchise agreement, shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

4. To the extent required by the franchise laws of the State of Indiana, the franchise agreement will be construed in accordance with the franchise laws of the State of Indiana.

5. The provisions of the franchise agreement pertaining to litigation jurisdiction and venue shall be amended to be within the scope of the requirements of the Indiana Franchise laws.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows:

ITEM 17 of the Disclosure Document is amended to add the following:

- The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- Maryland law shall prevail.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

STATE REGULATIONS FOR THE STATE OF MINNESOTA

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

Minnesota statute ' 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. ' 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

4. Minnesota Rule Part 2860.4400D prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
5. The disclosure document and franchise agreements are hereby amended to exclude from any release requirements the release of claims under Minnesota Franchise Law.
6. Any limitation of claims must comply with Minn. Stat. ' 80C.17, subdivision 5.
7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a).

Franchisee (Signature)

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive

or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

By statute under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right give to him by any provision contained in the franchise. Accordingly, the Division requests that the franchisor add a Virginia Addendum to the FDD containing the following statements:

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for [insert franchisor name] for use in the Commonwealth of Virginia shall be amended as follows:

The following statements are added to Item 17(h):

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Article XIII of the franchise agreement will be interpreted in accordance with RCW 19.100.180.

Section 15.2 of the franchise agreement empowers the franchisor to purchase the franchise before the termination of the franchise agreement. This is inconsistent with RCW 19.100.180(2)(j) and does not apply to Washington franchisees.

The time limitations to initiate a claim as set forth in Section 17.4 of the franchise agreement are hereby amended and extended to the time limits allowed under RCW 19.100.

Section 17.1 of the franchise agreement is here by amended as follows:

Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced (subject to state law).

Article 19 of the franchise agreement is not enforceable in Washington.

Section 2 of the Form General Release Agreement (Exhibit "E" to the franchise disclosure document) is hereby omitted and not applicable in the state of Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

FRANCHISOR

FRANCHISEE

WISCONSIN ADDENDUM TO THE DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. **REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.**
2. The following shall apply to Franchise Agreements in the State of Wisconsin:
 - a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
 - b. The Act’s requirements, including that in certain circumstances a Franchisee receive ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act’s requirements.

EXHIBIT J
STATE ADDENDA TO FRANCHISE AGREEMENT

**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA**

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
2. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be fully enforceable under California law.
4. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The franchise agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
6. The franchise agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
7. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.
9. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.
10. Late Fees in Section 4.6(c) is amended to include the following: "The highest interest rate allowed in California is 10% annually."

**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF FOR THE STATE OF ILLINOIS**

Illinois Law governs the franchise agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Franchisor and Franchisee have respectively signed and sealed this Franchise Agreement as of _____.

FRANCHISEE:

FRANCHISOR:

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

INDIANA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____, 20____ (the “Agreement”) between Paramount Franchising LLC, a Utah limited liability company (“Paramount Franchising”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Deleted. Any provision of the Agreement which would have any of the following effects is hereby deleted:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from Paramount Franchising or sources designated by Paramount Franchising where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by Paramount Franchising. However, the publication by Paramount Franchising of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by Paramount Franchising does not constitute designation of a source nor does a reasonable right of Paramount Franchising to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by Paramount Franchising.

(2) Allowing Paramount Franchising to establish a franchisor-owned outlet engaged in a substantially identical business to that of Franchisee within the exclusive territory granted Franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting Paramount Franchising to compete unfairly with Franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by Paramount Franchising without the consent in writing of Franchisee.

(4) Allowing Paramount Franchising to obtain money, goods, services, or any other benefit from any other person with whom Franchisee does business, on account of, or in relation to, the transaction between Franchisee and the other person, other than for compensation for services rendered by Paramount Franchising, unless the benefit is promptly accounted for, and transmitted to Franchisee.

(5) Requiring Franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between Franchisee and Paramount Franchising to be referred to any person, if referral would be binding on Franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by Paramount Franchising which Franchisee had ordered for private retail consumers prior to Franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting Paramount Franchising to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if Franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with Paramount Franchising for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring Franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to Franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that Franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

PARAMOUNT FRANCHISING LLC

By: _____

Name: _____

Title: _____

Date: _____

MARYLAND RIDER TO FRANCHISE AGREEMENT

This Addendum dated _____, 20____, by and between Paramount Franchising LLC, a Utah limited liability company hereinafter referred to as “Franchisor” and _____, LLC/Inc., a hereinafter referred to as “Franchisee.”

1. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

3. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Except as expressly amended or modified herein, all terms, provisions and conditions of the original Franchise Agreement shall remain in full force and effect. In the event of a conflict or inconsistency between the provisions of this Addendum and any provisions of the original Franchise Agreement, the provisions hereof shall in all respects govern and control.

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be effective as of the date listed above with the full authority of the Company principal they represent.

FRANCHISOR:

FRANCHISEE:

PARAMOUNT FRANCHISING LLC

_____, **LLC/INC.**

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

Minnesota statute 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
4. Minnesota Rule Part 2860.4400J prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
5. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
6. Any limitation of claims must comply with Minn. Stat. 80C.17, subdivision 5.
7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a).

Franchisee (Signature)

NEW YORK RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____, 20____ (the “Agreement”), between Paramount Franchising LLC, a Utah limited liability company (“Paramount Franchising”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Waivers Not Required. Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Paramount Franchising or any other person from any duty or liability imposed by New York General Business Law, Article 33.

3. Waivers of New York Law Deleted. Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Paramount Franchising with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

4. Governing Law. Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

4. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

FRANCHISOR:

PARAMOUNT FRANCHISING LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____, 20____ (the “Agreement”), between Paramount Franchising LLC, a Utah limited liability company (“Paramount Franchising”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

PARAMOUNT FRANCHISING LLC

By: _____

Name: _____

Title: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE COMMONWEALTH OF VIRGINIA**

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, AND RELATED AGREEMENTS

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting the transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Article XIII of the franchise agreement will be interpreted in accordance with RCW 19.100.180.

Section 15.2 of the franchise agreement empowers the franchisor to purchase the franchise before the termination of the franchise agreement. This is inconsistent with RCW 19.100.180(2)(j) and does not apply to Washington franchisees.

The time limitations to initiate a claim as set forth in Section 17.4 of the franchise agreement are hereby amended and extended to the time limits allowed under RCW 19.100.

Section 17.1 of the franchise agreement is here by amended as follows:

Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced (subject to state law).

Article 19 of the franchise agreement is not enforceable in Washington.

Section 2 of the Form General Release Agreement (Exhibit "E" to the franchise disclosure document) is hereby omitted and not applicable in the state of Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated _____.

FRANCHISOR:
PARAMOUNT FRANCHISING LLC

FRANCHISEE:

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

INDIVIDUALS:

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN**

The following shall apply to Franchise Agreements in the State of Wisconsin:

b. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.

b. The Act’s requirements, including that in certain circumstances a Franchisee receive ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act’s requirements.

EXHIBIT K

STATE ADDENDA TO MULTI-UNIT DEVELOPMENT AGREEMENT

**ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT
FOR THE STATE OF CALIFORNIA**

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Multi-Unit Development Agreement contains a provision that is inconsistent with California law, California law controls.
2. The Multi-Unit Development Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
3. The multi-unit development agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be fully enforceable under California law.
4. The multi-unit development agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The Multi-Unit Development Agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a Multi-Unit Development Agreement restricting venue to a forum outside the State of California.
6. The Multi-Unit Development Agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
7. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. The Multi-Unit Development Agreement provides for waiver of a jury trial. This may not be enforceable in California.
9. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.
10. Late Fees is amended to include the following: "The highest interest rate allowed in California is 10% annually."

**ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT
FOR THE STATE OF FOR THE STATE OF ILLINOIS**

Illinois Law governs the Multi-Unit Development Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Multi-Unit Development Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Multi-Unit Development Agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Franchisor and Franchisee have respectively signed and sealed this Multi-Unit Development Agreement as of _____.

FRANCHISEE:

FRANCHISOR:

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

INDIANA RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____, 20____ (the “Agreement”), between Paramount Franchising LLC, a Utah limited liability company (“Paramount Franchising”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Deleted. Any provision of the Agreement which would have any of the following effects is hereby deleted:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from Paramount Franchising or sources designated by Paramount Franchising where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by Paramount Franchising. However, the publication by Paramount Franchising of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by Paramount Franchising does not constitute designation of a source nor does a reasonable right of Paramount Franchising to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by Paramount Franchising.

(2) Allowing Paramount Franchising to establish a franchisor-owned outlet engaged in a substantially identical business to that of Franchisee within the exclusive territory granted Franchisee by the Multi-Unit Development Agreement; or, if no exclusive territory is designated, permitting Paramount Franchising to compete unfairly with Franchisee within a reasonable area.

(3) Allowing substantial modification of the Multi-Unit Development Agreement by Paramount Franchising without the consent in writing of Franchisee.

(4) Allowing Paramount Franchising to obtain money, goods, services, or any other benefit from any other person with whom Franchisee does business, on account of, or in relation to, the transaction between Franchisee and the other person, other than for compensation for services rendered by Paramount Franchising, unless the benefit is promptly accounted for, and transmitted to Franchisee.

(5) Requiring Franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between Franchisee and Paramount Franchising to be referred to any person, if referral would be binding on Franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by Paramount Franchising which Franchisee had ordered for private retail consumers prior to Franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the

reevaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the Multi-Unit Development Agreement.

(8) Permitting Paramount Franchising to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a Multi-Unit Development Agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if Franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with Paramount Franchising for a period longer than three years or in an area greater than the exclusive area granted by the Multi-Unit Development Agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring Franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to Franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the Multi-Unit Development Agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that Franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

PARAMOUNT FRANCHISING LLC

By: _____

Name: _____

Title: _____

Date: _____

MARYLAND RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Addendum dated _____, 20____, by and between Paramount Franchising LLC, a Utah limited liability company hereinafter referred to as “Franchisor” and _____, LLC/Inc., a hereinafter referred to as “Area Developer.”

1. An area developer may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

3. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. All representations requiring prospective area developers to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Except as expressly amended or modified herein, all terms, provisions and conditions of the original Multi-Unit Development Agreement shall remain in full force and effect. In the event of a conflict or inconsistency between the provisions of this Addendum and any provisions of the original Multi-Unit Development Agreement, the provisions hereof shall in all respects govern and control.

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be effective as of _____, with the full authority of the Company principal they represent.

FRANCHISOR:
PARAMOUNT FRANCHISING LLC

AREA DEVELOPER:

By: _____
Its, _____

By: _____
Its, _____

INDIVIDUALS:
Signature: _____
Print Name: _____

Signature: _____
Print Name: _____

**ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT
FOR THE STATE OF MINNESOTA**

The disclosure document, Multi-Unit Development Agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and Multi-Unit Development Agreements are amended to include the following:

Minnesota statute 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Multi-Unit Development Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
4. Minnesota Rule Part 2860.4400J prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
5. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
6. Any limitation of claims must comply with Minn. Stat. 80C.17, subdivision 5.
7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a).

Franchisee (Signature)

NEW YORK RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____, 20____ (the “Agreement”), between Paramount Franchising LLC, a Utah limited liability company (“Paramount Franchising”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Waivers Not Required. Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Paramount Franchising or any other person from any duty or liability imposed by New York General Business Law, Article 33.

3 Waivers of New York Law Deleted. Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Paramount Franchising with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

4. Governing Law. Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

4. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

FRANCHISOR:

PARAMOUNT FRANCHISING LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

RHODE ISLAND RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____, 20____ (the “Agreement”), between Paramount Franchising LLC, a Utah limited liability company (“Paramount Franchising”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

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

FRANCHISOR:

PARAMOUNT FRANCHISING LLC

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

**ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT
FOR THE STATE OF VIRGINIA**

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

**WASHINGTON ADDENDUM TO THE
MULTI-UNIT DEVELOPMENT AGREEMENT, AND RELATED AGREEMENTS**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the multi-unit development agreement in your relationship with the franchisor including the areas of termination and renewal of your multi-unit development agreement. There may also be court decisions which may supersede the multi-unit development agreement in your relationship with the franchisor including the areas of termination and renewal of your multi-unit development agreement.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Multi-Unit Development Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting the transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the multi-unit development agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the multi-unit development agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

[Signatures on the Following Page]

Dated this _____ day of _____, 20__.

FRANCHISOR:
PARAMOUNT FRANCHISING LLC

FRANCHISEE:
_____,
(LLC/INC.)

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

INDIVIDUALS:

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____

[Signature Page to the Washington Addendum to
the Multi-Unit Development Agreement, and Related Agreements]

**ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT
FOR THE STATE OF WISCONSIN**

The following shall apply to Multi-Unit Development Agreements in the State of Wisconsin:

c. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of Multi-Unit Development Agreements issued in the State of Wisconsin.

b. The Act’s requirements, including that in certain circumstances a Franchisee receive ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Multi-Unit Development Agreement to the extent they may be inconsistent with the Act’s requirements.

EXHIBIT L
TO THE FRANCHISE DISCLOSURE DOCUMENT
SIGNING CHECKLIST



Franchise Documents Signing Checklist

The following items need to be filled out, signed, or dated by the party indicated

1. When you receive the FDD.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
FDD Receipt pages	(last 2 pages of the entire FDD packet)	There are two receipt pages at the very end of the FDD. You must sign and date <u>both</u> copies. You will keep the copy labeled “Franchisee Copy” and return the other copy labeled “Franchisor Copy” to the franchisor.	_____

2. When you sign the Franchise Agreement and other agreements.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	COMMENTS
Franchise Agreement	(page 1)	Fill out the Summary Page.	_____
Franchise Agreement	(page 34)	1. If the franchisee is an entity, (1) fill in the entity name on the line after “FRANCHISEE,” and have the president, manager, etc. sign on behalf of the entity. 2. If there is no entity, the individual(s) will sign on the lower lines on the next page.	_____
Franchise Agreement	(page 34-35)	Check any applicable state in which state the franchisee will be operating.	_____
Ownership Information	Attachment 1 to the FA (page 36)	The franchisee must fill in the appropriate fields, date, and sign.	_____
Location Acceptance Letter	Attachment 2 to the FA (page 37)	This is to be filled out and signed by the franchisor.	_____

Guaranty and Non-Competition Agreement	Attachment 3 to the FA (pages 38-40)	1. The franchisee entity or individual's name is to be listed in the Background Statement. 2. Each franchisee owner must sign and date this document.	_____
Digital and Social Media Authorization for Assignment	Attachment 4 to the FA (pages 41-42)	1. Fill in the date of the franchise agreement in the first paragraph. 2. Franchisee and franchisor will sign the signature page.	_____
Multi-Unit Development Agreement (Optional)	Exhibit – C	1. Fill in franchisee's name and fill in the development agreement. 2. Fill in the Development Schedule. 3. Fill in the Development Area. 4. Franchisee and franchisor will sign the signature page.	_____
Rider to Lease Agreement	Exhibit – D	1. Fill in the landlord's information. 2. Fill in the address for the premises. 3. Franchisee and franchisor will sign the signature page.	_____
Release Agreement	Exhibit – E	This does <u>not</u> get signed at the time of signing the franchise agreement. This agreement or a form thereof will only be signed upon the termination, non-renewal or transfer of the franchise.	_____
State Addendum	Exhibit I – Exhibit K	If the franchisee is domiciled or will operate in any of the states listed in the state addendum, the franchisee and franchisor may need to fill out and sign the applicable state addendum.	_____

3. Documentation that must be provided to the franchisor.

DOCUMENT	INSTRUCTIONS	CHECK WHEN COMPLETED
Proof of Insurance	The franchisee must get and maintain insurance and provide proof of insurance that lists the franchisor as an additional insured. The franchisee must provide this annually .	_____
Franchisee's DBA	In the state where your franchise is located, you need to file for a dba or "doing business as" under the name "Paramount Tax & Accounting _____." The blank line will be the city or neighborhood where your franchise is located, or other designation as assigned by the franchisor. For example, if your franchise is located in Irvine, California, your filed dba could be	_____

	<p>“Paramount Tax & Accounting – Irvine.” The franchisor must approve your DBA before you file it. You must send a copy of the DBA filing to the franchisor after it is filed. Please note that a DBA is different from your company name if you have a company that is the franchisee. Please note that also you <u>cannot</u> use the name “Paramount” as part of your company name.</p>	
Franchisee’s Certificate of Occupancy	Franchisee must provide a certificate of occupancy before you schedule on-site opening assistance/training.	_____
Franchisee’s Entity Documents	Articles of incorporation or organization documentation along with bylaws or operating agreement sent to franchisor.	_____
Copy of Lease Agreement	The franchisee must provide a copy of the lease agreement to the franchisor.	_____

EXHIBIT M
TO THE FRANCHISE DISCLOSURE DOCUMENT
DEPOSIT RECEIPT LETTER



DEPOSIT RECEIPT LETTER

By this Receipt, Paramount Franchising LLC (“we”) acknowledges that it has received a fully refundable deposit of \$5,000.00 (U.S.D.) from:

Name: _____ (“you”)

Address: _____

together with an application for a Paramount Tax & Accounting franchise.

We have reviewed your application within our offices and would be pleased to move forward.

The deposit you paid will, at the time of signing your franchise agreement, be credited to the remainder of the initial franchise fee. In the event that you decide not to accept the franchise agreement for any reason, your deposit will be fully refunded. In addition, in the event you and Paramount Franchising LLC cannot agree on a suitable territory for your franchise within ninety (90) days from the date of this Deposit Receipt, we reserve the right to refund your deposit.

Thank you for your sincere interest in purchasing a Paramount Tax & Accounting franchise. Please note that when you present a check as payment, you authorize us to deposit your check, make a one-time electronic fund transfer (EFT), or a substitute check, in which case funds may be withdrawn from your account on the same day payment is made and you will not receive a cancelled check back from your financial institution.

Sincerely,

Paramount Franchising, LCC

By: _____

Paramount Tax & Accounting Candidate

Signature

Date

Print Name

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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	Pending
Illinois	Pending
Indiana	May 25, 2022
Maryland	Pending
Michigan	August 2, 2022
Minnesota	Pending
New York	Pending
Virginia	October 19, 2022
Washington	Pending
Wisconsin	May 28, 2022

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
(Franchisee Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Paramount Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 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. New York and Rhode Island require that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Paramount Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The issuance date of this disclosure document is May 24, 2023.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Jon Wilhelm	12481 South Fort St., Suite 200, Draper, Utah 84020	801-341-2300
William Baxter	12481 South Fort St., Suite 200, Draper, Utah 84020	772-204-4782
Scott Witter	12481 South Fort St., Suite 200, Draper, Utah 84020	716 334-7573

If your franchise seller's name and contact information is not listed above, please list the name, address and phone number of the franchise seller below:

I received a disclosure document dated May 24, 2023 that included the following Exhibits:

- | | |
|--|--|
| A. State Administrators and Agents for Service of Process | G. Operating Manual Table of Contents |
| B. Franchise Agreement (with Guaranty and Non-Compete Agreement) | H. Current and Former Franchisees |
| C. Multi-Unit Development Agreement | I. State Addenda to Disclosure Document |
| D. Rider to Lease Agreement | J. State Addenda to Franchise Agreement |
| E. Form of General Release | K. State Addenda to Multi-Unit Development Agreement |
| F. Financial Statements | L. Signing Checklist |
| | M. Deposit Receipt Letter |

Signature: _____
Print Name: _____
Date Received: _____

Keep This Copy for Your Records

RECEIPT
(Franchisor Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Paramount Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 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. New York and Rhode Island require that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Paramount Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The issuance date of this disclosure document is May 24, 2023.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Jon Wilhelm	12481 South Fort St., Suite 200, Draper, Utah 84020	801-341-2300
William Baxter	12481 South Fort St., Suite 200, Draper, Utah 84020	772-204-4782
Scott Witter	12481 South Fort St., Suite 200, Draper, Utah 84020	716 334-7573

If your franchise seller's name and contact information is not listed above, please list the name, address and phone number of the franchise seller below:

I received a disclosure document dated May 24, 2023 that included the following Exhibits:

- | | | | |
|----|---|----|---|
| A. | State Administrators and Agents for Service of Process | G. | Operating Manual Table of Contents |
| B. | Franchise Agreement (with Guaranty and Non-Compete Agreement) | H. | Current and Former Franchisees |
| C. | Multi-Unit Development Agreement | I. | State Addenda to Disclosure Document |
| D. | Rider to Lease Agreement | J. | State Addenda to Franchise Agreement |
| E. | Form of General Release | K. | State Addenda to Multi-Unit Development Agreement |
| F. | Financial Statements | L. | Signing Checklist |
| | | M. | Deposit Receipt Letter |

Signature: _____
Print Name: _____
Date Received: _____

Return this copy to us.
Paramount Franchising LLC, 12481 South Fort St., Suite 200, Draper, Utah 84020 or
Jon@Paramount.tax